

**REDD SOLICITORS LLP**

**UNAUDITED**

**MEMBERS REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2014**

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# **REDD SOLICITORS LLP**

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## **REDD SOLICITORS LLP**

### **INFORMATION**

#### **Designated Members**

S L Ashby  
A K Carboni  
S R Chalkley  
C J Macdonald-Brown  
D Ribbons

#### **LLP registered number**

OC308530

#### **Registered office**

29 Cloth Fair, London, EC1A 7JQ

#### **Accountants**

BDO LLP, 55 Baker Street, London, W1U 7EU

## REDD SOLICITORS LLP

### MEMBERS' REPORT FOR THE YEAR ENDED 31 MARCH 2014

The members present their report together with the financial statements of Redd Solicitors LLP (the LLP) for the year ended 31 March 2014.

#### Principal activities

The principal activity of Redd Solicitors LLP during the year was that of the provision of legal services.

#### Designated Members

S L Ashby, A K Carboni, S R Chalkley, C J Macdonald-Brown and D Ribbons were designated members of the LLP throughout the period.

#### Members' capital and interests

Drawings payments are made to members in monthly instalments during the year on account of their profit shares. The level of such drawings is determined by the members who take into account the partnership's cash requirements for operating and investment activities. Profits are allocated between the members in accordance with agreed profit-sharing arrangements determined at the start of the year, with any unallocated profits included within equity - members' other interests in the balance sheet.

Each member is required to contribute a proportion of the capital and the capital requirements are decided by the managing board. As the capital is ultimately repayable to the member it is classified as a long-term liability on the balance sheet.

The annual report has been prepared in accordance with the special provisions of Part VII of the Companies Act 2006 (as applied to limited liability partnerships by Regulation 3 of the Limited Liability Regulations 2001) relating to small Limited Liability Partnerships, and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

This report was approved by the members on 16/12/14 and signed on their behalf by:



S R Chalkley



A K Carboni

## REDD SOLICITORS LLP

### CHARTERED ACCOUNTANTS' REPORT TO THE MEMBERS ON THE UNAUDITED FINANCIAL STATEMENTS OF REDD SOLICITORS LLP

In order to assist you to fulfil your duties under the Limited Liability Partnerships (Accounts and Audit) (Application of the Companies Act 2006) Regulations 2008, we have prepared for your approval the financial statements of Redd Solicitors LLP for the year ended 31 March 2014 which comprise of the profit and loss account, the balance sheet and the related notes from the limited liability partnership's accounting records and from information and explanations you have given us.

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

This report is made solely to the members of Redd Solicitors LLP, as a body, in accordance with the terms of our engagement letter dated 13 June 2013. Our work has been undertaken solely to prepare for your approval the accounts of Redd Solicitors LLP and state those matters that we have agreed to state to the limited liability partnership's members, as a body, in this report in accordance with AAF 2/10 as detailed at [icaew.com/compilation](http://icaew.com/compilation). To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the limited liability partnership and the limited liability partnership's members as a body for our work or for this report.

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

We have not been instructed to carry out an audit or a review of the financial statements of Redd Solicitors LLP. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory accounts.

*BDO LLP*

BDO LLP  
London  
United Kingdom

*18 December 2014*

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

# REDD SOLICITORS LLP

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2014

	Note	2014 £	2013 £
<b>TURNOVER</b>	1,2	<b>3,210,326</b>	2,941,688
Other operating charges		<b>(868,931)</b>	(672,477)
Staff costs		<b>(804,513)</b>	(741,633)
Depreciation and amortisation		<b>(2,802)</b>	(3,054)
<b>OPERATING PROFIT</b>	3	<b>1,534,080</b>	1,524,524
Interest receivable and similar income		<b>146</b>	128
Interest payable and similar charges		<b>(4,400)</b>	(2,977)
<b>PROFIT FOR THE FINANCIAL YEAR BEFORE MEMBERS' REMUNERATION AND PROFIT SHARES AVAILABLE FOR DISCRETIONARY DIVISION AMONG MEMBERS</b>		<b>1,529,826</b>	1,521,675

The notes on pages 7 to 11 form part of these financial statements.

