

# **Darbys Solicitors LLP**

Report and Financial Statements

Year Ended

31 December 2015

Company Number OC323711

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**Report and Financial Statements for the year ended 31 December 2015**

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**Report and Financial Statements for the year ended 31 December 2015**

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**Designated Members**

D Beech (appointed 31/01/2016)  
Knights Professional Services Limited (appointed 31/01/2016)

**LLP registered Office**

Midland House, West Way, Oxford, OX2 0PH

**Registered Number**

OC323711

**Independent auditors**

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

**Members' Report for the year ended 31 December 2015**

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The members present their annual report together with the audited financial statements for the year ended 31 December 2015.

**Results**

The results for the year are set out on page 6 and shows the profit for the year.

**Principal activities**

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

Darbys Solicitors LLP was acquired by Knights Professional Services Limited on 31 January 2016 and ceased to trade on 1 March 2016.

**Designated Members**

The designated members during the year were:

J Astle (resigned 31 December 2015)  
S McCrum (resigned 31 January 2016)  
H Niebuhr (resigned 31 January 2016)

On 31 January 2016 David Beech and Knights Professional Services Limited were appointed as designated members.

**Members' drawings and capital policy**

All members take regular monthly drawings, subject to cash requirements of the LLP and their respective profit share for the accounting period.

The tax payable on a member's profit allocation is the personal liability of the member. However, such tax is usually paid to the relevant tax authority, on behalf of members, as and when the liability falls due.

The initial capital amount was the amount transferred from the partnership of Darbys. The Designated Members shall contribute further capital which the Designated Members determine as being necessary for the purpose of the LLP

Upon leaving the LLP Designated Member's capital will be repaid to them in accordance with the terms set out in the Members' Agreement.

**Members' Report for the year ended 31 December 2015**

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**Members' responsibilities**

The members are responsible for preparing the members' report and financial statements in accordance with applicable law and regulation.

The Limited Liability Partnerships (*Accounts and Audit*) (*Application of the Companies Act 2006*) *Regulations 2008* require the members to prepare financial statements for each financial year. Under these regulations 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 these regulations 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 Limited Liability Partnership and of the profit or loss of the Limited Liability Partnership for that period.

In preparing these financial statements, the members are required to:

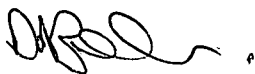
- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare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

The members are responsible for keeping adequate accounting records that are sufficient to show and explain the Limited Liability Partnership's transactions, 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 Limited Liability Partnerships (*Accounts and Audit*) (*Application of the Companies Act 2006*) *Regulations 2008*. 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.

**Auditors**

All of the Members as at the date of this report have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information. The Members are not aware of any relevant audit information of which the LLP's auditor is unaware.

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



**D Beech**  
Designated member

**Independent auditor's report to the members of Darbys Solicitors LLP**

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We have audited the financial statements of Darbys Solicitors LLP for the year ended 31 December 2015 which comprise the statement of comprehensive income, the balance sheet, the statement of cash flows, the statement of changes in members' interests and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the limited liability partnership's members, as a body, in accordance with the Limited Liability Partnerships (Accounts and Audit) (Application of the Companies Act 2006) Regulations 2008. Our audit work has been undertaken so that we might state to the 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 partnership and the partnership's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of members and auditors**

As explained more fully in the statement of members' responsibilities, the members are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

**Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the FRC's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate)

**Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the limited liability partnership's affairs as at 31 December 2015 and of its result 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 by the Limited Liability Partnerships (Accounts and Audit) (Application of the Companies Act 2006) Regulations 2008.

Independent auditor's report to the members of Darbys Solicitors LLP

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**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 as applied to limited liability partnerships requires us 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.

