
H 2021 LLP (FORMERLY HEWITSONS LLP)

FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 30 JUNE 2021



H 2021 LLP

INFORMATION

LLP registered number	OC334689
Registered office	50/60 Station Road Cambridge CB1 2JH
Independent auditors	Peters Elworthy & Moore Chartered Accountants Salisbury House Station Road Cambridge CB1 2LA
Bankers	Lloyds Bank Plc Endeavour House Chivers Way Histon Cambridge CB24 9ZR

H 2021 LLP

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H 2021 LLP

**MEMBERS' REPORT
FOR THE PERIOD ENDED 30 JUNE 2021**

The members present their annual report together with the audited financial statements of H 2021 LLP (the "LLP") for the period ended 30 June 2021.

PRINCIPAL ACTIVITIES

The principal activity of the LLP during the period was the provision of legal services.

MEMBERS

The following were members of the LLP during the period:

C D Jones (Designated member)
J P Lawrence (Designated member)
S G Biggin
D W Browne
D J Curtis
D A Hopkins
D Wilkinson
G R Williams
C E V Colacicchi (resigned 30 April 2021)
T J Richards (resigned 30 April 2021)
W G H Thatcher (resigned 28 May 2021)
J A Williams (resigned 28 May 2021)
T S Middleton (Designated member) (resigned 31 August 2020)
N J Hall (resigned 28 May 2021)
M D Carter (resigned 28 May 2021)
N T Harpham (resigned 28 May 2021)
Y M Morgan (resigned 28 May 2021)
V C Lambert (resigned 28 May 2021)
C M Bagley (resigned 28 May 2021)
B C O'Reilly (resigned 28 May 2021)
R Austin (resigned 28 May 2021)
A D Priest (resigned 31 May 2020)
S R Hinde (resigned 28 May 2021)
C A Martin (resigned 28 May 2021)
B R K Moorhead (resigned 28 May 2021)
J J H Bishop (resigned 28 May 2021)
D J James (resigned 28 May 2021)
E Wheen (resigned 28 May 2021)
S Simoes (resigned 10 May 2020)
L G M Evans (resigned 28 May 2021)
D Wells (resigned 28 May 2021)
E Shipp (Designated member) (resigned 28 June 2020)
R Johnstone (resigned 28 May 2021)
S Wain (resigned 28 May 2021)
J N Fothergill (resigned 15 January 2021)
C L Howard-Amos (resigned 28 May 2021)
K J Woodrow (resigned 28 May 2021)

H 2021 LLP

MEMBERS' REPORT (CONTINUED) FOR THE PERIOD ENDED 30 JUNE 2021

MEMBERS' CAPITAL AND INTERESTS

The member's subscription to the capital of the LLP is determined by the member's share of the profit and is repayable following retirement from the LLP.

Details of changes in members' capital in the ended 30 June 2021 are set out in the Reconciliation of Members' Interests.

Members are remunerated from the profits of the LLP and are required to make their own provision for pensions and other benefits. Profits are allocated and divided between members after finalisation of the financial statements. Members draw a proportion of their profit shares monthly during the year in which it is made, with the balance of profits being distributed after the year, subject to the cash requirements of the business.

GOING CONCERN

The LLP ceased trading in May 2021 and the members intend to liquidate the LLP after the deferred consideration from the sale of trade and assets in the period has been received - see Note 14.

The members do not consider it to be appropriate to adopt the going concern basis of accounting in preparing the financial statements. Accordingly the financial statements have been prepared on a basis other than going concern.

MEMBERS' RESPONSIBILITIES STATEMENT

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

Company law, (as applied by The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008), 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). Under company law, (as applied by The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008) the members 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 LLP and of the profit or loss of the LLP 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 accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the LLP will continue in business.

