

REGISTERED NUMBER SO303237

**ARTHUR & CARMICHAEL LLP**  
**UNAUDITED FINANCIAL STATEMENTS**  
**31 DECEMBER 2016**



\*S6WN03AG\*  
SCT 28/09/2017 #22  
COMPANIES HOUSE



\*S6FY9R57\*  
SCT 28/09/2017 #382  
COMPANIES HOUSE

**A W GRAY & BUTLER**  
Chartered Accountants  
10 Knockbreck Street  
TAIN  
Ross-Shire  
IV19 1BJ

**ARTHUR & CARMICHAEL LLP**  
**FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2016**

<b>CONTENTS</b>	<b>PAGE</b>
The report of the members	1
Chartered accountants' report to the members	2
Profit and loss account	3
Balance sheet	4
Notes to the financial statements	5
<b>The following pages do not form part of the financial statements</b>	
Detailed profit and loss account	12

**ARTHUR & CARMICHAEL LLP**  
**THE REPORT OF THE MEMBERS**  
**YEAR ENDED 31 DECEMBER 2016**

The members present their report and the unaudited financial statements of the LLP for the year ended 31 December 2016.

**PRINCIPAL ACTIVITIES**

The principal activity of the company is to provide legal services.

**RESULTS FOR THE YEAR AND ALLOCATION TO MEMBERS**

The profit for the year available for distribution to members was £378,726 (2015: £276,995).

**DESIGNATED MEMBERS**

The following were designated members during the year:

Mr J B Gunn  
Mr N J D Wright  
Mr C J Milligan

**POLICY WITH RESPECT TO MEMBERS' DRAWINGS AND SUBSCRIPTION AND REPAYMENTS OF AMOUNTS SUBSCRIBED OR OTHERWISE CONTRIBUTED BY MEMBERS**

Members are permitted to make drawings in anticipation of profits which will be allocated to them. The amount of such drawings is set at the beginning of each financial year, taking into account the anticipated cash needs of the LLP.


New members are required to subscribe a minimum level of capital and in subsequent years members are invited to subscribe for further capital, the amounts of which is determined by the performance and seniority of those members. On retirement, capital is repaid to members.

**SMALL LLP PROVISIONS**

This report has been prepared in accordance with the provisions applicable to LLPs entitled to the small LLPs exemption.

Registered office:  
The White House  
Cathedral Square  
Dornoch  
Sutherland  
IV25 3SW

Signed on behalf of the members



MR N J D WRIGHT

Designated member

Approved by the members on 1 September 2017

**ARTHUR & CARMICHAEL LLP**  
**CHARTERED ACCOUNTANTS' REPORT TO THE MEMBERS ON THE**  
**UNAUDITED ACCOUNTS OF ARTHUR & CARMICHAEL LLP**  
**YEAR ENDED 31 DECEMBER 2016**

In accordance with our terms of engagement, and in order to assist you to fulfil your duties under the Limited Liability Partnerships Regulations 2008, we have prepared the financial statements of the LLP on pages 3 to 9 from the accounting records and information and explanations supplied to us.

This report is made to the LLP's Members, as a body, in accordance with the terms of our engagement. Our work has been undertaken to enable us to prepare the financial statements on behalf of the LLP's Members 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 work or for this report.

We have carried out this engagement in accordance with best practice guidance issued by ICAS and have complied with the ethical guidance laid down by the Institute relating to members undertaking the preparation of financial statements.

You have acknowledged on the balance sheet as at 31 December 2016 your duty to ensure that the LLP has kept adequate accounting records and to prepare financial statements that give a true and fair view under the Limited Liability Partnerships Regulations 2008. You consider that the LLP is exempt from the statutory requirement for an audit for the year.

We have not been instructed to carry out an audit of the financial statements. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the financial statements.

10 Knockbreck Street  
TAIN  
Ross-Shire  
IV19 1BJ

31 August 2017

*A W Gray & Butler*  
A W GRAY & BUTLER  
Chartered Accountants

**ARTHUR & CARMICHAEL LLP**  
**PROFIT AND LOSS ACCOUNT**  
**YEAR ENDED 31 DECEMBER 2016**

	Note	2016 £	2015 £
<b>TURNOVER</b>		<b>699,213</b>	<b>502,477</b>
Administrative expenses		323,584	228,593
Other operating income	2	(5,810)	(5,646)
<b>OPERATING PROFIT</b>	3	<b>381,439</b>	<b>279,530</b>
Interest receivable		616	595
Interest payable		(3,329)	(3,130)
<b>PROFIT FOR THE FINANCIAL YEAR BEFORE MEMBERS' REMUNERATION AND PROFIT SHARES AVAILABLE FOR DISCRETIONARY DIVISION AMONG MEMBERS</b>		<b><u>378,726</u></b>	<b><u>276,995</u></b>

The notes on pages 5 to 9 form part of these financial statements.

