

Limited Liability Partnership Registration No. OC367947 (England and Wales)

STEPHEN AND RICHARD SOLICITORS LLP

ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2017

PAGES FOR FILING WITH REGISTRAR



**STEPHEN AND RICHARD SOLICITORS LLP**

**LIMITED LIABILITY PARTNERSHIP INFORMATION**

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**DESIGNATED MEMBERS**

R H S Kong  
S H S Kong  
Mr P L F Lin

**LIMITED LIABILITY PARTNERSHIP NUMBER** OC367947

**REGISTERED OFFICE**

90 Long Acre  
Covent Garden  
London  
WC2E 9RZ

**ACCOUNTANTS**

JW Hinks LLP  
Chartered Accountants and Registered Auditor  
19 Highfield Road  
Edgbaston  
Birmingham  
B15 3BH

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STEPHEN AND RICHARD SOLICITORS LLP

BALANCE SHEET

AS AT 31 MARCH 2017

		2017	2016
	Notes	£	£
<b>FIXED ASSETS</b>			
Tangible assets	4	645	1,680
<b>CURRENT ASSETS</b>			
Debtors	5	173,650	224,376
Cash at bank and in hand		16,823	21,746
		<u>190,473</u>	<u>246,122</u>
<b>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>	7	<u>(185,375)</u>	<u>(237,784)</u>
Net current assets		5,098	8,338
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>5,743</u>	<u>10,018</u>
<b>CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR</b>	8	(5,743)	(10,018)
<b>NET ASSETS ATTRIBUTABLE TO MEMBERS</b>		<u>-</u>	<u>-</u>
<b>REPRESENTED BY:</b>			
<b>LOANS AND OTHER DEBTS DUE TO MEMBERS WITHIN ONE YEAR</b>		<u>-</u>	<u>-</u>
<b>TOTAL MEMBERS' INTERESTS</b>		<u>-</u>	<u>-</u>
Amounts due from members		(110,015)	(162,050)
Members' other interests		-	-
		<u>-</u>	<u>-</u>

The members of the limited liability partnership have elected not to include a copy of the profit and loss account within the financial statements.

**STEPHEN AND RICHARD SOLICITORS LLP**

**BALANCE SHEET (CONTINUED)**

**AS AT 31 MARCH 2017**

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For the financial year ended 31 March 2017 the limited liability partnership 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) relating to small limited liability partnerships

**Members' responsibilities:**

- The members have not required the limited liability partnership to obtain an audit of its financial statements for the year in question in accordance with section 476;
- The members acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

These financial statements have been prepared in accordance with the provisions applicable to limited liability partnerships subject to the small limited liability partnerships' regime.

The financial statements were approved by the members and authorised for issue on 28 December 2017 and are signed on their behalf by:



S H S Kong

**DESIGNATED MEMBER**

**Limited Liability Partnership Registration No. OC367947**

**1 ACCOUNTING POLICIES**

**LIMITED LIABILITY PARTNERSHIP INFORMATION**

Stephen and Richard Solicitors LLP is a limited liability partnership domiciled and incorporated in England and Wales. The registered office is 90 Long Acre, Covent Garden, London, WC2E 9RZ.

**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 July 2014, 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 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

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 on the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

These financial statements for the year ended 31 March 2017 are the first financial statements of Stephen and Richard Solicitors LLP prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 April 2015. The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

**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 represents amounts chargeable to clients for professional services during the year, inclusive of direct expenses incurred on client assignments. Turnover is recognised when a right to consideration has been obtained through performance under each contract. Consideration accrues as contract activity progresses by reference to the value of work performed.

Unbilled revenue is included in the balance sheet as 'Amounts recoverable on partially completed matters'.

**1 ACCOUNTING POLICIES**

**(Continued)**

**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.

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.

Once an unavoidable obligation has been created in favour of members through allocation of profits or other means, any undrawn profits remaining at the reporting date are shown as 'Loans and other debts due to members' to the extent they exceed debts due from a specific member.