The members are responsible for keeping adequate accounting records that are sufficient to show and explain the LLP's transactions and disclose with reasonable accuracy at any time the financial position of the LLP and to enable them to ensure that the financial statements comply with the Companies Act 2006 (as applied by The Limited Liability Partnerships (Accounts and Audit) (Application of the Companies Act 2006) Regulations 2008). They are also responsible for safeguarding the assets of the LLP and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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**MEMBERS' REPORT (CONTINUED)
FOR THE PERIOD ENDED 30 JUNE 2021**

DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who are members at the time when this Members' Report is approved has confirmed that:

- so far as that member is aware, there is no relevant audit information of which the LLP's auditors are unaware, and
- that member has taken all the steps that ought to have been taken as a member in order to be aware of any relevant audit information and to establish that the LLP's auditors are aware of that information.

AUDITORS

The auditors, Peters Elworthy & Moore, have expressed their willingness to continue in office as auditor and a resolution to reappoint them will be proposed.

This report was approved by the members and signed on their behalf by:

Colin Jones

C D Jones
Designated member

Date: 08 March 2022

H 2021 LLP

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF H 2021 LLP

OPINION

We have audited the financial statements of H 2021 LLP (the 'LLP') for the Period ended 30 June 2021, which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Cash Flows, the Reconciliation of Members' Interests and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 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 LLP's affairs as at 30 June 2021 and of its result for the Period 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 by The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008.

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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the LLP in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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.

EMPHASIS OF MATTER

We draw attention to Note 1.2 to the financial statements which explains that the LLP ceased trading in May 2021 and the members intend to liquidate the LLP after the deferred consideration from the sale of trade and assets in the period has been received - see Note 14.

The members do not consider it to be appropriate to adopt the going concern basis of accounting in preparing the financial statements. Accordingly the financial statements have been prepared on a basis other than going concern as described in Note 1.2. Our opinion is not modified in respect of this matter.

H 2021 LLP

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF H 2021 LLP (CONTINUED)

OTHER INFORMATION

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The members are responsible for the other information contained within the Annual 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.

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 1, 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 LLP'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 LLP or to cease operations, or have no realistic alternative but to do so.

H 2021 LLP

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF H 2021 LLP (CONTINUED)

AUDITORS' 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 Auditors' 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.

Audit procedures performed by the engagement team to identify and assess the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, were as follows:

- Identification of the laws and regulations which were significant in the context of the LLP through discussions with members and other management, and from our commercial knowledge and experience of the sector.
- We focused on specific laws and regulations which we considered may have a direct material effect on the financial statements, including the Companies Act 2006 and the relevant tax compliance regulations in the jurisdictions in which the LLP operates, as well as those laws and regulations relating to the LLP's operations such as employee matters.
- We obtained an understanding of the LLP's policies and procedures on compliance with laws and regulations, including documentation of any instances of non-compliance.
- We assessed the susceptibility of the LLP's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud and considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.
- We discussed among the audit engagement team and made enquiries with management regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of fraud through management bias and override of controls. In addressing the risk of fraud through management override of controls we:

- Tested the appropriateness of journal entries and other adjustments;
- Designed procedures to identify unexpected and unusual journal entries and performed testing to confirm the validity of such postings;
- Assessed whether the significant accounting judgements and estimates made in the financial statements, as detailed in the principal accounting policies, were indicative of potential bias; and
- Evaluated the business rationale of any significant transactions that were unusual or outside the normal course of business.

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF H 2021 LLP (CONTINUED)

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- Agreeing financial statement disclosures to underlying supporting documentation;
- Reading the minutes of management meetings; and
- Making enquiries with management as to actual and potential litigation and claims.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

