
SHERRARDS SOLICITORS LLP

UNAUDITED

FINANCIAL STATEMENTS

INFORMATION FOR FILING WITH THE REGISTRAR

FOR THE YEAR ENDED 31 MARCH 2023

SHERRARDS SOLICITORS LLP
REGISTERED NUMBER: OC352466

BALANCE SHEET
AS AT 31 MARCH 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	6	114,672	152,207
		<u>114,672</u>	<u>152,207</u>
Current assets			
Debtors: amounts falling due within one year	7	3,200,069	3,029,137
Cash at bank and in hand	8	1,400,973	1,563,710
		<u>4,601,042</u>	<u>4,592,847</u>
Creditors: Amounts Falling Due Within One Year	9	(1,818,829)	(1,747,608)
Net current assets		<u>2,782,213</u>	<u>2,845,239</u>
Total assets less current liabilities		<u>2,896,885</u>	<u>2,997,446</u>
Creditors: amounts falling due after more than one year	10	(246,501)	(798,240)
		<u>2,650,384</u>	<u>2,199,206</u>
Net assets		<u><u>2,650,384</u></u>	<u><u>2,199,206</u></u>
Represented by:			
Loans and other debts due to members within one year			
Other amounts	12	2,052,884	1,571,706
		<u>2,052,884</u>	<u>1,571,706</u>
Members' other interests			
Members' capital classified as equity		597,500	627,500
		<u>597,500</u>	<u>627,500</u>
		<u><u>2,650,384</u></u>	<u><u>2,199,206</u></u>
Total members' interests			
Loans and other debts due to members	12	2,052,884	1,571,706
Members' other interests		597,500	627,500
		<u>2,650,384</u>	<u>2,199,206</u>

BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2023

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small LLPs regime.

The entity was entitled to exemption from audit under 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 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 the preparation of financial statements.

The financial statements have been delivered in accordance with the provisions applicable to LLPs subject to the small LLPs regime.

The entity has opted not to file the profit and loss account in accordance with the provisions applicable to entities subject to the small LLPs regime.

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

A P McMillin

Designated Member

Date: 20 December 2023

The notes on pages 4 to 12 form part of these financial statements.

Sherrards Solicitors LLP has no equity and, in accordance with the provisions contained within the Statement of Recommended Practice "Accounting by Limited Liability Partnerships", has not presented a Statement of Changes in Equity.

SHERRARDS SOLICITORS LLP

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

	EQUITY			DEBT		Total members'
	Members' other interests			Loans and other debts due to members less any amounts due from members in debtors		interests
	Members' capital (classified as equity) £	Other reserves £	Total £	Other amounts £	Total £	Total £
Profit for the year available for discretionary division among members	-	1,969,242	1,969,242	-	-	1,969,242
Members' interests after profit for the year	605,000	1,969,242	2,574,242	1,617,965	1,617,965	4,192,207
Other division of profits	-	(1,969,242)	(1,969,242)	1,969,242	1,969,242	-
Amounts introduced by members	22,500	-	22,500	-	-	22,500
Drawings on account and distribution of profit	-	-	-	(2,015,501)	(2,015,501)	(2,015,501)
Amounts due to members				1,571,706	1,571,706	
Balance at 31 March 2022	627,500	-	627,500	1,369,677	1,369,677	1,997,177
Profit for the year available for discretionary division among members	-	2,272,717	2,272,717	-	-	2,272,717
Members' interests after profit for the year	627,500	2,272,717	2,900,217	1,369,677	1,369,677	4,269,894
Other division of profits	-	(2,272,717)	(2,272,717)	2,272,717	2,272,717	-
Repayment of capital	(30,000)	-	(30,000)	-	-	(30,000)
Drawings on account and distribution of profit	-	-	-	(1,589,510)	(1,589,510)	(1,589,510)
Amounts due to members				2,052,884	2,052,884	
Balance at 31 March 2023	597,500	-	597,500	2,052,884	2,052,884	2,650,384

There are no existing restrictions or limitations which impact the ability of the members of the LLP to reduce the amount of Members' other interests.

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

1. General information

Sherrards Solicitors LLP is a limited liability partnership incorporated in England & Wales under the Companies Act 2006. The address of the registered office is given on the information page. The nature of the Company's operations and its principal activities are set out in the Members' report on page 1.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, The Financial Reporting Standard applicable in the UK and the Republic of Ireland; Companies Act 2006, FRC Abstracts and the requirements of the Statement of Recommended Practice "Accounting by Limited Liability Partnerships".

These financial statements are prepared under the going concern basis. Accounting policies have been applied consistently over the financial year.

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 3).

2.2 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the LLP and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the LLP will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.3 Operating leases: the LLP as lessee

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

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight-line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

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

2. Accounting policies (continued)

2.4 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Profit and Loss Account in the same period as the related expenditure.