*BDO LLP*

*Nicholas Carter-Pegg (senior statutory auditor)*  
*For and on behalf of BDO LLP, statutory auditor*  
*London*  
*United Kingdom*  
*Date*

*12/12/16*

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

## Statement of comprehensive income for the year ended 31 December 2015

	Note	2015 £	2014 £
<b>Fee income</b>	3	14,284,685	12,655,433
Operating expenses		(13,823,815)	(9,663,279)
		<hr/>	<hr/>
<b>Operating profit</b>	4	460,870	2,992,154
Interest receivable	7	124,362	57,693
Interest payable and expenses	8	(114,589)	(122,306)
		<hr/>	<hr/>
<b>Profit for the year before members' remuneration and profit shares</b>		470,643	2,927,541
Members' remuneration charged as an expense	18	(29,963)	(2,206,792)
		<hr/>	<hr/>
Profit and total comprehensive income for the financial year available for discretionary division among members		440,680	720,749
		<hr/>	<hr/>
<b>Retained profits at 31 December</b>		440,680	720,749
		<hr/>	<hr/>

The notes on pages 10 to 21 form part of these financial statements.



## Statement of financial position as at 31 December 2015

	Note	2015 £	2015 £	2014 £	2014 £
<b>Fixed assets</b>					
Intangible assets	9		146,279		203,833
Tangible assets	10		500,210		756,169
<b>Current assets</b>					
Debtors	11	8,076,423		7,257,459	
Cash at bank and in hand		198,628		900,000	
		<u>8,275,051</u>		<u>8,157,459</u>	
<b>Creditors: amounts falling due within one year</b>	12	<u>(6,980,622)</u>		<u>(6,687,864)</u>	
<b>Net current assets</b>			<u>1,294,429</u>		<u>1,469,595</u>
<b>Total assets less current liabilities</b>			<u>1,940,918</u>		<u>2,429,597</u>
<b>Creditors: amounts falling due after more than one year</b>	13		<u>(225,754)</u>		<u>(808,244)</u>
			<u>1,715,164</u>		<u>1,621,353</u>
<b>Provisions for liabilities</b>	16		<u>(25,200)</u>		<u>(19,200)</u>
<b>Net assets attributable to members</b>			<u><u>1,689,964</u></u>		<u><u>1,602,153</u></u>
<b>Represented by:</b>					
<b>Loans and other debts due to members within one year</b>					
Members' capital classified as a liability			254,000		128,000
Members' other interests classified as a liability			14,731		233,851
<b>Loans and other debts due to members after one year</b>					
Members' capital classified as a liability			1,016,000		555,000
<b>Equity</b>					
Members' other interests			<u>405,233</u>		<u>685,302</u>
			<u><u>1,689,964</u></u>		<u><u>1,602,153</u></u>

## Statement of financial position as at 31 December 2015

	Note	2015 £	2014 £
<b>Total members' interests</b>			
Amounts due from members		(448,406)	(130,120)
Loans and other debts due to members		1,284,731	916,851
Members' other interests		405,233	685,302
		<hr/>	<hr/>
	18	1,241,558	1,472,033
		<hr/>	<hr/>

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



**D Beech**  
Designated member

Date: 12/12/16

The notes on pages 10 to 21 form part of these financial statements.

