

Abbreviated Audited Accounts for the Year Ended 30 September 2013

for

Rushton Hinchy Solicitors Limited

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for the Year Ended 30 September 2013

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Rushton Hinchy Solicitors Limited

Company Information

for the Year Ended 30 September 2013

DIRECTORS:

S Rushton
C Hinchy
Ms H Cliffe

REGISTERED OFFICE:

Unit 1
Millbrook Business Park
Mill Lane
Rainford
Merseyside
WA11 8LZ

REGISTERED NUMBER:

06674924 (England and Wales)

SENIOR STATUTORY AUDITOR:

Donna Parry Richards

AUDITORS:

GLF Richards & Co
Registered Auditor
Unit 8
Connect Business Village
24 Derby Road
Liverpool
Merseyside
L5 9PR

Strategic Report
for the Year Ended 30 September 2013

The directors present their strategic report for the year ended 30 September 2013.

REVIEW OF BUSINESS

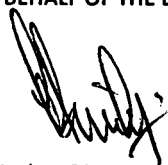
The results for the trading period to 1 May 2013 and the financial position at the 1 May 2013 were considered satisfactory by the directors.

On the 1st May 2013 the tangible assets of the company were transferred to Rushton Hinchy Holdings Limited and the trade was transferred to Rushton Hinchy LLP which is an ABS.

PRINCIPAL RISKS AND UNCERTAINTIES

The tangible assets and trade of the company were transferred on 1 May 2013.

ON BEHALF OF THE BOARD:

A handwritten signature in black ink, appearing to read 'C Hinchy', is written over a horizontal line.

C Hinchy - Director

27 June 2014

Report of the Directors
for the Year Ended 30 September 2013

The directors present their report with the accounts of the company for the year ended 30 September 2013.

DIVIDENDS

No dividends will be distributed for the year ended 30 September 2013.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 October 2012 to the date of this report.

S Rushton
C Hinchy
Ms H Cliffe

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

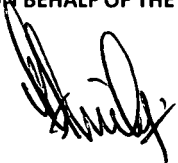
STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, GLF Richards & Co, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:



C Hinchy - Director

27 June 2014

Report of the Independent Auditors to
Rushton Hinchy Solicitors Limited
Under Section 449 of the Companies Act 2006

We have examined the abbreviated accounts set out on pages five to fourteen, together with the full financial statements of Rushton Hinchy Solicitors Limited for the year ended 30 September 2013 prepared under Section 396 of the Companies Act 2006.

This report is made solely to the company, in accordance with Section 449 of the Companies Act 2006. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company, for our work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

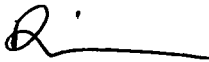
The directors are responsible for preparing the abbreviated accounts in accordance with Section 445 of the Companies Act 2006. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with the Regulations made under that Section and to report our opinion to you.

Basis of opinion

We conducted our work in accordance with Bulletin 2008/4 issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Section 445(3) of the Companies Act 2006, and the abbreviated accounts have been properly prepared in accordance with the Regulations made under that Section.



Donna Parry Richards (Senior Statutory Auditor)
for and on behalf of GLF Richards & Co
Registered Auditor
Unit 8
Connect Business Village
24 Derby Road
Liverpool
Merseyside
L5 9PR

Date: 27 June 2014

Rushton Hinchy Solicitors Limited

Abbreviated Profit and Loss Account
for the Year Ended 30 September 2013

	Notes	30.9.13 £	30.9.12 £
TURNOVER		4,071,241	5,824,764
Cost of sales		(1,612,329)	(2,523,991)
		<hr/>	<hr/>
		2,458,912	3,300,773
Administrative expenses		3,613,635	974,169
OPERATING (LOSS)/PROFIT	3	(1,154,723)	2,326,604
Interest receivable and similar income		24,760	30,172
		<hr/>	<hr/>
		(1,129,963)	2,356,776
Interest payable and similar charges	4	12,823	31,072
		<hr/>	<hr/>
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(1,142,786)	2,325,704
Tax on (loss)/profit on ordinary activities	5	3,375	584,432
		<hr/>	<hr/>
(LOSS)/PROFIT FOR THE FINANCIAL YEAR		<u>(1,146,161)</u>	<u>1,741,272</u>

DISCONTINUED OPERATIONS

All of the company's activities were discontinued during the current year.

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the loss for the current year and the profit for the previous year.