**REDD SOLICITORS LLP**  
**REGISTERED NUMBER: OC308530**

**BALANCE SHEET**  
**AS AT 31 MARCH 2014**

	Note	£	2014 £	£	2013 £
<b>FIXED ASSETS</b>					
Tangible assets	5		13,517		14,279
<b>CURRENT ASSETS</b>					
Debtors	6	1,311,280		1,498,218	
Cash at bank and in hand		389,789		140,744	
		<u>1,701,069</u>		<u>1,638,962</u>	
<b>CREDITORS: amounts falling due within one year</b>	7	<u>(422,525)</u>		<u>(297,957)</u>	
<b>NET CURRENT ASSETS</b>			<u>1,278,544</u>		<u>1,341,005</u>
<b>NET ASSETS ATTRIBUTABLE TO MEMBERS</b>			<u>1,292,061</u>		<u>1,355,284</u>
<b>REPRESENTED BY:</b>					
<b>Loans and other debts due to members within one year</b>					
Other amounts			1,287,061		1,351,284
<b>Members' other interests</b>					
Members' capital			5,000		4,000
			<u>1,292,061</u>		<u>1,355,284</u>
<b>TOTAL MEMBERS' INTERESTS</b>					
Loans and other debts due to members			1,287,061		1,351,284
Members' capital			5,000		4,000
	8		<u>1,292,061</u>		<u>1,355,284</u>

The members consider that the LLP is entitled to exemption from the requirement to have an audit under the provisions of section 477 of the Companies Act 2006, as applied by The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 ("the Act").

The members acknowledge their responsibilities for complying with the requirements of the Companies Act 2006, as applied by The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008, with respect to accounting records and for preparing financial statements which give a true and fair view of the state of affairs of the LLP as at 31 March 2014 and of its profit for the year in accordance with the requirements of sections 394 and 395 of the Act and which otherwise comply with the requirements of the Companies Act 2006, as applied by The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008, relating to financial statements, so far as applicable to the LLP.

The financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006, as applied to LLP's by the Limited Liability Partnership Regulations 2001 relating to small entities and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).


REDD SOLICITORS LLP

BALANCE SHEET (continued)  
AS AT 31 MARCH 2014

The financial statements were approved and authorised for issue by the members and were signed on their behalf on 16 December 2014



S R Chalkley  
Designated member



A K Carboni  
Designated member

The notes on pages 7 to 11 form part of these financial statements.



## REDD SOLICITORS LLP

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

#### 1. ACCOUNTING POLICIES

##### 1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008) and the requirements of the Statement of Recommended Practice "Accounting by Limited Liability Partnerships" (revised March 2010) and under the historical cost convention. The principal accounting policies are set out below.

##### 1.2 Turnover

Turnover is the total amount estimated to be receivable by the partnership for services rendered and disbursements charged to clients during the year, excluding VAT.

Turnover is recognised when a right to receive consideration has been obtained through performance under each contract and reflects the contract activity during the year having regard to the stage of completion of each contract and the relative uncertainty of predicting ultimate profitability on long term assignments. Revenue in respect of conditional or contingent fee engagements, which is over and above any agreed minimum fee, is recognised when the contingent event occurs.

Client disbursements incurred are deducted from turnover in arriving at net fees in the profit and loss account.

##### 1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Leasehold improvements	-	Straight line over term of lease
Artwork	-	Not depreciated
Fixtures, fittings and equipment	-	25% reducing balance

##### 1.4 Tax provisions

The taxation payable on the partnership profits is the personal liability of the members during the year, although payment of such liabilities is administered by the partnership on behalf of the members. Consequently, neither partnership taxation nor related deferred taxation is accounted for in the financial statements.

##### 1.5 Members' remuneration

Drawings payments are made to members in instalments during the year on account of their profit shares. Profits are allocated between the members in accordance with agreed profit-sharing arrangements determined at the start of the year, with any unallocated profits included within members' other interests.

## REDD SOLICITORS LLP

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

#### 1. ACCOUNTING POLICIES (continued)

##### 1.6 Finance and operating lease commitments

Rentals payable under operating leases are charged to the profit and loss account on a straight line basis over the lease term.

Assets purchased under finance leases are capitalised in the balance sheet and depreciated over their estimated useful economic lives.

The corresponding finance lease obligation is treated as a liability in the balance sheet. the interest element is charged to the profit and loss account as a consistent proportion of the outstanding capital payments.

##### 1.7 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into sterling at the rate on the date of the transaction.

Exchange gains and losses are recognised in the profit and loss account.

