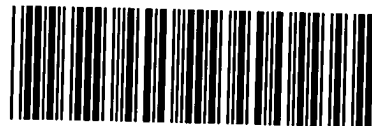


Limited Liability Partnership registration number OC342356 (England and Wales)

TRETHOWANS LLP
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

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COMPANIES HOUSE

TRETHOWANS LLP

LIMITED LIABILITY PARTNERSHIP INFORMATION

Designated members	Mr A J Mercer Mr C L Whiteley Mr M W Watson
LLP registration number	OC342356
Registered office	1 London Road Office Park London Road Salisbury Wiltshire SP1 3HP
Auditor	Fiander Tovell Limited Stag Gates House 63/64 The Avenue Southampton Hampshire SO17 1XS

TRETHOWANS LLP

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TRETHOWANS LLP

MEMBERS' REPORT

FOR THE YEAR ENDED 31 MARCH 2023

The members present their annual report and financial statements for the year ended 31 March 2023.

Principal activities

The principal activity of the limited liability partnership continued to be that of the provision of legal services.

Fair review of the business

The results for the year and financial position at the year end were considered satisfactory by the members.

During the financial year there was a change in methodology pertaining the valuation of personal injury work in progress. The change in methodology arose due to further information being available and this allowing a better estimate of recovery and therefore recognition. This has been treated as change in accounting estimate and the total impact recognised in the current year accounts. The impact is a substantial profit increase in 2023, which the members see as an anomaly.

Members' drawings, contributions and repayments

The members' drawing policy allows each member to draw a proportion of their profit share, subject to the cash requirements of the business.

A member's capital requirement is linked to their share of profit and the financing requirement of the limited liability partnership. There is no opportunity for appreciation of the capital subscribed. Just as incoming members introduce their capital at "par", so the retiring members are repaid their capital at "par".

Designated members

The designated members who held office during the year and up to the date of signature of the financial statements were as follows:

Mr A J Mercer
Mr C L Whiteley
Mr M W Watson

Future developments

Outside the continuing course of business, the members do not have any additional plans. The members expect growth in the long term.

Auditor

Fiander Tovell Limited were appointed as auditor to the limited liability partnership and in accordance with section 485 of the Companies Act 2006 (as applied by The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008), a resolution proposing that they be re-appointed will be put at a general meeting.

TRETHOWANS LLP

MEMBERS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

Statement of members' responsibilities

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

Company law (as applied by The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008) requires 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. Under company law (as applied by The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008) the members must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the 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 judgements and accounting estimates that are reasonable and prudent;
- 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 and 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 by The Limited Liability Partnerships (Accounts and Audit) (Application of 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.

Statement of disclosure to auditor

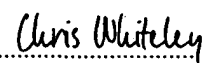
Each of the members in office at the date of approval of this annual report confirms that:

- so far as the members are aware, there is no relevant audit information of which the limited liability partnership's auditor is unaware, and
- the members have taken all the steps that they ought to have taken as members in order to make themselves aware of any relevant audit information and to establish that the limited liability partnership's auditor is aware of that information.

Charitable donations

During the year the LLP made for the following charitable donation payments £16,559 (2022 - £25,504).

Approved by the members on 13/7/2023 | 08:00 BST
and signed on behalf by:


Mr C L Whiteley
Designated Member

TRETHOWANS LLP

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF TRETHOWANS LLP

Opinion

We have audited the financial statements of Trethowans LLP (the 'limited liability partnership') for the year ended 31 March 2023 which comprise the profit and loss account, the balance sheet, the reconciliation of members' interests, the statement of cash flows and notes to the financial statements, including 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 limited liability partnership's affairs as at 31 March 2023 and of its 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 by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities 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 limited liability partnership 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

In auditing the financial statements, we have concluded that the members' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the limited liability partnership's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the members with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The members are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

TRETHOWANS LLP

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF TRETHOWANS LLP

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 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.

Responsibilities of members

As explained more fully in the members' responsibilities statement, 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 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 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.

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

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

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- The engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations.
- We identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience.
- We focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, such as the Companies Act 2006, taxation legislation, data protection, anti-bribery, employment, environmental and health and safety legislation.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquires of management as to where they considered there was a susceptibility to fraud, their knowledge of actual, suspected and alleged fraud.
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

TRETHOWANS LLP

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

Audit response to risks identified

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias;
- Tested payroll for personnel with authority within the payroll; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC, relevant regulators and the company's legal advisors, where available.

