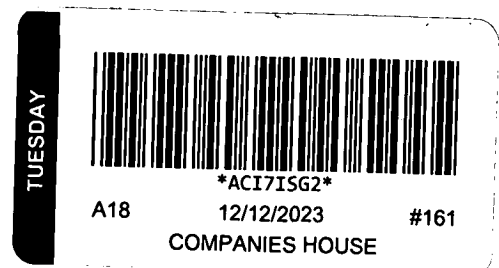


Pollard Thomas Edwards LLP

Members' report and Financial statements

for the year ended 31 March 2023

Registered number: OC395916



Pollard Thomas Edwards LLP

Information

Designated Members	M McDonnell K Stout C Vann
Members	P Devlin R Holdsworth D Oliver P Patel J Laskin (appointed 1 April 2022)
LLP registered number	OC395916
Registered office	Diespeker Wharf 38 Graham Street London N1 8JX
Independent auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL

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**Members' report
for the year ended 31 March 2023**

The members present their annual report together with the audited financial statements of Pollard Thomas Edwards LLP ('the LLP') for the year ended 31 March 2023.

Principal activities

The principal activity of the LLP in the year under review was that of architectural and related consultancy services.

Review of business

We closed our 2022 review in the recognition that we had identified business risks from legislation changes in response to the climate action and building safety agendas; funding repercussions as a result of the invasion of Ukraine and the UK Levelling Up programme; planning obstacles at a local and regional levels; skills and diversity gaps; and negative pressure on development caused by rising costs.

We had anticipated that the medium-term outlook would become clearer but in common with all political commentators, PTE did not anticipate three Prime Ministers, rampant inflation and the collapse of housing/development confidence during the last year. The implications of the Building Safety Act for oversight and liability are not yet clear, Regulatory frameworks continue to be opaque and increasingly in conflict with abrupt policy changes such as the introduction of a mandatory second staircase in taller residential buildings within London leading to the cancellation of whole housing programmes.

As a result, and almost immediately at the start of our 2022/23 financial year, project start dates were delayed and once started they were increasingly subject to long pauses to consider the viability of the scheme which often led to outright cancellation of a project mid-way through. And so, our turnover suffered, dropping by approximately a quarter on the previous year. This required careful management of our resources, infrastructure and cash balances by all the management groups tasked with leading each of PTE's business functions. The obvious lag in managing costs and overheads meant that these reduced by approximately one fifth leaving us with £574K profits (approximately half that of the 2021/22 results).

But Pollard Thomas Edwards has shown resilience over the past twelve months, boosting the office culture for our people, expanding the service offer to our clients and growing our profile through knowledge sharing and design awards.

Current trends that are shaping the industry, such as Environmental, Social and corporate Governance (ESG), retrofit and meaningful engagement with communities, endorse an approach embedded from the beginning in PTE's founding principles and part of our everyday culture and methodology.

PTE continue to pursue creative solutions to attract new commissions and assist our clients to circumnavigate these challenges. While large, strategic housing programmes are less common and harder to win, we continue to obtain a diverse mix of commissions from best practice guidance documents and design codes to direct environmental services and feasibility studies for future regeneration projects.

Designated Members

K Stout, M McDonnell and C Vann were designated members of the LLP throughout the year.

Members' capital and interests

Details of changes in members' capital in the year ended 31 March 2023 are set out in the Reconciliation of members' interests.

**Members' report (continued)
for the year ended 31 March 2023**

Policy for members' drawings, subscriptions and repayment of member's capital

An on-account share of profits for the Accounting Year is paid monthly to each Member. The sum is determined by the Management Committee and approved by the Equity Members.

Interest is payable on Members' Capital Accounts at a rate based upon the rates being charged during the year by the providers of external Loan Capital.

The Management Committee may, with the approval of a simple majority of the Equity Members, require all (but not some only) of the Equity Members to make such Contributions and/or Partner Loans as are necessary for the business. The profits of the LLP are credited to the Equity Members in the proportions that have been decided by the Management Committee at its annual capital and profit share review meeting. No Member shall be liable for any losses of the LLP unless exceptionally the Equity Members otherwise agree.

