

Registered Number: OC306955

Stevens & Bolton LLP

**Annual Report
For the year ended
30 April 2022**

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STEVENS & BOLTON LLP

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STEVENS & BOLTON LLP

DESIGNATED MEMBERS AND ADVISERS

Designated members

JR Waddell
RA Baxter
KG Syson

Registered office

Wey House
Farnham Road
Guildford
Surrey
GU1 4YD

Auditor

CLA Evelyn Partners Limited
Onslow House
Onslow Street
Guildford
GU1 4TL

Bankers

HSBC
PO Box 160
12a North Street
Guildford
GU1 4AF

Lloyds
147 High Street
Guildford
GU1 3AG

EXECUTIVE SUMMARY

2022 Review

"Independent UK law firm Stevens & Bolton LLP has announced its 12th consecutive year of growth, with its financial results for 2021/2022 revealing increases in turnover, net profit and profit per equity partner (PEP) while the firm continued its focus on delivering excellence beyond the City for its clients and people."

A Year in Summary

This financial year was the second in our four-year strategic plan, based on the three areas of priority for our firm: intelligent growth, client centricity and talent. We have continued to gain momentum as a steady flow of new service and people initiatives came on stream – each building on our core values: *Empathy* – listening and understanding, *Excellence* – being proactive and responsive, *Straightforward* – being clear in language and advice, and *Together* – One S&B working together, with our clients, to deliver positive outcomes.

In the twelve months to April 2022, our focus on anticipating and responding to our clients' needs helped secure significant new mandates, and a strong flow of high-quality new business meant that revenue grew for the twelfth consecutive year to £36.1m, an increase over the prior year of 24%, and net profit increased by 22%. Both received a further boost through the successful conclusion of a long-running commercial litigation matter and it was notable that, even without that success, revenue and profits continued to increase, driven by underlying revenue growth and careful focus on efficiencies.

Consistent discipline on cash management has led to lock-up levels held at 108 days on average across the year, again remaining ahead of typical industry benchmarks. Our year-end cash balance increased to £4.3m, and the business has a strong platform for targeted investment in human and other resources in the period ahead. We have also secured additional bank facilities to enable us to continue to invest in our business over the longer term.

Delivering on our strategy

Over the course of the financial year, we have made significant progress across each of the three constituent parts of the strategic plan.

Client Centricity

We extended the reach of our on-going client consultation process, listening to more of our clients and gaining deeper insights and understanding of their own changing needs and those of their businesses. Through a period of rapid societal and commercial change, this has enabled us to gather further data with which we can inform our activities, assess our performance and measure our progress.

The new CRM system, introduced last year, has provided an effective tool to ensure a single source of information and is now in use by everyone across the firm, helping us to engage more efficiently and communicate more effectively with our clients on a day-to-day basis.

Talent

Our aim to deliver sustainable, intelligent growth is made possible by our people, and both lawyers and business services teams are at the heart of our strategic plan. We expect the competition for talent in the legal market to remain fierce and have continued to drive change, based on comparative reviews and regular feedback channels, to our work practices and learning and development programmes.

Our location – outside but within 30 minutes of London - is, alongside the excellence of both our people and our clients, a key element in attracting top talent. We have been successful in welcoming to the firm a number of high-quality lateral hires and our plan anticipates more of these in the coming year. To ensure we offer the best environment for collaboration amongst teams and with clients, we have embarked on an ambitious refurbishment of our Guildford offices, bringing them up to date with modern furniture, systems and equipment, as well as including extensive indoor planting and other features to enhance wellbeing for our people.

EXECUTIVE SUMMARY (continued)

The new facilities will better support contemporary, flexible workstyles and, as part of our commitment to Environmental, Social, and Governance (ESG), the refurbishment will be SKA accredited, and we are also targeting Fitwell accreditation for our people.

We enacted a planned succession, from a deep talent pool, of our Senior and Managing Partners. We would like to again record our thanks to Richard Baxter and Richard King, respectively, for their leadership and commitment to the success of the Firm over their period in office.

Intelligent Growth

Our stated ambition is to continue to improve on our continuous growth record by identifying opportunities for sustainable growth that can underpin investment in our people and our client service.