Abbreviated Balance Sheet
30 September 2013

	Notes	30.9.13 £	30.9.12 £
FIXED ASSETS			
Intangible assets	6	-	3,200,000
Tangible assets	7	-	37,316
		<u>-</u>	<u>3,237,316</u>
CURRENT ASSETS			
Stocks	8	-	974,499
Debtors	9	1,994,548	2,690,069
Prepayments and accrued income		-	7,846
Cash at bank and in hand		1,350,622	3,818,475
		<u>3,345,170</u>	<u>7,490,889</u>
CREDITORS			
Amounts falling due within one year	10	(373,441)	5,848,978
NET CURRENT ASSETS		<u>3,718,611</u>	<u>1,641,911</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>3,718,611</u>	<u>4,879,227</u>
CREDITORS			
Amounts falling due after more than one year	11	-	(9,651)
PROVISIONS FOR LIABILITIES	15	-	(4,804)
NET ASSETS		<u><u>3,718,611</u></u>	<u><u>4,864,772</u></u>
CAPITAL AND RESERVES			
Called up share capital	16	100,000	100,000
Profit and loss account	17	3,618,611	4,764,772
SHAREHOLDERS' FUNDS	20	<u><u>3,718,611</u></u>	<u><u>4,864,772</u></u>

The abbreviated accounts have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to medium-sized companies.

The financial statements were approved by the Board of Directors on 27 June 2014 and were signed on its behalf by:



C Hinchy - Director

Cash Flow Statement
for the Year Ended 30 September 2013

		30.9.13		30.9.12	
	Notes	£	£	£	£
Net cash (outflow)/inflow from operating activities	1		(1,524,000)		1,652,638
Returns on investments and servicing of finance	2		11,937		(900)
Taxation			(628,723)		(406,858)
Capital expenditure	2		3,014,391		14,515
Acquisitions and disposals	2		(3,000,000)		-
			(2,126,395)		1,259,395
Financing	2		(35,807)		(53,518)
(Decrease)/increase in cash in the period			<u>(2,162,202)</u>		<u>1,205,877</u>
<hr/>					
Reconciliation of net cash flow to movement in net funds	3				
(Decrease)/increase in cash in the period		(2,162,202)		1,205,877	
Cash outflow from decrease in debt and lease financing		<u>35,807</u>		<u>40,440</u>	
Change in net funds resulting from cash flows			(2,126,395)		1,246,317
New finance leases			-		(28,953)
Movement in net funds in the period			<u>(2,126,395)</u>		<u>1,217,364</u>
Net funds at 1 October			<u>3,477,017</u>		<u>2,259,653</u>
Net funds at 30 September			<u><u>1,350,622</u></u>		<u><u>3,477,017</u></u>

The notes form part of these abbreviated accounts

Notes to the Cash Flow Statement
for the Year Ended 30 September 2013

1. RECONCILIATION OF OPERATING (LOSS)/PROFIT TO NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES

	30.9.13	30.9.12
	£	£
Operating (loss)/profit	(1,154,723)	2,326,604
Depreciation charges	3,222,924	237,971
RH Holdings Ltd	(154,856)	(429,999)
Rushton Hinchy LLP	(1,409,693)	-
Decrease/(increase) in stocks	974,499	(31,433)
Decrease in debtors	2,260,070	102,798
Decrease in creditors	(5,262,221)	(553,303)
Net cash (outflow)/inflow from operating activities	(1,524,000)	1,652,638

2. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	30.9.13	30.9.12
	£	£
Returns on investments and servicing of finance		
Interest received	24,760	30,172
Interest paid	(2,166)	(1,838)
Interest element of hire purchase payments	(10,657)	(29,234)
Net cash inflow/(outflow) for returns on investments and servicing of finance	11,937	(900)
Capital expenditure		
Purchase of tangible fixed assets	(873)	14,515
Sale of intangible fixed assets	3,000,000	-
Sale of tangible fixed assets	15,264	-
Net cash inflow for capital expenditure	3,014,391	14,515
Acquisitions and disposals		
Goodwill	(3,000,000)	-
Net cash outflow for acquisitions and disposals	(3,000,000)	-
Financing		
Capital repayments in year	(35,807)	(40,440)
Amount introduced by directors	-	442,239
Amount withdrawn by directors	-	(455,317)
Net cash outflow from financing	(35,807)	(53,518)

