

**Arnold Greenwood Solicitors Limited**  
**Unaudited Financial Statements**  
**31 December 2018**



# **Arnold Greenwood Solicitors Limited**

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**Chartered Accountants' Report to the Board of Directors on the Preparation of the  
Unaudited Statutory Accounts of  
Arnold Greenwood Solicitors Limited  
for the Year Ended 31 December 2018**

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the accounts of Arnold Greenwood Solicitors Limited for the year ended 31 December 2018 as set out on pages 2 to 9 from the company's accounting records and from information and explanations you have given us.

As a member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at <http://www.icaew.com/membershandbook>.

This report is made solely to the Board of Directors of Arnold Greenwood Solicitors Limited, as a body, in accordance with the terms of our engagement letter dated 1 May 2013. Our work has been undertaken solely to prepare for your approval the accounts of Arnold Greenwood Solicitors Limited and state those matters that we have agreed to state to the Board of Directors of Arnold Greenwood Solicitors Limited, as a body, in this report in accordance with ICAEW Technical Release 07/16 AAF. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Arnold Greenwood Solicitors Limited and its Board of Directors as a body for our work or for this report.

It is your duty to ensure that Arnold Greenwood Solicitors Limited has kept adequate accounting records and to prepare statutory accounts that give a true and fair view of the assets, liabilities, financial position and profit of Arnold Greenwood Solicitors Limited. You consider that Arnold Greenwood Solicitors Limited is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or a review of the accounts of Arnold Greenwood Solicitors Limited. 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 accounts.

**Dodd & Co Limited**

Chartered Accountants  
FIFTEEN Rosehill  
Montgomery Way  
Rosehill Estate  
CARLISLE  
CA1 2RW

20 June 2019

# Arnold Greenwood Solicitors Limited

(Registration number: 07835232)  
Balance Sheet as at 31 December 2018

	Note	2018 £	2017 £
<b>Fixed assets</b>			
Intangible assets	<u>4</u>	117,750	126,750
Tangible assets	<u>5</u>	107,100	114,222
		<u>224,850</u>	<u>240,972</u>
<b>Current assets</b>			
Debtors	<u>6</u>	296,631	263,451
Cash and cash equivalents		1,896	92
		298,527	263,543
<b>Creditors:</b> Amounts falling due within one year	<u>7</u>	(272,788)	(287,420)
<b>Net current assets/(liabilities)</b>		<u>25,739</u>	<u>(23,877)</u>
<b>Total assets less current liabilities</b>		250,589	217,095
<b>Creditors:</b> Amounts falling due after more than one year	<u>7</u>	(86,985)	(99,034)
<b>Provisions for liabilities</b>		(6,267)	(5,576)
<b>Net assets</b>		<u>157,337</u>	<u>112,485</u>
<b>Capital and reserves</b>			
Allotted, called up and fully paid share capital		200	200
Profit and loss account		157,137	112,285
<b>Total equity</b>		<u>157,337</u>	<u>112,485</u>

The notes on pages 4 to 9 form an integral part of these financial statements.  
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**Arnold Greenwood Solicitors Limited**

**(Registration number: 07835232)**

**Balance Sheet as at 31 December 2018 (continued)**

For the financial year ending 31 December 2018 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime and the option not to file the Profit and Loss Account has been taken.

Approved and authorised by the Board on 20 June 2019 and signed on its behalf by:

.....

S Pooley

Director

.....

L W Hughes

Director

The notes on pages 4 to 9 form an integral part of these financial statements.

# **Arnold Greenwood Solicitors Limited**

## **Notes to the Financial Statements for the Year Ended 31 December 2018**

### **1 General information**

The company is a private company limited by share capital, incorporated in England and Wales.

The address of its registered office is:

Exchange Chambers  
8 & 10 Highgate  
KENDAL  
LA9 4SX

### **2 Accounting policies**

#### **Summary of significant accounting policies and key accounting estimates**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### **Statement of compliance**

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

#### **Basis of preparation**

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

#### **Revenue recognition**

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the company's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts.

The company recognises revenue when the amount of revenue can be reliably measured; it is probable that future economic benefits will flow to the entity; and specific criteria have been met for each of the company's activities.

#### **Tax**

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

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 taxable income.

Deferred tax is recognised in respect of all timing differences between taxable profits and profits reported in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised when 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 reporting date and that are expected to apply to the reversal of the timing difference.