Our programme of innovation, creating additional service offerings and expanding our use of technology in delivering excellence, continued in the period and will receive further focus and investment in the coming year. An increasing number of our clients are accessing our services via online portals, engaging with legal document automation and taking advantage of tailored retainer and secondment arrangements.

Following an analysis of areas of potential growth, we are, through our programme of targeted lateral hires, also investing in new sectors and areas of expertise. This has already increased our specialist capabilities in Insurance, in Financial Services Regulatory and in our Private Client group.

We plan to add to these in the year ahead and to continue to develop additional services and sector capabilities based on identified client needs.

Towards the end of the period, we appointed a new Head of International and this is intended further to develop our already strong network of top quality, trusted, independent partners in jurisdictions across the globe in support of our clients' international requirements.

Looking forward

In this second year of our four-year strategic plan, Stevens & Bolton has recorded another successful performance. Strong client relationships have created new opportunities for growth, new mandates and new business have continued to come through, and our team has worked collaboratively and effectively in an ever-changing environment that has challenged us to be flexible and creative.

We go into the new financial year conscious of the uncertain macro-economic and political environments that will provide the backdrop to the coming twelve months, but with continued confidence in our ability to focus on delivering positive outcomes for our clients, investing in our people and continuing in our quest for intelligent, sustainable growth.

We believe that this focus, and our commitment to build on our values, to make a positive difference in our community, and always to deliver excellence beyond the City, positions us well for the year ahead.

STEVENS & BOLTON LLP

MEMBERS' REPORT

The members present their report and the financial statements for the year ended 30 April 2022.

Limited Liability Partnership's registered number

The registered number of the Limited Liability Partnership ("the LLP") is OC306955.

Activities

The principal activity of the LLP is acting as solicitors to clients.

Review of business

In the opinion of the members the state of the LLP's affairs at 30 April 2022 is satisfactory and they look forward to the future with confidence.

Going concern

Having prepared cashflow forecasts for the next 12 months, using a number of prudent assumptions, the members are confident that the LLP has more than adequate resources to successfully continue in operation for the foreseeable future. They continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Designated members

The following were designated members during the year unless otherwise stated:

RW King (resigned 31 March 2022)
JR Waddell (appointed 31 March 2022)
RA Baxter
KG Syson

Members' drawings and the subscription and repayment of members' capital

The level of members' capital held within the firm is determined by the members, in accordance with the Members' Agreement, and is based upon an assessment of the working capital needs of the business in the medium to long term. The proportion of the total capital that each member has in the firm is based upon their share of the profits. A member shall not be entitled to draw against the sum standing to the credit of his capital account except upon ceasing to be a Member or with the consent of the Managing Partner (and, in the case of the Managing Partner, the Senior Partner).

Drawings are paid to each member on a monthly basis on account of the profits allocated to the member. The level of monthly drawings is determined by the Managing Partner along with the appropriate amount that should be reserved internally to cover any personal costs of the member and a provision for taxation.

STEVENS & BOLTON LLP

MEMBERS' REPORT (continued)

Approved by the members and signed on their behalf

A handwritten signature in black ink, appearing to read "James R Waddell". The signature is written in a cursive, flowing style.

James R Waddell

Designated member

Date: 30 January 2023

MEMBERS' RESPONSIBILITIES STATEMENT

The members are responsible for preparing the Members' report and the financial statements in accordance with applicable law and regulations.

Company law as applied to limited liability partnerships requires the members to prepare financial statements for each financial year. Under that law the members have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) including FRS 102 "The Financial Reporting Standard applicable in UK and Republic of Ireland". Under company law as applied to limited liability partnerships, the members must not approve financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the limited liability partnership and of the profit or loss of the limited liability partnership for that period.

In preparing these financial statements, the members are required to:

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

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

These responsibilities are exercised by the designated members on behalf of the members.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF STEVENS & BOLTON LLP

Opinion

We have audited the financial statements of Stevens & Bolton LLP (the 'limited liability partnership') for the year ended 30 April 2022 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Reconciliation of Members' Interests (including Statement of Changes in Equity), the Statement of Cash Flows and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the limited liability partnership's affairs as at 30 April 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 as applied to limited liability partnerships.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the limited liability partnership in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the members' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the limited liability partnership's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the members with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Members' Report, other than the financial statements and our auditor's report thereon. The members are responsible for the other information contained within the Members' Report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact.