An equity member wishing to withdraw part of their Capital Account shall give notice in writing of their wish to the Management Committee in advance of its next annual capital and profit share review meeting.

In the event of an Outgoing Member with monies standing to the credit of their capital account at the date that they cease to be a Member, then such Outgoing Member's Capital Account together with interest at the rate of three per cent above the base rate shall be paid by the LLP to the Outgoing Member within a period of 30 months from the date of their ceasing to be a Member.

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.

Members' report (continued)
for the year ended 31 March 2023

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

This report was approved by the members on 21/07/2023 and signed on their behalf by:



M McDonnell
Designated member



Independent auditor's report to the members of Pollard Thomas Edwards LLP

for the year ended 31 March 2023

Opinion

We have audited the financial statements of Pollard Thomas Edwards LLP (the 'LLP') for the year ended 31 March 2023, which comprise the Statement of comprehensive income, the Statement of financial position, 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 31 March 2023 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 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 Auditor's 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.

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 LLP'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.

Independent auditor's report to the members of Pollard Thomas Edwards LLP (continued)

for the year ended 31 March 2023

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditor's 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.

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:

Independent auditor's report to the members of Pollard Thomas Edwards LLP (continued)

for the year ended 31 March 2023

Auditor's responsibilities for the audit of the financial statements (continued)

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the Senior Statutory Auditor ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we made enquiries of management as to where they considered there was susceptibility to fraud, and their knowledge of actual, suspected and alleged fraud;
- we identified the laws and regulations that could reasonably be expected to have a material effect on the financial statements of the LLP through discussions with members and other management at the planning stage and from our commercial knowledge and experience of architects;
- the audit team held a discussion to identify any particular areas that were considered to be susceptible to misstatement, including with respect to fraud and non-compliance with laws and regulations;
- we focused our planned audit work on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the LLP including Companies Act 2006 as applied to LLP's; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the extent of compliance with the laws and regulations identified above through:

- making enquiries of management;
- inspecting legal expenditure and correspondence throughout the year for any potential litigation or claims; and
- considering the internal controls in place that are designed to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- determined the susceptibility of the LLP to management override of controls by checking the implementation of controls and enquiring of individuals involved in the financial reporting process;
- reviewed journal entries throughout the year to identify unusual transactions;
- performed analytical procedures to identify any large, unusual or unexpected transactions and investigated any large variances from the prior period;
- reviewed accounting estimates and evaluated where judgements or decisions made by management indicated bias on the part of the LLP's management; and
- carried out substantive testing to check the occurrence and cut-off of expenditure.

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 meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with the LLP's legal advisors.

There are inherent limitations in our audit procedures described above. Irregularities that result from fraud might be inherently more difficult to detect than irregularities that result from error as they may involve deliberate concealment or collusion. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the members and other management and the inspection of regulatory and legal correspondence, if any.

Buzzacott

Independent auditor's report to the members of Pollard Thomas Edwards LLP (continued)

for the year ended 31 March 2023

Auditor's responsibilities for the audit of the financial statements (continued)

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 Auditor's 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 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 LLP and the LLP's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Buzzacott LLP

CCG Watkins (Senior statutory auditor)

for and on behalf of

Buzzacott LLP

Statutory Auditor

130 Wood Street

London

EC2V 6DL

Date: 21 July 2023

**Statement of comprehensive income
for the year ended 31 March 2023**

	Note	2023 £	2022 £
Turnover	4	8,564,613	11,754,657
Cost of sales		(4,824,458)	(7,038,061)
		<hr/>	<hr/>
Gross profit		3,740,155	4,716,596
Administrative expenses		(3,126,970)	(3,546,648)
Other operating income	5	-	1,990
		<hr/>	<hr/>
Operating profit	6	613,185	1,171,938
Interest payable and similar expenses	10	(39,092)	(7,834)
		<hr/>	<hr/>
Profit before tax		574,093	1,164,104
		<hr/>	<hr/>
Profit for the year before members' remuneration and profit shares available for discretionary division among members		574,093	1,164,104
		<hr/>	<hr/>
Other comprehensive income for the year			
		<hr/>	<hr/>
Total comprehensive income for the year		574,093	1,164,104
		<hr/>	<hr/>

All amounts relate to continuing operations.

