HARNEY WESTWOOD & RIEGELS LLP

(REGISTERED NUMBER OC 0302285)

Financial Statements

For the year ended December 31, 2019

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Harney Westwood & Riegels LLP is a limited liability partnership domiciled and registered in the UK.

REGISTERED OFFICE

3rd Floor
1 Pemberton Row
London EC4A 3BG
United Kingdom
Registered number OC 0302285

AUDITORS

KPMG LLP
Chartered Accountants
Statutory Auditor
15 Canada Square
London E14 5GL
United Kingdom

The members present their annual report and the audited financial statements of Harney Westwood & Riegels LLP ("the LLP") for the year ended 31 December 2019. The comparatives cover the year to 31 December 2018.

RESULTS AND REVIEW OF THE BUSINESS

Harney Westwood & Riegels LLP was established in May 2002 and commenced operations in September 2002. In 2018, the LLP made a loss due to the decrease in general economic activity. In 2019 the LLP made a profit due to the increase in general economic activity.

The Statement of Comprehensive Income is set out on page 10 and shows turnover for the year of £4,989,278 (2018: £5,102,551) and a profit / (loss) for the year of £165,036 (2018: (£680,438).

There have been no events since the balance sheet date which materially affect the position of the company.

KEY PERFORMANCE INDICATORS

The key performance indicator from a financial perspective is the level of work performed for our clients and the collections from those clients for the work performed. In line with the current market conditions actual performance has matched budgeted performance.

GOING CONCERN

The members have reviewed the net assets position, trading and cashflow forecasts for the following 12 months. As a result, the members have a reasonable expectation that the LLP has the resources available at its disposal to continue in operational existence for the foreseeable future.

BASIS OF PREPARATION

Trading for the year has been profitable as discussed in the business review. It is considered that there is sufficient funding in place at present, as shown in Note 15 and there are indications that further funding can be introduced as required. Therefore, the members have adopted the going concern basis in preparing the annual financial statements."

PRINCIPAL ACTIVITY

The principal activity of the LLP is that of the provision of legal advice. There have been no changes in the company's activities in the year under review.

DESIGNATED MEMBERS

P.R.N. Tarn
S.C. George
P.R. Kite
C.D. Riegels (retired 30 June 2019)
P. Aristodemou
D. Loizides (retired 30 June 2019)
E. Yiolitis (retired 30 June 2019)
A.R. Munro
M.A.M. Silva
R.M. Willings
A.M. Thorp
I.N. Mann
P.R. Graham
T.N. Cassie
J.Henry
W.P.Peake (appointed 1 January 2019)
1.Gobin (appointed 1 January 2019)
P.Sephton (appointed 1 January 2019)

MEMBERS' CAPITAL

The provision of both working capital and capital for fixed assets is by way of capital investment from the members. The members have agreed to provide capital to the extent necessary to fund the business and capital withdrawals will only be permitted to the extent that such capital as has been introduced is found to be in excess of the perceived ongoing business requirements.

MEMBERS' DRAWINGS

There was a net introduction of cash of £1,685,057 (£347,436 in 2018) in the year. Drawings are only permitted when cash resources of the business permit and are regulated to ensure they do not exceed anticipated accumulated profits.

TAXATION

In accordance with Section 10 of the Limited Liability Partnership Act 2000, any trade, profession or business carried on by the LLP is treated as though that business were carried on in partnership by its members. Accordingly, any liability to taxation is that of the members themselves and not of the LLP. Thus there is no provision for taxation in these accounts.

DISCLOSURE OF INFORMATION TO AUDITOR

All of the current members have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the Auditor is aware of that information. The members are not aware of any relevant auditor information of which the Auditor is unaware.
KPMG LLP are deemed to be reappointed under section 487 (2) of the Companies Act 2006 as modified by the Limited Liability Partnership Regulations 2008.

SMALL COMPANY PROVISIONS

This report has been prepared in accordance with the provisions applicable to LLPs entitled to the small LLP regime.

REGISTERED NO OF LLP OC 0302285

______________ **Designated Member** A.L. MUNRO **Print name**

Statement of members' responsibilities in respect of the Members' Report and the financial statements

The members are responsible for preparing the Members' Report and the financial statements in accordance with applicable law and regulations.

The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 require the members to prepare financial statements for each financial year. Under that law the members have elected to prepare the financial statements in accordance with International Financial Reporting Standards as adopted by the European Union (IFRSs as adopted by the EU) and applicable law.

Under Regulation 8 of the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 the members must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the LLP and of the profit or loss of the LLP for that period. In preparing these financial statements, the members are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with IFRs for SMEs as adopted by the EU;
- assess the LLP's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the LLP or to cease operations, or have no realistic alternative but to do so.

Under Regulation 6 of the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008, the members are responsible for keeping adequate accounting records that are sufficient to show and explain the LLP's transactions and disclose with reasonable accuracy at any time the financial position of the LLP and enable them to ensure that its financial statements comply with those regulations. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the LLP and to prevent and detect fraud and other irregularities.

Independent auditor's report to the members of Harney Westwood and Riegels LLP

Opinion

We have audited the financial statements of Harney Westwood and Riegels ("the LLP") for the year ended 31 December 2018 which comprise the Statement of Financial Position, Statement of Comprehensive Income, Statement of Changes in Partnership Capital, Statement of Cash Flows and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view, of the state of affairs of the LLP as at 31 December 2019 and of its Profit for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards as adopted by the EU; and
- have been prepared in accordance with the requirements of the Companies Act 2006 as applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the LLP in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The members have prepared the financial statements on the going concern basis as they do not intend to liquidate the LLP or to cease its operations, and as they have concluded that the LLP's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the members' conclusions, we considered the inherent risks to the LLP's business model and analysed how those risks might affect the LLP's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the LLP will continue in operation.