## Statement of cash flows for the year ended 31 December 2015

	2015 £	2014 £
<b>Cash flows from operating activities</b>		
Profit for the financial year before members' remuneration and profit shares	470,643	2,927,541
<i>Adjustments for:</i>		
Amortisation of intangible assets	80,504	15,983
Depreciation of fixed assets	379,942	366,977
Interest (receivable) / payable	(9,773)	64,613
(Increase) / decrease in trade and other debtors	(500,678)	836,286
Increase / (decrease) in trade and other creditors	892,419	(291,329)
Increase / (decrease) in provisions	6,000	(159,188)
<b>Net cash generated from operating activities</b>	<b>1,319,057</b>	<b>3,760,883</b>
<b>Cash flows from investing activities</b>		
Purchase of intangible fixed assets	(22,950)	-
Purchases of tangible fixed assets	(156,613)	(718,605)
Proceeds from sale of tangible fixed assets	32,630	-
Purchase of share in associate	-	(35,000)
Interest received	124,362	57,693
<b>Net cash from investing activities</b>	<b>(22,571)</b>	<b>(695,912)</b>
<b>Cash flows from financing activities</b>		
New loans secured	-	2,033,853
Repayment of loans	(990,153)	(1,416,062)
Repayment of/new finance leases	727,395	(121,502)
Interest paid	(114,589)	-
Associate interest paid	-	(96,772)
Payments to members	(427,625)	(3,697,510)
Repayment of amounts owed to former members	(273,493)	(602,276)
<b>Net cash used in financing activities</b>	<b>(1,078,465)</b>	<b>(3,900,269)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>218,021</b>	<b>(835,298)</b>
<b>Cash and cash equivalents at start of year</b>	<b>(1,666,486)</b>	<b>(831,188)</b>
<b>Cash and cash equivalents at end of year</b>	<b>(1,448,465)</b>	<b>(1,666,486)</b>
<b>Cash and cash equivalents comprise:</b>		
Cash at bank and in hand	198,628	900,000
Bank overdrafts	(1,647,093)	(2,566,486)
	<b>(1,448,465)</b>	<b>(1,666,486)</b>

**Notes forming part of the financial statements for the year ended 31 December 2015**

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**1. Accounting policies**

Darbys Solicitors LLP is a Limited Liability Partnership ('LLP') incorporated in England & Wales under the Companies Act. The financial statements have been prepared in accordance with FRS 102 the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland, including the Statement of Recommended Practice (2015), 'Accounting by Limited Liability Partnerships.'

Information on the impact first-time adoption of FRS 102 is given in note 22.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the entity's accounting policies (see note 2).

The accounts have been prepared on a going concern basis as, although the LLP is dormant from 1 March 2016, the underlying business of the LLP was transferred to Knights Professional Services Limited on 29 February 2016 and continues to operate as part of the larger entity.

The following principal accounting policies have been applied:

**1.1 Intangible assets****Goodwill**

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Income Statement over its useful economic life.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed five years.

**1.2 Tangible fixed assets**

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The LLP adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the LLP. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Leasehold improvements	- 20%
Fixtures and fittings	- 20%
Office equipment	- 20%
Computers	- 33%

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'other operating income' in the Statement of Comprehensive Income.

**1.3 Operating leases**

Rentals paid under operating leases are charged to the profit or loss on a straight line basis over the period of the lease.

**1.4 Turnover**

Turnover represents amounts chargeable to clients for professional services provided during the period but excluding value added tax.

Services provided to clients during the year which have not been invoiced at balance sheet date have been recognised as turnover on an assessment of the fair value of the services provided by the statement of financial position date as a proportion of the total value of the engagement.

Turnover is not recognised where the right to receive payment is contingent on events outside the control of the business.

**1.5 Impairment of fixed assets and goodwill**

Assets that are subject to depreciation or amortisation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each reporting date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

**1.6 Debtors**

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

**1.7 Cash and cash equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the entity's cash management.

**Notes forming part of the financial statements for the year ended 31 December 2015**

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**1.8 Financial instruments**

The LLP only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Income Statement.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the LLP would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

**1.9 Creditors**

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

**1.10 Finance costs**

Finance costs are charged to the Income Statement over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

**1.11 Pensions****Defined contribution pension plan**

The LLP operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the LLP pays fixed contributions into a separate entity. Once the contributions have been paid the LLP has no further payments obligations.

The contributions are recognised as an expense in the Income Statement when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the LLP in independently administered funds.

**Notes forming part of the financial statements for the year ended 31 December 2015**

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**1.12 Interest income**

Interest income is recognised in the Income Statement using the effective interest method.

**1.13 Provisions for Liabilities**

Provisions are made where an event has taken place that gives the LLP a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Income Statement in the year that the LLP becomes aware of the obligation, and are measured at the best estimate at the Statement of Financial Position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

**1.14 Post retirement benefits**

The estimate of the amounts due for post retirement benefits in respect of current members is included within loans and other amounts due to members. Once the member retires this amount will be transferred to provision for liabilities.