There were no recognised gains and losses for 2023 or 2022 other than those included in the statement of comprehensive income.

There was no other comprehensive income for 2023 or 2022.

The notes on 11 to 21 form part of these financial statements.

**Statement of financial position
as at 31 March 2023**

	Note	2023 £	2022 £
Fixed assets			
Intangible assets	11	100,000	160,000
Tangible assets	12	1,032,520	855,225
Current assets			
Debtors: amounts falling due within one year	13	2,091,348	3,074,458
Cash at bank and in hand	14	1,875,872	2,643,409
		<u>3,967,220</u>	<u>5,717,867</u>
Creditors: Amounts Falling Due Within One Year	15	(1,898,037)	(3,176,259)
Net current assets		<u>2,069,183</u>	<u>2,541,608</u>
Creditors: amounts falling due after more than one year	16	-	(330,000)
		<u>3,201,703</u>	<u>3,226,833</u>
Provisions for liabilities			
Other provisions		(150,000)	(378,427)
Net assets		<u>3,051,703</u>	<u>2,848,406</u>
Represented by:			
Loans and other debts due to members within one year			
Other amounts	20	351,703	398,406
Members' other interests			
Members' capital classified as equity		2,700,000	2,450,000
		<u>3,051,703</u>	<u>2,848,406</u>
Total members' interests			
Loans and other debts due to members	20	351,703	398,406
Members' other interests		2,700,000	2,450,000
		<u>3,051,703</u>	<u>2,848,406</u>

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

Mary M McDonnell

M McDonnell

Designated member

Date: 21 July 2023

The notes on pages 12 to 23 form part of these financial statements.

**Reconciliation of members' interests
for the year ended 31 March 2023**

	EQUITY Members' other interests			DEBT Loans and other debts due to members less any amounts due from members in debtors		Total members' interests
	Members' capital (classified as equity)	Other reserves	Total	Other amounts	Total	Total
	£	£	£	£	£	£
Amounts due to members				577,778	577,778	
Balance at 1 April 2021	2,367,600	-	2,367,600	577,778	577,778	2,945,378
Profit for the year available for discretionary division among members	-	1,164,104	1,164,104	-	-	1,164,104
Members' interests after profit for the year	2,367,600	1,164,104	3,531,704	577,778	577,778	4,109,482
Other division of profits	-	(1,164,104)	(1,164,104)	1,164,104	1,164,104	-
Amounts introduced by members	82,400	-	82,400	-	-	82,400
Drawings on account and distribution of profit	-	-	-	(1,343,476)	(1,343,476)	(1,343,476)
Amounts due to members				398,406	398,406	
Balance at 31 March 2022	2,450,000	-	2,450,000	398,406	398,406	2,848,406
Profit for the year available for discretionary division among members	-	574,093	574,093	-	-	574,093
Members' interests after profit for the year	2,450,000	574,093	3,024,093	398,406	398,406	3,422,499
Other division of profits	-	(574,093)	(574,093)	574,093	574,093	-
Amounts introduced by members	250,000	-	250,000	-	-	250,000
Drawings on account and distribution of profit	-	-	-	(620,796)	(620,796)	(620,796)
Amounts due to members				351,703	351,703	
Balance at 31 March 2023	2,700,000	-	2,700,000	351,703	351,703	3,051,703

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.

