

Limited Liability Partnership Registration No. OC373542 (England and Wales)

**DEBENHAMS OTTAWAY LLP**  
**ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 APRIL 2021**

# DEBENHAMS OTTAWAY LLP

## LIMITED LIABILITY PARTNERSHIP INFORMATION

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

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# DEBENHAMS OTTAWAY LLP

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## **DEBENHAMS OTTAWAY LLP**

### **MEMBERS' REPORT**

***FOR THE YEAR ENDED 30 APRIL 2021***

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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 very important element of the partners' vision is to look after our people because they are our greatest resource. This has been reinforced more than ever in the pandemic as without their dedication, commitment and flexibility, we would not have been able to achieve what we have – by working together as a team. I pay tribute to each of them.

I also pay tribute to my partners who have grasped the challenges facing us and agreed to a new constitutional arrangement, allowing us to bring in two new equity partners on 1 May 2021.

#### **Clients**

Alongside our people, our clients are our top priority. Despite the pandemic 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.

#### **Government COVID support**

Like many businesses, we were faced with significant uncertainties at the start of the pandemic. We applied for and obtained appropriate Government support through the Coronavirus Job Retention Scheme ("furloughing") and the Coronavirus Business Interruption Loan Scheme (CBILS). This was with a view to protecting jobs in the long term and ensuring sufficient funding to ensure business continuity should that prove necessary. I am pleased to report that both have proved effective and that we have been able – after the year end – to fully repay the CBILS loan.

# DEBENHAMS OTTAWAY LLP

## MEMBERS' REPORT (CONTINUED)

**FOR THE YEAR ENDED 30 APRIL 2021**

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### 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.

Approved by the members on 25 November 2021 and signed on behalf by:

S C Glenholme

**Designated Member**

## DEBENHAMS OTTAWAY LLP

### INCOME STATEMENT

FOR THE YEAR ENDED 30 APRIL 2021

		2021	2020
	Notes	£	£
Revenue	2	8,507,181	8,999,639
Administrative expenses		(6,601,096)	(6,672,998)
Other operating income		259,654	30,762
<b>Operating profit</b>		<b>2,165,739</b>	<b>2,357,403</b>
Investment income		45,007	197,273
Finance costs		(105,392)	(139,221)
Exceptional item	3	360,000	-
<b>Profit for the financial year before members' remuneration and profit shares</b>		<b>2,465,354</b>	<b>2,415,455</b>
Members' remuneration charged as an expense	5	(2,465,354)	(2,415,455)
<b>Result for the financial year available for discretionary division among members</b>		<b>-</b>	<b>-</b>

# DEBENHAMS OTTAWAY LLP

## STATEMENT OF FINANCIAL POSITION

AS AT 30 APRIL 2021

	Notes	2021 £	£	2020 £	£
<b>Non-current assets</b>					
Property, plant and equipment	6		324,323		345,889
<b>Current assets</b>					
Work in progress		186,755		44,633	
Trade and other receivables	7	2,854,943		2,753,795	
Cash and cash equivalents		2,598,296		1,836,092	
		<u>5,639,994</u>		<u>4,634,520</u>	
<b>Current liabilities</b>	8	<u>(2,745,417)</u>		<u>(1,808,947)</u>	
<b>Net current assets</b>			<u>2,894,577</u>		<u>2,825,573</u>
<b>Total assets less current liabilities</b>			<u>3,218,900</u>		<u>3,171,462</u>
<b>Non-current liabilities</b>	9		<u>(154,922)</u>		<u>(349,321)</u>
<b>Net assets attributable to members</b>			<u><u>3,063,978</u></u>		<u><u>2,822,141</u></u>
<b>Represented by:</b>					
<b>Loans and other debts due to members within one year</b>	10				
Members' capital classified as a liability			1,600,000		1,250,000
Amounts due in respect of profits			1,463,978		1,572,141
			<u><u>3,063,978</u></u>		<u><u>2,822,141</u></u>

For the financial year ended 30 April 2021 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 25 November 2021 and are signed on their behalf by:

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 2021**

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### **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 Peter's 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 has assessed the impact of the Covid-19 pandemic and where necessary has applied prudent cost controls. 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).



