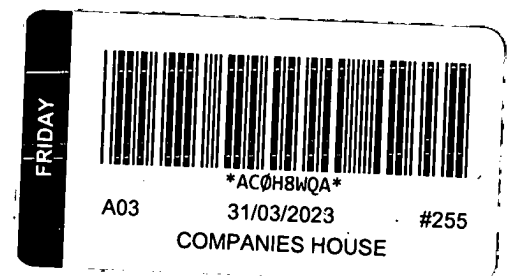


Registration number: OC306995

LODDERS SOLICITORS LLP
ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022



LODDERS SOLICITORS LLP

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LODDERS SOLICITORS LLP

LIMITED LIABILITY PARTNERSHIP INFORMATION

Designated members M E J Miller

B Morris

J A Senior

J I Mottram

L R Igoe

P J Mourton

G J Spalding

Members

C M Nemecek

J Rouse

D S D Lodder

A I Frew

S J Baker

M J Wakeling

M Lewis

J E Spreckley

V G F Matts

V J Khandker

J R S Bird

V Longmore

V Middleton

C P H Dewes

T Ellis

B Quin

A E Wylde

Registered office

Number 10 Elm Court
Arden Street
Stratford Upon Avon
Warwickshire
CV37 6PA

Bankers

Barclays Bank Plc
Market Cross
Stratford Upon Avon
Warwickshire
CV37 6AP

Auditors

Hazlewoods LLP
Windsor House
Bayshill Road
Cheltenham
GL50 3AT

LODDERS SOLICITORS LLP

MEMBERS' REPORT FOR THE YEAR ENDED 30 JUNE 2022

The members present their report and the consolidated financial statements for the year ended 30 June 2022.

Firm structure

The LLP is a limited liability partnership registered in England and Wales. A list of designated members' names is available for inspection at the LLP's registered office.

Principal activity

The principal activity of the LLP is the provision of legal services.

Designated members

The members who held office during the year were as follows:

M E J Miller

B Morris

J A Senior

J I Mottram

L R Igoe

P J Mourton

G J Spalding

Members' drawings and the subscription and repayment of members' capital

Members are permitted to make drawings in anticipation of profits which will be allocated to them. The amount of such drawings is set at the beginning of each financial year, taking into account the anticipated cash needs of the LLP.

New members are required to subscribe a minimum level of capital and in subsequent years, members are invited to subscribe for further capital, the amount of which is determined by the performance and seniority of those members. On retirement, capital is repaid to members.

Financial instruments

Price risk, credit risk, liquidity risk and cash flow risk

The management of the group and the execution of the group's strategy are subject to a number of risks. The key business risks and uncertainties affecting the group are considered to relate to competition from other legal practices and changes in the legal industry.

The group has sufficient financial resources available and is currently trading profitably and generating cash. The members have prepared forecasts for the next 12 months that indicate that this trend will continue. The members believe that the entity has sufficient resources to continue in operational existence for the foreseeable future and have continued to adopt the going concern basis in preparing the financial statements.

24/3/2023

Approved by the Board on and signed on its behalf by:

Paul Mourton

.....
P J Mourton

Designated member

LODDERS SOLICITORS LLP

STATEMENT OF MEMBERS' RESPONSIBILITIES FOR THE YEAR ENDED 30 JUNE 2022

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

The Limited Liability Partnerships, Partnerships and Groups (Accounts & Audit) Regulations 2016 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under Company law as applied to LLPs 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 group and limited liability partnership and of the profit or loss of the group and limited liability partnership for that year. In preparing these financial statements, the members are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and partnership will continue in business.

The members are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the limited liability partnership and enable them to ensure that the financial statements comply with 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, and in accordance with the requirements of the Statement of Recommended Practice Accounting by Limited Liability Partnerships (issued January 2017). They are also responsible for safeguarding the assets of the limited liability partnership and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

These responsibilities are exercised by the Board on behalf of the members.