**2. Judgments in applying accounting policies and key sources of estimation uncertainty**

In preparing these financial statements, the members have made the following judgements:

- Determine whether leases entered into by the LLP as a lessee are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.
- Determine whether there are indicators of impairment of the group's tangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.
- Determining the outcome of on-going cases against the firm, and any provisions to be made in relation to these with reference to the insurance held by the firm.

Other key sources of estimation uncertainty are listed below:

Management review the policies applied in the valuation of the various elements of working capital regularly. The approach to revenue recognition depends on the type of work. The judgement applied in testing the reliability of expected future recovery rates is based on the member's judgements and analysis over a period consistent with the work type. Management recognise that a proportion of invoices billed to clients, and disbursements incurred on behalf of clients, will prove to be irrecoverable and appropriate provision is made based on transaction age and work type.

## Notes forming part of the financial statements for the year ended 31 December 2015

**3 Turnover**

All turnover arose within the United Kingdom.

**4 Operating profit**

	<b>2015</b> £	<b>2014</b> £
This is arrived at after charging / (crediting):		
Fees payable to the LLP's auditor and its associates for the audit of the LLP's annual accounts	51,351	24,000
Fees payable to the LLP's auditor and its associates for other services:		
- Taxation services	21,320	18,000
- Other services	31,572	17,700
Depreciation of tangible fixed assets	379,942	366,977
Operating lease expense	373,492	414,967
	<u>          </u>	<u>          </u>

**5 Employees**

	<b>2015</b> £	<b>2014</b> £
Staff costs (excluding members) consist of:		
Wages and salaries	8,161,829	6,965,548
Social security costs	776,356	714,609
Pension costs	212,870	188,309
	<u>          </u>	<u>          </u>
	9,151,055	7,868,466
	<u>          </u>	<u>          </u>

	<b>Number</b>	<b>Number</b>
The average number of employees during the year was:		
Client service and support staff	216	196
	<u>          </u>	<u>          </u>



## Notes forming part of the financial statements for the year ended 31 December 2015

**6 Members' share of profit**

Other than members' remuneration charged as an expense any remaining profits of the LLP are divided amongst the 'Equity' Members once the accounts for that year have been approved.

Members receive interest on their capital accounts as per the Members' agreement and this is included within Members' remuneration charged as an expense.

Profits and losses are shared by the members at the end of the year in accordance with agreed profit and loss shared arrangements governed by the Partnership Agreement. Members are required to make their own provision for pensions and other benefits from their profit shares.

	Number	Number
Average number of members during the year	23	27
	<u>2015</u>	<u>2014</u>
	£	£
Profit attributable to the member with the largest entitlement	157,942	249,830
	<u>2015</u>	<u>2014</u>
	£	£
Other interest receivable	124,362	57,693
	<u>2015</u>	<u>2014</u>
	£	£
On bank loans and overdrafts	100,834	84,411
On finance leases	-	12,464
On other liabilities	13,755	25,431
	<u>114,589</u>	<u>122,306</u>

## Notes forming part of the financial statements for the year ended 31 December 2015

## 9 Intangible assets

	Goodwill £	Total £
<i>Cost</i>		
At 1 January 2015	244,666	244,666
Additions	22,950	22,950
	<hr/>	<hr/>
At 31 December 2015	267,616	267,616
	<hr/>	<hr/>
<i>Amortisation</i>		
At 1 January 2015	40,833	40,833
Charge for the year	80,504	80,504
	<hr/>	<hr/>
At 31 December 2015	121,337	121,337
	<hr/>	<hr/>
<i>Net book value</i>		
At 31 December 2015	146,279	146,279
	<hr/>	<hr/>
At 31 December 2014	203,833	203,833
	<hr/>	<hr/>

Goodwill arising on the acquisition of Legal Assistance Direct business is being amortised over the members' estimate of its useful life of 20 years. This estimate is based on the designated member's assessment of the likely benefit of the acquisition to the business based on factors including ongoing client contracts.

