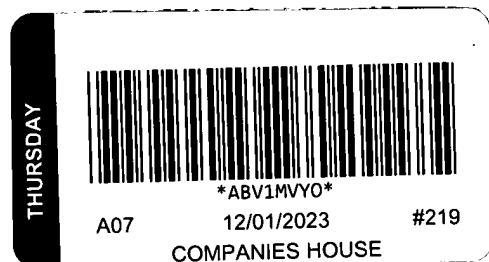


Limited Liability Partnership registration number OC373542 (England and Wales)

DEBENHAMS OTTAWAY LLP
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2022



DEBENHAMS OTTAWAY LLP

LIMITED LIABILITY PARTNERSHIP INFORMATION

Designated members	S C Glenholme C E Sharp A R Yates
Limited liability partnership number	OC373542
Registered office	Ivy House 107 St Peters Street St Albans Hertfordshire AL1 3EW
Accountants	Goodman Jones LLP 29/30 Fitzroy Square London W1T 6LQ

DEBENHAMS OTTAWAY LLP

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DEBENHAMS OTTAWAY LLP

MEMBERS' REPORT

FOR THE YEAR ENDED 30 APRIL 2022

I am pleased to present my report covering the highlights of the year.

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

Staff and Partners

A vital element of the partners' vision is to look after our people because they are our greatest resource. As we emerged from the pandemic their dedication, commitment and flexibility have enabled us to achieve what we have – by working together as a team. I am particularly pleased by the way in which they embraced hybrid working which is working well and we will continue to adopt as a differentiator in a challenging recruitment market.

I pay tribute to my partners who have flexibly grasped the challenges facing us. Our new constitutional arrangements implemented on 1 May 2021 have allowed us to bring in two new equity partners. They, and five new salaried partners, have brought much to the firm, were quickly integrated and have provided the bedrock to our succession planning which also saw the retirement of Howard Kent on 31 March 2022. We thank Howard for his service and contribution - he will be missed and we wish him a long and healthy retirement.

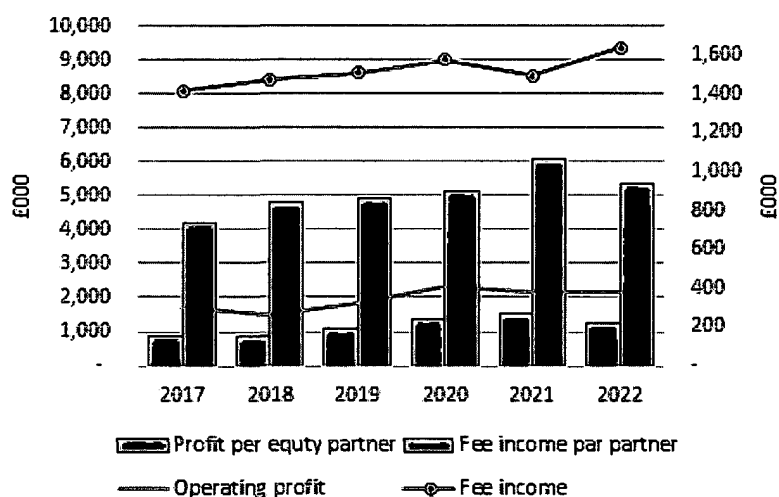
Clients

Alongside our people, our clients continue to be our top priority and we have maintained our very real focus on providing the highest quality legal advice and excellent service. By continually discussing, measuring and improving client service, we have strengthened our client base, improved the quality and complexity of our work and maintained the financial health of the business. I am delighted that this has resulted in three awards for excellence in client service – LawNet, Hertfordshire Law Society and the St Albans Chamber of Commerce.

Results for the year

I am pleased with our financial performance. We benchmark our results by reference to other members of LawNet and believe that we are on a par with our peers. Our turnover has shown an increase from £8.5m to £9.3m. In contrast however our "trading Profit per Equity Partner" (PEP) has decreased from £271k to £215k. This was a planned and expected reduction at a time of transition bringing in new partners as we invest for the long term in new services and plan for succession. Profits continue to be vital to allow us to invest for the future longevity of the firm – both in our people and our infrastructure.