##### 1.8 Pensions

The company makes contributions to individuals' personal pension plans and the pension charge represents the amounts payable by the LLP to these plans in respect of the year.

#### 2. TURNOVER

Turnover is stated net of Value Added Tax and arises wholly from the provision of legal services within the UK.

#### 3. PROFIT FOR THE YEAR AVAILABLE FOR DIVISION AMONG MEMBERS

Profit for the year available for division amongst members is stated after charging:

	2014 £	2013 £
Depreciation of tangible fixed assets:		
- owned by the LLP	2,802	3,054
Pensions paid	12,711	19,936
Operating lease rentals - land & buildings	129,394	106,923
Operating lease rentals - other	49,922	14,019
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# REDD SOLICITORS LLP

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

### 4. INFORMATION IN RELATION TO MEMBERS

	2014 Number	2013 Number
The average number of members during the year was	5	4
	£	£
The average profit per member during the year was	305,965	380,419
The profit share of the highest paid member was £453,575 (2013: £504,276).		

### 5. TANGIBLE FIXED ASSETS

	Leasehold Premises £	Artworks £	Fixtures and fittings £	Total £
<b>Cost</b>				
At 1 April 2013	30,780	5,115	47,925	83,820
Additions	-	-	2,040	2,040
At 31 March 2014	30,780	5,115	49,965	85,860
<b>Depreciation</b>				
At 1 April 2013	30,779	-	38,762	69,541
Charge for the year	1	-	2,801	2,802
At 31 March 2014	30,780	-	41,563	72,343
<b>Net book value</b>				
At 31 March 2014	-	5,115	8,402	13,517
At 31 March 2013	1	5,115	9,163	14,279

### 6. DEBTORS

	2014 £	2013 £
Trade debtors	1,105,904	1,248,164
Amounts due on contracts and prepayments	205,376	250,054
	1,311,280	1,498,218

# REDD SOLICITORS LLP

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

### 7. CREDITORS:

Amounts falling due within one year

	2014 £	2013 £
Bank loans and overdrafts	83,333	-
Trade creditors	125,147	158,507
Other taxation and social security	195,853	121,478
Accruals	18,192	17,972
	<u>422,525</u>	<u>297,957</u>

### 8. TOTAL OF MEMBERS' INTERESTS

	Members' capital £	Other reserves £	Loans and debts due to members less any amounts due from members in debtors £
Amounts due to members b/fwd			923,967
Amounts due from members b/fwd			-
Members' interests: balance at 1 April 2012	4,000	-	923,967
Profit for the year	-	1,521,675	-
Members' interests after profit for the year	4,000	1,521,675	923,967
Allocated profit for period	-	(1,521,675)	1,521,675
Members' drawings	-	-	(1,094,358)
Members' interests: balance at 1 April 2013	4,000	-	1,351,284
Profit for the year	-	1,529,826	-
Members' interests after profit for the year	4,000	1,529,826	1,351,284
Allocated profit for period	-	(1,529,826)	1,529,826
Transferred to capital	-	-	(1,000)
Members' drawings	-	-	(1,593,049)
Capital amount introduced by member	1,000	-	-
Members' interests at 31 March 2014	5,000	-	1,287,061

# REDD SOLICITORS LLP

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

### 8. TOTAL OF MEMBERS' INTERESTS (continued)

	2014 £	2013 £
Amounts due to members	1,287,061	1,351,284
Amounts due from members	-	-
Net amount due to members	<u>1,287,061</u>	<u>1,351,284</u>

Members are entitled to repayment of their capital when they retire or when they reduce their level of investment in the LLP. Members' other interests rank after unsecured creditors, and loans and other debts due to members rank pari passu with unsecured creditors in the event of a winding up.

Profits are allocated between the members in accordance with agreed profit-sharing arrangements determined at the start of the year, with any undrawn profits included in loans and other debts due to members. At 31 March 2014, all amounts included in loans and other debts due to members are in respect of profits.

### 9. OPERATING LEASE COMMITMENTS

At 31 March 2014, the partnership had annual commitments under non-cancellable operating leases as follows:

	2014 £	2013 £
<b>Expiry date:</b>		
Within 1 year	1,967	-
Between 2 and 5 years	60,880	59,067
After more than 5 years	-	3,780
	<u>62,847</u>	<u>62,857</u>