LODDERS SOLICITORS LLP

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LODDERS SOLICITORS LLP

Opinion

We have audited the financial statements of Lodders Solicitors LLP (the 'limited liability partnership') and its subsidiaries (the 'group') for the year ended 30 June 2022, which comprise the Consolidated Profit and Loss Account, Consolidated Balance Sheet, Balance Sheet, Consolidated Statement of Changes in Members' Interests, Statement of Changes in Members' Interests, Consolidated Cash Flow Statement, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the limited liability partnership's affairs as at 30 June 2022 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, as applied to limited liability partnerships.

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the members' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the members have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the limited liability partnership's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The members are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

LODDERS SOLICITORS LLP

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LODDERS SOLICITORS LLP (CONTINUED)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the limited liability partnership, or returns adequate for our audit have not been received from branches not visited by us; or
- the limited liability partnership 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.

Responsibilities of members

As explained more fully in the Statement of Members' Responsibilities set out on page 3, the members are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the members are responsible for assessing the group's and the limited liability partnership'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 the members either intend to liquidate the group or the limited liability partnership or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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 an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We considered the nature of the group's industry and its control environment and reviewed the group's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory framework that the company operates in and identified the key laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements, including the UK Companies Act and tax legislation, and, those that do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgments made in accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatements due to fraud;
- enquiring of management concerning actual and potential litigation and claims and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

LODDERS SOLICITORS LLP

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LODDERS SOLICITORS LLP (CONTINUED)

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the group and limited liability partnership's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, as applied to limited liability partnerships by the Limited Liability Partnerships, Partnerships and Groups (Accounts & Audit) Regulations 2016. Our audit work has been undertaken so that we might state to the group and limited liability partnership'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 group and limited liability partnership, and the group and limited liability partnership members as a body, for our audit work, for this report, or for the opinions we have formed.



.....
Jon Cartwright (Senior Statutory Auditor)
For and on behalf of Hazlewoods LLP, Statutory Auditor

Windsor House
Bayshill Road
Cheltenham
GL50 3AT

Date: 31 March 2023

LODDERS SOLICITORS LLP**CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 JUNE 2022**

	Note	2022 £	2021 £
Turnover	2	14,496,807	13,286,731
Administrative expenses		(10,532,989)	(8,783,808)
Other operating income		<u>-</u>	<u>119,808</u>
Operating profit	3	3,963,818	4,622,731
Other interest receivable and similar income	4	95,465	71,465
Interest payable and similar expenses	5	<u>(122,224)</u>	<u>(77,579)</u>
Profit for the year before taxation and members' remuneration charged as an expense		3,937,059	4,616,617
Taxation	9	<u>(56,722)</u>	<u>(45,728)</u>
Profit for the year before members' remuneration and profit shares		3,880,337	4,570,889
Members' remuneration charged as an expense		<u>(3,880,337)</u>	<u>(4,570,889)</u>
Profit/(loss) for the year available for discretionary division among members		<u><u>-</u></u>	<u><u>-</u></u>

Turnover and operating profit derive wholly from continuing operations.

The group has no recognised gains or losses for the year other than the results above.

LODDERS SOLICITORS LLP

(REGISTRATION NUMBER: OC306995)
CONSOLIDATED BALANCE SHEET AS AT 30 JUNE 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	11	606,092	553,385
Current assets			
Work in progress	13	65,094	51,046
Debtors	14	5,953,953	5,003,154
Cash and short-term deposits		<u>489,662</u>	<u>1,789,493</u>
		6,508,709	6,843,693
Creditors: Amounts falling due within one year	15	<u>(2,488,400)</u>	<u>(3,323,970)</u>
Net current assets		<u>4,020,309</u>	<u>3,519,723</u>
Total assets less current liabilities		4,626,401	4,073,108
Creditors: Amounts falling due after more than one year	16	(409,170)	(585,484)
Provisions for liabilities			
Other provisions		<u>(499,000)</u>	<u>(281,000)</u>
Net assets attributable to members		<u>3,718,231</u>	<u>3,206,624</u>
Represented by:			
Loans and other debts due to members			
Other amounts		<u>3,718,231</u>	<u>3,206,624</u>
		<u>3,718,231</u>	<u>3,206,624</u>
Total members' interests			
Loans and other debts due to members		<u>3,718,231</u>	<u>3,206,624</u>
		<u>3,718,231</u>	<u>3,206,624</u>

The financial statements of ~~Lodders~~ Solicitors LLP (registered number OC306995) were approved by the Board and authorised for issue on 24/06/2022. They were signed on behalf of the limited liability partnership by:

Paul Mourton

.....
P J Mourton
Designated member

The notes on pages 13 to 25 form an integral part of these financial statements.

