

**Manby Steward Bowdler LLP**

**Report and Financial Statements**

**Year ended**

**31 March 2008**

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**Manby Steward Bowdler LLP**

**Annual report and financial statements for the year ended 31 March 2008**

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**Designated members**

GAL Southall  
SA Rea

**Registered office**

George House, St John's Square, Wolverhampton, WV2 4BZ

**Registered number**

OC317708

**Auditors**

BDO-Stoy Hayward LLP, 125 Colmore Row, Birmingham, B3 3SD

**Bankers**

Barclays Bank PLC, Queen Square, Wolverhampton WV1 1JX

## **Manby Steward Bowdler LLP**

### **Report of the members for the year ended 31 March 2008**

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The members present their report for the year ended 31 March 2008.

#### **Principal activity**

The principal activity of Manby Steward Bowdler LLP is the provision of legal services.

#### **Significant events in the year**

On 1 April 2007 the Firm of Manby & Steward LLP merged with the prominent Shrewsbury practice of Bowdlers Solicitors to form Manby Steward Bowdler LLP. This reflected the Firm's strategy to expand and enhance its practice in Shropshire.

Following the merger with Bowdlers the Firm recruited to strengthen its new Shrewsbury office. The Firm continued to operate from the former Bowdlers premises in Swan Hill, Shrewsbury and also opened a second Shrewsbury office at Shrewsbury Business Park.

The Firm also put in place plans for a major refurbishment of its Bridgnorth office.

The most significant event of the year was the Firm's decision to merge with leading Black Country and Shropshire firm FBC Solicitors. The merger took place after the end of the financial year and created one of the largest firms of solicitors in the West Midlands and Shropshire. FBC had offices in Wolverhampton, Willenhall and Telford. The merger consolidated and added to the strength of the Firm in those locations whilst providing additional resources to further expand the practice in Shrewsbury.

Under the terms of the business transfer agreement, all of the assets and liabilities of the LLP were transferred to FBC Manby Bowdler LLP at their book values at 30 April 2008.

#### **Trading review**

Despite the downturn in the economy the Firm continued to grow. Fee income increased by a further 10%, representing an increase of 27% over the past three years.

As mentioned above, the Firm continued to invest with a view to future growth and the Firm incurred £31,098 expenditure in the merger with Bowdlers, expanding its presence in Shrewsbury and preparing to merge with FBC. The Firm also continued to invest heavily in IT.

## **Manby Steward Bowdler LLP**

### **Report of the members for the year ended 31 March 2008 (Continued)**

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#### **Commitment to Quality of Service**

The Firm remained committed to the kite mark ISO9001 and this standard was reaffirmed at each external audit.

#### **Risk Management**

The Firm continued to identify potential risks throughout its business and to put in place necessary procedures to deal with those risks. The commitment of the Firm to a quality service and quality processes has ensured that the Firm continues to carefully monitor and evaluate potential risk areas.

#### **People**

The Firm recognises that its major asset is its people and it continues to support and develop its staff. The Firm is committed to supporting legal and support staff to gain further qualifications where appropriate and continues to encourage internal promotions.

#### **Looking Forward**

The difficult economic climate will provide a challenge, with fewer corporate and property transactions taking place in the market. It is anticipated that fee levels in these areas will suffer whilst the current pessimistic economic outlook persists. It is anticipated that there will be growth and increased fees in the litigation based areas of the Firm but it is likely that overall fees will fall in the short term. The Firm is monitoring, and will continue to monitor, its expenditure with a view to making savings without compromising quality of service or capacity for growth when the opportunity arises.

#### **Designated members**

The designated members during the year were:

GAL Southall  
SA Rea

#### **Transactions with members**

The members participate fully in the firm's profit, share the risks and subscribe the firm's capital.

New members are required to subscribe a minimum level of capital and may, in subsequent years, be asked to contribute further capital, the amount of which is determined by the management committee. On retirement, capital is repaid to members over an agreed period.

## **Manby Steward Bowdler LLP**

### **Report of the members for the year ended 31 March 2008 (Continued)**

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#### **Basis of preparation**

These financial statements for Manby Steward Bowdler LLP reflect the results for the year to 31 March 2008.

Subsequent to the financial year end, on 1 May 2008, the LLP merged with fbc Solicitors to form FBC Manby Bowdler LLP. Under the terms of the business transfer agreement, all of the assets and liabilities of the LLP were transferred to FBC Manby Bowdler LLP at their book values at 30 April 2008. Accordingly, the accounts have been prepared on a going concern basis.