**ARTHUR & CARMICHAEL LLP****BALANCE SHEET****31 DECEMBER 2016**

	Note	2016 £	2015 £
<b>FIXED ASSETS</b>			
Intangible assets	5	50,000	50,000
Tangible assets	6	55,630	24,100
		<u>105,630</u>	<u>74,100</u>
<b>CURRENT ASSETS</b>			
Debtors	7	27,667	25,435
Cash at bank and in hand		415,020	238,424
		<u>442,687</u>	<u>263,859</u>
<b>CREDITORS: Amounts falling due within one year</b>	8	<u>251,475</u>	<u>107,758</u>
<b>NET CURRENT ASSETS</b>		<u>191,212</u>	<u>156,101</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>296,842</u>	<u>230,201</u>
<b>NET ASSETS ATTRIBUTABLE TO MEMBERS</b>		<u>296,842</u>	<u>230,201</u>
<b>REPRESENTED BY:</b>			
Loans and other debts due to members			
Other amounts	10	<u>296,842</u>	<u>230,201</u>
<b>TOTAL MEMBERS' INTERESTS</b>			
Loans and other debts due to members	10	<u>296,842</u>	<u>230,201</u>

For the year ended 31 December 2016 the LLP was entitled to exemption from audit under section 477 of the Companies Act 2006 as applied to LLPs by Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 relating to small LLPs.

The members acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These accounts have been prepared in accordance with the provisions applicable to LLPs subject to the small LLPs regime and with the Financial Reporting Standard for Smaller Entities (effective January 2015).

These accounts were approved by the members and authorised for issue on 1 September 2017, and are signed on their behalf by:

Mr D Gunn



Registered Number: SO303237

The notes on pages 5 to 9 form part of these financial statements.

**ARTHUR & CARMICHAEL LLP**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2016**

**1. ACCOUNTING POLICIES**

**Basis of accounting**

The financial statements have been prepared under the historical cost convention and in accordance with applicable UK accounting standards and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2015), and the requirements of the Statement of Recommended Practice 'Accounting by Limited Liability Partnerships' issued in July 2014 (SORP 2014).

**Turnover**

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax.

**Goodwill**

Positive purchased goodwill arising on acquisitions is capitalised, classified as an asset on the Balance Sheet and amortised over its useful economic life. Where a reliable estimate of the useful life of goodwill or intangible assets cannot be made, the life is presumed not to exceed five years. The carrying amount at the date of revision is depreciated over the revised estimate of remaining useful economic life.

**Fixed assets**

All fixed assets are initially recorded at cost.

**Depreciation**

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Library	-	25% reducing balance
Fixtures & Fittings	-	25% reducing balance
Motor Vehicles	-	£3k per vehicle

**Hire purchase agreements**

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the profit and loss account on a straight line basis.

**Operating lease agreements**

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

**ARTHUR & CARMICHAEL LLP**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2016**

**1. ACCOUNTING POLICIES** *(continued)*

**Members' participation rights**

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 FRS 25 (IAS 32) Financial Instruments: Disclosure and Presentation and UITF abstract 39 Members' shares in co-operative entities and similar instruments. A member's participation right results in a liability unless the right to any payment is discretionary on the part of the LLP.

Amounts subscribed or otherwise contributed by members, for example members' capital, are classed as equity if the LLP has an unconditional right to refuse payment to members. If the LLP does not have such an unconditional right, such amounts are classified as liabilities.

Where profits are automatically divided as they arise, so the LLP does not have an unconditional right to refuse payment, the amounts arising that are due to members are in the nature of liabilities. They are therefore treated as an expense in the Profit and Loss Account in the relevant year. To the extent that they remain unpaid at the year end, they are shown as liabilities in the Balance Sheet.

Conversely, where profits are divided only after a decision by the LLP or its representative, so that the LLP has an unconditional right to refuse payment, such profits are classed as an appropriation of equity rather than as an expense. They are therefore shown as a residual amount available for discretionary division among members in the Profit and Loss Account and are equity appropriations in the Balance Sheet.