**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:

Plant and machinery	– 25% on reducing balance
Computer equipment	– 33.3% 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 IMPAIRMENT OF FIXED ASSETS**

At each reporting end date, the limited liability partnership reviews the carrying amounts of its tangible and intangible 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 ACCOUNTING POLICIES**

**(Continued)**

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried in at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

**1.7 CASH AND CASH EQUIVALENTS**

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

**1.8 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 trade and other receivables 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.



**1 ACCOUNTING POLICIES**

**(Continued)**

***Other financial assets***

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publically traded and whose fair values cannot be measured reliably are measured at cost less impairment.

***Impairment of financial assets***

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in or .

***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, including trade and other payables, bank loans, loans from fellow limited liability partnership 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 receipts discounted at a market rate of interest.

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

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

**1 ACCOUNTING POLICIES**

**(Continued)**

***Derecognition of financial liabilities***

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

**1.9 EQUITY INSTRUMENTS**

Equity instruments issued by the limited liability partnership are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the limited liability partnership.

**1.10 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.

Termination benefits are recognised immediately as an expense when the limited liability partnership is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

**1.11 LEASES**

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

**1.12 AMOUNTS RECOVERABLE ON PARTIALLY COMPLETED MATTERS**

Amounts recoverable on partially completed matters are included at members' valuation.

**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.

**3 EMPLOYEES**

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

	2017	2016
	Number	Number
	7	7
	<u>7</u>	<u>7</u>

Staff costs for the above persons:

	2017	2016
	£	£
Wages and salaries	195,490	146,990
	<u>195,490</u>	<u>146,990</u>

**4 TANGIBLE FIXED ASSETS**

	Plant and machinery £	Computer equipment £	Total £
<b>COST</b>			
At 1 April 2016	3,620	6,492	10,112
At 31 March 2017	<u>3,620</u>	<u>6,492</u>	<u>10,112</u>
<b>DEPRECIATION AND IMPAIRMENT</b>			
At 1 April 2016	2,763	5,669	8,432
Depreciation charged in the year	215	820	1,035
At 31 March 2017	<u>2,978</u>	<u>6,489</u>	<u>9,467</u>
<b>CARRYING AMOUNT</b>			
At 31 March 2017	<u>642</u>	<u>3</u>	<u>645</u>
At 31 March 2016	<u>857</u>	<u>823</u>	<u>1,680</u>

STEPHEN AND RICHARD SOLICITORS LLP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

5 DEBTORS

	2017	2016
	£	£
<b>AMOUNTS FALLING DUE WITHIN ONE YEAR:</b>		
Trade debtors	21,604	26,503
Amounts recoverable on long term contracts	28,128	13,650
Amounts due from members	110,015	162,050
Prepayments and accrued income	13,903	22,173
	<u>173,650</u>	<u>224,376</u>

6 LOANS AND OVERDRAFTS

	2017	2016
	£	£
Bank loans	9,656	13,569
Bank overdrafts	-	3,964
Other loans	-	76,330
	<u>9,656</u>	<u>93,863</u>
Payable within one year	3,913	83,845
Payable after one year	5,743	10,018
	<u>9,656</u>	<u>93,863</u>

The long-term loans are secured by fixed charges over the assets of the LLP.

7 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Notes	2017	2016
		£	£
Loans and overdrafts	6	3,913	83,845
Trade creditors		7,140	5,532
Other taxation and social security		18,250	14,755
Other creditors		152,132	128,454
Accruals and deferred income		3,940	5,198
		<u>185,375</u>	<u>237,784</u>

**8 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	Notes	2017 £	2016 £
Loans and overdrafts	6	5,743	10,018
		<u>5,743</u>	<u>10,018</u>

**9 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:

	2017 £	2016 £
Within one year	47,993	12,897
Between two and five years	20,765	1,061
	<u>68,758</u>	<u>13,958</u>

**10 RELATED PARTY TRANSACTIONS**

During the year, there were transactions with the sister of both designated members totalling £1,260 (2016: £615) for legal services supplied.

**11 CONTROLLING PARTY**

Stephen and Richard Solicitors LLP is controlled by R H S Kong and S H S Kong, the firm's members.