

Limited Liability Partnership Registration No. SO306332 (Scotland)

**DREVER & HEDDLE LLP**  
**ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 30 SEPTEMBER 2020**  
**PAGES FOR FILING WITH REGISTRAR**

# **DREVER & HEDDLE LLP**

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## **DREVER & HEDDLE LLP**

### **REPORT TO THE MEMBERS ON THE PREPARATION OF THE UNAUDITED STATUTORY ACCOUNTS OF DREVER & HEDDLE LLP**

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In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of Drever & Heddle LLP for the period ended 30 September 2020 which comprise, the balance sheet and the related notes from the limited liability partnership's accounting records and from information and explanations you have given us.

As a practising member firm of the Association of Chartered Certified Accountants, we are subject to its ethical and other professional requirements which are detailed at <https://www.accaglobal.com/gb/en/member/standards/rules-and-standards/rulebook.html>.

This report is made solely to the limited liability partnership's members of Drever & Heddle LLP, as a body, in accordance with the terms of our engagement letter dated 21 April 2020. Our work has been undertaken solely to prepare for your approval the financial statements of Drever & Heddle LLP and state those matters that we have agreed to state to the limited liability partnership's members of Drever & Heddle LLP, as a body, in this report in accordance with the requirements of the Association of Chartered Certified Accountants as detailed at [https://www.accaglobal.com/content/dam/ACCA\\_Global/Technical/fact/technical-factsheet-163.pdf](https://www.accaglobal.com/content/dam/ACCA_Global/Technical/fact/technical-factsheet-163.pdf). To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Drever & Heddle LLP and its members as a body, for our work or for this report.

It is your duty to ensure that Drever & Heddle LLP has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the assets, liabilities, financial position and profit of Drever & Heddle LLP. You consider that Drever & Heddle LLP is exempt from the statutory audit requirement for the period.

We have not been instructed to carry out an audit or a review of the financial statements of Drever & Heddle LLP. 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 statutory financial statements.

**CRC Accountancy**

3 November 2020

**Chartered Certified Accountants**

4 Soullisquoy Loan  
Kirkwall  
Orkney  
KW15 1BY

# DREVER & HEDDLE LLP

## BALANCE SHEET

AS AT 30 SEPTEMBER 2020

		2020		2019	
	Notes	£	£	£	£
<b>Fixed assets</b>					
Intangible assets	3		-		210,000
Tangible assets	4		-		20,000
			-		230,000
<b>Current assets</b>					
Intangible assets	3	210,000		-	
Tangible assets	4	5,002		-	
Debtors	5	159,085		125,246	
Cash at bank and in hand		106,535		42,441	
		480,622		167,687	
<b>Creditors: amounts falling due within one year</b>	6	(393,758)		(118,510)	
<b>Net current assets</b>			86,864		49,177
<b>Total assets less current liabilities</b>			86,864		279,177
<b>Creditors: amounts falling due after more than one year</b>	7		-		(224,117)
<b>Net assets attributable to members</b>			86,864		55,060
<b>Represented by:</b>					
<b>Loans and other debts due to members within one year</b>					
Other amounts			86,862		55,058
<b>Members' other interests</b>					
Members' capital classified as equity			2		2
			86,864		55,060
<b>Total members' interests</b>					
Loans and other debts due to members			86,862		55,058
Members' other interests			2		2
			86,864		55,060

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

## **DREVER & HEDDLE LLP**

### **BALANCE SHEET (CONTINUED)**

**AS AT 30 SEPTEMBER 2020**

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For the financial period ended 30 September 2020 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.

The financial statements were approved by the members and authorised for issue on 3 November 2020 and are signed on their behalf by:

S Sutherland  
**Designated member**

**Limited Liability Partnership Registration No. SO306332**

# DREVER & HEDDLE LLP

## NOTES TO THE FINANCIAL STATEMENTS

**FOR THE PERIOD ENDED 30 SEPTEMBER 2020**

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### **1 Accounting policies**

#### **Limited liability partnership information**

Drever & Heddle LLP is a limited liability partnership incorporated in Scotland. The registered office is 56a Albert Street, Kirkwall, Orkney, KW15 1HQ.

The principal activity of the limited liability partnership continued to be that of continued to be that of legal and estate agency services.

#### **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 January 2017, 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.