LODDERS SOLICITORS LLP**(REGISTRATION NUMBER: OC306995)
BALANCE SHEET AS AT 30 JUNE 2022**

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	11	606,092	553,385
Investments	12	<u>1,242,970</u>	<u>1,033,864</u>
		<u>1,849,062</u>	<u>1,587,249</u>
Current assets			
Work in progress	13	65,094	51,046
Debtors	14	5,941,363	5,001,159
Cash and short-term deposits		<u>452,388</u>	<u>1,550,067</u>
		6,458,845	6,602,272
Creditors: Amounts falling due within one year	15	<u>(3,681,506)</u>	<u>(4,116,413)</u>
Net current assets		<u>2,777,339</u>	<u>2,485,859</u>
Total assets less current liabilities		4,626,401	4,073,108
Creditors: Amounts falling due after more than one year	16	(409,170)	(585,484)
Provisions for liabilities			
Other provisions		<u>(499,000)</u>	<u>(281,000)</u>
Net assets attributable to members		<u>3,718,231</u>	<u>3,206,624</u>
Represented by:			
Loans and other debts due to members			
Other amounts		<u>3,718,231</u>	<u>3,206,624</u>
		<u>3,718,231</u>	<u>3,206,624</u>
Total members' interests			
Loans and other debts due to members		<u>3,718,231</u>	<u>3,206,624</u>
		<u>3,718,231</u>	<u>3,206,624</u>

The financial statements of ~~Lodders~~ ^{Lodders} Solicitors LLP (registered number OC306995) were approved by the Board and authorised for issue on 24/9/2023. They were signed on behalf of the limited liability partnership by:

Paul Mourton

.....
P J Mourton
Designated member

LODDERS SOLICITORS LLP**CONSOLIDATED STATEMENT OF CHANGES IN MEMBERS' INTERESTS
AT 30 JUNE 2022**

	Loans and other debts due to/(from) members
	Members' other amounts £
Members' interest at 1 July 2021	3,206,624
Members' remuneration charged as an expense	<u>3,880,337</u>
Members' interests after profit for the year	7,086,961
Members' capital introduced	82,001
Other amounts introduced by members	243,625
Drawings (including tax payments)	(3,458,952)
Members capital withdrawn	<u>(235,404)</u>
At 30 June 2022	<u><u>3,718,231</u></u>
	Loans and other debts due to/(from) members
	Members' other amounts £
Members' interest at 1 July 2020	3,527,592
Members' remuneration charged as an expense	<u>4,570,889</u>
Members' interests after total comprehensive income	8,098,481
Members' capital introduced	37,500
Other amounts introduced by members	(215,220)
Drawings (including tax payments)	(4,337,766)
Transfer of capital to former members' balances	<u>(376,371)</u>
At 30 June 2021	<u><u>3,206,624</u></u>

Loans and other debts due to members are unsecured and would rank pari passu with other unsecured creditors in the event of a winding up.

LODDERS SOLICITORS LLP**STATEMENT OF CHANGES IN MEMBERS' INTERESTS (LLP ONLY)
AT 30 JUNE 2022**

	Loans and other debts due to/(from) members
	Members' other amounts £
Members' interest at 1 July 2021	3,206,624
Members' remuneration charged as an expense	<u>3,671,231</u>
Members' interests after total comprehensive income	6,877,855
Members' capital introduced	82,001
Other amounts introduced by members	243,625
Drawings (including tax payments)	(3,249,846)
Transfer of capital to former members' balances	<u>(235,404)</u>
At 30 June 2022	<u><u>3,718,231</u></u>
	Loans and other debts due to/(from) members
	Members' other amounts £
Members' interest at 1 July 2020	3,527,592
Members' remuneration charged as an expense	<u>4,371,654</u>
Members' interests after total comprehensive income	7,899,246
Members' capital introduced	37,500
Other amounts introduced by members	(215,220)
Drawings (including tax payments)	(4,138,531)
Transfer of capital to former members' balances	<u>(376,371)</u>
At 30 June 2021	<u><u>3,206,624</u></u>

Loans and other debts due to members are unsecured and would rank pari passu with other unsecured creditors in the event of a winding up.