Independent auditor's report to the members of Harney Westwood and Riegels LLP (continued)

Other information

The members are responsible for the other information, which comprises the members' report. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work, we have not identified material misstatements in the other information.

Matters on which we are required to report by exception

Under the Companies Act 2006 as applied to limited liability partnerships we are required to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit; or
- the members were not entitled to prepare financial statements in accordance with the small limited liability partnerships' regime.

We have nothing to report in these respects.

Members' responsibilities

As explained more fully in their statement set out on page 5, the members are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the LLP's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the LLP or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

Independent auditor's report to the members of Harney Westwood and Riegels LLP (continued)

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the members of the LLP, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, as required by Regulation 39 of the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008. Our audit work has been undertaken so that we might state to the LLP's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the LLP and the LLP's members, as a body, for our audit work, for this report, or for the opinions we have formed.

M. Smith

Mark Smith (Senior Statutory Auditor)

for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

15 Canada Square

London E14 5GL

12 August 2020

HARNEY WESTWOOD & RIEGELS LLP

Statement of Financial Position
For the year ended December 31, 2019
Expressed in GBP Sterling

	Note	2019	2018
Non-current Assets			
Property plant and equipment	2	2,380,530	444,934
		2,380,530	444,934
Current Assets			
Trade and other receivables	3	855,573	1,310,655
Amounts due from related parties	6	17,621,838	11,779,257
Cash held in trust	4	612,634	1,214,397
Cash and cash equivalents		883,203	168,207
Unbilled revenues	3	571,370	479,253
		20,544,618	14,951,769
Total Assets		**22,925,148**	**15,396,703**
Non-current Liabilities			
Lease Liability	10	(1,632,714)	-
		(1,632,714)	-
Current Liabilities			
Amounts due to related parties	6	(13,509,164)	(9,114,175)
Funds due to clients	4	(612,634)	(1,214,397)
Trade and other payables	5	(673,520)	(688,536)
Lease Liability	10	(267,429)	-
		(15,062,747)	(11,017,108)
Partnership Capital			
Members Contributions		(206,591)	(206,591)
Partners' capital		(6,023,096)	(4,173,004)
		(6,229,687)	(4,379,595)
Total Liabilities and Partnership Capital		**(22,925,148)**	**(15,396,703)**

The statements have been prepared in accordance with the provisions applicable to Partnership entitled to small companies' exemption.

The notes on pages 13 to 33 form an integral part of these financial statements.

The financial statements were approved and authorised for issue by the members and were signed on their behalf on 11 August 2020 by:

__________ **Designated Member** A.R. MUNRO **Print name**

HARNEY WESTWOOD & RIEGELS LLP

Statement of Comprehensive Income
For the year ended December 31, 2019
Expressed in GBP Sterling

	Note	2019	2018
Income			
Professional Fees billed	7	4,663,069	4,928,178
Disbursement income		326,209	174,372
		4,989,278	**5,102,550**
Expenses			
Administration expenses	11	(4,843,284)	(5,794,470)
		(4,843,284)	**(5,794,470)**
Other Income			
Sundry Income	6	113,179	360
		113,179	360
Finance Income and expenses			
Lease interest expense		(101,950)	-
Interest Income		7,813	11,122
		19,042	**11,482**
Total comprehensive Profit /(loss)		**165,036**	**(680,438)**

All amounts relate to continuing operations.

There were no other gains or losses recognized in the current or prior year other than those in the statement of comprehensive income.

The notes on pages 13 to 33 form an integral part of these financial statements.

HARNEY WESTWOOD & RIEGELS LLP

Statement of Changes in Partnership Capital
For the year ended December 31, 2019
Expressed in GBP Sterling

	Members Contributions	Partners Capital	Total
Balance at December 31, 2017	206,591	4,506,006	4,712,597
Total comprehensive loss for the year	-	(680,438)	(680,438)
Net introduction of capital	-	347,436	347,436
Balance at December 31, 2018	206,591	4,173,004	4,379,595
Total comprehensive profit for the year	-	165,036	165,036
Net introduction of capital	-	1,685,057	1,685,057
Balance at December 31, 2019	206,591	6,023,097	6,229,688

The notes on pages 13 to 33 form an integral part of these financial statements.

HARNEY WESTWOOD & RIEGELS LLP

Statement of Cash Flows
For the year ended December 31, 2019
Expressed in GBP sterling

	2019	2018
Cash provided by / (applied in):		
Operating activities		
Total comprehensive Profit / (loss)	165,036	(680,438)
Adjusted for non-cash items		
Depreciation of fixed assets	509,293	147,997
Lease interest expense	101,950	-
Less interest income	(7,813)	(11,122)
Operating cash flows before movements in working capital	768,466	(543,563)
Increase in trade and other receivables	455,082	365,614
Increase in amounts due from related parties	(5,842,581)	(3,763,485)
(Decrease)/Increase in unbilled revenues	(92,117)	86,816
Increase in amounts due from related parties	4,394,989	3,345,721
Decrease in trade and other payables	(15,016)	(280,064)
Net cash generated from operating activities	(331,177)	(788,961)
Investing activities		
Purchase of fixed assets	(290,333)	(20,277)
Interest income	7,813	11,122
Net cash used in investing activities	(282,520)	(9,155)
Financing activities		
Distributions	1,685,057	347,436
Payment of lease liability	(356,364)	-
Net cash used in financing activities	1,328,693	347,436
Net increase/(decrease) in cash and cash equivalents	714,996	(450,680)
Cash and cash equivalents at beginning of year	168,207	618,887
Cash and cash equivalents at end of year	883,203	168,207

The notes on pages 13 to 33 form an integral part of these financial statements.