We have nothing to report in this regard.



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF STEVENS & BOLTON LLP (continued)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 as applied to limited liability partnerships requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of members

As explained more fully in the members' responsibilities statement set out on page 7, the members are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the members are responsible for assessing the limited liability partnership's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the members either intend to liquidate the limited liability partnership or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

We obtained an understanding of the Limited Liability Partnership's legal and regulatory framework through enquiry of management concerning their understanding of relevant laws and regulations; the entity's policies and procedures regarding compliance; and how they identify, evaluate and account for litigation claims. We also drew on our existing understanding of the Limited Liability Partnership's industry and regulation.

We understand that the Limited Liability Partnership complies with the framework through:

- The members managing and overseeing operations to ensure they comply with the requirements of the Solicitors Regulation Authority (SRA), the regulatory body in England and Wales;
- Updating operating procedures, manuals and internal controls as legal and regulatory requirements change; and
- The members' close involvement in the day-to-day running of the business, meaning that any litigation or claims would come to their attention directly.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF STEVENS & BOLTON LLP
(continued)**

In the context of the audit, we considered those laws and regulations which determine the form and content of the financial statements and which are central to the Limited Liability Partnership's ability to conduct its business and where failure to comply could result in material penalties. We identified the following laws and regulations as being of significance in the context of the Limited Liability Partnership:

- The regulatory requirements of the SRA;
- The Companies Act 2006 as applied to Limited Liability Partnerships and FRS 102 in respect of the preparation and presentation of the financial statements.

To gain evidence about compliance with the significant laws and regulations above we discussed with management including consideration of known or suspected non-compliance with the regulatory requirements of the SRA, reviewed the LLP's breaches register, reviewed policy committee meeting minutes, inspected correspondence with the SRA relating to the year and obtained written management representations regarding the adequacy of procedures in place.

The senior statutory auditor led a discussion with senior members of the engagement team regarding the susceptibility of the limited liability partnership's financial statements to material misstatement, including how fraud might occur. The key areas identified as part of the discussion were the risk of manipulation of the financial statements through manual journal entries and incorrect recognition of revenue. These areas were communicated to the other members of the engagement team who were not present at the discussion.

The procedures we carried out to gain evidence in the above areas included:

- Testing of a sample of revenue transactions to underlying documentation; and
- Testing of a sample of manual journal entries, selected through applying specific risk assessments based on the limited liability partnership's processes and controls surrounding manual journal entries.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the limited liability partnership's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 as applied to limited liability partnerships. Our audit work has been undertaken so that we might state to the limited liability partnership's members those matters we are required to state to them in an auditor's 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 limited liability partnership and the limited liability partnership's members as a body, for our audit work, for this report, or for the opinions we have formed.

Timothy Adams
Timothy Adams (Jan 30, 2023 17:04 GMT)

Timothy Adams
Senior Statutory Auditor, for and on behalf of
CLA Evelyn Partners Limited
Statutory Auditor
Chartered Accountants

Onslow House
Onslow Street
Guildford
GU1 4TL
Date: 30 January 2023

STATEMENT OF COMPREHENSIVE INCOME for the year ended 30 April 2022

	Notes	2022 £'000	2021 £'000
Turnover	3	36,118	29,063
Operating costs			
Staff costs	5	(12,958)	(10,595)
Depreciation and other amounts written off tangible fixed assets		(1,023)	(373)
Other operating expenses		(8,369)	(7,027)
Other operating income		323	467
Operating profit		14,091	11,535
Interest receivable and similar income		12	7
Interest payable and similar expenses	6	(55)	(65)
Profit for the financial year before members' remuneration and profit shares	7	14,048	11,477
Members' remuneration charged as an expense		(4,716)	(4,128)
Profit for the financial year available for discretionary division among members		9,332	7,349

The LLP has no other comprehensive income for the year other than the results above.

