

Limited Liability Partnership Registration No. OC355225 (England and Wales)

MSB LAW LLP

ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 28 FEBRUARY 2021

PAGES FOR FILING WITH REGISTRAR

MSB LAW LLP

CONTENTS

	Page
Balance sheet	1 - 2
Reconciliation of members' interests	3 - 4
Notes to the financial statements	5 - 13

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BALANCE SHEET

AS AT 28 FEBRUARY 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Tangible assets	4		-		289,478
Investments	5		-		796,125
					<hr/>
			-		1,085,603
Current assets					
Debtors	7	-		1,015,353	
Cash at bank and in hand		-		230,347	
				<hr/>	
		-		1,245,700	
Creditors: amounts falling due within one year	8	-		(1,708,642)	
				<hr/>	
Net current liabilities			-		(462,942)
			<hr/>		<hr/>
Total assets less current liabilities			-		622,661
Creditors: amounts falling due after more than one year	9		-		(279,828)
Provisions for liabilities	10		-		(75,000)
			<hr/>		<hr/>
Net assets attributable to members			-		267,833
			<hr/>		<hr/>
Represented by:					
Loans and other debts due to members within one year					
Amounts due in respect of profits			-		563,171
			<hr/>		<hr/>
Total members' interests					
Loans and other debts due to members			-		267,833
			<hr/>		<hr/>

The members of the limited liability partnership have elected not to include a copy of the profit and loss account within the financial statements.

For the financial year ended 28 February 2021 the limited liability partnership was entitled to exemption from audit under section 477 of the Companies Act 2006 (as applied by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008) relating to small limited liability partnerships.

The members acknowledge their responsibilities for complying with the requirements of the Act (as applied to limited liability partnerships) with respect to accounting records and the preparation of accounts.

These financial statements have been prepared and delivered in accordance with the provisions applicable to limited liability partnerships subject to the small limited liability partnerships regime.

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BALANCE SHEET (CONTINUED)

AS AT 28 FEBRUARY 2021

The financial statements were approved by the members and authorised for issue on 30 November 2021 and are signed on their behalf by:

Miss E Carey

Designated member

Limited Liability Partnership Registration No. OC355225

MSB LAW LLP

RECONCILIATION OF MEMBERS' INTERESTS

FOR THE YEAR ENDED 28 FEBRUARY 2021

Current financial year

	DEBT		TOTAL
	Loans and other debts due to members less any amounts due from members in debtors		MEMBERS' INTERESTS
	Other amounts	Total	Total 2021
	£	£	£
Amounts due to members	267,833		
Members' interests at 29 February 2020	267,833	267,833	267,833
Result for the financial year available for discretionary division among members	-	-	-
Members' interests after loss for the year	267,833	267,833	267,833
Transferred to limited company	(267,833)	(267,833)	(267,833)
Members' interests at 28 February 2021	-	-	-

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RECONCILIATION OF MEMBERS' INTERESTS (CONTINUED)

FOR THE YEAR ENDED 28 FEBRUARY 2021

<i>Prior financial year</i>	EQUITY		DEBT	TOTAL
	Members' other	Loans and other debts due to	members less any amounts due	MEMBERS'
	interests	members less any amounts due	from members in debtors	INTERESTS
	Other reserves	Other amounts	Total	Total
	£	£	£	2020 £
Amounts due to members		606,275		
Members' interests at 1 March 2019	-	606,275	606,275	606,275
Members' remuneration charged as an expense, including employment costs and retirement benefit costs	-	806,336	806,336	806,336
Profit for the financial year available for discretionary division among members	748,221	-	-	748,221
Members' interests after profit and remuneration for the period	748,221	1,412,611	1,412,611	2,160,832
Allocation of profit for the period	(748,221)	748,221	748,221	-
Introduced by members	-	15,000	15,000	15,000
Drawings (including taxation)	-	(1,612,661)	(1,612,661)	(1,612,661)
Other movements	-	(295,338)	(295,338)	(295,338)
Members' interests at 28 February 2020	-	267,833	267,833	267,833

MSB LAW LLP

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 28 FEBRUARY 2021

1 Accounting policies

Limited liability partnership information

MSB Law LLP is a limited liability partnership incorporated in England and Wales. The registered office is 17 Allerton Road, Allerton, Liverpool, L18 1LG.

The limited liability partnership's principal activities are disclosed in the Members' Report.

1.1 Accounting convention

These financial statements have been prepared in accordance with the Statement of Recommended Practice "Accounting by Limited Liability Partnerships" issued in December 2018, together with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the limited liability partnership. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

The limited liability partnership has taken advantage of the exemption under section 400 of the Companies Act 2006 not to prepare consolidated accounts, on the basis that the group of which this is the parent qualifies as a small group. The financial statements present information about the limited liability partnership as an individual entity and not about its group.

1.2 Going concern

Despite the matters set out in the post balance sheet events note, at the date of approving the financial statements the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. This is owing to measures the members have undertaken to minimise the effect of the COVID 19 outbreak by reducing non-essential costs and through the utilisation of the government support measures including the job retention scheme.

1.3 Turnover

Turnover represents the amounts recoverable for the services provided to clients, excluding value added tax, under contractual obligations which are performed gradually over time.

If, at the Balance sheet date, completion of contractual obligations is dependent on external factors (and thus outside the control of the Limited Liability Partnership), then revenue is recognised only when the event occurs. In such cases, costs incurred up to the Balance sheet date are carried forward as work in progress.

Amounts recoverable but not yet invoiced are included within debtors as accrued income.

MSB LAW LLP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 28 FEBRUARY 2021

1 Accounting policies

(continued)

1.4 Members' participating interests

Members' participation rights are the rights of a member against the LLP that arise under the members' agreement (for example, in respect of amounts subscribed or otherwise contributed remuneration and profits).