#### **Post balance sheet events**

On 30 April 2008 the firm ceased to trade and on 1 May 2008 merged with the partnership of fbc Solicitors to become FBC Manby Bowdler LLP.

#### **Members' responsibilities**

The Limited Liability Partnership (LLP) Regulations 2005 made under the Limited Liability Partnerships Act 2001 require the members to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the LLP and of its profit or loss for that period.

In preparing those financial statements the members are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on a going concern basis, unless it is inappropriate to presume the LLP will continue in business.

Under the LLP Regulations, the members are responsible for ensuring that proper accounting records are kept which disclose with reasonable accuracy the financial position of the limited liability partnership and which enable them to ensure that the financial statements will comply with those regulations. The members have a general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the limited liability partnership and to prevent and detect fraud and other irregularities.

**Manby Steward Bowdler LLP**

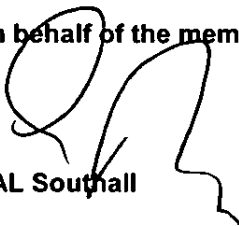
**Report of the members for the year ended 31 March 2008 (Continued)**

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**Auditors**

All of the current members have taken all the steps that they ought to have taken to make themselves aware of any information needed by the limited liability partnership's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The members are not aware of any relevant audit information of which the auditors are unaware.

**On behalf of the members**



**GAL Southall**

**Designated member**

**19th May 2009**

## **Manby Steward Bowdler LLP**

### **Report of the independent auditors**

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#### **Independent auditor's report to the members of Manby Steward Bowdler LLP**

We have audited the financial statements of Manby Steward Bowdler LLP for the year ended 31 March 2008 which comprise the profit and loss account, the balance sheet, the cash flow statement, and the related notes. These financial statements have been prepared under the accounting policies set out therein.

#### **Respective responsibilities of members and auditors**

The members of the limited liability partnership's responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the statement of members' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and have been properly prepared in accordance with the Limited Liability Partnerships Regulations 2001. We also report to you if, in our opinion, the limited liability partnership has not kept proper accounting records, or if we have not received all the information and explanations we require for our audit.

We read the members' report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies within it.

Our report has been prepared pursuant to the requirements of the Limited Liability Partnerships Regulations 2001 and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of the Limited Liability Partnerships Regulations 2001 or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

#### **Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the members in the preparation of the financial statements, and of whether the accounting policies are appropriate to the limited liability partnership's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

**Manby Steward Bowdler LLP**

**Report of the independent auditors (*Continued*)**

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**Opinion**

In our opinion:

- The financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the limited liability partnership's affairs as at 31 March 2008 and of its profit for the year then ended; and
- The financial statements have been properly prepared in accordance with the Limited Liability Partnerships Regulations 2001

*BDO Stoy Hayward LLP*

**BDO STOY HAYWARD LLP**

*Chartered Accountants  
and Registered Auditors  
Birmingham*

Date *22 January 2009*



**Manby Steward Bowdler LLP****Profit and loss account for the year ended 31 March 2008**

	<b>Note</b>	<b>2008 £</b>	<b>2007 £</b>
<b>Turnover</b>	2	<b>7,188,886</b>	<b>6,532,146</b>
<b>Operating expenses</b>			
Staff costs	4	(3,398,838)	(2,606,457)
Depreciation	3	(128,984)	(165,231)
Other operating expenses		(2,754,106)	(2,077,021)
Other operating income		29,447	31,590
<b>Operating profit</b>		<b>936,405</b>	<b>1,715,027</b>
Interest receivable and similar income	5	544,756	381,376
Interest payable and similar charges	6	(47,104)	(51,805)
<b>Profit for the financial year before members' remuneration and profit shares</b>		<b>1,434,057</b>	<b>2,044,598</b>
Members' remuneration charged as an expense		(220,350)	(257,509)
<b>Result for the financial year available for discretionary division among members</b>	13	<b>1,213,707</b>	<b>1,787,089</b>

All amounts relate to continuing activities.

All recognised gains and losses in the current year and prior period are included in the profit and loss account.

The notes on pages 11 to 19 form part of these financial statements.

**Manby Steward Bowdler LLP**

**Note of historical cost profits and losses for the year ended 31 March 2008**

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**Note of historical cost profits and losses**

	<b>2008 £</b>	<b>2007 £</b>
Reported profit before members' remuneration and profit shares	<b>1,434,057</b>	2,044,598
Difference between actual and historical cost depreciation charge	<b>2,571</b>	8,513
<b>Historical cost profit before members' remuneration and profit shares</b>	<b>1,436,628</b>	<b>2,053,111</b>

The notes on pages 11 to 19 form part of these financial statements.