#### **1.2 Going concern**

The LLP ceased trading on 30 September 2020. Accordingly, these accounts have been presented on the break up basis. All fixed assets have been reclassified as current assets at the lower of their original cost and net realisable value, and all long term liabilities have been reclassified as current liabilities. All costs associated with winding up the business are recognised.

#### **1.3 Reporting period**

The members opted to extend the LLP's year end to align it with that of one of its members. The previous accounting period covered is 12 month trading year, and therefore the comparative amounts presented in this set of financial statements (and the related notes) may not be entirely comparable.

#### **1.4 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.

# DREVER & HEDDLE LLP

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 SEPTEMBER 2020

### 1 Accounting policies

(Continued)

#### 1.5 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.

Where there exists an asset and liability component in respect of an individual member's participation rights, they are presented on a gross basis unless the LLP has both a legally enforceable right to set off the recognised amounts, and it intends either to settle on a net basis or to settle and realise these amounts simultaneously, in which case they are presented net. Else Endif

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.

#### 1.6 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of unincorporated businesses over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 5 years.

#### 1.7 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:

Plant and equipment	25% reducing balance
Computers	Three years straight line
Motor vehicles	25% reducing balance

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.

#### 1.8 Impairment of fixed assets

At each reporting period end date, the limited liability partnership reviews the carrying amounts of its tangible and intangible 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).

# DREVER & HEDDLE LLP

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 SEPTEMBER 2020

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### 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.

#### 1.9 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### 1.10 Financial instruments

The limited liability partnership has elected to apply the provisions of Section 11 'Basic Financial Instruments' 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. Financial assets classified as receivable within one year are not amortised.

##### **Impairment of financial assets**

Financial assets are assessed for indicators of impairment at each reporting end date.

##### **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.

##### **Classification of financial liabilities**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the limited liability partnership after deducting all of its liabilities.

##### **Basic financial liabilities**

Basic financial liabilities, including creditors and bank loans, are initially recognised at transaction price and are subsequently carried at amortised cost using the effective interest rate method. Financial liabilities classified as payable within one year are not amortised.

##### **Derecognition of financial liabilities**

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

# DREVER & HEDDLE LLP

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 SEPTEMBER 2020

### 1 Accounting policies

(Continued)

#### 1.11 Equity instruments

Equity instruments issued by the limited liability partnership are recorded at the proceeds received, net of direct issue costs.

#### 1.12 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense. 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

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

#### 1.14 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under hire purchase agreements and finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

#### 1.15 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received. Government grants relating to turnover are recognised as income over the periods when the related costs are incurred.

### 2 Employees

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

	2020 Number	2019 Number
Total	19	19

# DREVER & HEDDLE LLP

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 SEPTEMBER 2020

### 3 Intangible fixed assets

	Goodwill £
<b>Cost</b>	
At 1 June 2019 and 30 September 2020	210,000
<b>Amortisation and impairment</b>	
At 1 June 2019 and 30 September 2020	-
<b>Carrying amount</b>	
At 30 September 2020	210,000
At 31 May 2019	210,000

### 4 Tangible fixed assets

	Plant and machinery etc £
<b>Cost</b>	
At 1 June 2019	20,000
Additions	26,809
Disposals	(15,000)
At 30 September 2020	31,809
<b>Depreciation and impairment</b>	
At 1 June 2019	-
Depreciation charged in the period	26,807
At 30 September 2020	26,807
<b>Carrying amount</b>	
At 30 September 2020	5,002
At 31 May 2019	20,000

The LLP operates certain assets on hire purchase terms.

### 5 Debtors

	2020 £	2019 £
<b>Amounts falling due within one year:</b>		
Trade debtors	159,085	125,246

## DREVER & HEDDLE LLP

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 SEPTEMBER 2020

**6 Creditors: amounts falling due within one year**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Bank loans	323,452	8,000
Trade creditors	3,420	-
Taxation and social security	42,696	52,147
Other creditors	24,190	58,363
	<u>393,758</u>	<u>118,510</u>

**7 Creditors: amounts falling due after more than one year**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Bank loans and overdrafts	-	224,117
	<u>-</u>	<u>224,117</u>

The LLP has granted Bank of Scotland PLC a floating charge over all assets of the LLP as security for borrowings.

**8 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.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.