Goodwill arising on the acquisition of a debt business has been impaired during the year to a value of £30,000 being the net present value of expected future returns over a five year period.

The goodwill arising on the acquisition of an office in Thame in 2011 is being amortised over 10 years based on the expected time from which the LLP will benefit from referrals received from the acquired business.

## Notes forming part of the financial statements for the year ended 31 December 2015

**10 Tangible fixed assets**

	Long-term leasehold property £	Fixtures and fittings £	Office equipment £	Computer equipment £	Total £
<b>Cost or valuation</b>					
At 1 January 2015	832,378	532,576	48,498	1,425,358	2,838,810
Additions	-	2,732	-	153,881	156,613
Disposals	-	-	-	(32,630)	(32,630)
<b>At 31 December 2015</b>	<b>832,378</b>	<b>535,308</b>	<b>48,498</b>	<b>1,546,609</b>	<b>2,962,793</b>
<b>Depreciation</b>					
At 1 January 2015	520,779	350,081	47,774	1,164,007	2,082,641
Charge owned for the period	73,950	49,762	337	255,893	379,942
<b>At 31 December 2015</b>	<b>594,729</b>	<b>399,843</b>	<b>48,111</b>	<b>1,419,900</b>	<b>2,462,583</b>
<b>At 31 December 2015</b>	<b>237,649</b>	<b>135,465</b>	<b>387</b>	<b>126,709</b>	<b>500,210</b>
At 31 December 2014	311,599	182,495	724	261,351	756,169

Included within office equipment are assets held under finance leases with a net book value of £38,338 (2014 - £180,781).

**11 Debtors**

	2015 £	2014 £
Trade debtors	3,590,869	3,900,878
Prepayments and accrued income	4,032,292	3,139,171
Other debtors	4,856	87,290
Amounts due from members	448,406	130,120
	<b>8,076,423</b>	<b>7,257,459</b>

All amounts shown under debtors fall due within one year.

The impairment loss recognised in the profit and loss for the period in respect of bad and doubtful trade debtors was £114,215 (2014: £80,454).

## Notes forming part of the financial statements for the year ended 31 December 2015

**12 Creditors: Amounts falling due within one year**

	<b>2015</b> £	<b>2014</b> £
Bank overdrafts	2,367,643	3,528,508
Trade creditors	360,115	488,284
Amounts owed to former members	342,127	326,203
Taxation and social security	1,571,830	739,596
Obligations under finance lease and hire purchase contracts	387,835	107,231
Other creditors	116,655	107,216
Accruals and deferred income	1,834,417	1,390,826
	<u>6,980,622</u>	<u>6,687,864</u>

The bank overdraft of £1,647,093 (2014 - £2,271,637) is secured by a debenture over the assets of the LLP.

**13 Creditors: Amounts falling due after one year**

	<b>2015</b> £	<b>2014</b> £
Bank loans	-	327,883
Net obligations under finance leases and hire purchase contracts	225,754	199,761
Amounts owed to participating interests	-	243,600
Other creditors	-	37,000
	<u>225,754</u>	<u>808,244</u>

**14 Hire purchase & finance leases**

Minimum lease payments under hire purchase fall due as follows:

	<b>2015</b> £	<b>2014</b> £
Within one year	387,835	107,231
Between one and two years	225,754	199,761
	<u>613,589</u>	<u>306,992</u>

## Notes forming part of the financial statements for the year ended 31 December 2015

**15 Loans**

Analysis of maturity of loans is given below:

	<b>2015</b> £	<b>2014</b> £
<b>Amounts falling due 1-2 years</b>		
Bank loans	-	327,883
	<u>-</u>	<u>327,883</u>
	<u>-</u>	<u>327,883</u>

**16 Provisions**

	£
At 1 January 2015	19,200
Charged to the profit and loss	6,000
<b>At 31 December 2015</b>	<u><b>25,200</b></u>

**17 Financial instruments**

The LLP's financial instruments may be analysed as follows:

	<b>2015</b> £	<b>2014</b> £
<b>Financial assets</b>		
Financial assets that are debt instruments measured at amortised costs	2,914,426	3,417,253
	<u><b>2,914,426</b></u>	<u>3,417,253</u>
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost	6,250,660	6,361,661
	<u><b>6,250,660</b></u>	<u>6,361,661</u>

The LLP does not have any financial assets or liabilities measured at fair value through profit or loss.