The most significant laws and regulations that have an indirect impact on the financial statements are those in relation to the SRA Standards and Regulations. We performed audit procedures to inquire of management and those charged with governance whether the company is in compliance with these regulations and inspected correspondence with the Solicitors Regulation Authority.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://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 limited liability partnership's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 as applied by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008. Our audit work has been undertaken so that we might state to the 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 limited liability partnership and the limited liability partnership's members as a body, for our audit work, for this report, or for the opinions we have formed.

Adam Buse

Adam Buse ACA
Senior Statutory Auditor
For and on behalf of Fiander Tovell Limited

13/7/2023 | 12:27 BST
Date:

Chartered Accountants
Statutory Auditor

Stag Gates House
63/64 The Avenue
Southampton
Hampshire
SO17 1XS

TRETHOWANS LLP**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2023**

		2023	2022
	Notes	£	£
Turnover	3	25,236,832	22,085,577
Administrative expenses		(14,959,970)	(13,671,817)
Other operating income		316,035	303,764
Operating profit	4	10,592,897	8,717,524
Interest receivable and similar income	7	310,451	14,554
Interest payable and similar expenses	8	(133,159)	(111,104)
Profit for the financial year before members' remuneration and profit shares		10,770,189	8,620,974
Members' remuneration charged as an expense	6	(10,770,189)	(8,620,974)
Result for the financial year available for discretionary division among members		-	-

The profit and loss account has been prepared on the basis that all operations are continuing operations.

TRETHOWANS LLP**BALANCE SHEET****AS AT 31 MARCH 2023**

	Notes	2023 £	£	2022 £	£
Fixed assets					
Tangible assets	9		718,063		975,565
Investments	10		250,015		15
			<u>968,078</u>		<u>975,580</u>
Current assets					
Stocks	12	-		953,996	
Debtors	13	12,915,813		10,406,457	
Cash at bank and in hand		3,648,645		3,478,413	
		<u>16,564,458</u>		<u>14,838,866</u>	
Creditors: amounts falling due within one year	14	(4,911,927)		(4,094,613)	
Net current assets			<u>11,652,531</u>		<u>10,744,253</u>
Total assets less current liabilities			<u>12,620,609</u>		<u>11,719,833</u>
Creditors: amounts falling due after more than one year	15		(293,980)		(541,240)
Provisions for liabilities					
Provisions	17		(725,000)		(715,000)
Net assets attributable to members			<u><u>11,601,629</u></u>		<u><u>10,463,593</u></u>
Represented by:					
Loans and other debts due to members within one year					
Members' capital classified as a liability			3,741,000		4,190,646
Other amounts			7,860,629		6,272,947
			<u>11,601,629</u>		<u>10,463,593</u>
Total members' interests					
Loans and other debts due to members			<u>11,601,629</u>		<u>10,463,593</u>
			<u><u>11,601,629</u></u>		<u><u>10,463,593</u></u>

The financial statements were approved by the members and authorised for issue on 13/7/2023 | 08:00 BST and are signed on their behalf by:

Chris Whiteley
 Mr C L Whiteley
 Designated member

Limited Liability Partnership Registration No. OC342356

TRETHOWANS LLP**RECONCILIATION OF MEMBERS' INTERESTS****FOR THE YEAR ENDED 31 MARCH 2023**

Current financial year	DEBT			TOTAL
	Loans and other debts due to members less any amounts due from members in debtors			MEMBERS' INTERESTS
	Members' capital	Other amounts	Total	Total 2023
		£	£	£
Members' interests at 1 April 2022	4,190,646	6,272,947	10,463,593	10,463,593
Members' remuneration charged as an expense, including employment costs and retirement benefit costs	-	10,770,189	10,770,189	10,770,189
Result for the financial year available for discretionary division among members	-	-	-	-
Members' interests after loss and remuneration for the year	4,190,646	17,043,136	21,233,782	21,233,782
Introduced by members	219,000	-	219,000	219,000
Repayment of debt (including members' capital classified as a liability)	(668,646)	-	(668,646)	(668,646)
Drawings on account and distributions of profit	-	(9,182,507)	(9,182,507)	(9,182,507)
Members' interests at 31 March 2023	3,741,000	7,860,629	11,601,629	11,601,629

Members' capital is treated as a liability hence there is no equity and no separate Statement of Changes in Equity is therefore presented.