LODDERS SOLICITORS LLP**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2022**

	Note	2022 £	2021 £
Net cash inflow from operating activities	20	<u>2,908,459</u>	<u>4,415,505</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(296,518)	(107,106)
Sale of tangible fixed assets		26,394	29,255
Interest received		95,465	71,465
Interest paid		<u>(122,224)</u>	<u>(77,579)</u>
Net cash flows from investing activities		<u>(296,883)</u>	<u>(83,965)</u>
Cash flows from financing activities			
Repayment of loans and borrowings		(1,284,724)	(596,615)
Repayment of capital element of finance leases and HP contracts		(1,398)	(3,357)
Value of new loans obtained during the period		636,080	588,866
Receipts of government grants		-	119,808
Payments to or on behalf of members		(3,458,951)	(4,507,258)
Capital contributions by members		325,626	37,500
Repayments to former members		<u>(207,292)</u>	<u>(846,494)</u>
Net cash flows from financing activities		<u>(3,990,659)</u>	<u>(5,207,550)</u>
Net decrease in cash and cash equivalents		(1,379,083)	(876,010)
Cash and cash equivalents at 1 July		<u>1,789,493</u>	<u>2,665,503</u>
Cash and cash equivalents at 30 June		<u>410,410</u>	<u>1,789,493</u>
		2022 £	2021 £
Reconciliation to cash at bank and in hand:			
Cash at bank		409,841	1,788,630
Other cash and cash equivalents		<u>569</u>	<u>863</u>
		<u>410,410</u>	<u>1,789,493</u>

The notes on pages 13 to 25 form an integral part of these financial statements.

LODDERS SOLICITORS LLP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

1 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 were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

General information and basis of accounting

The LLP is incorporated in England and Wales under the Limited Liability Partnership Act 2000. The address of the registered office is given on the LLP information page. The nature of the LLP's operations and its principal activities are given in the members' report.

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 presentational currency of Lodders Solicitors LLP is considered to be Pounds Sterling, being the functional currency of the primary economic environment in which the LLP operates. Monetary amounts in these financial statements are rounded to the nearest Pound.

Basis of consolidation

The consolidated financial statements consolidate the financial statements of the limited liability partnership and its subsidiary undertakings drawn up to 30 June 2022.

A subsidiary is an entity controlled by the limited liability partnership. Control is achieved where the limited liability partnership has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The purchase method of accounting is used to account for business combinations that result in the acquisition of subsidiaries by the group. The cost of a business combination is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the business combination. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Any excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised is recorded as goodwill.

Inter-company transactions, balances and unrealised gains on transactions between the limited liability partnership and its subsidiaries, which are related parties, are eliminated in full.

Intra-group losses are also eliminated but may indicate an impairment that requires recognition in the consolidated financial statements.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group. Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the group's equity therein. Non-controlling interests consist of the amount of those interests at the date of the original business combination and the non-controlling shareholder's share of changes in equity since the date of the combination. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

LODDERS SOLICITORS LLP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022 (CONTINUED)

1 Accounting policies (continued)

Going concern

After reviewing the group's forecasts and projections, the members have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. The group therefore continues to adopt the going concern basis in preparing its financial statements.

Judgements

In the application of the LLP's accounting policies, management is required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The key sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements are described below:

Key sources of estimation uncertainty

Bad debt provision - due to the nature of the business, there are high levels of trade debtors at the year end, and therefore a risk that some of these balances may be irrecoverable. A bad debt review is carried out, where debts are assessed and provided against when the recoverability of these balances is considered to be uncertain. The carrying amount is £252,689 (2021 : £336,337).

Amounts recoverable on contracts - The process of assessing amounts recoverable on contracts requires various estimates and judgements to be made. Fee earners are required to record time spent on client assignments and this is used as the basis for the amounts recoverable on contracts estimate. A year end report of time on all assignments is circulated to fee earners to identify likely recoverable amounts. The carrying amount is £2,100,824 (2021 : £1,948,839).