Our six-year trend shows the strides we have taken during this period



Outlook

As I write this report we face particularly uncertain times with the appointment of our third Prime Minister this year. While I continue to be positive about the outlook, we must always be aware of potential headwinds that may face us and as a result stand ready to react to them appropriately should that be necessary.

DEBENHAMS OTTAWAY LLP

MEMBERS' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2022

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:

S C Glenholme
C E Sharp
A R Yates

(Appointed 1 May 2021)

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;
- 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 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.

Small LLPs exemption

This report has been prepared in accordance with the special provisions relating to small LLPs within Part 15 of the Companies Act 2006.

24-11-22

Approved by the members on and signed on behalf by:

Susan Glenholme

.....
S C Glenholme
Designated Member

DEBENHAMS OTTAWAY LLP

INCOME STATEMENT

FOR THE YEAR ENDED 30 APRIL 2022

		2022	2021
	Notes	£	£
Revenue	2	9,337,271	8,507,181
Administrative expenses		(7,196,133)	(6,601,096)
Other operating income		6,688	259,654
		<hr/>	<hr/>
Operating profit		2,147,826	2,165,739
Investment income		71,922	45,007
Finance costs		(24,352)	(105,392)
Exceptional item		-	360,000
		<hr/>	<hr/>
Profit for the financial year before members' remuneration and profit shares		2,195,396	2,465,354
Members' remuneration charged as an expense	4	(2,195,396)	(2,465,354)
		<hr/>	<hr/>
Result for the financial year available for discretionary division among members		-	-
		<hr/> <hr/>	<hr/> <hr/>

DEBENHAMS OTTAWAY LLP

STATEMENT OF FINANCIAL POSITION AS AT 30 APRIL 2022

	Notes	2022 £	£	2021 £	£
Non-current assets					
Property, plant and equipment	5		323,419		324,323
Current assets					
Work in progress		139,387		186,755	
Trade and other receivables	6	2,879,059		2,854,943	
Cash and cash equivalents		1,582,303		2,598,296	
		<u>4,600,749</u>		<u>5,639,994</u>	
Current liabilities	7	<u>(2,063,339)</u>		<u>(2,745,417)</u>	
Net current assets			2,537,410		2,894,577
Total assets less current liabilities			2,860,829		3,218,900
Non-current liabilities	8		(115,942)		(154,922)
Net assets attributable to members			<u>2,744,887</u>		<u>3,063,978</u>
Represented by:					
Loans and other debts due to members within one year	9				
Members' capital classified as a liability			1,600,000		1,600,000
Amounts due in respect of profits			1,144,887		1,463,978
			<u>2,744,887</u>		<u>3,063,978</u>

For the financial year ended 30 April 2022 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) Regulations 2008) relating to small limited liability partnerships.

The members acknowledge their responsibilities for complying with the requirements of the Act (as applied to limited liability partnerships) with respect to accounting records and the preparation of accounts.

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 24-11-22 and are signed on their behalf by:

Susan Glenholme
.....
S C Glenholme
Designated member

Limited Liability Partnership Registration No. OC373542

DEBENHAMS OTTAWAY LLP

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2022

1 Accounting policies

Limited liability partnership information

Debenhams Ottaway LLP is a limited liability partnership incorporated in England and Wales. The registered office is , Ivy House, 107 St Peters Street, St Albans, Hertfordshire, AL1 3EW.

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 2018, 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 under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

The members confirm that they are satisfied that the LLP has sufficient resources and bank facilities in place to meet their obligations as they fall due. This has been determined by a review of cash flow and profit forecasts. The LLP's diversified multi-disciplinary legal practice has helped mitigate any material uncertainty over the LLP's ability to continue as a going concern.

1.3 Revenue

Revenue from contracts for the provision of legal 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 mainly in relation to contractual hourly staff rates, by reference to costs incurred as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable. Unbilled revenue is included within debtors as accrued income.

When fee income is contingent and the contingent condition has not been met at the balance sheet date, it is included within work in progress and is valued at the lower of cost and net realisable value. Cost is arrived at on the basis of direct chargeable salary costs plus attributable overheads based on normal levels of activity.

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).

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.

