

RAHMAN RAVELLI SOLICITORS LIMITED

UNAUDITED
FINANCIAL STATEMENTS

31 DECEMBER 2021

ArmstrongWatson[®]
Accountants, Business & Financial Advisers

RAHMAN RAVELLI SOLICITORS LIMITED
REGISTERED NUMBER: 06295702

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	5	79,362	90,070
		<u>79,362</u>	<u>90,070</u>
Current assets			
Debtors: amounts falling due within one year	6	2,645,956	1,797,417
Cash at bank and in hand		112,965	938,892
		<u>2,758,921</u>	<u>2,736,309</u>
Creditors: amounts falling due within one year	7	(901,346)	(930,663)
Net current assets		<u>1,857,575</u>	<u>1,805,646</u>
Total assets less current liabilities		<u>1,936,937</u>	<u>1,895,716</u>
Creditors: amounts falling due after more than one year	8	(345,144)	(482,766)
Provisions for liabilities			
Deferred tax		(2,447)	(4,398)
		<u>(2,447)</u>	<u>(4,398)</u>
Net assets		<u><u>1,589,346</u></u>	<u><u>1,408,552</u></u>
Capital and reserves			
Called up share capital		1	1
Profit and loss account		1,589,345	1,408,551
		<u><u>1,589,346</u></u>	<u><u>1,408,552</u></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 22 July 2022.

RAHMAN RAVELLI SOLICITORS LIMITED
REGISTERED NUMBER: 06295702

STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 DECEMBER 2021

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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 2021**

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 Going Concern

Whilst it is difficult to predict future financial performance due to the impact of Covid-19, the Director has considered the impact of different scenarios on the financial position, results of operations and cash flows for the future. After considering these, the Director expects that the Company has adequate resources to operate within the level of its current facilities and continue in operational existence for the foreseeable future. As such these financial statements have been prepared on the going concern basis.

2.3 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.4 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Statement of Income and Retained Earnings in the same period as the related expenditure.

2.5 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.6 Borrowing costs

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

2.7 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 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 Company in independently administered funds.

2.8 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss 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 reporting 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 2021

2. Accounting policies (continued)

2.9 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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2.10 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 profit or loss.

2.11 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 2021**

2. Accounting policies (continued)

2.12 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.

2.13 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.

2.14 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 profit or loss in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the reporting 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.

2.15 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.

2.16 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 24 (2020 - 27).

RAHMAN RAVELLI SOLICITORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

4. Intangible assets

	Goodwill £
Cost	
At 1 January 2021	615,000
At 31 December 2021	<u>615,000</u>
Amortisation	
At 1 January 2021	615,000
At 31 December 2021	<u>615,000</u>
Net book value	
At 31 December 2021	<u>-</u>
At 31 December 2020	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

5. Tangible fixed assets

	Leasehold improvements £	Fixtures and fittings £	Computer equipment £	Other fixed assets £	Total £
Cost or valuation					
At 1 January 2021	180,067	58,463	86,440	1,135	326,105
Additions	-	3,774	4,898	-	8,672
At 31 December 2021	<u>180,067</u>	<u>62,237</u>	<u>91,338</u>	<u>1,135</u>	<u>334,777</u>
Depreciation					
At 1 January 2021	96,432	57,623	80,846	1,135	236,036
Charge for the year on owned assets	14,962	776	3,641	-	19,379
At 31 December 2021	<u>111,394</u>	<u>58,399</u>	<u>84,487</u>	<u>1,135</u>	<u>255,415</u>
Net book value					
At 31 December 2021	<u>68,673</u>	<u>3,838</u>	<u>6,851</u>	<u>-</u>	<u>79,362</u>
At 31 December 2020	<u>83,635</u>	<u>841</u>	<u>5,594</u>	<u>-</u>	<u>90,070</u>

6. Debtors

	2021 £	2020 £
Trade debtors	2,470,487	1,498,714
Other debtors	175,469	298,703
	<u>2,645,956</u>	<u>1,797,417</u>

RAHMAN RAVELLI SOLICITORS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

7. Creditors: Amounts falling due within one year

	2021 £	2020 £
Bank loans and overdrafts	389,536	389,431
Trade creditors	38,638	36,231
Corporation tax	333,587	239,573
Other taxation and social security	115,615	248,823
Accruals and deferred income	23,970	16,605
	<u>901,346</u>	<u>930,663</u>

Loans due to National Westminster Bank Plc are secured by way of a debenture.

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

	2021 £	2020 £
Bank loans	345,144	482,766
	<u>345,144</u>	<u>482,766</u>

Loans due to National Westminster Bank Plc are secured by way of a debenture.

9. Commitments under operating leases

At 31 December 2020 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2021 £	2020 £
Not later than 1 year	144,144	169,509
Later than 1 year and not later than 5 years	40,002	191,406
	<u>184,146</u>	<u>360,915</u>

10. Transactions with directors

Included within other debtors are loans to the director, amounting to £138,409 (2020: £241,598). 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 (2020: £85,200) per annum.

RAHMAN RAVELLI SOLICITORS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

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.