Work in progress - This is valued at cost. This is calculated based on time recorded on matters opened in June 2022, using an average hourly rate, for time recorded during the month. The carrying amount is £65,094 (2021 : £51,046).

Provision for client claims - the provision is based on a review of potential claims and an assessment of any potential settlements that are considered likely as a result of these. The carrying amount is £99,000 (2021 : £81,000).

Dilapidations - a provision for dilapidations on the LLP's property leases is included based on the amount expected to be payable at the cessation of the leases. This is considered to give a reasonable estimate of the costs which would be due at the balance sheet date. The carrying amount is £400,000 (2021 : £200,000).

Revenue recognition

Fee income represents the fair value of services provided during the year on client assignments. Fair value reflects the amounts expected to be recoverable from clients based on time spent, skills provided and expenses incurred, and excludes VAT. Income is recognised as contract activity progresses and the right to consideration is secured, except where the final outcome cannot be assessed with reasonable certainty.

Income in respect of contingent fee assignments is recognised in the period when the contingent event occurs and collectability of the fee is assured.

Unbilled income on individual client assignments is included as amounts recoverable on contracts within debtors.

Government grants

Government grants are recognised based on the accrual model and are measured at the fair value of the asset received or receivable. Grants are classified as relating either to revenue or to assets. Grants relating to revenue are recognised in income over the period in which the related costs are recognised. Grants relating to assets are recognised over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income.

LODDERS SOLICITORS LLP**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022 (CONTINUED)****1 Accounting policies (continued)****Members' remuneration and division of profits**

The profits of the LLP are automatically divided among the members in accordance with the agreed profit share arrangements.

A member's share of the profit or loss for the year is accounted for as an allocation of profits.

Taxation

The taxation payable on the LLP's profits is the personal liability of the members, although payment of such liabilities is administered by the LLP on behalf of its members. Consequently, neither LLP taxation nor related deferred taxation is accounted for in these financial statements. Sums set aside in respect of members' tax obligations are included in the balance sheet within loans and other debts due to members, or are set against amounts due from members as appropriate.

The corporation tax expense for the period comprises current and deferred tax. Tax is recognised in the profit and loss account, 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 corporation 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 UK, where the group operates and generates taxable income.

Tangible fixed assets

Tangible fixed assets are stated at cost or valuation, net of depreciation and any provision for impairment.

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

Depreciation

Depreciation has been computed to write off the cost of tangible fixed assets over their expected useful lives using the following rates:

Asset class	Depreciation method and rate
Leasehold property improvements	Over the term of the lease
Furniture, fittings and equipment	Straight line over 4 - 5 years
Motor vehicles	25% reducing balance

Fixed asset investments

Fixed asset investments are revalued each year at fair value with changes in fair value recognised in the Statement of Comprehensive Income.

Work in progress

Work in progress is valued at the lower of cost and net realisable value, after due regard for obsolete and slow moving stocks. Net realisable value is based on selling price less anticipated costs to completion and selling costs. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

Trade debtors

Trade debtors are amounts due from clients for services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. All trade debtors are repayable within one year and hence are included at the undiscounted cost of cash expected to be received. 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 debtors.

Cash and cash equivalents

Cash and cash equivalents comprise 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.

LODDERS SOLICITORS LLP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022 (CONTINUED)

1 Accounting policies (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. Accounts payable are classified as current liabilities if the LLP 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 all are repayable within one year and hence are included at the undiscounted amount of cash expected to be paid.

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 LLP has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Borrowing costs which are directly attributable to the construction of tangible fixed assets are capitalised as part of the cost of those assets. The commencement of capitalisation begins when both finance costs and expenditures for the asset are being incurred and activities that are necessary to get the asset ready for use are in progress. Capitalisation ceases when substantially all the activities that are necessary to get the asset ready for use are complete.

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.

Dividends

Dividend distributions to the company's shareholders are recognised as a liability in the financial statements in the reporting period in which the dividends are declared.