**Statement of cash flows
for the year ended 31 March 2023**

	2023 £	2022 £
Cash flows from operating activities		
Profit for the financial year	574,093	1,164,104
Adjustments for:		
Amortisation of intangible assets	60,000	60,000
Depreciation of tangible assets	343,419	213,948
Loss on disposal of tangible assets	(152)	(935)
Interest paid	39,092	7,834
Decrease in debtors	983,110	265,796
Decrease in creditors	(1,398,824)	(588,196)
(Decrease)/increase in provisions	(228,427)	348,427
Net cash generated from operating activities before transactions with members	372,311	1,470,978
Cash flows from investing activities		
Purchase of tangible fixed assets	(520,729)	(783,295)
Sale of tangible fixed assets	167	935
Net cash from investing activities	(520,562)	(782,360)
Cash flows from financing activities		
New secured loans	600,000	720,000
Repayment of loans	(809,398)	-
Repayment of other loans	-	(30,000)
Interest paid	(39,092)	(7,834)
Members' capital contributed	250,000	82,400
Distribution paid to members	(620,796)	(1,343,476)
Net cash used in financing activities	(619,286)	(578,910)
Net (decrease)/increase in cash and cash equivalents	(767,537)	109,708
Cash and cash equivalents at beginning of year	2,643,409	2,533,701
Cash and cash equivalents at the end of year	1,875,872	2,643,409
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	1,875,872	2,643,409
	1,875,872	2,643,409

The notes on pages 12 to 23 form part of these financial statements.

Notes to the financial statements

for the year ended 31 March 2023

1. General information

Pollard Thomas Edwards LLP (OC395916) was incorporated and is registered in England and Wales. The registered office and principal place of business is Diespeker Wharf, 38 Graham Street, London, N1 8JX.

2. Accounting policies

2.1 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 Republic of Ireland' ('FRS 102'), 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 3).

The following principal accounting policies have been applied:

2.2 Going concern

The LLP has sufficient liquid resources to continue as a going concern for the foreseeable future and the members believe the LLP will be able to meet its liabilities as they fall due for at least twelve months from the date of approval of these financial statements. Therefore the financial statements have been prepared on the going concern basis.

2.3 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the LLP and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before turnover is recognised:

Rendering of services

Turnover arising from the provision of architectural services is assessed on a contract by contract basis and reflected in the profit or loss by recording turnover and related costs as contract activity progresses. Turnover is calculated as the proportion of total contract value which contract costs to date bear to total expected contract costs.

The amount by which turnover exceeds payments on account is classified as "amounts recoverable under contracts" and included within debtors. To the extent that payments on account exceed turnover, the excess is included as a creditor. A provision is made for anticipated losses on contracts. Movement in the provision for losses on contracts is included in cost of sales.

2.4 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Statement of comprehensive income in the same period as the related expenditure.

Notes to the financial statements

for the year ended 31 March 2023

2. Accounting policies (continued)

2.5 Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the profit or loss over its useful economic life of ten years.

2.6 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.

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:

Leasehold improvements	-	Over the remaining life of the lease
Fixtures and fittings	-	20%
Computer equipment	-	33%

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.

2.7 Debtors

Short term debtors are measured at transaction price, less any impairment.

2.8 Amounts recoverable under contracts

Amounts recoverable under contracts represent work done at the year end where a continuing right to receive income exists and is valued at the estimated amount recoverable in excess of fees already rendered.

2.9 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.

2.10 Financial instruments

The LLP only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors.

Notes to the financial statements

for the year ended 31 March 2023

2. Accounting policies (continued)

2.11 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.

2.12 Taxation

Taxation of all of the LLP's profits is solely the personal liability of individual members and is not dealt with in these financial statements.

2.13 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 the Statement of comprehensive income in the year that the LLP becomes aware of the obligation and are measured at the best estimate at the Statement of financial position 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 Statement of financial position.

2.14 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.

2.15 Operating leases

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.

2.16 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 Statement of financial position. The assets of the plan are held separately from the LLP in independently administered funds.

2.17 Members' remuneration

Members' remuneration charged as an expense in the profit or loss relates to amounts payable under contractual agreements. The balance of the profit for the year, available for discretionary division amongst the members, is treated as members' equity in the balance sheet until it is formally allocated to the members at the year end.

Notes to the financial statements

for the year ended 31 March 2023

2. Accounting policies (continued)

2.18 Borrowing costs

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

3. Judgements in applying accounting policies and key sources of estimation uncertainty

In the application of the LLP's accounting policies, which are described in note 2, the members are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis.