DEBENHAMS OTTAWAY LLP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2022

1 Accounting policies

(Continued)

1.5 Property, plant and equipment

Property, plant and equipment 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	Over the period of the lease
Fixtures and fittings	15% - 33.3% reducing balance

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 income statement.

1.6 Impairment of non-current 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.

1.7 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and 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. Financial assets classified as receivable within one year are not amortised.

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.

DEBENHAMS OTTAWAY LLP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2022

1 Accounting policies

(Continued)

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 trade and other payables, 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 payables 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 payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

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

1.9 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 non-current 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.

1.10 Retirement benefits and post retirement payments to members

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

The LLP operates a defined contribution pension scheme for its employees. The amount charged to the profit and loss account in respect of pension costs and other post retirements benefits is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown in creditors in the financial statements.

DEBENHAMS OTTAWAY LLP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2022

1 Accounting policies

(Continued)

1.11 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.

1.12 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

2 Revenue

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

	2022 £	2021 £
Revenue analysed by class of business		
Legal and professional services	9,337,271	8,507,181
	<u> </u>	<u> </u>
	2022 £	2021 £
Other significant revenue		
Interest income	71,922	45,007
Grants received	6,688	259,654
	<u> </u>	<u> </u>

3 Employees

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

	2022 Number	2021 Number
Total	119	109
	<u> </u>	<u> </u>

DEBENHAMS OTTAWAY LLP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2022

4 Members' remuneration

	2022 Number	2021 Number
Average number of members during the year	10	8
	2022 £	2021 £
Profit attributable to the member with the highest entitlement	232,807	308,169
Members' remuneration comprises:	2022 £	2021 £
Remuneration under participation rights	2,195,396	2,465,354

5 Property, plant and equipment

	Leasehold improvements £	Fixtures and fittings £	Total £
Cost			
At 1 May 2021	508,469	927,012	1,435,481
Additions	14,110	61,370	75,480
At 30 April 2022	522,579	988,382	1,510,961
Depreciation and impairment			
At 1 May 2021	340,113	771,045	1,111,158
Depreciation charged in the year	29,756	46,628	76,384
At 30 April 2022	369,869	817,673	1,187,542
Carrying amount			
At 30 April 2022	152,710	170,709	323,419
At 30 April 2021	168,356	155,967	324,323

6 Trade and other receivables

	2022 £	2021 £
Amounts falling due within one year:		
Trade receivables	699,005	868,757
Other receivables	5,350	5,892
Prepayments	408,499	404,403
Accrued income	1,766,205	1,575,891
	2,879,059	2,854,943

DEBENHAMS OTTAWAY LLP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2022

7 Current liabilities

	2022 £	2021 £
Bank loans	-	1,000,000
Trade payables	284,477	349,095
Amounts due to retired partners	336,317	155,710
Other taxation and social security	370,180	344,552
Government grants	-	6,688
Other payables	33,837	37,717
Accruals	1,038,528	851,655
	<u>2,063,339</u>	<u>2,745,417</u>

8 Non-current liabilities

	2022 £	2021 £
Amounts due to retired partners	<u>115,942</u>	<u>154,922</u>

9 Reconciliation of Members' Interests

	DEBT Loans and other debts due to members less any amounts due from members in debtors			TOTAL MEMBERS' INTERESTS
	Members' capital	Other amounts £	Total £	Total 2022 £
Members' interests at 1 May 2021	1,600,000	1,463,978	3,063,978	3,063,978
Members' remuneration charged as an expense, including employment costs and retirement benefit costs	-	2,195,396	2,195,396	2,195,396
Members' interests after profit and remuneration for the year	1,600,000	3,659,374	5,259,374	5,259,374
Introduced by members	234,146	-	234,146	234,146
Drawings	-	(2,514,487)	(2,514,487)	(2,514,487)
Other movements	(234,146)	-	(234,146)	(234,146)
Members' interests at 30 April 2022	<u>1,600,000</u>	<u>1,144,887</u>	<u>2,744,887</u>	<u>2,744,887</u>

10 Loans and other debts due to members

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

DEBENHAMS OTTAWAY LLP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2022

11 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, as follows:

	2022 £	2021 £
Within one year	326,592	326,592
Between two and five years	1,026,357	1,154,359
In over five years	-	198,590
	<u>1,352,949</u>	<u>1,679,541</u>