## **Arnold Greenwood Solicitors Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2018 (continued)**

#### **Tangible assets**

Tangible assets are stated in the balance sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

#### **Depreciation**

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

<b>Asset class</b>	<b>Depreciation method and rate</b>
Short leasehold land and buildings	15 years straight line basis
Motor vehicles	25% reducing balance basis
Office equipment	20% straight line basis

#### **Goodwill**

Positive goodwill is capitalised, classified as an asset on the balance sheet and amortised on a straight line basis over its useful economic life. It is reviewed for impairment at the end of the first full financial year following the acquisition and in other periods if events or changes in circumstances indicate that the carrying value may not be recoverable.

#### **Amortisation**

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their useful life as follows:

<b>Asset class</b>	<b>Amortisation method and rate</b>
Goodwill	20 years straight line basis

The directors reviewed the valuation of goodwill on 1 January 2015, the date on which Financial Reporting Standard 102 was implemented. At that date the directors were of the opinion that the goodwill had a remaining useful economic life to the company of at least the 17 years it had remaining under its estimated useful life of twenty years. Goodwill therefore continues to be amortised over its original twenty year estimated useful economic life.

#### **Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

#### **Trade debtors**

Trade debtors are amounts due from customers for the sale of goods or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

## **Arnold Greenwood Solicitors Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2018 (continued)**

#### **Trade creditors**

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade creditors are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method where due after more than one year.

#### **Borrowings**

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Profit and Loss Account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

#### **Leases**

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

#### **Share capital**

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

#### **Defined contribution pension obligation**

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

### **3 Staff numbers**

The average number of persons employed by the company (including directors) during the year, was 24 (2017 - 26).



# Arnold Greenwood Solicitors Limited

## Notes to the Financial Statements for the Year Ended 31 December 2018 (continued)

### 4 Intangible assets

	Goodwill £	Total £
<b>Cost or valuation</b>		
At 1 January 2018	180,000	180,000
At 31 December 2018	180,000	180,000
<b>Amortisation</b>		
At 1 January 2018	53,250	53,250
Amortisation charge	9,000	9,000
At 31 December 2018	62,250	62,250
<b>Carrying amount</b>		
At 31 December 2018	117,750	117,750
At 31 December 2017	126,750	126,750

### 5 Tangible assets

	Land and buildings £	Office equipment £	Total £
<b>Cost or valuation</b>			
At 1 January 2018	174,649	31,620	206,269
Additions	-	8,543	8,543
At 31 December 2018	174,649	40,163	214,812
<b>Depreciation</b>			
At 1 January 2018	68,888	23,159	92,047
Charge for the year	11,643	4,022	15,665
At 31 December 2018	80,531	27,181	107,712
<b>Carrying amount</b>			
At 31 December 2018	94,118	12,982	107,100
At 31 December 2017	105,761	8,461	114,222

# **Arnold Greenwood Solicitors Limited**

## **Notes to the Financial Statements for the Year Ended 31 December 2018 (continued)**

### **6 Debtors**

	2018 £	2017 £
Trade debtors	125,293	97,687
Other debtors	171,338	165,764
	<u>296,631</u>	<u>263,451</u>

### **7 Creditors**

	Note	2018 £	2017 £
<b>Due within one year</b>			
Loans and borrowings	<u>8</u>	175,853	182,281
Trade creditors		17,534	23,760
Taxation and social security		45,071	67,236
Corporation tax liability		24,981	5,295
Other creditors		9,349	8,848
		<u>272,788</u>	<u>287,420</u>

#### **Due after one year**

Loans and borrowings	<u>8</u>	<u>86,985</u>	<u>99,034</u>
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	2018 £	2017 £
After more than five years by instalments	-	28,660
	<u>-</u>	<u>28,660</u>

## Arnold Greenwood Solicitors Limited

### Notes to the Financial Statements for the Year Ended 31 December 2018 (continued)

#### 8 Loans and borrowings

	2018 £	2017 £
<b>Current loans and borrowings</b>		
Bank borrowings	26,986	3,216
Bank overdrafts	5,662	58,253
Other borrowings	143,205	120,812
	<u>175,853</u>	<u>182,281</u>
	2018 £	2017 £
<b>Non-current loans and borrowings</b>		
Bank borrowings	86,985	42,500
Other borrowings	-	56,534
	<u>86,985</u>	<u>99,034</u>

#### 9 Financial commitments, guarantees and contingencies

##### Amounts not provided for in the balance sheet

The total amount of financial commitments not included in the balance sheet is £57,256 (2017 - £60,626). The total of the financial commitments for 2018 relate to equipment leases where as in 2017 £48,000 related to property leases with the remaining amount relating to equipment leases.

#### 10 Off-balance sheet arrangements

At 31 December 2018 the company held client monies totalling £2,597,068 (2017: £1,538,576). These were held in various client accounts in accordance with the SRA Accounts Rules 2011.

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.