Critical judgements in applying the LLP's accounting policies

The following are the critical judgements, apart from those involving estimations (which are dealt with separately below), the members have made in the process of applying the LLP's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Work in progress and costs to complete

A key estimation in calculating the 'amounts recoverable under long term contracts' and 'payments received on account' figures is the costs to complete a long term contract. This is calculated based upon a detailed budgeting process which is reviewed and updated where necessary as the contract progresses. The members' experience and judgement is required when making this estimation.

Revenue recognition

On the whole revenue is recognised as it is invoiced and where a long term contract is in the earlier stages and there is an agreement in place for the project to continue the members will calculate how much of the revenue already billed is deemed to be a payment on account for future works.

Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the future cash flows expected to arise from the cash generating units to which the goodwill has been allocated. The goodwill is being amortised evenly over its useful economic life of ten years which has been estimated by the members.

4. Turnover

Analysis of turnover by country of destination:

	2023	2022
	£	£
United Kingdom	8,564,613	11,754,657
	<u>8,564,613</u>	<u>11,754,657</u>

Notes to the financial statements

for the year ended 31 March 2023

5. Other operating income

	2023 £	2022 £
Other operating income	-	1,990
	<u>-</u>	<u>1,990</u>

6. Operating profit

The operating profit is stated after charging:

	2023 £	2022 £
(Loss)/Profit on disposal of fixed assets	(152)	935
Depreciation of tangible fixed assets	343,419	213,948
Amortisation of goodwill	60,000	60,000
Operating lease rentals - land and buildings	214,594	442,683
Operating lease rentals - other	10,887	20,651
	<u>10,887</u>	<u>20,651</u>

7. Auditors remuneration

	2023 £	2022 £
Fees payable to the LLP's auditor and its associates for the audit of the LLP's annual financial statements	<u>25,000</u>	<u>21,500</u>

	2023 £	2022 £
Fees payable to the LLP's auditor and its associates in respect of:		
Other services	2,750	2,500
Tax services	<u>11,135</u>	<u>12,320</u>

Notes to the financial statements

for the year ended 31 March 2023

8. Employees

Staff costs were as follows:

	2023 £	2022 £
Wages and salaries	4,723,981	6,358,659
Social security costs	526,679	697,394
Cost of defined contribution scheme	223,869	289,224
	<u>5,474,529</u>	<u>7,345,277</u>

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

	2023 No.	2022 No.
Architects	90	130
Administration	15	20
	<u>105</u>	<u>150</u>

9. Information in relation to members

	2023 No.	2022 No.
The average number of members during the year was	8	7

	2023 £	2022 £
The amount of profit attributable to the member with the largest entitlement was	<u>96,823</u>	<u>167,423</u>

10. Interest payable and similar expenses

	2023 £	2022 £
Bank interest payable	39,092	3,760
Other loan interest payable	-	4,074
	<u>39,092</u>	<u>7,834</u>

Notes to the financial statements

for the year ended 31 March 2023

11. Intangible assets

	Goodwill £
Cost	
At 1 April 2022	600,000
	<hr/>
At 31 March 2023	600,000
	<hr/>
Amortisation	
At 1 April 2022	440,000
Charge for the year on owned assets	60,000
	<hr/>
At 31 March 2023	500,000
	<hr/>
Net book value	
At 31 March 2023	100,000
	<hr/> <hr/>
At 31 March 2022	160,000
	<hr/> <hr/>

Notes to the financial statements

for the year ended 31 March 2023

12. Tangible fixed assets

	Leasehold improvements £	Fixtures and fittings £	Computer equipment £	Total £
Cost or valuation				
At 1 April 2022	744,255	244,444	681,204	1,669,903
Additions	457,631	18,531	44,567	520,729
Disposals	-	-	(538)	(538)
At 31 March 2023	1,201,886	262,975	725,233	2,190,094
Depreciation				
At 1 April 2022	187,123	208,159	419,396	814,678
Charge for the year on owned assets	191,505	12,786	139,128	343,419
Disposals	-	-	(523)	(523)
At 31 March 2023	378,628	220,945	558,001	1,157,574
Net book value				
At 31 March 2023	823,258	42,030	167,232	1,032,520
At 31 March 2022	557,132	36,285	261,808	855,225

