

Registered number: 04661899

Howarth Litchfield Partnership Limited

Filleted financial statements

31 March 2017



Howarth Litchfield Partnership Limited

Company Information

Directors	E J Berry (appointed 1 May 2016) D J Pickersgill N Turner J F Yates G Brewis (resigned 31 December 2016)
Registered number	04661899
Registered office	4 Old Elvet Durham County Durham DH1 3HL
Independent auditor	UNW LLP Chartered Accountants & Statutory Auditor Citygate St James' Boulevard Newcastle upon Tyne NE1 4JE
Bankers	Lloyds TSB Bank plc 19 Market Place Durham County Durham DH1 3NL
Solicitors	Womble Bond Dickinson LLP St Ann's Wharf 112 Quayside Newcastle upon Tyne NE1 3DX

Howarth Litchfield Partnership Limited

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Howarth Litchfield Partnership Limited

Directors' report Year ended 31 March 2017

The directors present their report and the financial statements for the year ended 31 March 2017.

Business review

The board is delighted to present the annual accounts which show an increase in turnover. This growth in turnover has been repeated year on year despite challenging economic conditions. This has been achieved by careful management and a commitment to ensure that projects are delivered to a high standard to meet the expectations of our clients.

This year has seen the retirement of a director and shareholder Gordon Brewis and we wish him well for the future and thank him for his contribution to the success of the business over many years. The share buyback has impacted on this year's recorded profits.

In addition a challenging project has required additional resources to ensure project delivery which has also had an impact on this year's results. The directors are confident that with continued careful management there will be a full recovery to achieve targeted levels of retained reserves.

The board is optimistic that Howarth Litchfield Partnership remains in a strong position to deliver further successful award winning projects for our existing clients and future commissions.

The company has successfully retained a large number of important clients as well as several long term frameworks ensuring the foundations for future fee income. We have been particularly successful in achieving important design awards both locally and nationally. These achievements have raised the profile of the Practice leading to further exciting opportunities.

An increase in resources in qualified staff to support existing staff to service the workload will lead to higher operating costs but also a predicted rise in both turnover and profit.

The directors are constantly monitoring workload and resources to ensure successful delivery of services and satisfaction of our clients. We are continuing to invest heavily in technology to ensure that we can offer the highest level of service both now and in the future.

This report was approved by the board on 17 November 2017 and signed on its behalf by:



J F Yates
Director

Howarth Litchfield Partnership Limited

Balance sheet At 31 March 2017

	Note	2017 £	2016 £
Fixed assets			
Intangible assets	5	391,299	447,519
Tangible assets	6	35,026	37,738
		<u>426,325</u>	<u>485,257</u>
Current assets			
Debtors	7	2,122,238	2,278,605
Cash at bank and in hand		773,318	641,402
		<u>2,895,556</u>	<u>2,920,007</u>
Creditors: amounts falling due within one year	8	(1,047,594)	(1,032,331)
Net current assets		<u>1,847,962</u>	<u>1,887,676</u>
Total assets less current liabilities		<u>2,274,287</u>	<u>2,372,933</u>
Deferred tax		(5,911)	(7,380)
Other provisions		(70,000)	-
		<u>(75,911)</u>	<u>(7,380)</u>
Net assets		<u>2,198,376</u>	<u>2,365,553</u>
Capital and reserves			
Called up share capital		9	9
Share premium account		964,803	964,803
Profit and loss account		1,233,564	1,400,741
Total equity		<u>2,198,376</u>	<u>2,365,553</u>

The company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 17 November 2017 by:

J F Yates
Director



Company registered number: 04661899

Howarth Litchfield Partnership Limited

Notes to the financial statements Year ended 31 March 2017

1. General information

Howarth Litchfield Partnership Limited ('the company') is engaged in the provision of architectural, interior design and surveying services.

The company is a private company limited by shares, incorporated and domiciled in the United Kingdom. The address of the registered office is given in the company information page of these financial statements.

2. Statement of compliance

The financial statements have been prepared in accordance with Section 1A of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland' and the Companies Act 2006.

3. Accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated. The company has adopted Section 1A of FRS102 in the current year.

3.1 Turnover

Turnover comprises revenue recognised in respect of goods/services supplied during the year, net of discounts and excluding Value Added Tax.

In respect of long-term contracts and contracts for ongoing services, turnover represents the value of work done in the year, including estimates of amounts not invoiced, based on the stage of completion.

3.2 Intangible assets

Intangible assets are stated at cost less accumulated amortisation and accumulated impairment losses. Amortisation is provided on all intangible assets so as to write off the cost of each asset over its estimated useful life as follows:

Goodwill	-	20% straight line
Computer software	-	25% straight line

Asset residual values and useful lives are reviewed at the end of each reporting period, and adjusted if appropriate. The effect of any change is accounted for prospectively.

3.3 Tangible fixed assets

Tangible fixed assets are stated at cost or valuation, less accumulated depreciation and provision for impairment. Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost less expected residual value of each asset over its expected useful life as follows:

Fixtures and fittings	-	25% reducing balance basis
Office equipment	-	25% straight line basis

Asset residual values and useful lives are reviewed at the end of each reporting period, and adjusted if appropriate. The effect of any change is accounted for prospectively.

Howarth Litchfield Partnership Limited

Notes to the financial statements Year ended 31 March 2017

3. Accounting policies (continued)

3.4 Cash and cash equivalents

Cash and cash equivalents includes cash in hand and deposits repayable on demand, less bank overdrafts payable on demand.