TRETHOWANS LLP**RECONCILIATION OF MEMBERS' INTERESTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023**

Prior financial year	DEBT			TOTAL
	Loans and other debts due to members less any amounts due from members in debtors			MEMBERS' INTERESTS
	Members' capital	Other amounts	Total	Total 2022
		£	£	£
Members' interests at 1 April 2021	4,394,009	6,902,557	11,296,566	11,296,566
Members' remuneration charged as an expense, including employment costs and retirement benefit costs	-	8,620,974	8,620,974	8,620,974
Result for the financial year available for discretionary division among members	-	-	-	-
Members' interests after loss and remuneration for the year	4,394,009	15,523,531	19,917,540	19,917,540
Introduced by members	357,288	-	357,288	357,288
Repayment of debt (including members' capital classified as a liability)	(560,651)	-	(560,651)	(560,651)
Drawings on account and distributions of profit	-	(9,250,584)	(9,250,584)	(9,250,584)
Members' interests at 31 March 2022	4,190,646	6,272,947	10,463,593	10,463,593

TRETHOWANS LLP**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2023**

	Notes	2023 £	£	2022 £	£
Cash flows from operating activities					
Cash generated from operations	23	10,614,038		8,087,475	
Interest paid		(133,159)		(111,104)	
Net cash inflow from operating activities		10,480,879		7,976,371	
Investing activities					
Purchase of tangible fixed assets		(70,804)		(485,219)	
Purchase of subsidiaries		(250,000)		-	
Interest received		310,451		14,554	
Net cash used in investing activities		(10,353)		(470,665)	
Financing activities					
Capital introduced by members (classified as debt or equity)		219,000		357,288	
Repayment of capital or debt to members		(668,646)		(560,651)	
Payments to members		(9,182,507)		(9,250,584)	
Proceeds from new bank loans		99,998		920,000	
Repayment of bank loans		(768,139)		(478,165)	
Net cash used in financing activities		(10,300,294)		(9,012,112)	
Net increase/(decrease) in cash and cash equivalents		170,232		(1,506,406)	
Cash and cash equivalents at beginning of year		3,478,413		4,984,819	
Cash and cash equivalents at end of year		3,648,645		3,478,413	

TRETHOWANS LLP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

Limited liability partnership information

Trethowans LLP is a limited liability partnership incorporated in England and Wales. The registered office is 1 London Road Office Park, London Road, Salisbury, Wiltshire, SP1 3HP.

The limited liability partnership's principal activities are disclosed in the Members' Report.

1.1 Accounting convention

These financial statements have been prepared in accordance with the Statement of Recommended Practice "Accounting by Limited Liability Partnerships" issued in December 2021, together with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the limited liability partnership. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the members have a reasonable expectation that the limited liability partnership has adequate resources to continue in operational existence for the foreseeable future. Thus the members continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Turnover

Turnover, which is state net of value added tax, represents the value of professional services provided to clients during the year.

Turnover from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates, as a proportion of total costs. Where the outcome cannot be estimated reliably, turnover is recognised only to the extent of the expenses recognised that are recoverable.

If, at the balance sheet date, completion of contractual obligations is dependent on external factors (and thus outside the control of the Limited Liability Partnership), then revenue is recognised only when the event occurs. In such cases, costs incurred up to the balance sheet date are carried forward as work in progress.

1.4 Members' participating interests

Members' participation rights are the rights of a member against the LLP that arise under the members' agreement (for example, in respect of amounts subscribed or otherwise contributed remuneration and profits).

Members' participation rights in the earnings or assets of the LLP are analysed between those that are, from the LLP's perspective, either a financial liability or equity, in accordance with section 22 of FRS 102. A member's participation rights including amounts subscribed or otherwise contributed by members, for example members' capital, are classed as liabilities unless the LLP has an unconditional right to refuse payment to members, in which case they are classified as equity.