USE OF OUR REPORT

This report is made solely to the LLP's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, as applied by Part 12 of The Limited Liability Partnerships (Accounts and Audit) (Applications of Companies Act 2006) Regulations 2008. Our audit work has been undertaken so that we might state to the LLP's members those matters we are required to state to them in an 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 LLP and the LLP's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Kelly Bretherick (Senior Statutory Auditor)

for and on behalf of
Peters Elworthy & Moore

Chartered Accountants
Statutory Auditors

Salisbury House
Station Road
Cambridge
CB1 2LA

Date: 11 March 2022

H 2021 LLP

**PROFIT AND LOSS ACCOUNT
FOR THE PERIOD ENDED 30 JUNE 2021**

	Note	14 months to 30 June 2021 £	12 months to 30 April 2020 £
Turnover	3	17,978,995	18,399,145
GROSS PROFIT		17,978,995	18,399,145
Administrative expenses		(11,128,960)	(14,402,361)
Other operating income	4	287,178	92,181
Exceptional income	11	2,453,491	-
OPERATING PROFIT	5	9,590,704	4,088,965
Interest receivable and similar income	9	32,632	195,038
Interest payable and similar expenses	10	(128,323)	(139,787)
PROFIT BEFORE TAX		9,495,013	4,144,216
Tax on profit		-	-
PROFIT FOR THE PERIOD BEFORE MEMBERS' REMUNERATION AND PROFIT SHARES		9,495,013	4,144,216
Profit for the year before members' remuneration and profit shares		9,495,013	4,144,216
Members' remuneration charged as an expense		(9,495,013)	(4,144,216)
RESULTS FOR THE PERIOD AVAILABLE FOR DISCRETIONARY DIVISION AMONG MEMBERS		-	-

There were no recognised gains and losses for 2021 or 2020 other than those included in the profit and loss account.

The notes on pages 14 to 26 form part of these financial statements.

H 2021 LLP
REGISTERED NUMBER: OC334689

BALANCE SHEET
AS AT 30 JUNE 2021

	Note	30 June 2021 £	30 April 2020 £
FIXED ASSETS			
Tangible assets	12	-	4,036,802
Investments	13	-	3
		-	4,036,805
CURRENT ASSETS			
Debtors	14	3,000,000	7,264,153
Cash at bank and in hand	15	2,343,870	833,542
		5,343,870	8,097,695
Creditors: Amounts Falling Due Within One Year	16	-	(3,118,843)
NET CURRENT ASSETS		5,343,870	4,978,852
TOTAL ASSETS LESS CURRENT LIABILITIES		5,343,870	9,015,657
Creditors: amounts falling due after more than one year	17	-	(4,261,011)
		5,343,870	4,754,646
PROVISIONS FOR LIABILITIES			
Other provisions	19	-	(257,907)
		-	(257,907)
NET ASSETS		5,343,870	4,496,739
REPRESENTED BY:			
LOANS AND OTHER DEBTS DUE TO MEMBERS WITHIN ONE YEAR			
Members' capital classified as a liability		5,343,870	4,496,739
		5,343,870	4,496,739
TOTAL MEMBERS' INTERESTS			
Loans and other debts due to members		5,343,870	4,496,739
		5,343,870	4,496,739

H 2021 LLP
REGISTERED NUMBER: OC334689

BALANCE SHEET (CONTINUED)
AS AT 30 JUNE 2021

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

Colin Jones

C D Jones
Designated member

Date: 08 March 2022

The notes on pages 14 to 26 form part of these financial statements.

H 2021 LLP has no equity and, in accordance with the provisions contained within the Statement of Recommended Practice "Accounting by Limited Liability Partnerships", has not presented a Statement of Changes in Equity.

