

Arnold Greenwood Solicitors Limited
Unaudited Financial Statements
31 December 2021



Arnold Greenwood Solicitors Limited

Contents

Accountants' Report	<u>1</u>
Balance Sheet	<u>2</u>
Notes to the Unaudited Financial Statements	<u>4</u>

**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 2021**

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 2021 as set out on pages 2 to 10 from the company's accounting records and from information and explanations you have given us.

As a practising 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/regulation>.

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 31 July 2020. 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

22 September 2022

Arnold Greenwood Solicitors Limited

(Registration number: 07835232)
Balance Sheet as at 31 December 2021

	Note	2021 £	2020 £
Fixed assets			
Intangible assets	<u>4</u>	90,750	99,750
Tangible assets	<u>5</u>	68,576	78,840
		<u>159,326</u>	<u>178,590</u>
Current assets			
Debtors	<u>6</u>	231,011	277,785
Cash at bank and in hand		18,718	147,336
		<u>249,729</u>	<u>425,121</u>
Creditors: Amounts falling due within one year	<u>7</u>	(253,152)	(390,564)
Net current (liabilities)/assets		<u>(3,423)</u>	<u>34,557</u>
Total assets less current liabilities		155,903	213,147
Creditors: Amounts falling due after more than one year	<u>7</u>	(18,022)	(44,283)
Provisions for liabilities		<u>(4,419)</u>	<u>(4,635)</u>
Net assets		<u>133,462</u>	<u>164,229</u>
Capital and reserves			
Allotted, called up and fully paid share capital		300	300
Profit and loss account		<u>133,162</u>	<u>163,929</u>
Total equity		<u>133,462</u>	<u>164,229</u>

Arnold Greenwood Solicitors Limited

(Registration number: 07835232)

Balance Sheet as at 31 December 2021 (continued)

For the financial year ending 31 December 2021 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 22 September 2022 and signed on its behalf by:

.....

S Pooley

Director

.....

L W Hughes

Director

Arnold Greenwood Solicitors Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2021

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
Cumbria
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.

The company has net current liabilities at 31 December 2021 and meets its day to day working capital requirements through its bank facilities and financial support provided by the directors by way of short term loans. On the basis of this support, the directors consider it appropriate to prepare the financial statements on the going concern basis.

However, should the company not have the support of its bankers and directors, and therefore be unable to continue trading, adjustments would have to be made to reduce the value of assets to their recoverable amounts, to provide for any further liabilities which might arise, and to reclassify fixed assets and long term liabilities as current assets and current liabilities.

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.

Arnold Greenwood Solicitors Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2021 (continued)

Government grants

Grants relating to revenue are recognised in the profit and loss account on a systematic basis over the periods in which the related costs are recognised for which the grant is intended to compensate.

Grants for the purpose of giving immediate financial support with no future related costs to be incurred are recognised in the profit and loss account when the grant proceeds become receivable.

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.

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:

Asset class	Depreciation method and rate
Short leasehold land and buildings	15 years straight line 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:

Asset class	Amortisation method and rate
Goodwill	20 years straight line basis

Arnold Greenwood Solicitors Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2021 (continued)

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.

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.

Arnold Greenwood Solicitors Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2021 (continued)

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 22 (2020 - 24).

Arnold Greenwood Solicitors Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2021 (continued)

4 Intangible assets

	Goodwill £	Total £
Cost or valuation		
At 1 January 2021	180,000	180,000
At 31 December 2021	180,000	180,000
Amortisation		
At 1 January 2021	80,250	80,250
Amortisation charge	9,000	9,000
At 31 December 2021	89,250	89,250
Carrying amount		
At 31 December 2021	90,750	90,750
At 31 December 2020	99,750	99,750

5 Tangible assets

	Land and buildings £	Office equipment £	Total £
Cost or valuation			
At 1 January 2021	174,649	40,672	215,321
Additions	-	4,904	4,904
Disposals	-	(7,104)	(7,104)
At 31 December 2021	174,649	38,472	213,121
Depreciation			
At 1 January 2021	103,817	32,664	136,481
Charge for the year	11,643	3,525	15,168
Eliminated on disposal	-	(7,104)	(7,104)
At 31 December 2021	115,460	29,085	144,545
Carrying amount			
At 31 December 2021	59,189	9,387	68,576
At 31 December 2020	70,832	8,008	78,840

Arnold Greenwood Solicitors Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2021 (continued)

6 Debtors

	2021 £	2020 £
Trade debtors	92,331	83,201
Other debtors	138,680	194,584
	<u>231,011</u>	<u>277,785</u>

7 Creditors

	Note	2021 £	2020 £
Due within one year			
Loans and borrowings	<u>8</u>	164,653	214,065
Trade creditors		22,316	26,883
Taxation and social security		43,130	91,368
Corporation tax liability		12,704	34,903
Other creditors		10,349	23,345
		<u>253,152</u>	<u>390,564</u>
Due after one year			
Loans and borrowings	<u>8</u>	<u>18,022</u>	<u>44,283</u>

8 Loans and borrowings

	2021 £	2020 £
Current loans and borrowings		
Bank borrowings	27,147	28,920
Other borrowings	137,506	185,145
	<u>164,653</u>	<u>214,065</u>

Current loans and borrowings includes the following liabilities, on which security has been given by the company:

	2021 £	2020 £
Bank borrowings	<u>27,147</u>	<u>28,920</u>

Bank borrowings are secured by fixed and floating charges over the company's assets.

Arnold Greenwood Solicitors Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2021 (continued)

	2021 £	2020 £
Non-current loans and borrowings		
Bank borrowings	18,022	44,283

Non-current loans and borrowings includes the following liabilities, on which security has been given by the company:

	2021 £	2020 £
Bank borrowings	18,022	44,283

Bank borrowings are secured by fixed and floating charges over the company's assets.

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 £612,969 (2020 - £628,291). The total of the 2021 commitment includes £540,000 (2020 - £600,000) relating to a property lease.

10 Off-balance sheet arrangements

At 31 December 2021 the company held client monies totalling £4,681,283 (2020: £4,367,565). These were held in various client accounts in accordance with the SRA Accounts Rules.

11 Government grants

Included in the profit and loss account are government grants receivable in respect of UK government initiatives to respond to the financial impact of the COVID-19 pandemic, namely the Coronavirus Job Retention Scheme and the Small Business Grant.

The amount of grants recognised in the financial statements was £11,702 (2020 - £56,183).

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.