1. Accounting policies

Harney Westwood & Riegels LLP (the "LLP") is a limited liability partnership incorporated, domiciled and registered in the United Kingdom. The register number is OC 0302285 and the registered address is 3rd Floor, 1 Pemberton Row, London EC4A 3BG, United Kingdom. The ultimate parent is considered to be the partners of Harney Westwood & Riegels International. The registered address of Harney Westwood & Riegels International is Craigmuir Chambers, P.O. Box 71, Road Town, Tortola, British Virgin Islands.

The significant accounting policies adopted in the preparation of the financial statements are set out below.

a) Basis of preparation

The company financial statements have been prepared and approved by the members in accordance with International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"). The financial statements are prepared on the historical cost basis.

The accounting policies have been consistently applied by the LLP and are consistent with those of the previous year, except for the changes in the significant accounting policies as detailed in note 1(c).

Due to the transition methods chosen by the LLP in applying these standards, comparative information throughout these financial statements has not been restated to reflect the requirements of the new standards.

The LLP has net assets of £6,229,687 as at December 31, 2019, a profit for the year then ended of £165,036 and operating cash inflows of £768,466, the financial statements have been prepared on a going concern basis which the partners consider to be appropriate for the following reasons.

The partners have prepared cash flow forecasts for a period of 15 months from the date of approval of these financial statements which indicate that, taking account of severe but reasonably plausible downsides, the partnership will have sufficient funds, through funding from its ultimate parent entity, Harney Westwood & Riegels International, to meet its liabilities as they fall due for that period. In preparing the forecasts management has assessed the potential impact of the COVID-19 pandemic and for the purposes of going concern severe but plausible downside revenue scenarios have been considered as a result of potential business disruption and including those cost mitigation measures which are within the partners' control such as a reduction of discretionary bonus payments, recruitment costs, travel costs, business development and marketing spending.

Those forecasts are dependent on Harney Westwood & Riegels International providing additional financial support during that period. Harney Westwood & Riegels International has indicated its intention to continue to make available such funds as are needed by the partnership, and that it does not intend to seek repayment of the amounts due at the balance sheet date, for at least the next twelve months from the date of approval of these financial statements."

As with any entity placing reliance on other group entities for financial support, the partners acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

The LLP therefore continues to adopt the going concern basis in preparing its standalone financial statements. Consequently, the Partners are confident that the LLP will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis

1. Accounting policies (continued)

a) Basis of preparation (continued)

Functional currency

The LLP determined its functional currency to be the Great British Pound. The determination of the functional currency was based on the primary economic environment in which the LLP generates cash.

(b) Use of judgements, estimates and assumptions

The preparation of the financial statements in accordance with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the LLP's financial statements and the reported amounts of income and expenses during the year. Actual results could differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimates are revised and in future years affected.

(i) Provision for doubtful debts

The LLP applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets. To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The LLP has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

(ii) Estimating useful lives of fixed assets

The useful lives of the LLP's fixed assets are estimated based on the period for which fixed assets are expected to be available for use. The estimated useful lives of fixed assets are reviewed and updated if expectations differ materially from previous estimates.

(iii) Provisions

The LLP recognises a provision for an obligation for which an outflow of resources embodying economic benefits is probable, except in the extremely rare circumstances where no reliable estimate can be made. As contingent liabilities may develop in a way not initially expected, provisions are assessed continually to determine whether an outflow of resources embodying economic benefits has become probable. Provisions are recognised in the financial statements of the period in which the change in probability or estimates occurs, except in the extremely rare circumstances where no reliable estimate can be made.

1. Accounting policies (continued)

(c) Changes in significant accounting policies

The LLP initially applied IFRS 16 *Leases* from January 1, 2019. A number of other new standards are also effective from 1 January 2019 but they do not have a material effect on the LLP's financial statements.

The LLP applied IFRS 16 using the modified retrospective approach, under which the cumulative effect of initial application is recognized in retained earnings at January 1, 2019. Accordingly, the comparative information presented for 2018 is not restated i.e. it is presented, as previously reported, under IAS 17 and related interpretations. The details of the changes in accounting policies are disclosed below. Additionally, the disclosure requirements in IFRS 16 have not generally been applied to comparative information.

A. Definition of a lease

Previously, the LLP determined at contract inception whether an arrangement was or contained a lease under IFRIC 4 *Determining whether an Arrangement contains a Lease*. The LLP now assesses whether a contract is or contains a lease based on the definition of a lease, as explained in note 13.

On transition to IFRS 16, the LLP elected to apply the practical expedient to grandfather the assessment of which transactions are leases. The LLP applied IFRS 16 only to contracts that were previously identified as leases. Contracts that were not identified as leases under IAS 17 and IFRIC 4 were not reassessed for whether there is a lease under IFRS 16. Therefore, the definition of a leaser under IFRS 16 was applied only to contracts entered into or changed on or after January 1, 2019.

B. As a lessee

As a lessee, the LLP leases many assets including property, production equipment and IT equipment. The LLP previously classified leases as operating or finance leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset to the LLP. Under IFRS 16, the LLP recognises right-of-use assets and lease liabilities for most of these leases i.e. these leases are on-balance sheet.