H 2021 LLP

**RECONCILIATION OF MEMBERS' INTERESTS
FOR THE PERIOD ENDED 30 JUNE 2021**

	DEBT	
	Loans and other debts due to members less any amounts due from members in debtors	
	Members' capital (classified as debt)	Total
	£	£
BALANCE AT 1 MAY 2019	5,166,989	5,166,989
Members' remuneration charged as an expense	4,144,216	4,144,216
Amounts introduced by members	145,000	145,000
Repayment of capital	(4,959,466)	(4,959,466)
	<hr/>	<hr/>
Amounts due to members	4,496,739	4,496,739
	<hr/>	<hr/>
BALANCE AT 30 APRIL 2020	4,496,739	4,496,739
	<hr/>	<hr/>
BALANCE AT 1 MAY 2020	4,496,739	4,496,739
Members' remuneration charged as an expense	9,495,013	9,495,013
Transfer of assets (see note 23)	(4,086,768)	(4,086,768)
Repayment of capital	(4,561,114)	(4,561,114)
	<hr/>	<hr/>
Amounts due to members	5,343,870	5,343,870
	<hr/>	<hr/>
BALANCE AT 30 JUNE 2021	<u>5,343,870</u>	<u>5,343,870</u>

There are no existing restrictions or limitations which impact the ability of the members of the LLP to reduce the amount of Members' other interests.

H 2021 LLP

**STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 JUNE 2021**

	30 June 2021 £	30 April 2020 £
Profit for the period/year available for discretionary division among members	-	-
ADJUSTMENTS FOR:		
Members' remuneration charged as an expense	9,495,013	4,144,216
Depreciation of tangible assets	509,596	440,308
Profit on disposal of tangible assets	(3,395,459)	(510)
Interest paid	128,323	139,787
Interest received	(32,632)	(195,038)
Decrease in debtors	117,320	424,187
Increase/(decrease) in creditors	85,380	(183,635)
Increase in provisions	311,093	-
Fair value gain	(2,453,491)	-
NET CASH GENERATED FROM OPERATING ACTIVITIES BEFORE TRANSACTIONS WITH MEMBERS	4,765,143	4,769,315
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of tangible fixed assets	(71,270)	(386,690)
Sale of tangible fixed assets	6,558,346	10,000
Interest received	32,632	195,038
HP interest paid	(27,800)	(16,376)
NET CASH FROM INVESTING ACTIVITIES	6,491,908	(198,028)

H 2021 LLP

STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE PERIOD ENDED 30 JUNE 2021

	30 June 2021 £	30 April 2020 £
CASH FLOWS FROM FINANCING ACTIVITIES		
New secured loans	1,500,000	1,105,570
Repayment of loans	(5,592,171)	(860,353)
Repayment of/new finance leases	(144,735)	(205,922)
Interest paid	(115,886)	(129,542)
Amounts introduced by members	-	145,000
Distribution paid to members	(4,561,114)	(4,959,466)
Amounts paid on transfer of assets	(770,574)	-
NET CASH USED IN FINANCING ACTIVITIES	(9,684,480)	(4,904,713)
INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	1,572,571	(333,426)
Cash and cash equivalents at beginning of Period	771,299	1,104,725
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD	2,343,870	771,299
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD COMPRISE:		
Cash at bank and in hand	2,343,870	833,542
Bank overdrafts	-	(62,243)
	2,343,870	771,299

The notes on pages 14 to 26 form part of these financial statements.

H 2021 LLP

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2021**

1. ACCOUNTING POLICIES

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006 and the requirements of the Statement of Recommended Practice "Accounting by Limited Liability Partnerships".

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the LLP's accounting policies (see note 2).

The following principal accounting policies have been applied:

1.2 GOING CONCERN

The LLP ceased trading in May 2021 and the members intend to liquidate the LLP after the deferred consideration from the sale of trade and assets in the period has been received - see Note 14.

The members do not consider it to be appropriate to adopt the going concern basis of accounting in preparing the financial statements. Accordingly the financial statements have been prepared on a basis other than going concern.

1.3 TURNOVER

Turnover comprises revenue recognised by the LLP in respect of legal services supplied during the period, exclusive of Value Added Tax.

Unbilled time, where the ability to recover fees on a matter is non-contingent, is recognised on the basis of time spent, discounted for recovery rates on different types of work, and is valued at the amount expected to be billed in respect of that time. This is included within Current Assets as Amounts Recoverable on Contracts.

1.4 OPERATING LEASES: THE LLP AS LESSEE

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

1.5 GOVERNMENT GRANTS

Grants are accounted for under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Profit and Loss Account in the same period as the related expenditure.