Provisions

Provisions are recognised when the limited liability partnership has an obligation at the reporting date as a result of a past event, it is probable that the limited liability partnership will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

Pensions and other post retirement obligations

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the group 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 an employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

Financial instruments

Classification

Financial instruments are classified and accounted for according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the LLP after deducting all of its liabilities. Where shares are issued, any component that creates a financial liability of the LLP is presented as a liability on the balance sheet. The corresponding dividends relating to the liability component are charged as interest expenses in the profit and loss account.

LODDERS SOLICITORS LLP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022 (CONTINUED)

1 Accounting policies (continued)

Recognition and Measurement

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Impairment of financial assets

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss as described below.

A non financial asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

The recoverable amount of goodwill is derived from measurement of the present value of the future cash flows of the cash-generating units ('CGUs') of which the goodwill is a part. Any impairment loss in respect of a CGU is allocated first to the goodwill attached to that CGU, and then to other assets within that CGU on a pro-rata basis.

Where indicators exist for a decrease in impairment loss, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised. Where a reversal of impairment occurs in respect of a CGU, the reversal is applied first to the assets (other than goodwill) of the CGU on a pro-rata basis and then to any goodwill allocated to that CGU.

For financial assets carried at amortised cost, the amount of an impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

Current versus non-current classification

Investments in non-convertible preference shares and non-puttable ordinary or preference shares (where shares are publicly traded or their fair value is reliably measurable) are measured at fair value through profit or loss. Where fair value cannot be measured reliably, investments are measured at cost less impairment.

In the limited liability partnership balance sheet, investments in subsidiaries and associates are measured at cost less impairment.

Fair value measurement

The best evidence of fair value is a quoted price for an identical asset in an active market. When quoted prices are unavailable, the price of a recent transaction for an identical asset provides evidence of fair value as long as there has not been a significant change in economic circumstances or a significant lapse of time since the transaction took place. If the market is not active and recent transactions of an identical asset on their own are not a good estimate of fair value, the fair value is estimated by using a valuation technique.

LODDERS SOLICITORS LLP**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022 (CONTINUED)****2 Turnover**

The total turnover of the LLP for the current year and prior year has been derived from its principal activity wholly undertaken in the United Kingdom.

	2022 £	2021 £
Rendering of services	<u>14,496,807</u>	<u>13,286,731</u>

3 Operating profit

Operating profit is stated after charging:

	2022 £	2021 £
Depreciation of owned assets	217,417	195,781
Government grants receivable	-	(119,808)
Auditor's remuneration - audit fees	10,200	9,735
Auditor's remuneration - other fees	<u>45,280</u>	<u>41,405</u>

4 Other interest receivable and similar income

	2022 £	2021 £
Other interest receivable and similar income	<u>95,465</u>	<u>71,465</u>
	<u>95,465</u>	<u>71,465</u>

5 Interest payable and similar charges

	2022 £	2021 £
Interest on other loans	36,507	36,958
Other interest payable	<u>85,717</u>	<u>40,621</u>
	<u>122,224</u>	<u>77,579</u>

6 Particulars of employees

The average number of persons employed by the group (including members) during the year, analysed by category was as follows:

	2022 No.	2021 No.
Fee earners	91	82
Administrative	<u>73</u>	<u>59</u>
	<u>164</u>	<u>141</u>

The aggregate payroll costs were as follows:

	2022 £	2021 £
Wages and salaries	5,389,911	4,528,666
Social security costs	580,346	462,313
Pension costs, defined contribution scheme	<u>410,566</u>	<u>188,980</u>
	<u>6,380,823</u>	<u>5,179,959</u>

LODDERS SOLICITORS LLP**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022 (CONTINUED)****7 Members' remuneration**

	2022	2021
	23	23
Average number of members during the year	<u>23</u>	<u>23</u>

The profit attributable to the member with the largest entitlement was £435,934 (2021: £514,984).

8 Auditor's remuneration

	2022	2021
	£	£
Audit fees	<u>10,200</u>	<u>9,735</u>
Fees payable to the LLP's auditor and its associates for:		
Other services	<u>45,280</u>	<u>41,405</u>

9 Taxation

Tax charged/(credited) in the income statement

	2022	2021
	£	£
Current taxation		
UK corporation tax for the year	56,936	45,728
UK corporation tax adjustment to prior periods	<u>(214)</u>	<u>-</u>
	<u>56,722</u>	<u>45,728</u>

10 Profit of the LLP

The LLP has taken advantage of Section 408 of the Companies Act 2006 as applied by the Limited Liability Partnerships, Partnerships and Groups (Accounts & Audit) Regulations 2016 and has not included its own profit and loss account in these financial statements. Its own profit for the year available for division among members was £3,671,231 (2021 - £4,371,654).