BALANCE SHEET as at 30 April 2022

Registered number: OC306955

	Notes	2022 £'000	2021 £'000
Fixed assets			
Intangible assets	8	-	735
Tangible assets	9	1,552	1,252
Investments	10	100	100
		1,652	2,087
Current assets			
Debtors	11	13,126	10,642
Cash at bank and in hand	12	4,314	4,300
		17,440	14,942
Creditors: amounts falling due within one year	13	(4,410)	(3,653)
Net current assets		13,030	11,289
Total assets less current liabilities		14,682	13,376
Creditors: amounts falling due after more than one year	14	(918)	(1,298)
Provisions for liabilities	17	(674)	(612)
NET ASSETS ATTRIBUTABLE TO MEMBERS		13,090	11,466
REPRESENTED BY			
Loans and other debts due to members within one year			
Members' capital classified as a liability		3,322	3,442
Other amounts		260	499
		3,582	3,941
Members' other interests			
Members' other interests – other reserves classified as equity		9,508	7,525
		13,090	11,466
TOTAL MEMBERS' INTERESTS			
Amounts due from members		(142)	(118)
Loans and other debts due to members		3,724	4,059
Members' other interests		9,508	7,525
		13,090	11,466

The financial statements were approved and authorised for issue by the members and were signed on their behalf by:



James R Waddell
Designated member

Date: 30 January 2023

Stevens & Bolton LLP

RECONCILIATION OF MEMBERS' INTERESTS (including Statement of Changes in Equity)
For the year ended 30 April 2022

	Loans and other debts due to members			Equity Members' other interests	
	Members' capital classified as a liability £'000	Other amounts £'000	Total £'000	Other reserves £'000	Total £'000
Members' interests at 1 May 2020	3,497	712	4,209	6,092	10,301
Members' remuneration charged as an expense	-	4,128	4,128	-	4,128
Profit for the financial year available for division among members	-	-	-	7,349	7,349
Members' interests after profit for the year	3,497	4,840	8,337	13,441	21,778
Capital introduced	180	-	180	-	180
Capital repaid	(40)	-	(40)	-	(40)
Allocated profits	-	5,916	5,916	(5,916)	-
Drawings	-	(10,272)	(10,272)	-	(10,272)
Transfer to creditors in respect of former members	(195)	15	(180)	-	(180)
Members' interests at 30 April 2021	3,442	499	3,941	7,525	11,466

Stevens & Bolton LLP

RECONCILIATION OF MEMBERS' INTERESTS (Including Statement of Changes in Equity)
For the year ended 30 April 2022 (continued)

	Loans and other debts due to members			Equity	
	Members' capital classified as a liability	Other amounts	Total	Members' other interests	Total
	£'000	£'000	£'000	Other reserves £'000	£'000
Members' interests at 1 May 2021	3,442	499	3,941	7,525	11,466
Members' remuneration charged as an expense	-	4,716	4,716	-	4,716
Profit for the financial year available for division among members	-	-	-	9,332	9,332
Members' interests after profit for the year	3,442	5,215	8,657	16,857	25,514
Capital introduced	420	-	420	-	420
Capital repaid	(510)	-	(510)	-	(510)
Allocated profits	-	7,349	7,349	(7,349)	-
Drawings	-	(12,132)	(12,132)	-	(12,132)
Transfer to creditors in respect of former members	(30)	(172)	(202)	-	(202)
Members' interests at 30 April 2022	3,322	260	3,582	9,508	13,090

Loans and other debts due to members rank equally with debts due to other creditors in a winding up.

Other reserves are made up of the profits available for division among members less allocated profits. There are no restrictions or limitations on the ability of the members to reduce the amount of members' other interests.