Financial assets measured at amortised cost comprise cash, trade debtors, other debtors and accrued income. Financial liabilities measured at amortised cost comprise trade creditors, accruals and deferred income.

## Notes forming part of the financial statements for the year ended 31 December 2015

**18 Members' interests**

	Members' other interests other reserves £	Loans and debts due to members less any amounts due from members in debtors £	Total equity £
<b>Members' interests at 1 January 2015</b>	685,302	786,731	1,472,033
Allocation of prior year profit	(720,749)	720,749	-
Members' remuneration charged as expense	-	29,963	29,963
Transfer of balances to creditors upon member leaving the LLP	-	(273,493)	(273,493)
Profit for the financial year available for division amongst members	440,680	-	440,680
<b>Members' interests after profit for the year</b>	405,233	1,263,950	1,669,183
Amounts introduced by members	-	647,382	647,382
Amounts withdrawn by members	-	(1,075,007)	(1,075,007)
<b>Members' interests at 31 December 2015</b>	405,233	836,325	1,241,558

Total members' interest, including loans and other debtors due to members are unsecured and would rank pari passu with other unsecured creditors in the event of winding up.

Loans and other debtors due to/(from) members are due as follows:

	2015 £	2014 £
Due within one year (debtors)	(448,406)	(130,120)
Due within one year (liabilities)	268,731	361,851
Due after more than one year (liabilities)	1,016,000	555,000
	836,325	786,731

**19 Pension commitments**

The Limited Liability Partnership operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the partnership to the fund and amounted to £212,870 (2014: £188,309). Contributions totalling £64,793 (2014: £32,189) were payable to the fund at the balance sheet date and are included in creditors.

## Notes forming part of the financial statements for the year ended 31 December 2015

**20 Commitments under operating leases**

The LLP had minimum lease payments under non-cancellable operating leases as set out below:

	<b>2015</b> <b>Land and</b> <b>buildings</b> <b>£</b>	<b>2015</b> <b>Other</b> <b>£</b>	<b>2014</b> <b>Land and</b> <b>buildings</b> <b>£</b>	<b>2014</b> <b>Other</b> <b>£</b>
Not later than one year	14,000	-	-	94,279
Later than 1 year and not later than 5 years	229,613	417,004	-	381,139
Later than 5 years	4,025,595	-	-	-
	<u>4,269,208</u>	<u>417,004</u>	<u>-</u>	<u>475,418</u>

**21 Related party disclosures**

Since 31 January 2016 the ultimate controlling party of Darbys Solicitors LLP was Knights Professional Services Limited.

Key management personnel include all designated members and other members of the LLP, who together have authority and responsibility for planning, directing and controlling the activities of the LLP.

The total compensation paid to key management personnel for services provided to the LLP was £2,509,384 (2014: £2,555,431).

**22 First time adoption of FRS 102**

There have been no changes to the partnership's previously reported profit and equity arising from the adoption of FRS 102.

**23 Post Balance Sheet Events**

On 25 January 2016, Darbys Solicitors LLP transferred the majority of its business, excluding Criminal and Clinical Negligence teams to Darbys Legal Services LLP.

On 31 January 2016 Knights Professional Services Limited acquired the controlling interest in Darbys Solicitors LLP. Darbys Solicitors LLP continued to trade as a separate entity until 29 February 2016 at which point the trade and assets of Darbys Solicitors LLP was transferred into Knights Professional Services Limited.

Darbys Solicitors LLP has been dormant since 1 March 2016.