# DEBENHAMS OTTAWAY LLP

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2021

### 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 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.

# DEBENHAMS OTTAWAY LLP

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2021

### 1 Accounting policies

(Continued)

#### **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.

#### **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.

# DEBENHAMS OTTAWAY LLP

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2021

### 1 Accounting policies

(Continued)

#### 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.

#### 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:

	2021	2020
	£	£
<b>Revenue analysed by class of business</b>		
Legal and professional services	8,507,181	8,999,639
	<u>          </u>	<u>          </u>
	2021	2020
	£	£
<b>Other significant revenue</b>		
Interest income	45,007	197,273
Grants received	259,654	30,762
	<u>          </u>	<u>          </u>

## DEBENHAMS OTTAWAY LLP

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2021

#### 3 Exceptional item

The exceptional item relate to a one off compensation payment.

#### 4 Employees

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

	2021 Number	2020 Number
Total	109	118

#### 5 Members' remuneration

	2021 Number	2020 Number
Average number of members during the year	8	10

	2021 £	2020 £
Profit attributable to the member with the highest entitlement	308,169	247,309

Members' remuneration comprises:	2021 £	2020 £
Remuneration under participation rights	2,465,354	2,415,455

# DEBENHAMS OTTAWAY LLP

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2021

### 6 Property, plant and equipment

	Leasehold improvements £	Fixtures and fittings £	Total £
<b>Cost</b>			
At 1 May 2020	491,485	894,432	1,385,917
Additions	16,984	32,580	49,564
At 30 April 2021	508,469	927,012	1,435,481
<b>Depreciation and impairment</b>			
At 1 May 2020	313,179	726,849	1,040,028
Depreciation charged in the year	26,934	44,196	71,130
At 30 April 2021	340,113	771,045	1,111,158
<b>Carrying amount</b>			
At 30 April 2021	168,356	155,967	324,323
At 30 April 2020	178,306	167,583	345,889

### 7 Trade and other receivables

	2021 £	2020 £
<b>Amounts falling due within one year:</b>		
Trade receivables	868,757	971,561
Other receivables	5,892	14,624
Prepayments	404,403	294,119
Accrued income	1,575,891	1,473,491
	2,854,943	2,753,795

### 8 Current liabilities

	2021 £	2020 £
Bank loans	1,000,000	-
Trade payables	349,095	143,266
Amounts due to retired partners	155,710	440,093
Other taxation and social security	344,552	407,157
Government grants	6,688	-
Other payables	37,717	138,747
Accruals	851,655	679,684
	2,745,417	1,808,947

The bank loan is secured by a fixed and floating charge over the assets of the LLP. The loan was settled in full in July 2021.

# DEBENHAMS OTTAWAY LLP

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2021

### 9 Non-current liabilities

	2021 £	2020 £
Amounts due to retired partners	154,922	349,321

### 10 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 2021
	£	£	£	£
Members' interests at 1 May 2020	1,250,000	1,572,141	2,822,141	2,822,141
Members' remuneration charged as an expense, including employment costs and retirement benefit costs	-	2,465,354	2,465,354	2,465,354
Members' interests after profit and remuneration for the year	1,250,000	4,037,495	5,287,495	5,287,495
Reclassifications	350,000	(350,000)	-	-
Drawings	-	(1,863,517)	(1,863,517)	(1,863,517)
Other movements	-	(360,000)	(360,000)	(360,000)
Members' interests at 30 April 2021	1,600,000	1,463,978	3,063,978	3,063,978

### 11 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.

### 12 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:

	2021 £	2020 £
Within one year	326,592	326,592
Between two and five years	1,154,359	1,154,359
In over five years	198,590	525,182
	1,679,541	2,006,133

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.