STATEMENT OF CASH FLOWS for the year ended 30 April 2022

	Notes	2022 £'000	2021 £'000
Net cash generated from operating activities	20	13,066	12,135
Investing activities			
Interest received		12	7
Purchases of tangible fixed assets		(588)	(280)
Purchases of intangible fixed assets		-	(585)
Net cash used in investing activities		(576)	(858)
Financing activities			
New borrowings during the year		1,027	2,708
Repayment of borrowings		(1,226)	(1,016)
Capital contributions by members		420	180
Capital repayments to members		(510)	(40)
Drawings and distributions to members		(12,132)	(10,272)
Interest paid		(55)	(65)
Net cash used in financing activities		(12,476)	(8,505)
Net increase in cash and cash equivalents		14	2,772
Cash and cash equivalents at beginning of the year		4,300	1,528
Cash and cash equivalents at end of the year	12	4,314	4,300

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 April 2022

1 Accounting policies

The principal accounting policies are summarised below.

Basis of preparation

Stevens & Bolton LLP is an LLP incorporated in England and Wales. The address of the registered office is Wey House, Farnham Road, Guildford, Surrey, GU1 4YD.

These financial statements are prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

The financial statements have been prepared under the historical cost convention in accordance with the LLP's accounting policies and the requirements of the Statement of Recommended Practice "Accounting by Limited Liability Partnerships".

Going concern

Having prepared cashflow forecasts for the next 12 months, using a number of prudent assumptions, the members are confident that the LLP has more than adequate resources to successfully continue in operation for the foreseeable future. They continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for services provided in the normal course of business, net of VAT.

Where fees for professional work have been unconditionally earned but not invoiced at the period end, these amounts are included within accrued income. The amount recognised is the fair value of the services provided at the balance sheet date as a proportion of the total value of the engagement.

Taxation

Members are personally liable for taxation on their share of the partnership profits. Consequently no separate reserve for taxation is made in the financial statements.

Members' remuneration

Remuneration for each member is based upon a combination of length of service and performance. Each member is entitled to a certain share of profits which increases over the first four years of their time as a member, subject to sufficient profits being available, and this is allocated to the members before the year end and accounted for as a charge in the statement of comprehensive income. Profit over and above the level of allocated profits is credited to other reserves, with any further allocation to the members taking place after the year end.

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 April 2022 (continued)

1 Accounting policies (continued)

Drawings are paid to each member on a monthly basis on account of the profits allocated to the member. The level of monthly drawings is determined by the Managing Partner along with the appropriate amount that should be reserved internally to cover any personal costs of the member. Where drawings exceed profit allocated to the member these are included in amounts due from members.

Intangible assets

Intangible assets comprise software assets. Intangible assets are stated at cost less accumulated amortisation and any recognised impairment loss.

Amortisation will be charged once the software assets are in use by the LLP.

Tangible assets

Tangible assets comprise leasehold property, office equipment and computer equipment. Tangible assets are stated at cost less accumulated depreciation and any recognised impairment loss.

Depreciation is charged so as to write off the cost of assets to their residual value, over their estimated useful lives on the following bases:

Leasehold property	- over the lease term on a straight-line basis
Office equipment	- on a 10-year straight-line basis
Computer equipment & software	- 10% to 40% straight-line or reducing balance

Impairment of non-financial assets

At each balance sheet date, tangible assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). If there is an indication of possible impairment, the recoverable amount of any affected asset (or group of related assets) is estimated and compared with its carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in the statement of comprehensive income.

Investments

Investments held as fixed assets are held at cost less provision for impairment.

Financial instruments

Financial assets and financial liabilities are recognised in the balance sheet when the LLP becomes a party to the contractual provisions of the instrument.

Trade and other debtors and creditors are classified as basic financial instruments and measured at initial recognition at transaction price. Debtors and creditors are subsequently measured at amortised cost using the effective interest rate method. A provision is established when there is objective evidence that the LLP will not be able to collect all amounts due.

Cash and cash equivalents are classified as basic financial instruments and comprise cash at bank, short-term bank deposits with an original maturity of three months or less and bank overdrafts which are an integral part of the LLP's cash management.

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 April 2022 (continued)

1 Accounting policies (continued)

Financial instruments (continued)

Financial liabilities issued by the LLP are classified in accordance with the substance of the contractual arrangements entered into and the definitions of a financial liability.