Notes to the Cash Flow Statement
for the Year Ended 30 September 2013

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.10.12 £	Cash flow £	At 30.9.13 £
Net cash:			
Cash at bank and in hand	3,818,475	(2,467,853)	1,350,622
Bank overdraft	(305,651)	305,651	-
	<u>3,512,824</u>	<u>(2,162,202)</u>	<u>1,350,622</u>
Debt:			
Hire purchase	(35,807)	35,807	-
	<u>(35,807)</u>	<u>35,807</u>	<u>-</u>
Total	<u>3,477,017</u>	<u>(2,126,395)</u>	<u>1,350,622</u>

Notes to the Abbreviated Accounts
for the Year Ended 30 September 2013

1. **ACCOUNTING POLICIES**

Accounting convention

The financial statements have been prepared under the historical cost convention.

Turnover

Turnover represents net invoiced sales of goods, excluding value added tax. Revenue is recognised as it is earned over time, for all matters which are non-contingent. Referral fees are written off as they are incurred.

Goodwill

Goodwill, being the amount paid in connection with the acquisition of a business in 2008, is being amortised evenly over its estimated useful life of twenty years.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Work in progress

Work in progress is accounted for as accrued income as outlined above in accordance with the FRSSE.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to the profit and loss account in the period to which they relate.

Employer financed retirement benefit scheme (efrbs)

During 2010 the company established an employer financed retirement benefit scheme for the benefit of its officers, employees and their wider families, The Rushton Hinchy Solicitors Limited Employer Financed Retirement Benefit Scheme ("the Scheme"), due to a resolution to do so in 2009.

No charge to the profit and loss account is made in the current accounting period.

In accordance with UTIF 32 "Employee Benefit Trusts and other intermediate payment arrangements" the company does not include the assets and liabilities of the Scheme on its balance sheet to the extent that it considers that it will not retain any future economic benefit from the assets of the Scheme and will not have control of the rights or other access to those future economic benefits.

2. **STAFF COSTS**

	30.9.13	30.9.12
	£	£
Wages and salaries	726,471	1,153,057
Other pension costs	8,702	163,655
	<u>735,173</u>	<u>1,316,712</u>

The average monthly number of employees during the year was as follows:

	30.9.13	30.9.12
Directors	3	3
Employees	59	60
	<u>62</u>	<u>63</u>

Notes to the Abbreviated Accounts - continued
for the Year Ended 30 September 2013

3. OPERATING (LOSS)/PROFIT

The operating loss (2012 - operating profit) is stated after charging:

	30.9.13	30.9.12
	£	£
Depreciation - owned assets	22,925	37,970
Goodwill amortisation	200,000	200,000
Auditors' remuneration	7,160	7,160
	<u>22,218</u>	<u>42,300</u>
Directors' remuneration	<u>22,218</u>	<u>42,300</u>

4. INTEREST PAYABLE AND SIMILAR CHARGES

	30.9.13	30.9.12
	£	£
Bank interest	2,166	1,838
Hire purchase	2,481	4,229
Leasing	1,822	7,230
Motor contract hire	6,354	17,775
	<u>12,823</u>	<u>31,072</u>

5. TAXATION

Analysis of the tax charge

The tax charge on the loss on ordinary activities for the year was as follows:

	30.9.13	30.9.12
	£	£
Current tax:		
UK corporation tax	8,179	589,589
Deferred tax	(4,804)	(5,157)
Tax on (loss)/profit on ordinary activities	<u>3,375</u>	<u>584,432</u>

6. INTANGIBLE FIXED ASSETS

	Goodwill
	£
COST	
At 1 October 2012	
and 30 September 2013	<u>4,000,000</u>
AMORTISATION	
At 1 October 2012	800,000
Amortisation for year	200,000
Eliminated on disposal	<u>3,000,000</u>
At 30 September 2013	<u>4,000,000</u>
NET BOOK VALUE	
At 30 September 2013	<u>-</u>
At 30 September 2012	<u>3,200,000</u>

Notes to the Abbreviated Accounts - continued
for the Year Ended 30 September 2013

7. TANGIBLE FIXED ASSETS

	Long leasehold £	Fixtures and fittings £	Computer equipment £	Totals £
COST				
At 1 October 2012	1,678	45,582	101,662	148,922
Additions	-	-	873	873
Disposals	(1,678)	(45,582)	(102,535)	(149,795)
At 30 September 2013	-	-	-	-
DEPRECIATION				
At 1 October 2012	336	27,972	83,298	111,606
Charge for year	168	2,860	19,897	22,925
Eliminated on disposal	(504)	(30,832)	(103,195)	(134,531)
At 30 September 2013	-	-	-	-
NET BOOK VALUE				
At 30 September 2013	-	-	-	-
At 30 September 2012	1,342	17,610	18,364	37,316