At commencement or on modification of a contract that contains a lease component, the LLP allocates the consideration in the contract to each lease component on the basis of its relative stand-alone price. However, for leases of property the LLP has elected not to separate non-lease components and account for the lease and associated non-lease components as a single lease component.

Expressed in GBP sterling

1. **Accounting policies (continued)**

(c) *Changes in significant accounting policies (continued)*

i. ***Leases classified as operating leases under IAS 17***

Previously, the LLP classified property leases as operating leases under IAS 17. On transition, for these leases, these liabilities were measured at the present value of the remaining lease payments, discounted at the LLP's incremental borrowing rate as at January 1, 2019. Right-of-use assets are measured at either:

- Their carrying amount as if IFRS 16 had been applied since the commencement date, discounted using the LLP's incremental borrowing rate at the date of initial application: the LLP applied this approach to its largest property lease; or
- An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments: the LLP applied this approach to all other leases.

The LLP has tested its right-of-use assets for impairment on the date of transition and has concluded that there is no indication that the right-of-use assets are impaired.

The LLP used a number of practical expedients when applying IFRS 16 to leases previously classified as operating leases under IAS 17. In particular, the LLP:

- did not recognise right-of-use assets and liabilities for leases for which the lease term ends within 12 months of the date of initial application;
- did not recognise right-of-use assets and liabilities for leases of low value assets (e.g. IT equipment);
- excluded initial direct costs for the measurement of the right-of-use asset at the date of initial application; and
- used hindsight when determining the lease term.

C. Impact on financial statements

i) ***Impact on transition***

On transition to IFRS 16, the LLP recognised additional right-of-use assets and additional lease liabilities, recognising the difference in the Statement of Financial Position. The impact on transition is summarised below.

	January 1, 2019
Right-of-use assets – property, plant and equipment	2,154,556
Lease Liabilities	(2,154,556)
Retained earnings	-

When measuring lease liabilities for leases that were classified as operating leases, the LLP discounted lease payments using the incremental borrowing rate at January 1, 2019. The weighted-average rate applied is 5%.

1. Accounting policies (continued)

(c) Changes in significant accounting policies (continued)

The LLP has applied IFRS 16 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under IAS 17 and IFRIC 4. The details of accounting policies under IAS 17 and IFRIC 4 are disclosed separately.

Policy applicable from January 1, 2019

At inception for a contract, the LLP assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the LLP uses the definition of a lease in IFRS 16.

This policy is applied to contracts entered into, on or after January 1, 2019.

At the commencement or on modification of a contract that contains a lease component, the LLP allocated the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the LLP has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The LLP recognises a right-of-use asset and lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which is located, less any lease incentive received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the LLP by the end of the lease term or the cost of the right-of-use asset reflects that the LLP will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the LLP's incremental borrowing rate. Generally, the LLP uses its incremental borrowing rate as the discount rate.

The LLP determines its incremental borrowing by obtaining interest rate from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate at the commencement date.

1. **Accounting policies (continued)**

(c) *Changes in significant accounting policies (continued)*

- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the LLP is reasonably certain to exercise, lease payments in an optional renewal period if the LLP is reasonable certain to exercise an extension option, and penalties for early termination of a lease unless the LLP is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the LLP's estimate of the amount expected to be payable under a residual value guarantee, if the LLP changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The LLP presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment and lease liabilities in 'lease liabilities' in the statement of financial position.

Short-term leases and leases of low-value assets

The LLP has elected not to recognize right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including IT equipment. The LLP recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Policy applicable before January 1, 2019

Leases are classified as operating leases when the LLP does not assume substantially all the risks and rewards of ownership of the asset. Assets leased subject to an operating lease are not recognized in the LLP's consolidated statement of financial position.

Rentals payable under operating leases are charged to the consolidated statement of comprehensive income on a straight-line basis over the term of the relevant lease. Benefits received and receivable as an incentive to enter into an operating lease are also spread on a straight-line basis over the lease term.

(d) *IFRS 15 Revenue from Contracts with Customers*

IFRS 15 requires professional fees and other income to be measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The LLP recognises revenue when it transfers control over a product or service to a customer.

The LLP charge fees based either on a time and expertise basis or on a fixed fee basis. When the LLP's fees are based on the amount of time and expertise a transaction requires, LLP professional fees are normally calculated by reference to the current hourly rate of the fee earner concerned, applicable to the type of work done at the time the work is done. Hourly rates vary both between departments, offices and fee earners.

1. Accounting policies (continued)

(d) IFRS 15 Revenue from Contracts with Customers (continued)

Professional fees are not conditional upon a transaction or other matter happening or not happening. The LLP does not work on a contingency basis and in these circumstances the LLP will charge for work done up to the time the transaction aborts or is delayed.

The LLP has the right to invoice an amount that corresponds directly with the value to the customer of the LLP performance completed to date. The LLP recognises unbilled revenue

based on this practical expedient, actual invoicing would then drive trade receivables being recognised.

Timing of payment is typically within one year of the performance obligation and therefore no financing component is recognised within revenue. Further information is set out in Note 7.

(e) IFRS 9 Financial Instruments

IFRS 9 sets out requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. This standard replaces IAS39 Financial Instruments: Recognition and Measurement.

Recognition and initial measurement

IFRS 9 contains three principal classification categories for financial assets: measured at amortised cost, fair value through other comprehensive income (FVOCI) and fair value through profit or loss (FVTPL). The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. IFRS 9 eliminates the previous IAS39 categories of held to maturity, loans and receivables and available for sale.