H 2021 LLP

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2021**

1. ACCOUNTING POLICIES (CONTINUED)

1.6 INTEREST INCOME

Interest income is recognised in profit or loss using the effective interest method.

1.7 FINANCE COSTS

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

1.8 BORROWING COSTS

All borrowing costs are recognised in profit or loss in the Period in which they are incurred.

1.9 PENSIONS

DEFINED CONTRIBUTION PENSION PLAN

The LLP operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the LLP pays fixed contributions into a separate entity. Once the contributions have been paid the LLP has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the LLP in independently administered funds.

1.10 EXCEPTIONAL ITEMS

Exceptional items are transactions that fall within the ordinary activities of the LLP but are presented separately due to their size or incidence.

1.11 TANGIBLE FIXED ASSETS

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

H 2021 LLP

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2021**

1. ACCOUNTING POLICIES (CONTINUED)

1.11 TANGIBLE FIXED ASSETS (CONTINUED)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Freehold property	- over 10 - 50 years
Leasehold improvements	- over 10 years
Motor vehicles	- over 5 years
Fixtures and fittings	- over 3 - 10 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

1.12 VALUATION OF INVESTMENTS

Investments in subsidiaries are measured at cost less accumulated impairment.

1.13 DEBTORS

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

1.14 CASH AND CASH EQUIVALENTS

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the LLP's cash management.

1.15 CREDITORS

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

H 2021 LLP

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2021**

1. ACCOUNTING POLICIES (CONTINUED)

1.16 PROVISIONS FOR LIABILITIES

Provisions are made where an event has taken place that gives the LLP a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the LLP becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

1.17 FINANCIAL INSTRUMENTS

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Profit and Loss Account.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the LLP would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

H 2021 LLP

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2021**

**2. JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION
UNCERTAINTY**

Preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where these judgements and estimates have been made include:

AMOUNTS RECOVERABLE ON CONTRACTS

Amounts Recoverable on Contracts are reviewed on a monthly basis. The methodology for the provision is applied consistently, assessing all matters individually for the carrying value of the work done to date, using the methodology described in note 1.3.

DEBTORS

An allowance for doubtful accounts is maintained for potential credit losses based upon management's assessment of the expected collectability of all accounts receivable. The allowance for doubtful accounts is reviewed periodically to assess its adequacy. In making this assessment, management takes into consideration any circumstances of which they are aware regarding a customer's inability to meet its financial obligations.

PROVISIONS

A provision for dilapidations is maintained based on independent professional advice received of the cost of returning the properties occupied to their original state at the end of the lease.

Potential claims against the firm are reviewed and a provision is made for any claim that management consider will result in a payment being made.

CONTINGENT WORK IN PROGRESS

Contingent matters have been reviewed to assess whether any pattern and similarities exist in the nature of the assignments. Where such a pattern has been determined, these amounts have been valued using the methodology described above.

Contingent matters which have been billed since the period end but for which the resolution was known with certainty at the period end have been valued using the methodology described in note 1.3.

ANNUITY PROVISION

A provision is included where required for the future purchase of an annuity for two individuals on their retirement. The provision has been calculated based on the estimates on suitably qualified advisors.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2021**

3. TURNOVER

The whole of the turnover is attributable to the provision of legal services.

All turnover arose within the United Kingdom.

4. OTHER OPERATING INCOME

	14 months to 30 June 2021 £	12 months to 30 April 2020 £
Other operating income	54,969	61,205
Government grants receivable	225,562	34,193
Sundry income	6,647	(3,217)
	<u>287,178</u>	<u>92,181</u>

Government grants represent amounts receivable under the Coronavirus Job Retention Scheme (CJRS) to cover salaries of furloughed staff.

5. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	14 months to 30 June 2021 £	12 months to 30 April 2020 £
Depreciation of tangible fixed assets - owned	429,409	364,602
Depreciation of tangible fixed assets - leased	80,187	75,706
Profit on disposal of tangible fixed assets	(3,395,459)	(510)
Operating lease rentals - buildings	473,503	484,098
Operating lease rentals - other	61,542	31,616
	<u>479,182</u>	<u>955,502</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2021**

6. AUDITORS' REMUNERATION

	14 months to 30 June 2021 £	12 months to 30 April 2020 £
Fees payable to the LLP's auditor and its associates for the audit of the LLP's annual financial statements	14,730	14,300
FEE PAYABLE TO THE LLP'S AUDITOR AND ITS ASSOCIATES IN RESPECT OF:		
Taxation compliance services	7,200	6,995
All other services	37,050	37,090
	44,250	44,085

7. EMPLOYEES

Staff costs were as follows:

	14 months to 30 June 2021 £	12 months to 30 April 2020 £
Wages and salaries	7,978,616	8,288,867
Social security costs	805,014	865,570
Cost of defined contribution scheme	439,395	479,472
	9,223,025	9,633,909

The average monthly number of persons (including members with contracts of employment) employed during the period/year was as follows:

	14 months to 30 June 2021 No.	12 months to 30 April 2020 No.
Legal, management and administration	185	232

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2021

8. INFORMATION IN RELATION TO MEMBERS

	14 months to 30 June 2021 Number	12 months to 30 April 2020 Number
The average number of members during the Period was	33	39
	£	£
The amount of profit attributable to the member with the largest entitlement was	895,220	147,826

9. INTEREST RECEIVABLE

	14 months to 30 June 2021 £	12 months to 30 April 2020 £
Other interest receivable	32,632	195,038

10. INTEREST PAYABLE AND SIMILAR EXPENSES

	14 months to 30 June 2021 £	12 months to 30 April 2020 £
Bank interest payable	100,523	123,411
Finance leases and hire purchase contracts	27,800	16,376
	128,323	139,787

11. EXCEPTIONAL INCOME

	14 months to 30 June 2021 £	12 months to 30 April 2020 £
Fair value gain on disposal of trade and assets of the LLP	2,453,491	-

A fair value gain has arisen on the disposal of the LLP's trade and assets. See Note 23.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2021

12. TANGIBLE FIXED ASSETS

	Freehold property £	Leasehold improvements £	Motor vehicles £	Fixtures and fittings £	Total £
At 1 May 2020	3,732,566	156,174	27,230	1,855,540	5,771,510
Additions	-	-	-	71,270	71,270
Transfer of fixed assets (see note 23)	-	(156,174)	(8,500)	(1,926,810)	(2,091,484)
Disposals	(3,732,566)	-	(18,730)	-	(3,751,296)
At 30 June 2021	-	-	-	-	-
At 1 May 2020	445,057	102,238	18,489	1,168,924	1,734,708
Charge for the Period on owned assets	130,241	16,793	3,122	359,440	509,596
Transfer of fixed assets (see note 23)	-	(119,031)	(8,500)	(1,528,364)	(1,655,895)
Disposals	(575,298)	-	(13,111)	-	(588,409)
At 30 June 2021	-	-	-	-	-
NET BOOK VALUE					
At 30 June 2021	-	-	-	-	-
At 30 April 2020	3,287,509	53,936	8,741	686,616	4,036,802

Included within the freehold property depreciation charge for the period is £77,065 (2020 - £71,367) relating to assets held under finance leases. Included within the motor vehicles depreciation charge for the period is £3,122 (2020 - £4,339) relating to assets held under finance leases.