3.5 Financial instruments

The company only enters into financial instruments transactions that result in the recognition of basic financial assets and liabilities such as trade and other accounts receivable and payable, cash and bank balances and hire purchase liabilities.

Debt instruments due within one year are measured, initially and subsequently at the transaction price. Debt instruments due after one year are measured initially at the transaction price and subsequently at amortised cost using the effective interest method.

At the end of each reporting period financial assets are assessed for impairment, and their carrying value reduced if necessary. Any impairment charge is recognised in the profit and loss account.

3.6 Dividends

Dividends and other distributions to the company's members are recognised when they become legally payable.

3.7 Operating leases

Leases that do not confer rights and obligations approximating to ownership are classified as operating leases. Rental payments under operating leases are charged to the profit and loss account on a straight-line basis over the lease term, even if payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term.

3.8 Employee benefits

Short-term benefits

Short-term benefits, including holiday pay and other similar non-monetary benefits are recognised as an expense in the period in which the employee's entitlement to the benefit accrues.

Defined contribution pension plan

The company operates a defined contribution pension plan for its employees. Contributions are recognised as an expense when they fall due. Amounts due but not yet paid are included within creditors on the balance sheet.

The assets of the plan are held separately from the company in independently administered funds.

Howarth Litchfield Partnership Limited

Notes to the financial statements Year ended 31 March 2017

3. Accounting policies (continued)

3.9 Current and deferred taxation

The taxation expense for the year comprises current and deferred tax and is recognised in the profit and loss account except to the extent that it relates to items recognised in other comprehensive income, or directly in equity, in which case the tax expense is also recognised in other comprehensive income or directly in equity.

Current tax is the amount of income tax payable in respect of the taxable profit for the current or past reporting periods. It is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax represents the future tax consequences of transactions and events recognised in the financial statements of current and previous periods, and arises from 'timing differences' (where transactions or events are included in the financial statements in periods different from those in which they are assessed for tax). Deferred tax is recognised in respect of all timing differences, except that unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of the timing differences.

4. Employees

The average monthly number of employees, including directors, during the year was 24 (2016: 23).

Howarth Litchfield Partnership Limited

Notes to the financial statements Year ended 31 March 2017

5. Intangible assets

	Computer software £	Goodwill £	Total £
Cost			
At 1 April 2016	22,617	1,500,000	1,522,617
Additions	14,235	-	14,235
At 31 March 2017	36,852	1,500,000	1,536,852
Amortisation			
At 1 April 2016	5,870	1,069,228	1,075,098
Charge for the year	8,917	61,538	70,455
At 31 March 2017	14,787	1,130,766	1,145,553
Net book value			
At 31 March 2017	22,065	369,234	391,299
At 31 March 2016	16,747	430,772	447,519

Howarth Litchfield Partnership Limited

Notes to the financial statements Year ended 31 March 2017

6. Tangible fixed assets

	Fixtures and fittings £	Office equipment £	Total £
Cost or valuation			
At 1 April 2016	30,058	125,529	155,587
Additions	361	10,837	11,198
Disposals	-	(12,791)	(12,791)
At 31 March 2017	<u>30,419</u>	<u>123,575</u>	<u>153,994</u>
Depreciation			
At 1 April 2016	19,195	98,654	117,849
Charge for the year on owned assets	2,781	11,129	13,910
Disposals	-	(12,791)	(12,791)
At 31 March 2017	<u>21,976</u>	<u>96,992</u>	<u>118,968</u>
Net book value			
At 31 March 2017	<u>8,443</u>	<u>26,583</u>	<u>35,026</u>
At 31 March 2016	<u>10,863</u>	<u>26,875</u>	<u>37,738</u>

7. Debtors

	2017 £	2016 £
Trade debtors	342,845	564,393
Amounts owed by group undertakings	1,411,233	1,335,872
Other debtors	4,835	5,390
Prepayments and accrued income	363,325	372,950
	<u>2,122,238</u>	<u>2,278,605</u>

Howarth Litchfield Partnership Limited

Notes to the financial statements Year ended 31 March 2017

8. Creditors: amounts falling due within one year

	2017 £	2016 £
Trade creditors	178,964	79,686
Corporation tax	46,176	108,335
Other taxation and social security	95,856	99,210
Other creditors	7,468	4,758
Accruals and deferred income	79,130	100,342
Share capital treated as debt	640,000	640,000
	<u>1,047,594</u>	<u>1,032,331</u>

9. Controlling party

The immediate and ultimate parent company is HLP (Holdings) Limited, a company incorporated in England. HLP (Holdings) Limited owns 100% of the capital in the company.

10. First time adoption of FRS 102

This is the first year that the company has presented its financial statements under FRS 102. The last financial statements under the previous UK GAAP were for the year ended 31 March 2016. The date of transition to FRS 102 was 1 April 2015.

The accounting policies adopted under the previous UK GAAP were not materially different from those adopted under FRS 102, and consequently profit for the year ended 31 March 2016 and total equity as at 1 April 2015 and 31 March 2016 are the same under FRS 102 as they were under previous UK GAAP.

11. Auditor's information

These accounts have been subject to audit, however the company has chosen not to file a copy of the company's profit and loss account (and the related notes). Therefore, the audit report on the financial statements has also been removed for filing purposes.

The audit report was signed by Michael Morris ACA FCCA (Senior Statutory Auditor), for and on behalf of UNW LLP, Statutory Auditor, Newcastle upon Tyne. The audit report gave an unqualified opinion.