IFRS 9 largely retains the existing requirements in IAS39 for the classification and measurement of financial liabilities.

Trade receivables and unbilled revenue are initially measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties as the trade receivable do not contain a significant financing component in accordance with the practical expedient under IFRS 15.

Trade and other receivables, cash and cash equivalents, amounts due from related parties and unbilled revenues are classified at amortised costs.

Trade and other payables and amounts due to related parties are classified as other financial liabilities.

Subsequent measurement and impairment

In assessing historical credit losses trade receivables and unbilled revenue have been grouped by similar product types. Law Firm revenue is grouped by Dispute resolution and

Transactional fees, Fiduciary fees are grouped by Annual and Non-annual fees. Current and forward looking information is used to determine the expected lifetime credit losses.

In accordance with IFRS 9 the maximum period over which expected credit losses shall be measured is the maximum contractual period over which the entity is exposed to credit risk. For the LLP the period starts at the invoice date and extends to the date the invoice is settled. Default occurs when the financial asset is 365 days past due.

1. Accounting policies (continued)

(e) IFRS 9 Financial Instruments (continued)

IFRS 9 requires the estimate of expected credit losses to reflect an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes. The LLP therefore uses a provision matrix to measure the expected lifetime credit losses of trade receivables and unbilled revenues.

The carrying value is deemed to be a reasonable estimate of the fair value.

(f) Revenue recognition

Professional fees and other is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The LLP recognises revenue when it transfers control over a product or service to a customer.

Professional fees and other income are recognised on the accruals basis when it is probable that the economic benefits associated with the transaction will flow to the LLP and can be measured reliably.

Interest income is recognised in the statement of comprehensive income on an accrual basis, by taking into account the principal outstanding and the effective interest rate applicable.

(g) Expenses

Expenses are recognised in the statement of comprehensive income on an accrual basis.

(h) Property plant and equipment

Property plant and equipment are stated at cost excluding the costs of day-to-day repairs and maintenance, less accumulated depreciation and any accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset.

Depreciation of fixed assets is recognised in the statement of comprehensive income on a straight line basis over the estimated useful lives of the assets. The estimated useful lives for each class of assets are as follows:

Computer hardware	4 years
Office equipment	5 years
Computer software	5 years
Motor vehicles	5 years
Furniture & fittings	10 years
Legal library	10 years
Leasehold improvements	10 years

The depreciation rate and method are reviewed periodically to ensure that the periods and method of depreciation are consistent with the expected pattern of economic benefits from the items of fixed assets.

An item of fixed assets is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in the statement of comprehensive income.

1. Accounting policies (continued)

(i) Foreign currencies

Transactions in currencies other than the LLP's operating currency are converted at the rate of exchange ruling on the date of the transaction. At the statement of financial position date, monetary assets and liabilities denominated in foreign currencies are translated into GBP at the rate of exchange ruling at that date. Non-monetary assets and liabilities denominated in foreign currencies which are stated at historical cost are translated at the rate of exchange ruling at the date of the transaction, or if impaired, at the date of the impairment recognition. Non-monetary assets and liabilities denominated in foreign currencies which are measured at fair value are translated into GBP at the rate of exchange ruling at the date that the values were determined. Exchange differences are reflected in the statement of comprehensive income.

(j) Cash and cash equivalents

Cash and cash equivalents consist of cash at banks and other highly liquid investments, net of bank overdrafts, with original maturities of three months or less that are subject to insignificant risk of change in value.

(k) Provisions

Provisions are recognised when the LLP has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects the current market assessment of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as an interest expense.

(l) Employee benefit cost

(Defined contribution plan and other long term employee benefits)

The LLP contributes to a defined contribution retirement and savings plan for eligible employees. A defined contribution plan is a post-employment benefit plan under which an entity pays a fixed contribution into a separate entity and has no legal or constructive obligation to pay further amounts. Contributions to the plan are recognised as an expense in the statement of comprehensive income when they are due. Further information is set out in Note 8.

(m) Short term employee benefits

(Leave pay accrual)

Employee entitlement to annual leave is recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the statement of financial position date.

(o) Unbilled revenues

Fees earned but not yet billed are recorded as unbilled revenues in the statement of financial position.

1. **Accounting policies (continued)**

(p) Contingent assets and liabilities

Contingent assets and liabilities are not recognised as they do not meet the recognition criteria and their existence are confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the LLP. Contingent assets are disclosed only where an inflow of economic benefit is probable. Contingent liabilities are disclosed unless the possibility of an outflow of resources embodying economic benefit is remote.