TRETHOWANS LLP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

All amounts due to members that are classified as liabilities are presented within 'Loans and other debts due to members' and, where such an amount relates to current year profits, they are recognised within 'Members' remuneration charged as an expense' in arriving at the relevant year's result. Undivided amounts that are classified as equity are shown within 'Members' other interests'. Amounts recoverable from members are presented as debtors and shown as amounts due from members within members' interests.

Where there exists an asset and liability component in respect of an individual member's participation rights, they are presented on a gross basis unless the LLP has both a legally enforceable right to set off the recognised amounts, and it intends either to settle on a net basis or to settle and realise these amounts simultaneously, in which case they are presented net.

1.5 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold improvements	10-25% straight line on cost
Fixtures, fittings and equipment	10-33% straight line on cost
Motor vehicles	25% straight line on cost

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the profit and loss account.

1.6 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

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

1.7 Impairment of fixed assets

At each reporting period end date, the limited liability partnership reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the limited liability partnership estimates the recoverable amount of the cash-generating unit to which the asset belongs.

1.8 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand.

TRETHOWANS LLP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

1.9 Financial instruments

The limited liability partnership has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the limited liability partnership's statement of financial position when the limited liability partnership becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally 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.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the limited liability partnership transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the limited liability partnership after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the limited liability partnership's obligations expire or are discharged or cancelled.

1.10 Taxation

The taxation payable on the profits of the limited liability partnership is solely the personal liability of the members during the period. Consequently neither the partnership taxation, nor related deferred taxation arising in respect of the partnership are accounted for in these financial statements.

TRETHOWANS LLP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

1.11 Provisions

Provisions are recognised when the limited liability partnership has a legal or constructive present obligation 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.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation.

Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value the unwinding of the discount is recognised within interest payable in the period it arises.

Professional indemnity claims

Any claims notified to the firm are assessed on their merits and, where it is considered likely that liability will be determined, a provision is recognised,

Lease dilapidations

Provisions are made to cover the cost of returning leased premises to their original condition once the period of tenancy ceases.

1.12 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

1.13 Retirement benefits and post retirement payments to members

For defined contribution schemes the amount charged to profit or loss is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as other creditors.

1.14 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

TRETHOWANS LLP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

2 Judgements and key sources of estimation uncertainty

In the application of the limited liability partnership's accounting policies, the members are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated 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 where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Critical judgements

The following judgements have had the most significant effect on amounts recognised in the financial statements.

Dilapidations provisions

The members have assessed the condition of leased buildings and have estimated the cost of dilapidations based on this.

Professional indemnity provision

The members have estimated the provision by considering claims in progress and in their professional judgement the likely liability of the LLP taking into account insurance cover in place.

WIP valuation

Only recoverable work in progress is valued by the members based on their professional judgement. Amounts recoverable from clients in respect of unbilled work is valued taking into account the estimated recoverability rates by line of work for the realisation of the unbilled time charges.

Personal Injury Income

Only cases which can reliably estimated and the LLP are more than likely to win will be recognised. This is recognised at the recoverable rate. These decisions are made based on the members professional judgement. This represents a change in estimate from the prior year and in line with this, personal injury work in progress has been recognised in debtors rather than stocks.

Disbursements relating to PI claims are a liability to the LLP, however inline with industry practice these are not recognised, as they will only become payable on conclusion of the case. Any disbursements not recognised will either be recoverable on successful completion of the case or through insurance, which the LLP takes out on each case. The judgement therefore results in a nil balance sheet impact.

Bad debt provision

The members have assessed the trade debtors balance at the year end to determine whether any balances require a bad debt provision.

3 Turnover

An analysis of the limited liability partnership's turnover is as follows:

	2023	2022
	£	£
Turnover analysed by class of business		
Professional services	25,236,832	22,085,577

TRETHOWANS LLP**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023****3 Turnover****(Continued)**

	2023	2022
	£	£
Turnover analysed by geographical market		
United Kingdom	24,997,207	21,655,358
Europe	238,495	377,852
Rest of the World	1,130	52,367
	<u>25,236,832</u>	<u>22,085,577</u>
	2023	2022
	£	£
Other significant revenue		
Interest income	310,451	14,554
	<u>310,451</u>	<u>14,554</u>