8. STOCKS

	30.9.13 £	30.9.12 £
Work-in-progress	-	974,499

9. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	30.9.13 £	30.9.12 £
Trade debtors	-	5,346,847
Bad debt provision	-	(3,086,777)
Amounts owed by group undertakings	1,994,548	429,999
	<u>1,994,548</u>	<u>2,690,069</u>

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	30.9.13 £	30.9.12 £
Bank loans and overdrafts (see note 12)	-	305,651
Hire purchase contracts (see note 13)	-	26,156
Trade creditors	(1)	4,894,657
Tax	(373,440)	247,104
Social security and other taxes	-	21,934
VAT	-	259,091
Other creditors	-	5,000
Accruals and deferred income	-	89,385
	<u>(373,441)</u>	<u>5,848,978</u>

11. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	30.9.13 £	30.9.12 £
Hire purchase contracts (see note 13)	-	9,651

Notes to the Abbreviated Accounts - continued
for the Year Ended 30 September 2013

12. **LOANS**

An analysis of the maturity of loans is given below:

	30.9.13 £	30.9.12 £
Amounts falling due within one year or on demand:		
Bank overdrafts	-	305,651
	<u> </u>	<u> </u>

13. **OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS AND LEASES**

	Hire purchase contracts	
	30.9.13 £	30.9.12 £
Net obligations repayable:		
Within one year	-	26,156
Between one and five years	-	9,651
	<u> </u>	<u> </u>
	-	35,807
	<u> </u>	<u> </u>

The following operating lease payments are committed to be paid within one year:

	Land and buildings		Other operating leases	
	30.9.13 £	30.9.12 £	30.9.13 £	30.9.12 £
Expiring:				
Within one year	-	70,400	-	3,671
Between one and five years	-	193,600	-	3,553
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	-	264,000	-	7,224
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

14. **SECURED DEBTS**

The following secured debts are included within creditors:

	30.9.13 £	30.9.12 £
HP relating to fixed assets	-	35,807
	<u> </u>	<u> </u>

The debenture note taken out by Natwest on 16 December 2008 is secured on all assets of the company.

15. **PROVISIONS FOR LIABILITIES**

	30.9.13 £	30.9.12 £
Deferred tax		
Accelerated capital allowances	-	4,804
	<u> </u>	<u> </u>
		Deferred tax
		tax
		£
Balance at 1 October 2012		4,804
Balance at 30 September 2013		4,804
		<u> </u>

Notes to the Abbreviated Accounts - continued
for the Year Ended 30 September 2013

16. **CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:		Nominal value:	30.9.13	30.9.12
Number:	Class:		£	£
37,500	Ordinary A	£1	37,500	37,500
37,500	Ordinary B	£1	37,500	37,500
25,000	Ordinary C	£1	25,000	25,000
			<u>100,000</u>	<u>100,000</u>

17. **RESERVES**

	Profit and loss account £
At 1 October 2012	4,764,772
Deficit for the year	<u>(1,146,161)</u>
At 30 September 2013	<u>3,618,611</u>

18. **ULTIMATE PARENT COMPANY**

Rushton Hinchy Holdings Limited is regarded by the directors as being the company's ultimate parent company.

19. **RELATED PARTY DISCLOSURES**

Included within creditors is a balance of £Nil (2012-£1,419,460.29) due to Millbrook Legal Solutions Limited a company in which H Cliffe, S Rushton and C Hinchy are directors.

Rushton Hinchy made purchases from Millbrook Legal Solutions Limited of £804,594.16 (2012-£1,219,081) in the year.

Within creditors there is an amount of £Nil (2012-£5,000) due from Millbrook Legal Solutions Limited.

20. **RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	30.9.13 £	30.9.12 £
(Loss)/profit for the financial year	<u>(1,146,161)</u>	<u>1,741,272</u>
Net (reduction)/addition to shareholders' funds	(1,146,161)	1,741,272
Opening shareholders' funds	<u>4,864,772</u>	<u>3,123,500</u>
Closing shareholders' funds	<u>3,718,611</u>	<u>4,864,772</u>