**Manby Steward Bowdler LLP**

**Balance sheet at 31 March 2008**

	Note	2008 £	2008 £	2007 £	2007 £
<b>Fixed assets</b>					
Tangible fixed assets	8		441,196		1,703,732
Investments	9		8,410		8,410
			<u>449,606</u>		<u>1,712,142</u>
<b>Current assets</b>					
Debtors	10	2,859,470		2,514,708	
Cash		17,023		15,481	
		<u>2,876,493</u>		<u>2,530,189</u>	
<b>Creditors: amounts falling due within one year</b>	11	<u>1,774,025</u>		<u>797,513</u>	
<b>Net current assets</b>			<u>1,102,468</u>		<u>1,732,676</u>
<b>Total assets less current liabilities</b>			<u>1,552,074</u>		<u>3,444,818</u>
<b>Creditors: amounts falling due after more than one year</b>	12		<u>162,784</u>		<u>514,112</u>
<b>Net assets attributable to members</b>	13		<u>1,389,290</u>		<u>2,930,706</u>
<b>Represented by:</b>					
<b>Loans and other debts due to members within one year</b>					
Members' capital classified as a liability under FRS 25			(463,417)		214,567
Other amounts			1,213,707		2,236,777
<b>Equity</b>					
Members' other interests classified as equity under FRS 25			<u>639,000</u>		<u>479,362</u>
	13		<u>1,389,290</u>		<u>2,930,706</u>
<b>Total members' interests</b>					
Amounts due to members			107,624		291,457
Amounts due from members			(571,041)		(76,890)
Members' other interests			<u>1,852,707</u>		<u>2,716,139</u>
	13		<u>1,389,290</u>		<u>2,930,706</u>

Approved on behalf of the members on 19<sup>th</sup> Jan 2009.

**GAL Southall**  
**Designated member**

The notes on pages 11 to 19 form part of these financial statements.

**Manby Steward Bowdler LLP**

**Cash flow statement for the year ended 31 March 2008**

	Note	£	2008 £	£	2007 £
<b>Net cash inflow from operating activities</b>	14		<b>1,212,153</b>		<b>1,311,308</b>
<b>Returns on investments and servicing of finance</b>					
Interest paid excluding interest paid to members		(47,104)		(51,652)	
Interest element of finance lease payments		-		(153)	
Interest received		<b>544,756</b>		<b>381,376</b>	
			<b>497,652</b>		<b>329,571</b>
<b>Capital expenditure and financial investment</b>					
Purchase of tangible fixed assets		(173,568)		(294,567)	
Disposal of tangible fixed assets		<b>2,510</b>		<b>24,900</b>	
			<b>(171,058)</b>		<b>(269,667)</b>
<b>Transactions with members and former members</b>					
Drawings and distributions		(2,236,704)		(1,747,729)	
Capital contributions by members		<b>277,177</b>		<b>92,480</b>	
			<b>(1,959,527)</b>		<b>(1,655,249)</b>
<b>Net cash outflow before financing</b>			<b>(420,780)</b>		<b>(284,036)</b>
<b>Financing</b>					
Repayment of capital element of finance leases		-		(12,365)	
New loans		<b>250,000</b>		<b>90,000</b>	
Repayment of capital element of loans		(225,523)		(149,242)	
			<b>24,477</b>		<b>(71,607)</b>
<b>Decrease in cash in the year</b>	15		<b>(396,303)</b>		<b>(355,643)</b>

The notes on pages 11 to 19 form part of these financial statements.

## **Manby Steward Bowdler LLP**

### **Notes forming part of the financial statements for the year ended 31 March 2008**

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#### **1 Accounting policies**

##### *Basis of preparation*

These financial statements for Manby Steward Bowdler LLP reflect the results for the year to 31 March 2008.

Subsequent to the financial year end, on 1 May 2008, the LLP merged with fbc Solicitors to form FBC Manby Bowdler LLP. Under the terms of the business transfer agreement, all of the assets and liabilities of the LLP were transferred to FBC Manby Bowdler LLP at their book values at 30 April 2008. Accordingly, the accounts have been prepared on a going concern basis.

##### *Accounting convention*

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of freehold property, and in accordance with the Statement of Recommended Practice: Accounting by Limited Liability Partnerships.