4 Operating profit

	2023	2022
	£	£
Operating profit for the year is stated after charging:		
Fees payable to the LLP's auditor for the audit of the LLP's financial statements	18,000	24,000
Depreciation of owned tangible fixed assets	328,306	325,362
Operating lease charges	926,314	1,030,841
	<u>1,272,620</u>	<u>1,379,203</u>

5 Employees

The average number of persons (excluding members) employed by the partnership during the year was:

	2023	2022
	Number	Number
Fee Earners	88	85
Support Staff	126	122
	<u>214</u>	<u>207</u>

Their aggregate remuneration comprised:

	2023	2022
	£	£
Wages and salaries	7,495,558	6,824,046
Social security costs	683,666	737,304
Pension costs	303,028	208,516
	<u>8,482,252</u>	<u>7,769,866</u>

TRETHOWANS LLP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

6 Members' remuneration

	2023 Number	2022 Number
Average number of members during the year	48	46
	<u>2023</u> £	<u>2022</u> £
Profit attributable to the member with the highest entitlement	760,589	591,130
Profit resulting from personal injury WIP accounting change	233,335	
	<u>993,924</u>	<u>591,130</u>
	<u>2023</u> £	<u>2022</u> £
Members' remuneration comprises:		
Remuneration under participation rights	10,770,189	8,620,974

During the financial year there was a change in methodology pertaining the valuation of personal injury work in progress. The change in methodology arose due to further information being available and this allowing a better estimate of recovery and therefore recognition. This has been treated as change in accounting estimate and the total impact recognised in the current year accounts. The impact is a substantial profit increase in 2023, which the members see as an anomaly.

7 Interest receivable and similar income

	2023 £	2022 £
Interest income		
Interest on bank deposits	310,451	14,554
	<u>2023</u> £	<u>2022</u> £
Investment income includes the following:		
Interest on financial assets not measured at fair value through profit or loss	310,451	14,554

8 Interest payable and similar expenses

	2023 £	2022 £
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	133,159	111,104

TRETHOWANS LLP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

9 Tangible fixed assets

	Leasehold improvements	Fixtures, fittings and equipment	Motor vehicles	Total
	£	£	£	£
Cost				
At 1 April 2022	996,306	2,963,056	40,220	3,999,582
Additions	-	70,804	-	70,804
Transfers between categories	567,422	(567,422)	-	-
Disposals	-	(1,956,963)	-	(1,956,963)
At 31 March 2023	1,563,728	509,475	40,220	2,113,423
Depreciation and impairment				
At 1 April 2022	996,306	1,987,491	40,220	3,024,017
Depreciation charged in the year	-	328,306	-	328,306
Eliminated in respect of disposals	-	(1,956,963)	-	(1,956,963)
Transfers between categories	166,563	(166,563)	-	-
At 31 March 2023	1,162,869	192,271	40,220	1,395,360
Carrying amount				
At 31 March 2023	400,859	317,204	-	718,063
At 31 March 2022	-	975,565	-	975,565

10 Fixed asset investments

	Notes	2023 £	2022 £
Investments in subsidiaries	11	250,015	15

Movements in fixed asset investments

	Shares in subsidiaries £
Cost or valuation	
At 1 April 2022	15
Additions	250,000
At 31 March 2023	250,015
Carrying amount	
At 31 March 2023	250,015
At 31 March 2022	15

TRETHOWANS LLP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

11 Subsidiaries

These financial statements are separate limited liability partnership financial statements for Trethowans LLP.

Details of the limited liability partnership's subsidiaries at 31 March 2023 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Trethowans Trust Corporation Limited	London Road, Salisbury, Wiltshire, United Kingdom, SP1 3HP	Dormant	Ordinary	100.00	-
Sacredground Limited	London Road Office Park, London Road, Salisbury, SP1 3HP	Dormant	Ordinary	100.00	-
Trethowans Services Limited	London Road Office Park, London Road, Salisbury, SP1 3HP	Dormant	Ordinary	100.00	-
Trethowans Services (no.2) Limited	London Road Office Park, London Road, Salisbury, SP1 3HP	Dormant	Ordinary	-	100.00
United Law Limited	London Road Office Park, London Road, Salisbury, SP1 3HP	Dormant	Ordinary	100.00	-