Expressed in GBP Sterling

2. Fixed Assets

	PROPERTY	OFFICE EQUIPMENT	COMPUTER HARDWARE	COMPUTER SOFTWARE	FURNITURE AND FITTINGS	LEGAL LIBRARY	LEASEHOLD IMPROVEMENT	TOTAL
Cost								
Balance at 31 December 2018	-	50,851	118,908	35,823	347,198	11,440	593,264	1,157,484
Recognition of right-of-use asset on initial application of IFRS16 (Note 13)	2,154,556	-	-	-	-	-	-	2,154,556
Adjusted balance at 1 January 2019	2,154,556	50,851	118,908	35,823	347,198	11,440	593,264	3,312,040
Additions during the year	-	-	68,586	-	57,398	-	164,349	290,333
Disposals during the year	-	-	-	-	-	-	-	-
Balance at 31 December 2019	2,154,556	50,851	187,494	35,823	404,596	11,440	757,613	3,602,373
Depreciation								
Balance at 31 December 2018	-	41,938	94,058	34,931	198,406	6,814	336,403	712,550
Recognition of right-of-use asset on initial application of IFRS16 (Note 13)	-	-	-	-	-	-	-	-
Adjusted balance at 1 January 2019		41,938	94,058	34,931	198,406	6,814	336,403	712,550
Depreciation charge for the year	298,651	3,546	26,428	880	28,224	800	150,764	509,293
Disposals during the year	-	-	-	-	-	-	-	-
Balance at 31 December 2019	298,651	45,484	120,486	35,811	226,630	7,614	487,167	1,221,843
Net book value								
Balance at 31 December 2019	1,855,905	5,367	67,008	12	177,966	3,826	270,446	2,380,530
Balance at 31 December 2018	-	8,913	24,850	892	148,792	4,626	256,861	444,934

Expressed in GBP Sterling

3. Trade and other receivables and unbilled revenues

Trade and other receivables

	2019	2018
Trade debtors	1,349,903	2,023,672
Other debtors and receivables	101,217	74,166
	1,451,120	2,097,838
Less provision for doubtful debts – trade debtors	(595,547)	(787,183)
Net trade and other receivables	855,573	1,310,655

Trade debtors are non-interest bearing and are generally payable upon delivery of the professional fee invoice.

Movement in the LLP's provision for doubtful debts for the year ended December 31, 2019 is as follows:

	2019	2018
Balance, January 1	(787,183)	(877,216)
Charged for the year	199,504	132,007
Less amount utilised for debtors written off or reversed for debtors recovered	(7,868)	(41,974)
Balance, December 31	(595,547)	(787,183)

Trade and other receivables that were classified as loans and receivables under IAS 39 are now classified at amortised cost. IFRS 9 did not have a significant impact on the LLP's accounting policies.

Unbilled revenues

	2019	2018
Unbilled revenues	859,018	666,981
Client cost control	230	711
Less: provision for unrecoverable unbilled revenues	(287,878)	(188,439)
Net unbilled revenues	571,370	479,253

Unbilled revenues are non-interest bearing and are generally payable upon delivery of the professional fee invoice. Unrecoverable unbilled revenues are recorded against accrued revenues. Accrued revenues are recorded as part of professional fees in the statement of comprehensive income.

Expressed in GBP Sterling

4. Cash held in trust

The LLP holds £612,634 (2018: £1,214,397) in trust for its clients related to funds pledged as collateral for pending transactions and retainers for services to be provided. Cash held in trust is not available for use by the LLP for its day to day operational expenses.

5. Trade and other payables

	2019	2018
Trade creditors	(315,266)	(251,419)
Sundry creditors	(96,304)	(120,081)
Bonus payable	(118,830)	(120,983)
Taxation payable	(143,120)	(196,053)
Balance, December 31	(673,520)	(688,536)

Trade and other payables are non-interest bearing and are expected to be settled within one year.

6. Related party transactions

During the year the LLP had the following transactions with related parties:

	2019	2018
Included within professional and management fees:		
Head Office management recharge:	666,209	742,709
Management recharge by Harneys America Latina S.A. and HCS Brazil Marketing Limited:	47,324	58,747
Professional indemnity management recharge:	42,047	35,672
Head office Lease recharge	113,179	-

** Additional disclosure of related party transactions added to prior year comparative.*

Harney Westwood & Riegels International incorporated Harneys Head Office Limited during 2017 and Harneys Cyprus Shared Services Limited during 2018 in order to enhance the accuracy and transparency with which shared costs are accounted for and recharged to the various entities within the Harneys group. The head office function costs consist primarily of the shared salary costs of central resources, such as finance, marketing, compliance and costs incurred to external service providers which are for the benefit of the entire Harneys group, such as IT, advertising and global market costs. During the year end December 31, 2019, the LLP was charged GBP £666,209 (2018: £742,709) as its portion of the head office function costs.

Craigmuir Insurance LLP Limited, a controlled entity of Harneys Westwood & Riegels International, provides professional indemnity insurance to the Harneys group. During the year ended December 31, 2019, Craigmuir charged insurance premiums of GBP £42,047 (2018: £35,672) to the LLP for the provision of this coverage.

Expressed in GBP Sterling

6. Related party transactions (continued)

Management and overhead expenses incurred by Harneys America Latina S.A. (formerly Bampely LLP S.A.) and HCS Brazil Marketing Limited in providing services to the

Group's clients are recharged to the Group as a management recharge. For the year ended December 31, 2019, the management recharge amounted to GBP £47,324 (2018: £58,747).

Harney Westwood & Riegels International is a partnership and Alsace Associates Inc. is a company, both operating in the BVI, at the known address of Craigmuir Chambers, PO Box 71, Road Town, Tortola, BVI. The Members of Harney Westwood & Riegels International beneficially owns 100% of the shares in Alsace Associates Inc. Some of the members of Harney Westwood & Riegels LLP are also partners of Harney Westwood & Riegels International and some of the members are directors of Alsace Associates Inc. The group statements are not available to the public.