Interest bearing bank loans, overdrafts and other loans which meet the criteria to be classified as basic financial instruments are initially recorded at the present value of cash payable to the bank, which is ordinarily equal to the proceeds received net of direct issue costs. These liabilities are subsequently measured at amortised cost, using the effective interest rate method.

Financial assets are de-recognised when:

- the contractual rights to the cash flows from the financial asset expire or are settled; or
- the LLP transfers to another party substantially all of the risks and rewards of ownership of the financial asset; or
- the LLP, despite having retained some but not all significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are de-recognised only when the obligation specified in the contract is discharged, cancelled or expires.

Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases. At the balance sheet date all leases are classified as operating leases.

Rentals payable under operating leases are charged to the statement of comprehensive income on a straight-line basis over the term of the relevant lease. Benefits received and receivable as an incentive to enter into an operating lease are also spread on a straight-line basis over the lease term.

Rental income under operating leases is credited to the statement of comprehensive income on a straight-line basis over the lease term. Benefits given and to be given as an incentive to sign an operating lease are spread on a straight-line basis over the lease term.

The LLP took the transition exemption detailed in section 35.10(p) of FRS 102 whereby the LLP shall not retrospectively change the accounting that it followed under its previous reporting framework for transactions involving benefits associated with lease incentives because the term of the lease commenced before the date of transition to FRS 102. As a result, the lease incentive received before the transition date will be spread over the term up to the date of the next rent review and any subsequent lease incentives received on the same lease will also be recognised over the term up to the next rent review date.

Employee benefits

Short term employee benefits including holiday pay and annual bonuses are accrued as services are rendered. Contributions to defined contribution pension schemes are charged to the statement of comprehensive income as they become payable in accordance with the rules of the scheme. Differences between contributions payable in the year and those actually paid are shown within taxation and social security in creditors in the balance sheet.

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 April 2022 (continued)**2 Key sources of estimation uncertainty and judgements**

The preparation of financial statements in conformity with generally accepted accounting practice requires management to make estimates and judgements that affect the reported amounts of assets and liabilities as well as the disclosure of contingent assets and liabilities at the balance sheet date and the reported amounts of revenues and expenses during the reporting period.

Judgements*Financial instruments*

The classification of financial instruments as "basic" or "other" requires judgement as to whether all the applicable conditions for classification as basic are met. This includes consideration of the form of the instrument and its return.

Key sources of estimation uncertainty*Bad debt and accrued income provisions*

The trade debtors balance of £8,971,000 (2021: £6,997,000) and accrued income balance of £2,401,000 (2021: £2,292,000) recorded in the LLP's balance sheet comprise a relatively large number of small balances. A full line-by-line review of these balances is carried out at the end of each month, as well as a provision being applied based on the ageing of each balance. Included in the above totals are a provision of £529,000 (2021: £515,000) against the trade debtors, and £460,000 (2021: £420,000) against the accrued income balances. Whilst every attempt is made to ensure that the bad debt and accrued income provisions are as accurate as possible, there remains a risk that the provisions do not match the level of debts and accrued income which ultimately prove to be recoverable.

Provision for dilapidations

The provision for dilapidations of £674,000 (2021: £612,000), recorded in the LLP's balance sheet, is based on the contractual obligations of the LLP on surrender of certain operating leases in respect of land and buildings to reinstate the premises to the same state as conditions as before the occupancy. Significant judgements include the current estimated cost of dilapidations, the rate of inflation of estimated cost, and the date at which the dilapidations will become payable. Management believe that the provision recognised is a true and fair reflection of the cost of future dilapidation expenditure but, despite this, there remains a risk that the provision does not match the level of cost ultimately required.

3 Turnover

	2022	2021
	£'000	£'000
Invoices delivered	36,010	28,210
Movement in accrued income	108	853
	<hr/>	<hr/>
	36,118	29,063
	<hr/>	<hr/>

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 April 2022 (continued)

4 Information in relation to members

	2022 Number	2021 Number
The average number of members during the year was	41	45
	<hr/>	<hr/>
	£'000	£'000
The average members' remuneration during the year was	346	255
	<hr/>	<hr/>
The amount of profit attributable to the member with the largest entitlement was	639	555
	<hr/>	<hr/>

Profit attributable to the member with the largest entitlement is determined by reference to their expected share of 'profit for the financial year before members' remuneration and profit shares' as shown on page 11.