12 Stocks

	2023 £	2022 £
Work in progress	-	953,996

13 Debtors

	2023 £	2022 £
Amounts falling due within one year:		
Trade debtors	4,366,694	4,067,352
Gross amounts recoverable on contracts	7,922,840	5,543,630
Other debtors	-	267,000
Prepayments and accrued income	626,279	528,475
	<u>12,915,813</u>	<u>10,406,457</u>

The total value of debtors written off in the year is £256,768 (2022 - £85,012)

14 Creditors: amounts falling due within one year

	Notes	2023 £	2022 £
Bank loans	16	350,628	771,509
Trade creditors		1,291,550	1,097,817
Amounts owed to group undertakings		150,000	-
Other taxation and social security		386,745	581,525
Accruals and deferred income		2,733,004	1,643,762
		<u>4,911,927</u>	<u>4,094,613</u>

TRETHOWANS LLP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

15 Creditors: amounts falling due after more than one year

	Notes	2023 £	2022 £
Bank loans and overdrafts	16	293,980	541,240

16 Loans and overdrafts

	2023 £	2022 £
Bank loans	644,608	1,312,749
Payable within one year	350,628	771,509
Payable after one year	293,980	541,240

The long-term loans are secured by fixed and floating charge over all the LLP's assets.

17 Provisions for liabilities

	2023 £	2022 £
Other provisions	290,000	245,000
Professional indemnity claims	435,000	470,000
	725,000	715,000

Movements on provisions:

	Other provisions £	Professional indemnity claims £	Total £
At 1 April 2022	245,000	470,000	715,000
Additional provisions in the year	45,000	235,000	280,000
Reversal of provision	-	(270,000)	(270,000)
At 31 March 2023	290,000	435,000	725,000

Professional indemnity claims

The professional indemnity provision relates to the expected cost of defending claims, and where appropriate the estimated cost of settling claims where such claims are not covered by insurance.

Other provisions

Other provisions include provisions for dilapidations across a portfolio of properties, which have been calculated by the members based on their best estimate at the balance sheet date..

TRETHOWANS LLP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

18 Retirement benefit schemes

	2023 £	2022 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	303,028	208,516

The limited liability partnership operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the limited liability partnership in an independently administered fund.

Contributions totalling £nil (2022: £nil) were payable to the funds at the year end.

19 Loans and other debts due to members

	2023 £	2022 £
Analysis of loans		
Amounts falling due within one year	11,601,629	10,463,593

In the event of a winding up the amounts included in "Loans and other debts due to members" will rank equally with unsecured creditors.

20 Operating lease commitments

Lessee

At the reporting end date the limited liability partnership had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2023 £	2022 £
Within one year	632,065	801,956
Between two and five years	710,774	1,690,231
In over five years	293,890	893,931
	1,636,729	3,386,118

21 Related party transactions

During the year, the LLP made purchases of £nil (£18,057) from companies of which one of the LLP's partners are a trustee.

During the year, the LLP made sales of £20,533 (2022 - £8,751) to companies of which one of the LLP's partners is either a director or a trustee.

22 Ultimate controlling party

The LLP is controlled by its members as delegated to the board and as such there is no one controlling party.

TRETHOWANS LLP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

23	Cash generated from operations	2023 £	2022 £
	Profit for the year	10,770,189	8,620,974
	Adjustments for:		
	Finance costs recognised in profit or loss	133,159	111,104
	Investment income recognised in profit or loss	(310,451)	(14,554)
	Depreciation and impairment of tangible fixed assets	328,306	325,362
	Increase in provisions	10,000	268,000
	Movements in working capital:		
	Decrease in stocks	953,996	159,157
	Increase in debtors	(2,509,356)	(2,181,519)
	Increase in creditors	1,238,195	798,951
	Cash generated from operations	10,614,038	8,087,475
24	Analysis of changes in net funds		
		1 April 2022 £	Cash flows 31 March 2023 £
	Cash at bank and in hand	3,478,413	170,232
	Borrowings excluding overdrafts	(1,312,749)	668,141
	Balances before members' debt	2,165,664	838,373
	Loans and other debts due to members:		
	- Members' capital	(4,190,646)	449,646
	- Other amounts due to members	(6,272,947)	(1,587,682)
	Balances including members' debt	(8,297,929)	(299,663)