As at the year end the LLP had the following balances due from / (due to) related parties:

	2019	2018
Amounts due from related parties		
Harney Westwood & Riegels Gill (Cayman)	6,219,105	5,719,708
Harneys Westwood & Riegels Hong Kong	2,030,187	1,221,617
Harneys Head Office Limited	8,384,854	3,626,729
Harneys (Asia) Limited	41,861	5,273
Harneys Westwood & Riegels Singapore LLP	76,571	-
Harneys Corporate Services (Asia) Limited	97,111	45,909
Harneys Fiduciary Limited	22,864	23,626
Harneys Corporate Services Limited	-	469,253
Harneys Westwood and Riegels SARL	18,789	-
Harneys Aristodemou Loizides Yiolotis LLC Shanghai	1,972	-
Harneys Fiduciary (Miami) INC	5,500	-
Harneys Insurance Management Services Ltd	-	52,456
Harneys Middle East DMCC	305,347	204,200
Cyprus Shared Services Limited	129,913	107,645
Alsace Associates Inc.	287,764	297,353
Harneys Insurance Broking Services	-	5488
	17,621,838	11,779,257

Expressed in GBP Sterling

6. Related party transactions (continued)

	2019	2018
Harney Westwood & Riegels L.P. (BVI)	(9,585,489)	(6,425,204)
Harney Westwood & Riegels Singapore LLP	-	(113,660)
Harneys Aristodemou Loizides Yiolotis LLC	(2,536,041)	(1,982,245)
Harneys Corporate Services Limited	(587,245)	-
Harneys Fiduciary (Cayman) Limited	(740,462)	(525,872)
Harneys (Asia) Limited	-	-
Harneys Services (Japan) Limited	-	(2,393)
HCS Brazil Marketing Limited	(25,130)	(16,974)
Zuill & Co	-	(13,395)
Harneys Fund Administration Limited	-	(107)
White Cedar Consulting Ltd.	(5,341)	(13,775)
Harneys America Latina S.A.	(29,456)	(20,550)
	(13,509,164)	(9,114,175)

7. Professional fees billed

The LLP generates revenue primarily from the provision of legal guidance, trust, management and insurance services.

Disaggregation of revenue from contracts with customers.

In the following table, revenue from contracts with customers is disaggregated by major product types. Law firm revenue is split between Transactional and Dispute resolution revenue.

There is more uncertainty over the timing of the collections for Dispute resolution, which is reflected in the higher provision rates for these types of fees.

	2019	2018
Dispute Resolution	2,058,206	2,743,282
Transactional	2,604,863	2,184,896
Total Law firm revenue	4,663,069	4,928,178

Expressed in GBP Sterling

8. Employees

The number of employees at the year-end was 22 (2018: 23). The aggregate payroll costs of these persons were wages and salaries.

The aggregate payroll costs of these persons were as follows:

	2019	2018
Wages and salaries	2,609,248	2,866,936
Social security	318,869	360,640
Retirement benefit costs	118,472	115,864
	3,046,589	3,343,440

A defined contribution plan is an employment benefit plan under which the LLP pays fixed contributions into a separate entity and will have no legal or constructive obligations to pay further amounts after employment. Obligations for contributions to defined contribution pension plans are recognised as an expense in the profit and loss in the periods during which services are rendered by employees. These costs are reflected as retirement benefit costs above.

9. Expense and Auditors remuneration

Amounts receivable by the LLP's auditor in respect of:

	2019	2018
Audit of these financial statements	25,844	21,108
Total	25,844	21,108

10. Amounts due under operating leases

The future minimum rental payments under all non-cancellable operating leases for the LLP are as follows:

	2019	2018
Within one year	-	268,686
Within two to five years	-	1,074,744
Later than five years	-	634,541
	-	1,977,971

For the year ended December 31, 2019, a total £NIL (2018: £ 341,676) was recognized as depreciation and interest expenses in the Statement of Comprehensive Income with respect to operating leases.

Expressed in GBP Sterling

11. Administration expenses

	Note	2019	2018
Staff costs	8	3,046,589	3,343,440
Rent		147,491	341,676
Movement in Provision for Bad & Doubtful debts	3	(199,504)	(132,007)
Professional and Management fees	6	755,580	880,155
Other office expenses		557,991	1,192,101
Depreciation	2	509,293	147,997
Audit and accountancy	9	25,844	21,108
		4,843,284	5,794,470

12. Members Remuneration

	2019	2018
Drawings	1,326,783	640,635
	1,326,783	640,635

The highest paid member received remuneration of £471,220 (2018: £227,621). There are no direct member's in the pension scheme.

13. Leases

The LLP leases office facilities. The lease runs for a period of 2 years, with an option to renew the lease after that date. Lease payments are renegotiated at end of lease term or from time to time in order to reflect market rentals. Some leases provide for additional rent payments that are based on changes in local price indices. For certain leases, the LLP is restricted from entering into any sub-lease arrangements.

The office space leases were entered into many years ago as combined leases of land and buildings. Previously, these leases were classified as operating leases under IAS 17.

Information about leases for which the LLP is a lessee is presented below.

i) Right-of-use assets

Right-of-use assets related to leased properties that do not meet the definition of investment property are presented as property, plant and equipment (see note 2).

2019	Land and buildings
Balance at 1 January	2,154,556
Depreciation charge for the year	(298,651)
Additions to right-of-use assets	-
Balance at 31 December	**1,855,905**

Expressed in GBP Sterling

13. Leases (continued)

ii) Amounts recognised in profit or loss

2019 – Leases under IFRS 16	
Interest on lease liabilities	101,950
Expenses relating to short term leases	-
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	-
2018 – Operating leases under IAS 17	
Lease Expense	341,676

(iii) Amounts recognised in statement of cash flows

Total cash outflow for leases	**356,364**

iv) Extension options

The London (Pemberton building) lease rent will be renegotiated on 11/05/2021 and a possible extension for another 5 years. The London (South Quay building) lease rent will be renegotiated on 25/07/2023 and a possible extension for another 2 years.