5 Employee information

The average number of persons employed by the LLP (excluding members) during the year was:

	2022 Number	2021 Number
Fee earners	126	111
Support staff	86	81
	<hr/>	<hr/>
	212	192
	<hr/>	<hr/>
Staff costs for the above persons were:	£'000	£'000
Wages and salaries	11,261	9,224
Social security costs	1,216	928
Pension costs	481	443
	<hr/>	<hr/>
	12,958	10,595
	<hr/>	<hr/>

6 Interest payable and similar charges

	2022 £'000	2021 £'000
Bank loans and overdrafts	55	65
	<hr/>	<hr/>
	55	65
	<hr/>	<hr/>

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 April 2022 (continued)

7 Profit for the financial year before members' remuneration and profit shares is stated after charging / (crediting):

	2022 £'000	2021 £'000
Depreciation and amounts written-off tangible fixed assets	1,023	331
Bad debt charge	234	135
Operating lease charges – land and buildings	1,291	1,299
Operating lease rentals receivable – land and buildings	(323)	(329)

Auditor's remuneration

Fees payable to the LLP's auditor for the audit of the financial statements

40	35
----	----

Fees payable to the LLP's auditor and its associates for other services to the LLP

- Services relating to taxation	62	63
- All other services	11	23

Total non-audit fees

75	86
----	----

8 Intangible fixed assets

Cost

At 1 May 2021

Software
£'000

735

Additions

-

Transfer to fixed assets

(735)

At 30 April 2022

-

Amortisation

At 1 May 2021

-

Charge for the year

-

Transfer to fixed assets

-

At 30 April 2022

-

Net book value

At 30 April 2022

-

At 1 May 2021

735

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 April 2022 (continued)

9	Tangible fixed assets	Leasehold property £'000	Office equipment £'000	Computer equipment £'000	Total £'000
	Cost				
	At 1 May 2021	1,891	457	1,697	4,045
	Additions	4	-	584	588
	Disposals	(520)	(457)	(1,003)	(1,980)
	Transfer from intangible assets	-	-	735	735
	At 30 April 2022	1,375	-	2,013	3,388
	Depreciation				
	At 1 May 2021	1,125	390	1,278	2,793
	Charge for the year	274	18	232	524
	Disposals	(85)	(408)	(988)	(1,481)
	Transfer from intangible assets	-	-	-	-
	At 30 April 2022	1,314	-	522	1,836
	Net book value				
	At 30 April 2022	61	-	1,491	1,552
	At 1 May 2021	766	67	419	1,252
10	Investment in subsidiaries				£'000
	At 1 May 2021				100
	Additions				-
	At 30 April 2022				100

Company	Country of incorporation	Principal Activity	Percentage of holding and class of shares	Aggregate amount of share capital & reserves	Profit/(loss) for the year
Stevens & Bolton Trustees Limited	UK	Trustee Services	100% Ordinary	£250,000	£Nil

The LLP has a direct shareholding of 100%. Group accounts consolidating the results of Stevens & Bolton Trustees Limited have not been prepared on the basis that the results would be immaterial to the consolidation, in line with section 405 of the Companies Act.

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 April 2022 (continued)

11 Debtors	2022	2021
	£'000	£'000
Trade debtors	8,971	6,997
Prepayments and accrued income	4,152	3,630
Amounts due from former members	3	15
	<hr/>	<hr/>
	13,126	10,642
	<hr/>	<hr/>
12 Cash and cash equivalents	2022	2021
	£'000	£'000
Cash at bank	4,314	4,300
	<hr/>	<hr/>
	4,314	4,300
	<hr/>	<hr/>
13 Creditors: amounts falling due within one year	2022	2021
	£'000	£'000
Bank borrowings (note 15)	934	753
Trade creditors	425	479
Taxation and social security	1,108	1,224
Other creditors	370	2
Accruals and deferred income	1,366	1,000
Amounts due to former members	207	195
	<hr/>	<hr/>
	4,410	3,653
	<hr/>	<hr/>
14 Creditors: amounts falling due after more than one year	2022	2021
	£'000	£'000
Bank borrowings (note 15)	918	1,298
	<hr/>	<hr/>
	918	1,298
	<hr/>	<hr/>