LODDERS SOLICITORS LLP**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022 (CONTINUED)****11 Tangible fixed assets****Group and LLP**

	Leasehold property improvements £	Furniture, fittings and equipment £	Motor vehicles £	Total £
Cost				
At 1 July 2021	396,655	1,908,083	221,656	2,526,394
Additions	20,790	172,400	103,328	296,518
Disposals	-	-	(68,882)	(68,882)
At 30 June 2022	<u>417,445</u>	<u>2,080,483</u>	<u>256,102</u>	<u>2,754,030</u>
Depreciation				
At 1 July 2021	218,765	1,652,070	102,174	1,973,009
Charge for the year	41,826	131,144	44,447	217,417
Eliminated on disposals	-	-	(42,488)	(42,488)
At 30 June 2022	<u>260,591</u>	<u>1,783,214</u>	<u>104,133</u>	<u>2,147,938</u>
Net book value				
At 30 June 2022	<u>156,854</u>	<u>297,269</u>	<u>151,969</u>	<u>606,092</u>
At 30 June 2021	<u>177,890</u>	<u>256,013</u>	<u>119,482</u>	<u>553,385</u>

LODDERS SOLICITORS LLP**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022 (CONTINUED)****12 Investments held as fixed assets****LLP**

	2022 £	2021 £
Shares in group undertakings and participating interests	<u>1,242,970</u>	<u>1,033,864</u>

Shares in group undertakings and participating interests

	Unlisted investments £
Cost	
At 1 July 2021	1,033,864
Revaluation	<u>209,106</u>
At 30 June 2022	<u>1,242,970</u>
Net book value	
At 30 June 2022	<u>1,242,970</u>
At 30 June 2021	<u>1,033,864</u>

Details of undertakings

Details of the investments in which the LLP holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Country of incorporation	Holding	Proportion of voting rights and shares held	Principal activity
Subsidiary undertakings				
LRS (Financial Services) Limited	England & Wales	Ordinary	100%	The provision of staff and administrative services

The investment represents the net asset position of LRS (Financial Services) Limited, a wholly owned subsidiary of Loddors Solicitors LLP.

13 Work in progress

	Group 2022 £	2021 £	LLP 2022 £	2021 £
Work in progress	<u>65,094</u>	<u>51,046</u>	<u>65,094</u>	<u>51,046</u>

LODDERS SOLICITORS LLP**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022 (CONTINUED)****14 Debtors**

	Group		LLP	
	2022	2021	2022	2021
	£	£	£	£
Trade debtors	3,125,434	2,319,118	3,125,434	2,319,118
Amounts recoverable on long term contracts	2,100,824	1,948,839	2,100,824	1,948,839
Other debtors	7,961	2,116	2,186	7,812
Prepayments and accrued income	719,734	733,081	712,919	725,390
	<u>5,953,953</u>	<u>5,003,154</u>	<u>5,941,363</u>	<u>5,001,159</u>

15 Creditors: Amounts falling due within one year

	Group		LLP	
	2022	2021	2022	2021
	£	£	£	£
Bank loans and overdrafts	690,229	1,083,307	690,229	1,083,307
Obligations under finance lease and hire purchase contracts	-	1,398	-	1,398
Trade creditors	79,505	90,255	1,465,266	1,139,313
Amounts due to former members	404,484	376,371	404,484	376,371
Other taxes and social security	776,431	1,205,911	341,330	552,600
Other creditors	48,945	45,297	-	10,575
Accruals and deferred income	488,806	521,431	780,197	952,849
	<u>2,488,400</u>	<u>3,323,970</u>	<u>3,681,506</u>	<u>4,116,413</u>

Creditors amounts falling due within one year includes the following liabilities, on which security has been given by the limited liability partnership:

	Group		LLP	
	2022	2021	2022	2021
	£	£	£	£
Bank loans and overdrafts	<u>690,229</u>	<u>1,083,307</u>	<u>690,229</u>	<u>1,083,307</u>

The bank loans and overdrafts are secured by a debenture over the assets of the group and LLP.