##### *Turnover*

Turnover represents services performed for external customers and is recognised as activity progresses to reflect the firm's partial performance of its contractual obligations.

Activity performance in excess of invoices raised is included within amounts recoverable on contracts. Where amounts have been invoiced in excess of work performed, the excess is included within payments in advance.

If the right to consideration is conditional or contingent on a specified future event or outcome, the occurrence of which is outside the control of the firm, revenue is not recognised until that critical event occurs.

##### *Land and buildings*

FRS 15 requires fixed assets which are carried at revalued amounts to be shown at their current existing use value at the balance sheet date. To achieve this land and buildings are subject to a full valuation every five years with an interim valuation carried out whenever there is a change in equity members.

The profit or loss on disposal of revalued properties is calculated by reference to net book value and any realised revaluation surplus is transferred to the profit and loss account through reserves.

##### *Depreciation*

Depreciation is calculated to write off the cost or valuation less estimated residual values, of all tangible fixed assets except freehold land in equal annual instalments over their estimated useful lives. The following depreciation rates are used:

Freehold buildings	-	2%
Improvements to leasehold	-	from the date of completion to the end of the lease
Motor vehicles	-	25%
Computer equipment	-	25%
Fixtures and fittings	-	15%

##### *Taxation*

Taxation is the liability of each individual member personally.

**1 Accounting policies (Continued)**

*Valuation of investments*

Investments held as fixed assets are stated at cost less any provision for impairment. Investments held as current assets are stated at the lower of cost and net realisable value.

*Leased assets*

Where assets are financed by leasing agreements that give rights approximating to ownership (finance leases), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payment payable during the lease term. The corresponding leasing commitments are shown as amounts payable to the lessor. Depreciation on the relevant assets is charged to the profit and loss account.

Lease payments are analysed between capital and interest components. The interest element of the payment is charged to the profit and loss account over the period of the lease and is calculated so that it represents a constant proportion of the balance of capital repayments outstanding. The capital part reduces the amounts payable to the lessor.

All other leases are treated as operating leases. The annual rentals are charged to the profit and loss account on a straight-line basis over the term of the lease.

*Pension costs*

Contributions to the LLP's defined contribution pension scheme are charged to the profit and loss account in the period in which they become payable. The assets of the scheme are held separately in independently administered fund.

**2 Turnover**

Turnover is wholly attributable to the principal activity of the LLP.

**3 Operating profit**

	2008 £	2007 £
This has been arrived at after charging:		
Auditors' remuneration	11,250	9,000
Other fees to the auditors of LLP	78,968	60,825
Depreciation	128,984	165,231
Operating leases - land and buildings	86,973	120,467
- other	123,365	94,764
	<hr/>	<hr/>

**Manby Steward Bowdler LLP****Notes forming part of the financial statements for the year ended 31 March 2008 (Continued)****4 Employees**

	<b>2008 £</b>	<b>2007 £</b>
Staff costs consist of:		
Wages and salaries	<b>3,083,576</b>	2,367,640
Social security costs	<b>298,400</b>	232,004
Other pension costs	<b>16,862</b>	6,813
	<b><u>3,398,838</u></b>	<b><u>2,606,457</u></b>

The average number of employees, including members, during the year was 159 (2007 - 136 ).

**5 Interest receivable and similar income**

	<b>2008 £</b>	<b>2007 £</b>
Bank interest	<b><u>544,756</u></b>	<b><u>381,376</u></b>

**6 Interest payable and similar charges**

	<b>2008 £</b>	<b>2007 £</b>
Bank interest	<b>37,216</b>	29,517
Hire purchase interest	-	153
Other interest	<b>9,888</b>	22,135
	<b><u>47,104</u></b>	<b><u>51,805</u></b>

**Manby Steward Bowdler LLP**

**Notes forming part of the financial statements for the year ended 31 March 2008 (Continued)**

**7 Members' share of profits**

Profits are shared by the members after the end of the year in accordance with agreed profit sharing arrangements. Members are required to make their own provision for pensions and tax from their profit shares.

	2008 Number	2007 Number
Average number of members	20	17

The member with the largest entitlement to profit in 2008 received £91,938 (2007 - £159,236).