13. Debtors

	2023 £	2022 £
Trade debtors	1,444,523	2,266,680
Other debtors	111,769	112,848
Prepayments	229,684	292,804
Amounts recoverable on long-term contracts	305,372	402,126
	2,091,348	3,074,458

Notes to the financial statements

for the year ended 31 March 2023

14. Cash and cash equivalents

	2023 £	2022 £
Cash at bank and in hand	1,875,872	2,643,409
	<u>1,875,872</u>	<u>2,643,409</u>

15. Creditors: amounts falling due within one year

	2023 £	2022 £
Bank loans	480,602	360,000
Payments received on account	422,539	1,007,675
Trade creditors	102,385	835,254
Other taxation and social security	414,891	525,637
Other creditors	5,879	9,583
Accruals	471,741	438,110
	<u>1,898,037</u>	<u>3,176,259</u>

The bank loan is secured by a debenture granted by Pollard Thomas Edwards in favour of Barclays Bank PLC.

16. Creditors: amounts falling due after more than one year

	2023 £	2022 £
Bank loans	-	330,000
	<u>-</u>	<u>330,000</u>

The bank loan is secured by a debenture granted by Pollard Thomas Edwards in favour of Barclays Bank PLC.

Notes to the financial statements

for the year ended 31 March 2023

17. Loans

Analysis of the maturity of loans is given below:

	2023 £	2022 £
Amounts falling due within one year		
Bank loans	480,602	360,000
	<u>480,602</u>	<u>360,000</u>
Amounts falling due 1-2 years		
Bank loans	-	330,000
	<u>-</u>	<u>330,000</u>
	<u>480,602</u>	<u>690,000</u>

The bank loan is secured by a debenture granted by Pollard Thomas Edwards in favour of Barclays Bank PLC.

18. Analysis of Net Debt

	At 1 April 2022 £	Arising from cash flows £	At 31 March 2023 £
Cash at bank and in hand	2,643,409	(767,537)	1,875,872
Borrowings due within 1 year	(360,000)	(120,602)	(480,602)
Borrowings due after 1 year	(330,000)	330,000	-
Net debt (before members' debt)	<u>1,953,409</u>	<u>(558,139)</u>	<u>1,395,270</u>
Other amounts due to members	(398,406)	46,703	(351,703)
Net debt	<u>1,555,003</u>	<u>(511,436)</u>	<u>1,043,567</u>

Notes to the financial statements

for the year ended 31 March 2023

19. Provisions

	Other provision £
At 1 April 2022	378,427
Released in year	(228,427)
At 31 March 2023	150,000

20. Loans and other debts due to members

	2023 £	2022 £
Other amounts due to members	351,703	398,406
	351,703	398,406

Loans and other debts due to members may be further analysed as follows:

	2023 £	2022 £
Falling due within one year	351,703	398,406
	351,703	398,406

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

21. Contingent liabilities

There were no contingent liabilities at 31 March 2023 or 31 March 2022.

22. Capital commitments

The LLP had no capital commitments at 31 March 2023 (2022 - £492,610).

Notes to the financial statements

for the year ended 31 March 2023

23. Pension commitments

The entity operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the entity in an independently administered fund. The pension cost charge represents contributions payable by the entity to the fund and amounted to £223,869 (2022 - £289,224). Contributions totalling £29,127 (2022 - £1,069) were payable to the fund at the balance sheet date.

24. Commitments under operating leases

At 31 March 2023 the LLP had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2023 £	2022 £
Not later than 1 year	5,993	6,755
Later than 1 year and not later than 5 years	362,360	366,743
	<u>368,353</u>	<u>373,498</u>

25. Related party transactions

During the year, payments were made to a company which is considered to be a related party by virtue of being under common control, through a close family member. Payments in the year to the company totalled £7,600 (2022: £63,720). At 31 March 2023, £nil (2022: £16,560) was due to the company and included within trade creditors.

Key management personnel

Key management personnel includes the members only, and this has been disclosed in the reconciliation of members' interests.

26. Controlling party

In the opinion of the Designated Members, there was no ultimate controlling party of the LLP during the year or the preceding year.