The interest rates on these borrowings range from 2.75% to 3.2% per annum.

LODDERS SOLICITORS LLP**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022 (CONTINUED)****16 Creditors: Amounts falling due after more than one year**

	Group		LLP	
	2022	2021	2022	2021
	£	£	£	£
Bank loans and overdrafts	<u>409,170</u>	<u>585,484</u>	<u>409,170</u>	<u>585,484</u>

Creditors amounts falling due after more than one year includes the following liabilities, on which security has been given by the limited liability partnership:

	Group		LLP	
	2022	2021	2022	2021
	£	£	£	£
Bank loans and overdrafts	<u>409,170</u>	<u>585,484</u>	<u>409,170</u>	<u>585,484</u>

The bank loans and overdrafts are secured by a debenture over the assets of the group and LLP.

The interest rates on these borrowings range from 2.75% to 3.2% per annum.

17 Obligations under leases and hire purchase contracts**Operating leases**

The total of future minimum lease payments is as follows:

	Group		Partnership	
	2022	2021	2022	2021
	£	£	£	£
Not later than one year	664,495	628,383	655,868	628,383
Later than one year and not later than five years	1,427,081	1,933,476	1,409,826	1,933,476
Later than five years	<u>74,208</u>	<u>108,458</u>	<u>74,208</u>	<u>108,458</u>
	<u>2,165,784</u>	<u>2,670,317</u>	<u>2,139,902</u>	<u>2,670,317</u>

The amount of non-cancellable operating lease payments recognised as an expense in the group and the partnership during the year was £392,182 (2021 - £376,374).

LODDERS SOLICITORS LLP**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022 (CONTINUED)****18 Provisions****Group and LLP**

	Client claims	Dilapidations	Total
	£	£	£
At 1 July 2021	81,000	200,000	281,000
Additional provisions	86,000	-	86,000
Increase (decrease) in existing provisions	-	200,000	200,000
Provisions used	(25,000)	-	(25,000)
Unused provision reversed	(43,000)	-	(43,000)
At 30 June 2022	<u>99,000</u>	<u>400,000</u>	<u>499,000</u>

19 Pension and other schemes**Defined contribution pension scheme**

The group operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the group to the scheme and amounted to £410,566 (2021 - £188,980).

20 Cash flow statement**Group**

	2022	2021
	£	£
Operating profit	3,963,818	4,622,731
Depreciation, amortisation and impairment charges	217,417	195,781
Increase in work in progress	(14,048)	(7,305)
Increase in debtors	(950,799)	(760,815)
(Decrease)/increase in creditors	(480,415)	364,003
Increase in provisions	218,000	168,000
Release of government grants	-	(119,808)
Corporation taxes paid	(45,514)	(47,082)
Cash generated by operations	<u>2,908,459</u>	<u>4,415,505</u>
Net cash inflow from operating activities	<u>2,908,459</u>	<u>4,415,505</u>

21 Related party transactions

The LLP has taken advantage of the exemption from the requirement under FRS 102 section 33.1 not to disclose transactions with other members of the group.

LODDERS SOLICITORS LLP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022 (CONTINUED)

22 Analysis of changes in net debt

Group

	At 1 July 2021 £	Financing cash flows £	Other non-cash changes £	At 30 June 2022 £
Cash at bank	1,789,493	(1,379,083)	-	410,410
Bank borrowings (less than one year)	(1,083,307)	472,330	-	(610,977)
Bank borrowings (more than one year)	(585,484)	176,314	-	(409,170)
Finance leases	(1,398)	1,398	-	-
Net debt (before members' debt)	119,304	(729,041)	-	(609,737)
Loans and other debts due to members				
Other amounts due to members	(3,206,624)	3,368,730	(3,880,337)	(3,718,231)
Net debt	<u>(3,087,320)</u>	<u>2,639,689</u>	<u>(3,880,337)</u>	<u>(4,327,968)</u>