**8 Tangible assets**

	Freehold land and buildings £	Leasehold improvements £	Motor vehicles £	Computer equipment £	Fixtures, fittings and equipment £	Total £
<i>Cost or valuation</i>						
At 1 April 2007	1,315,021	21,071	143,451	836,307	229,226	2,545,076
Additions	21,484	37,551	-	57,379	57,154	173,568
Disposals	(1,325,000)	-	(8,600)	(1,149)	-	(1,334,749)
Revaluation	(11,505)	-	-	-	-	(11,505)
At 31 March 2008	-	58,622	134,851	892,537	286,380	1,372,390
<i>Depreciation</i>						
At 1 April 2007	21,600	658	52,830	587,776	178,480	841,344
Charge for the year	10,600	2,634	31,143	73,538	11,069	128,984
Disposals	(32,200)	-	(6,629)	(305)	-	(39,134)
At 31 March 2008	-	3,292	77,344	661,009	189,549	931,194
<i>Net book value</i>						
At 31 March 2008	-	55,330	57,507	231,528	96,831	441,196
At 31 March 2007	1,293,421	20,413	90,621	248,531	50,746	1,703,732

Included in land and buildings is freehold land amounting to £nil (2007 - £340,000) which has not been depreciated.



**Manby Steward Bowdler LLP****Notes forming part of the financial statements for the year ended 31 March 2008 (Continued)****8 Tangible assets (continued)**

On 31 March 2008 the freehold properties were sold to the MSB Property Partnership for their open market value of £1,500,000. The freehold properties had been revalued on an existing use basis as at 31 March 2007 by Towler Shaw Roberts.

The depreciated historical cost of freehold land and buildings is:	2008 £	2007 £
Cost	-	865,333
Accumulated depreciation based on historical cost	-	(13,087)
	<hr/>	<hr/>
Depreciated historical cost	-	852,246
	<hr/>	<hr/>

**9 Fixed asset investments**

	Unlisted investments £
Cost 1 April 2007 and 31 March 2008	8,410
	<hr/>

**10 Debtors**

	2008 £	2007 £
Amounts recoverable under contracts	815,937	1,094,937
Trade debtors	1,457,123	1,251,455
Prepayments and accrued income	263,868	160,304
Other debtors	322,542	8,012
	<hr/>	<hr/>
	2,859,470	2,514,708
	<hr/>	<hr/>

Other debtors includes an amount of £nil (2007 - £2,979) that falls due for payment after more than one year.

**Manby Steward Bowdler LLP**

**Notes forming part of the financial statements for the year ended 31 March 2008 (Continued)**

**11 Creditors: amounts falling due within one year**

	2008 £	2007 £
Bank loans	304,536	155,173
Bank overdraft	507,316	109,471
Trade creditors	291,674	152,420
Other taxes and social security costs	172,130	109,846
Accruals and deferred income	335,056	184,870
Amounts due to former partners	66,234	85,733
Other creditors	97,079	-
	<u>1,774,025</u>	<u>797,513</u>

During the year bank loans of £150,000 (2007 - £210,000) were secured by fixed charges over the properties owned by the LLP.

**12 Creditors: amounts falling due after more than one year**

	2008 £	2007 £
Bank loans	162,784	287,671
Amounts due to former partners	-	66,978
Other creditors	-	159,463
	<u>162,784</u>	<u>514,112</u>
	<b>Overdraft and loans 2008 £</b>	<b>Overdraft and loans 2007 £</b>
Maturity of debt:		
In one year or less, or on demand	811,852	264,644
In more than one year but not more than two years	75,716	136,285
In more than two years but not more than five years	65,520	125,520
In more than five years	21,548	25,866
	<u>162,784</u>	<u>287,671</u>

See note 11 for details of security.

**Manby Steward Bowdler LLP**

**Notes forming part of the financial statements for the year ended 31 March 2008 (Continued)**

**13 Members' interests**

	Members' capital* £	Members' other interests revaluation reserve £	other reserves £	Loans due to/(from) members £	Total £
Amounts due to members				291,457	
Amounts due from members				(76,890)	
Members' interests at 1 April 2007	479,362	449,688	1,787,089	214,567	2,930,706
Profit for the financial year available for discretionary division among members	-	-	1,213,707	-	1,213,707
Members' remuneration charged as an expense including employment costs	-	-	-	220,350	220,350
Capital introduced	277,177	-	-	-	277,177
Transfers	(117,539)	(44,654)	-	162,193	-
Revaluation	-	20,695	-	-	20,695
Members' interest after profit for the year	639,000	425,729	3,000,796	597,110	4,641,940
Division of profits	-	-	(1,787,089)	1,787,089	-
Distribution to members:					
Current year drawings	-	-	-	(2,847,616)	(2,847,616)
Release of revaluation reserve	-	(425,729)	-	-	-
Amounts due to members	-	-	-	107,624	-
Amounts due from members	-	-	-	(571,041)	-
<b>Members' interests at 31 March 2008</b>	<b>639,000</b>	<b>-</b>	<b>1,213,707</b>	<b>(463,417)</b>	<b>1,389,290</b>

\* Classified as capital

Members' other interests rank after unsecured creditors, and loans and other debts rank pari passu with unsecured creditors in the event of a winding up. The amount of capital each member is required to subscribe is determined by the LLP's members and a member can only withdraw capital by unanimous agreement of all members or when he or she ceases to be a member.