Members' participation rights in the earnings or assets of the LLP are analysed between those that are, from the LLP's perspective, either a financial liability or equity, in accordance with section 22 of FRS 102. A member's participation rights including amounts subscribed or otherwise contributed by members, for example members' capital, are classed as liabilities unless the LLP has an unconditional right to refuse payment to members, in which case they are classified as equity.

All amounts due to members that are classified as liabilities are presented within 'Loans and other debts due to members' and, where such an amount relates to current year profits, they are recognised within 'Members' remuneration charged as an expense' in arriving at the relevant year's result. Undivided amounts that are classified as equity are shown within 'Members' other interests'. Amounts recoverable from members are presented as debtors and shown as amounts due from members within members' interests.

Once an unavoidable obligation has been created in favour of members through allocation of profits or other means, any undrawn profits remaining at the reporting date are shown as 'Loans and other debts due to members' to the extent they exceed debts due from a specific member.

1.5 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold improvements	5% straight line
Fixtures, fittings and equipment	15% reducing balance
Computers	25% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the profit and loss account.

1.6 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

1.7 Impairment of fixed assets

At each reporting period end date, the limited liability partnership reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the limited liability partnership estimates the recoverable amount of the cash-generating unit to which the asset belongs.

MSB LAW LLP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 28 FEBRUARY 2021

1 Accounting policies

(continued)

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.8 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.9 Financial instruments

The limited liability partnership has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the limited liability partnership's statement of financial position when the limited liability partnership becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally 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.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

MSB LAW LLP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 28 FEBRUARY 2021

1 Accounting policies

(continued)

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the limited liability partnership transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

Financial liabilities are derecognised when the limited liability partnership's obligations expire or are discharged or cancelled.

MSB LAW LLP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 28 FEBRUARY 2021

1 Accounting policies

(continued)

1.10 Equity instruments

Equity instruments issued by the limited liability partnership are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the limited liability partnership.

1.11 Provisions

Provisions are recognised when the limited liability partnership has a legal or constructive present obligation as a result of a past event, it is probable that the limited liability partnership will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

1.12 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the limited liability partnership is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.13 Retirement benefits and post retirement payments to members

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.14 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

1.15 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

2 Employees

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

	2021 Number	2020 Number
Total	-	114

MSB LAW LLP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 28 FEBRUARY 2021

3 Members' remuneration

	2021 Number	2020 Number
Average number of members during the year	13	14

	2021 £	2020 £
Profit attributable to the member with the highest entitlement	-	223,636

The above remuneration includes employment costs and retirement benefits paid during the year.

4 Tangible fixed assets

	Land and buildings	Plant and machinery etc	Total
	£	£	£
Cost			
At 29 February 2020	169,943	538,607	708,550
Transfer to limited company	(169,943)	(538,607)	(708,550)
At 28 February 2021	-	-	-
Depreciation and impairment			
At 29 February 2020	32,152	386,922	419,074
Transfer to limited company	(32,152)	(386,922)	(419,074)
At 28 February 2021	-	-	-
Carrying amount			
At 28 February 2021	-	-	-
At 28 February 2020	137,792	151,686	289,478

5 Fixed asset investments

	2021 £	2020 £
Other investments other than loans	-	796,125

MSB LAW LLP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 28 FEBRUARY 2021

		(continued)
5	Fixed asset investments	
	Movements in fixed asset investments	
		Investments
		£
	Cost or valuation	
	At 29 February 2020	796,125
	Transferred to limited company	(796,125)
		<hr/>
	At 28 February 2021	-
		<hr/>
	Carrying amount	
	At 28 February 2021	-
		<hr/>
	At 28 February 2020	796,125
		<hr/>

MSB LAW LLP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 28 FEBRUARY 2021

6 Significant undertakings

During the previous period, the limited liability partnership also has significant holdings in undertakings which are not subsidiaries of the limited liability partnership and are not classified as joint ventures or associated undertakings:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Simply Social Housing Limited UK		Solicitors	Ordinary	100.00	-

7 Debtors

	2021	2020
Amounts falling due within one year:	£	£
Trade debtors	-	249,321
Other debtors	-	766,032
	<u>-</u>	<u>1,015,353</u>

8 Creditors: amounts falling due within one year

	2021	2020
	£	£
Bank loans and overdrafts	-	239,758
Trade creditors	-	84,598
Taxation and social security	-	332,966
Other creditors	-	1,051,320
	<u>-</u>	<u>1,708,642</u>

Barclays bank has a fixed and floating charge over all assets and undertakings of MSB Law LLP covering all bank loans and overdrafts.

9 Creditors: amounts falling due after more than one year

	2021	2020
	£	£
Other creditors	-	279,828
	<u>-</u>	<u>279,828</u>

MSB LAW LLP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 28 FEBRUARY 2021

10 Provisions for liabilities

	2021 £	2020 £
Dilapidations provision	-	75,000

11 Retirement benefit schemes

Defined contribution schemes

The limited liability partnership operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme were held separately from those of the limited liability partnership in an independently administered fund before being transferred to MSB Solicitors Limited.

The charge to profit or loss in respect of defined contribution schemes was £- (2020 - £184,400).

12 Loans and other debts due to members

In the event of a winding up the amounts included in "Loans and other debts due to members" will rank equally with unsecured creditors.

13 Operating lease commitments

Lessee

At the reporting end date the limited liability partnership had outstanding commitments for future minimum lease payments under non-cancellable operating leases, as follows:

	2021 £	2020 £
Within one year	-	157,420
Between two and five years	-	604,897
In over five years	-	260,941
	-	1,023,258

On 28 February 2020 all operating lease arrangements were transferred to MSB Solicitors Limited.

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