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 April 2022 (continued)**15 Borrowings**

Bank borrowings are repayable as follows:

	2022	2021
	£'000	£'000
Within one year	934	753
Between one and two years	380	380
Between two and five years	538	918
	<hr/>	<hr/>
	1,852	2,051
	<hr/>	<hr/>

Included within borrowings due within one year as at 30 April 2022 is an unsecured loan of £553,832 on which interest is charged on the capital amount outstanding at 1.31% APR. The loan was repaid in full by 11 November 2022.

The remaining balance within borrowings relates to an unsecured loan on which interest is charged on the capital amount outstanding at 1.65% + SONIA. The loan will be repaid in full by 22 September 2025.

16 Financial instruments

	2022	2021
	£'000	£'000
Financial assets		
Trade and other debtors	8,971	6,997
Accrued income	2,401	2,292
Cash and cash equivalents	4,314	4,300
	<hr/>	<hr/>
	15,686	13,589
	<hr/>	<hr/>
Financial liabilities – all at amortised cost		
Trade and other creditors	440	481
Accruals (excluding lease incentives)	1,366	1,000
Bank borrowings (Note 15)	1,852	2,051
Post retirement payments due	207	195
	<hr/>	<hr/>
	3,865	3,727
	<hr/>	<hr/>

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 April 2022 (continued)

17 Provision for liabilities	Provision for dilapidations £'000	Other provisions £'000	Total £'000
At 1 May 2021	612	-	612
Charge in year	62	-	62
Utilised in year	-	-	-
	<hr/>	<hr/>	<hr/>
At 30 April 2022	674	-	674
	<hr/>	<hr/>	<hr/>

The above provision relates to the contractual obligations of the LLP on surrender of certain operating leases in respect of land and buildings to reinstate the premises to the same state and conditions as before the occupancy.

18 Operating lease commitments

At the balance sheet date the LLP has future minimum lease payments under non-cancellable property leases as follows:

	2022 £'000	2021 £'000
Due:		
Within one year	1,300	1,300
Between two and five years	4,990	5,200
Between five and ten years	-	1,090
	<hr/>	<hr/>
	6,290	7,590
	<hr/>	<hr/>

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 April 2022 (continued)**19 Related party transactions**

In the opinion of the members, there is no controlling party.

Key management are those persons having authority and responsibility for planning, controlling and directing the activities of the LLP.

In the opinion of the members the key management are the designated members, members and employees who are members of the Management Board.

Information regarding their compensation is given below in aggregate for each of the categories specified in FRS 102.

	2022 £'000	2021 £'000
Members' remuneration charged as an expense	1,057	954
Profit attributable to relevant members	3,475	2,938
	<hr/> 4,532	<hr/> 3,892

Profit attributable to relevant members is determined by reference to their expected share of 'profit for the financial year before members' remuneration and profit shares' shown on page 10.

20 Net cash generated from operating activities

	2022 £'000	2021 £'000
Operating profit	14,091	11,535
Depreciation	524	331
(Increase) / decrease in debtors	(2,484)	450
Increase / (decrease) in creditors	374	(138)
Increase / (decrease) in provisions	62	(88)
Loss on disposal of tangible fixed assets	499	45
	<hr/> 13,066	<hr/> 12,135

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 April 2022 (continued)

21 Analysis of change in net debt

	At 1 May 2021 £'000	Cash Flow £'000	Other £'000	At 30 April 2022 £'000
Cash at bank and in hand	4,300	14	-	4,314
Debt due within one year	(753)	(181)	-	(934)
Debt due after one year	(1,298)	380	-	(918)
	<u>2,249</u>	<u>213</u>	<u>-</u>	<u>2,462</u>
Loans and other debts due to members	(3,941)	12,381	(12,022)	(3,582)
Net debt	<u>(1,692)</u>	<u>12,594</u>	<u>(12,022)</u>	<u>(1,120)</u>