14. Financial instruments

The LLP has exposure to credit, liquidity, foreign currency, and insurance risks from its use of financial instruments. This note presents information about the LLP's exposure to each of the above risks and the Group's objectives, policies and processes for measuring and managing risk.

The Partners have overall responsibility for the establishment and oversight of the LLP's risk management framework. The LLP's risk management policies are established to identify and analyse the risks faced by the LLP, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the LLP's activities.

(a) Credit risk

Credit risk is the risk of financial loss of the LLP if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the LLP's cash and cash equivalents, cash held in trust, amounts from related parties and trade and other receivables.

The majority of the LLP's cash and cash equivalents and cash held in trust is held with one international banking institution and the LLP's is subject to credit risk to the extent that this institution may be unable to fulfil its obligations to repay the amount owed. Bankruptcy or insolvency of the bank may cause the LLP's rights with respect to accounts held to be delayed or limited. The LLP does not anticipate any material losses as a result of this concentration.

Expressed in GBP Sterling

14. Financial instruments (continued)

The LLP's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the LLP's customer base, including the default risk of the industry and country, in which customers operate, has less of an influence on credit risk. No customers individually represent more than 10% of the LLP's revenue.

The LLP established a provision for doubtful debts that represents its estimate of the probable losses which are present within the trade and other receivables balances. This provision is based upon management's estimate of eventual loss development including past experience. The movements in the provision for doubtful debts are detailed in Note 3.

As at December 31, 2019 the ageing of trade and other receivables, unbilled revenues and long-term deposit before any provision for doubtful debts is as follows:

	Total	Neither past due nor impaired	Impaired
December 31, 2019			
Trade debtors	1,349,903	754,356	595,547
Unbilled revenues	859,018	571,140	287,878
Sundry debtors	101,217	101,217	-
	2,310,138	1,426,713	883,425
December 31, 2018			
Trade debtors	2,023,672	1,236,489	787,183
Unbilled revenues	666,981	478,542	188,439
Sundry debtors	74,166	74,166	-
	2,764,819	1,789,197	975,622

The LLP's invoices are payable upon presentation and accordingly all trade receivables are classified as past due upon initial recognition.

The LLP cedes insurance premiums to a third party reinsurer. As a result, the LLP is exposed to credit risk in the event that the reinsurer fails to honour their obligations to the LLP, which could result in losses to the LLP. The LLP evaluates the financial condition of its reinsurers and monitors concentrations of credit risk characteristics of its reinsurers to minimise the risk of significant losses arising from insolvencies.

(b) Liquidity risk

Liquidity risk is the risk that the LLP will not be able to meet its financial obligations as they fall due. The LLP's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the LLP's reputation. The LLP's financial liabilities consist of trade and other payables.

The LLP's trade and other payables, funds due to clients and current portion of loan from retired partners all have a contractual and expected maturity date of less than one year.

The LLP's trade and other payables, funds due to clients and current portion of loan from retired partners all have a contractual and expected maturity date of less than one year.

14. Financial instruments (continued)

(c) Foreign currency risk

Foreign currency risk is the risk that the business assets originating and held in foreign currencies will be devalued by the fluctuation in foreign exchange rates. The LLP has foreign currency exposures arising from services rendered in currencies other than GBP. The revaluation of foreign currency-denominated financial assets and liabilities as a result of the

Sensitivity analysis

appreciation or depreciation of the GBP is recognised in the statement of comprehensive income as a gain or loss on exchange.

At the statement of financial position date, the LLP's net exposure on foreign currencies, stated in GBP, is as follows:

	USD	EUR
December 31, 2019		
Trade and other receivables	839,182	42,131
Cash and cash equivalents	491,319	135,171
Trade creditors	(640,425)	(188,951)
	690,076	(11,649)
December 31, 2018		
Trade and other receivables	557,488	31,875
Cash and cash equivalents	24,848	47,881
Trade creditors	(713,164)	(131,419)
	(130,828)	(51,663)

Using exchange rates at 31 December 2019 a change in rates of 10% in exchange rates would have a plus or minus impact of £69,007 on exchange of currency held in USD and a plus or minus impact of £1,165 on exchange of the currency held in EUR.

Expressed in GBP Sterling

15. Member's interest

Please refer to the Statement of Changes in Partnership Capital on page 11

Equity member's capital and other interests
Movements in member's capital were as follows:

	2019
	years
Balance at 1 January 2017	4,712,597
Capital introduced by members	988,071
Total comprehensive loss for the year	(680,438)
Repayments of Capital	(640,635)
Balance at 31 December 2018	4,379,595
Capital introduced by members	3,029,295
Total comprehensive profit for the year	165,036
Repayments of Capital	(1,344,238)
Balance at 31 December 2019	**6,229,688**

16. Events after the reporting period

Since the start of January 2020, the outbreak of coronavirus, which is a rapidly evolving situation, has adversely impacted global commercial activities. The rapid development and fluidity of this situation precludes any prediction as its ultimate impact, which may have a continued adverse impact on economic and market conditions and trigger a period of global economic slowdown. The Partners do not believe there is any financial impact to the financial statements as at December 31, 2019 as a result of this subsequent event.

Management has evaluated events after the reporting period up to 12 August 2020, the date that these financial statements were available to be issued, and determined that no other events after the reporting period have occurred that would require recognition or additional disclosure in these financial statements.