2.5 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.6 Finance costs

Finance costs are charged to profit or loss 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.

2.7 Borrowing costs

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

2.8 Division and distribution of profits

A division of profits is the mechanism by which the profits of an LLP become a debt due to members. A division may be automatic or discretionary, may relate to some or all of the profits for a financial period and may take place during or after the end of a financial period.

An automatic division of profits is one where the LLP does not have an unconditional right to avoid making a division of an amount of profits based on the members' agreement in force at the time, whereas a discretionary division of profits requires a decision to be made by the LLP, which it has the unconditional right to avoid making.

The LLP divides profits automatically. Automatic divisions of profits are recognised as 'Members' remuneration charged as an expense in the profit & loss.

2.9 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 Profit and Loss Account over 10 years which the members believe is its useful economic life.

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

2. Accounting policies (continued)

2.10 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.

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:

Long-term leasehold property	- 5-10 years straight line St Albans; 5 years straight line London
Fixtures and fittings	- 5 years straight line
Office equipment	- 3 years straight line

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 in profit or loss.

2.11 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.

2.12 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.

2.13 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.

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

2. Accounting policies (continued)

2.14 Financial instruments

The LLP only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in 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 debtors and creditors, 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 in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. The nature of estimation means the actual outcomes could differ from those estimates. In the accounts amounts recoverable on long term contracts is carried at unbilled time based on charge out rates less a provision where the members believe such time will not be recoverable.

4. Employees

The average monthly number of employees, including directors, during the year was 67 (2022 - 60).

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

5. Intangible assets

	Goodwill £
Cost	
At 1 April 2022	29,712
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At 31 March 2023	29,712
	<hr/>
Amortisation	
At 1 April 2022	29,712
	<hr/>
At 31 March 2023	29,712
	<hr/>
Net book value	
At 31 March 2023	-
	<hr/> <hr/>
At 31 March 2022	-
	<hr/> <hr/>

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

6. Tangible fixed assets

	Long-term leasehold property £	Fixtures and fittings £	Office equipment £	Total £
Cost or valuation				
At 1 April 2022	514,722	336,571	833,965	1,685,258
Additions	-	-	17,907	17,907
At 31 March 2023	514,722	336,571	851,872	1,703,165
Depreciation				
At 1 April 2022	409,977	331,352	791,722	1,533,051
Charge for the year on owned assets	21,076	5,138	29,228	55,442
At 31 March 2023	431,053	336,490	820,950	1,588,493
Net book value				
At 31 March 2023	83,669	81	30,922	114,672
At 31 March 2022	104,745	5,219	42,243	152,207

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

7. Debtors

	2023 £	2022 £
Trade debtors	1,476,772	1,315,709
Prepayments and accrued income	728,875	573,140
Amounts recoverable on contracts	994,422	1,140,288
	<u>3,200,069</u>	<u>3,029,137</u>

8. Cash and cash equivalents

	2023 £	2022 £
Cash at bank and in hand	1,400,973	1,563,710
	<u>1,400,973</u>	<u>1,563,710</u>

9. Creditors: Amounts falling due within one year

	2023 £	2022 £
Bank loans	473,224	666,910
Trade creditors	247,352	137,369
Other taxation and social security	376,179	369,515
Other creditors	80,894	60,085
Accruals and deferred income	641,180	513,729
	<u>1,818,829</u>	<u>1,747,608</u>

10. Creditors: Amounts falling due after more than one year

	2023 £	2022 £
Bank loans	246,501	798,240
	<u>246,501</u>	<u>798,240</u>

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

11. Loans

Analysis of the maturity of loans is given below:

	2023 £	2022 £
Amounts falling due within one year		
Bank loans	473,224	666,910
	<u>473,224</u>	<u>666,910</u>
Amounts falling due 1-2 years		
Bank loans	127,225	311,136
	<u>127,225</u>	<u>311,136</u>
Amounts falling due 2-5 years		
Bank loans	119,276	487,104
	<u>119,276</u>	<u>487,104</u>
	<u>719,725</u>	<u>1,465,150</u>

12. Loans and other debts due to members

	2023 £	2022 £
Other amounts due to members	2,052,884	1,571,706
	<u>2,052,884</u>	<u>1,571,706</u>

All amounts due to members are repayable within one year.

Loans and other debts due to members rank equally with debts due to ordinary creditors in the event of a winding up.

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

13. Commitments under operating leases

At 31 March 2023 the LLP had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2023 £	2022 £
Not later than 1 year	387,761	387,761
Later than 1 year and not later than 5 years	1,163,283	1,551,004
	<u>1,551,044</u>	<u>1,938,765</u>

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.