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	30 June 2021 £	30 April 2020 £
Freehold property	-	553,092
Motor vehicles	-	8,741
	-	561,833

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2021**

13. FIXED ASSET INVESTMENTS

	Investments in subsidiary companies £
COST	
At 1 May 2020	3
Disposals	(3)
At 30 June 2021	-

14. DEBTORS

	30 June 2021 £	30 April 2020 £
DUE AFTER MORE THAN ONE YEAR		
Other debtors	2,000,000	-
	2,000,000	-
DUE WITHIN ONE YEAR		
Trade debtors	-	3,758,793
Other debtors	1,000,000	12,439
Prepayments and accrued income	-	650,131
Amounts recoverable on long term contracts	-	2,842,790
	3,000,000	7,264,153

Other debtors represent deferred consideration from the sale of trade and assets in the period, as outlined in Note 23.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2021

15. CASH AND CASH EQUIVALENTS

	30 June 2021 £	30 April 2020 £
Cash at bank and in hand	2,343,870	833,542
Less: bank overdrafts	-	(62,243)
	<u>2,343,870</u>	<u>771,299</u>

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	30 June 2021 £	30 April 2020 £
Bank overdrafts	-	62,243
Bank loans	-	370,306
Trade creditors	-	706,091
Other taxation and social security	-	1,186,601
Obligations under finance lease and hire purchase contracts	-	196,420
Other creditors	-	199,134
Accruals and deferred income	-	398,048
	<u>-</u>	<u>3,118,843</u>

Bank loans were repaid during the period.

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

	30 June 2021 £	30 April 2020 £
Bank loans	-	4,166,989
Obligations under finance leases and hire purchase contracts	-	94,022
	<u>-</u>	<u>4,261,011</u>

Bank loans were repaid during the period.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2021

18. LOANS

Analysis of the maturity of loans is given below:

	30 June 2021 £	30 April 2020 £
AMOUNTS FALLING DUE WITHIN ONE YEAR		
Bank loans	-	370,306
	-	370,306
AMOUNTS FALLING DUE 1-2 YEARS		
Bank loans	-	166,989
	-	166,989
AMOUNTS FALLING DUE 2-5 YEARS		
Bank loans	-	4,000,000
	-	4,000,000
	-	4,537,295

19. PROVISIONS

	Dilapidations provision £	Claims provision £	Total £
At 1 May 2020	257,907	-	257,907
Charged to profit or loss	141,093	170,000	311,093
Transfer of provisions (see note 23)	(399,000)	(170,000)	(569,000)
AT 30 JUNE 2021	-	-	-

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2021**

20. ANALYSIS OF NET DEBT

	At 1 May 2020 £	Arising from cash flows £	Other non- cash changes £	At 30 June 2021 £
Cash at bank and in hand	833,542	1,510,328	-	2,343,870
Bank overdrafts	(62,243)	62,243	-	-
Borrowings due within 1 year	(559,254)	559,254	-	-
Borrowings due after 1 year	(4,166,989)	4,166,989	-	-
Finance leases	(290,442)	144,735	145,707	-
Net debt (before members' debt)	(4,245,386)	6,443,549	145,707	2,343,870
<i>Loans and other debts due to members</i>				
Members' capital	(4,496,739)	4,561,114	(5,408,245)	(5,343,870)
	<u>(8,742,125)</u>	<u>11,004,663</u>	<u>(5,262,538)</u>	<u>(3,000,000)</u>

21. PENSION COMMITMENTS

The LLP operates a group personal pension scheme for employees. The assets of the scheme are administered in a fund independent from those of the LLP. The LLP also makes contributions to a stakeholder scheme on behalf of employees. The pension cost charge represents contributions paid by the LLP to the funds and amounted to £469,077 (2020 - £509,367).

At the period end contributions amounting to £NIL (2020 - £NIL) remained outstanding.

22. COMMITMENTS UNDER OPERATING LEASES

At 30 June 2021 the LLP had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	30 June 2021 £	30 April 2020 £
Not later than 1 year	-	424,436
Later than 1 year and not later than 5 years	-	580,942
	<u>-</u>	<u>1,005,378</u>

23. TRADE AND ASSETS DISPOSAL

On 28 May 2021 the LLP's trade and assets were sold to Harrison Clark Rickerby's Limited, a company incorporated and registered in England and Wales.