

RAHMAN RAVELLI SOLICITORS LIMITED

UNAUDITED
FINANCIAL STATEMENTS

31 DECEMBER 2019

ArmstrongWatson[®]
Accountants, Business & Financial Advisers

RAHMAN RAVELLI SOLICITORS LIMITED
REGISTERED NUMBER: 06295702

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019

	Note	2019 £	2018 £
Fixed assets			
Intangible assets	4	51,250	102,500
Tangible assets	5	103,197	121,260
		<u>154,447</u>	<u>223,760</u>
Current assets			
Debtors: amounts falling due within one year	6	1,644,061	1,347,859
Cash at bank and in hand		138,157	101,478
		<u>1,782,218</u>	<u>1,449,337</u>
Creditors: amounts falling due within one year	7	(731,472)	(587,797)
Net current assets		<u>1,050,746</u>	<u>861,540</u>
Total assets less current liabilities		<u>1,205,193</u>	<u>1,085,300</u>
Creditors: amounts falling due after more than one year	8	(115,374)	(94,852)
Provisions for liabilities			
Deferred tax		(6,749)	(11,196)
		<u>(6,749)</u>	<u>(11,196)</u>
Net assets		<u>1,083,070</u>	<u>979,252</u>
Capital and reserves			
Called up share capital		1	1
Profit and loss account		1,083,069	979,251
		<u>1,083,070</u>	<u>979,252</u>

The director considers that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

The director acknowledges his responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The 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 financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the statement of income and retained earnings 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 2 December 2020.

RAHMAN RAVELLI SOLICITORS LIMITED
REGISTERED NUMBER: 06295702

STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 DECEMBER 2019

A Rahman

Director

The notes on pages 3 to 10 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

1. General information

The entity is a private company limited by shares incorporated and domiciled in England. The company is a tax resident in England.

The principal activity of the company is that of the provision of legal services as regulated by the Solicitors Regulation Authority.

The principal place of business for Rahman Ravelli Solicitors Limited is its registered office of Roma House, 59 Pellon Lane, Halifax, HX1 5BE. The company has a registered number of 06295702.

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 Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

2.2 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue 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 revenue is recognised:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.3 Interest income

Interest income is recognised in the Statement of Income and Retained Earnings using the effective interest method.

2.4 Borrowing costs

All borrowing costs are recognised in the Statement of Income and Retained Earnings in the year in which they are incurred.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

2. Accounting policies (continued)

2.5 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Income and Retained Earnings 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 Company in independently administered funds.

2.6 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Income and Retained Earnings, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

2. Accounting policies (continued)

2.7 Intangible assets

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 Statement of Income and Retained Earnings over its useful economic life.

Other intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The estimated useful lives range as follows:

Goodwill	-	12	years
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2.8 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 lease term of 15 years
Fixtures and fittings	-	33% on cost
Computer equipment	-	33% on cost
Other fixed assets	-	25% on cost

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 the Statement of Income and Retained Earnings.

2.9 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

2. Accounting policies (continued)

2.10 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. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

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 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company 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 Income and Retained Earnings in the year that the Company 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.

2.13 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

2.14 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

3. Employees

The average monthly number of employees, including directors, during the year was 27 (2018 - 24).

RAHMAN RAVELLI SOLICITORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

4. Intangible assets

	Goodwill £
Cost	
At 1 January 2019	615,000
At 31 December 2019	<u>615,000</u>
Amortisation	
At 1 January 2019	512,500
Charge for the year	51,250
At 31 December 2019	<u>563,750</u>
Net book value	
At 31 December 2019	<u><u>51,250</u></u>
At 31 December 2018	<u><u>102,500</u></u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

5. Tangible fixed assets

	Leasehold improvements £	Fixtures and fittings £	Computer equipment £	Other fixed assets £	Total £
Cost or valuation					
At 1 January 2019	179,067	57,108	78,594	1,135	315,904
Additions	1,000	696	2,185	-	3,881
At 31 December 2019	<u>180,067</u>	<u>57,804</u>	<u>80,779</u>	<u>1,135</u>	<u>319,785</u>
Depreciation					
At 1 January 2019	66,508	52,428	75,018	690	194,644
Charge for the year	14,962	4,000	2,706	276	21,944
At 31 December 2019	<u>81,470</u>	<u>56,428</u>	<u>77,724</u>	<u>966</u>	<u>216,588</u>
Net book value					
At 31 December 2019	<u>98,597</u>	<u>1,376</u>	<u>3,055</u>	<u>169</u>	<u>103,197</u>
At 31 December 2018	<u>112,559</u>	<u>4,680</u>	<u>3,576</u>	<u>445</u>	<u>121,260</u>

6. Debtors

	2019 £	2018 £
Trade debtors	1,357,880	1,006,399
Other debtors	286,181	341,460
	<u>1,644,061</u>	<u>1,347,859</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

7. Creditors: Amounts falling due within one year

	2019 £	2018 £
Bank overdrafts	331,612	283,592
Trade creditors	81,205	84,808
Corporation tax	181,837	65,345
Other taxation and social security	112,548	132,865
Other creditors	-	2,600
Accruals and deferred income	24,270	18,587
	<u>731,472</u>	<u>587,797</u>

Bank loans and overdrafts of £331,612 (2018: £283,592) are secured by way of a debenture.

8. Creditors: Amounts falling due after more than one year

	2019 £	2018 £
Bank loans	115,374	94,852
	<u>115,374</u>	<u>94,852</u>

The bank loan is secured by way of a debenture.

9. Commitments under operating leases

At 31 December 2019 the Company had future minimum lease payments under non-cancelable operating leases as follows:

	2019 £	2018 £
Not later than 1 year	169,509	171,377
Later than 1 year and not later than 5 years	358,705	505,111
	<u>528,214</u>	<u>676,488</u>

10. Transactions with directors

During the year, the director took loans totaling £215,564 (2018: £285,673) from the company, and repayments were made to the company of £287,664 (2018: £331,546). At the year end, the director owed the company £203,445 (2018: £275,544). The loan is unsecured, interest free and repayable on demand.

11. Related party transactions

The company occupies premises owned by the director and pays a commercial rent of £85,200 (2018: £85,200) per annum.

RAHMAN RAVELLI SOLICITORS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

12. Controlling party

The company is controlled by A Rahman, who owns 100% of the issued share capital of the company.

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.