Other amounts applied to members, for example remuneration paid under an employment contract and interest on capital balances, are treated in the same way as all other divisions of profits, as described above, according to whether the LLP has, in each case, an unconditional right to refuse payment.

All amounts due to members that are classified as liabilities are presented in the Balance Sheet within 'Loans and other debts due to members' and are charged to the Profit and Loss Account within 'Members' remuneration charged as an expense'. Amounts due to members that are classified as equity are shown in the Balance Sheet within 'Members' other interests'.

**2. OTHER OPERATING INCOME**

	2016	2015
	£	£
Commission receivable	<u>5,810</u>	<u>5,646</u>



**ARTHUR & CARMICHAEL LLP**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2016**

**3. OPERATING PROFIT**

Operating profit is stated after charging:

	2016 £	2015 £
Staff pension contributions	18,000	—
Depreciation of owned fixed assets	16,922	14,506
Depreciation of assets held under hire purchase agreements	12,070	—
Loss on disposal of fixed assets	<u>2,795</u>	<u>2,077</u>

**4. INFORMATION IN RELATION TO MEMBERS**

	2016 No.	2015 No.
The average number of members during the year was	<u>4</u>	<u>3</u>
	2016 £	2015 £
The average members remuneration during the year was	<u>—</u>	<u>—</u>

**5. INTANGIBLE ASSETS**

	Goodwill £
<b>COST</b>	
At 1 January 2016 and 31 December 2016	<u>50,000</u>
<b>AMORTISATION</b>	
At 31 December 2016	<u>—</u>
<b>NET BOOK VALUE</b>	
At 31 December 2016	<u>50,000</u>
At 31 December 2015	<u>50,000</u>

**ARTHUR & CARMICHAEL LLP**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2016**

**6. TANGIBLE ASSETS**

	Library £	Fixtures & Fittings £	Motor Vehicles £	Total £
<b>COST OR VALUATION</b>				
At 1 January 2016	336	22,777	45,380	68,493
Additions	—	172	60,350	60,522
<b>At 31 December 2016</b>	<b>336</b>	<b>22,949</b>	<b>105,730</b>	<b>129,015</b>
<b>DEPRECIATION</b>				
At 1 January 2016	256	15,342	28,795	44,393
Charge for the year	20	1,902	27,070	28,992
<b>At 31 December 2016</b>	<b>276</b>	<b>17,244</b>	<b>55,865</b>	<b>73,385</b>
<b>NET BOOK VALUE</b>				
At 31 December 2016	60	5,705	49,865	55,630
At 31 December 2015	80	7,435	16,585	24,100

**Hire purchase agreements**

Included within the net book value of £55,630 is £48,280 (2015 - £Nil) relating to assets held under hire purchase agreements. The depreciation charged to the financial statements in the year in respect of such assets amounted to £12,070 (2015 - £Nil).

**7. DEBTORS**

	2016 £	2015 £
Trade debtors	24,067	20,635
Other debtors	3,600	4,800
	<b>27,667</b>	<b>25,435</b>

**8. CREDITORS: Amounts falling due within one year**

	2016 £	2015 £
Trade creditors	153,483	86,986
Other taxation	43,447	20,393
Hire purchase agreements	54,545	379
	<b>251,475</b>	<b>107,758</b>

**ARTHUR & CARMICHAEL LLP**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2016**

**9. RELATED PARTY TRANSACTIONS**

In the opinion of the members there is no controlling party as defined by financial reporting Standard No 8 "Related party disclosures".

**10. LOANS AND OTHER DEBTS DUE TO MEMBERS**

	2016 £	2015 £
Amounts owed to members in respect of profits	246,842	180,201
Other members' loans	50,000	50,000
	<u>296,842</u>	<u>230,201</u>

**11. MEMBERS' INTERESTS**

	Members' other interests		Loans and other debts due to members less any amounts due from members in debtors		Total members' interests
	Other reserves	Total	Other amounts	Total	Total 2016
	£	£	£	£	£
Balance at 1 January 2016	-	-	230,201	230,201	230,201
Profit for the financial year available for discretionary division among members	378,726	378,726			378,726
Members' interests after profit for the year	378,726	378,726	230,201	230,201	608,927
Other divisions of profits	(378,726)	(378,726)	378,726	378,726	-
Introduced by members		-	4,000	4,000	4,000
Drawings			(316,085)	(316,085)	(316,085)
<b>BALANCE AT 31 DECEMBER 2016</b>	<u>-</u>	<u>-</u>	<u>296,842</u>	<u>296,842</u>	<u>296,842</u>