For non equity members, remuneration may be paid as a fixed share or as a salary and will be charged as an expense against profits rather than an allocation of profits. The balance of unallocated profits is then available for discretionary distribution between the equity members.

**Manby Steward Bowdler LLP**

**Notes forming part of the financial statements for the year ended 31 March 2008 (Continued)**

**14 Net cash inflow from operating activities**

	2008 £	2007 £
Operating profit	936,404	1,715,027
Depreciation	128,984	165,231
Loss/(profit) on sale of tangible fixed assets	304	(12,738)
Increase in debtors	(56,404)	(587,416)
Increase in creditors	202,864	31,204
	<hr/>	<hr/>
Net cash inflow from operating activities	1,212,153	1,311,308
	<hr/>	<hr/>

**15 Reconciliation of net cash flow to movement in net debt**

	2008 £	2007 £
Decrease in cash in the year	(396,303)	(355,643)
Repayment of finance leases	-	12,365
Repayment of bank loans	225,523	149,242
New bank loans	(250,000)	(90,000)
	<hr/>	<hr/>
Change in net debt in the year	(420,780)	(284,036)
Net debt at 1 April 2007	(536,834)	(252,798)
	<hr/>	<hr/>
Net debt at 31 March 2008	(957,614)	(536,834)
	<hr/>	<hr/>

**16 Analysis of changes in net debt**

	At 1 April 2007 £	Cash flow £	Other non-cash changes £	At 31 March 2008 £
Cash in hand and at bank	15,481	1,542	-	17,023
Overdrafts	(109,471)	(397,845)	-	(507,316)
		<hr/>		
		(396,303)		
Bank loans due within one year	(155,173)	(24,477)	(124,886)	(304,536)
Bank loans due after one year	(287,671)	-	124,886	(162,785)
		<hr/>		
		(24,477)		
	<hr/>	<hr/>	<hr/>	<hr/>
Total	(536,834)	(420,780)	-	(957,614)
	<hr/>	<hr/>	<hr/>	<hr/>

## Manby Steward Bowdler LLP

### Notes forming part of the financial statements for the year ended 31 March 2008 (Continued)

#### 17 Commitments under operating leases

As at 31 March 2008, the LLP had annual commitments under non-cancellable operating leases as set out below:

	2008 Land and buildings £	2008 Other £	2007 Land and buildings £	2007 Other £
Operating leases which expire:				
Within one year	27,929	21,998	-	20,283
Between 2-5 years	48,200	67,726	43,438	63,950
Over five years	49,100	-	49,100	-
	<u>125,229</u>	<u>89,724</u>	<u>92,538</u>	<u>84,233</u>

#### 18 Capital commitments

At the year end the LLP had capital commitments of £11,000 (2007 £13,583).

#### 19 Pensions

The LLP operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the LLP in an independently administered fund. The pension charge represents contributions payable to the fund and amounted to £16,863 (2007 £6,813).

#### 20 Related party disclosures

During the year, the two freehold properties were sold to the partnership MSB Property Partnership at their market value of £1,500,000. This partnership is made up of persons who are also members of Manby Steward Bowdler LLP. At 31 March 2008 the partnership owed Manby Steward Bowdler LLP £288,357 in respect of this sale. This balance was received on 30 April 2008.

In 2007 there were no material related party transactions.

#### 21 Ultimate controlling party

The LLP is controlled by its members and no member has overall control.

#### 22 Acquisitions

On 1 April 2007 the LLP merged with Bowdlers partnership. Consideration of £5,000 was paid in respect of the fixtures and equipment acquired. The book value of these assets was £10,220. Further consideration of £54,087 was paid, on a pound for pound basis, in respect of work in progress once it had been billed and collected from the clients. At the end of the year a further £20,000 was potentially payable in respect of the work in progress.

#### 23 Post balance sheet events

On 1 May 2008 the firm merged with the partnership of fbc Solicitors to become FBC Manby Bowdler LLP.