

**Prepared for the registrar  
Longmores Solicitors LLP  
Annual Report and Unaudited Financial Statements  
for the Year Ended 31 December 2021**

Hazlewoods LLP  
Windsor House  
Bayshill Road  
Cheltenham  
GL50 3AT

**LONGMORES SOLICITORS LLP**

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## **LONGMORES SOLICITORS LLP**

### **Limited liability partnership information**

<b>Designated members</b>	Ms T A Dargan Ms R C Spalton Mr R Gvero Mr R M Horwood Mr C E Pease Mr J R Wiblin
<b>Registered office</b>	24 Castle Street Hertford Hertfordshire SG14 1HP
<b>Accountants</b>	Hazlewoods LLP Windsor House Bayshill Road Cheltenham GL50 3AT

## LONGMORES SOLICITORS LLP

(Registration number: OC387765)

Balance Sheet as at 31 December 2021

	Note	2021 £	2020 £
<b>Fixed assets</b>			
Tangible assets	<u>4</u>	69,517	112,141
<b>Current assets</b>			
Debtors	<u>5</u>	1,971,830	1,742,715
Cash and short-term deposits		<u>1,049,900</u>	<u>752,080</u>
		3,021,730	2,494,795
<b>Creditors: Amounts falling due within one year</b>	<u>6</u>	<u>(1,197,126)</u>	<u>(1,401,275)</u>
<b>Net current assets</b>		<u>1,824,604</u>	<u>1,093,520</u>
<b>Total assets less current liabilities</b>		1,894,121	1,205,661
<b>Creditors: Amounts falling due after more than one year</b>	<u>7</u>	(175,000)	-
<b>Provisions for liabilities</b>	<u>8</u>	<u>(151,850)</u>	<u>(65,000)</u>
<b>Net assets attributable to members</b>		<u>1,567,271</u>	<u>1,140,661</u>
<b>Represented by:</b>			
<b>Loans and other debts due to members</b>			
Other amounts		<u>1,567,271</u>	<u>1,140,661</u>
		<u>1,567,271</u>	<u>1,140,661</u>
<b>Total members' interests</b>			
Loans and other debts due to members		<u>1,567,271</u>	<u>1,140,661</u>
		<u>1,567,271</u>	<u>1,140,661</u>

For the year ending 31 December 2021 the LLP was entitled to exemption from audit under section 477 of the Companies Act 2006, as applied to LLPs, relating to small entities.

These financial statements have been prepared in accordance with the special provisions relating to LLPs subject to the small LLPs regime within Part 15 of the Companies Act 2006, as applied to LLPs.

These financial statements have been delivered in accordance with the provisions applicable to LLPs subject to the small LLPs regime, as applied to LLPs, and the option not to file the Profit and Loss Account has been taken.

The members acknowledge their responsibilities for complying with the requirements of the Companies Act 2006, as applied to LLPs by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 with respect to accounting records and the preparation of accounts.

The financial statements of Longmores Solicitors LLP (registered number OC387765) were approved by the members and authorised for issue on 23 March 2022. They were signed on behalf of the LLP by:

.....  
Mr C E Pease  
Designated member

The notes on pages 3 to 9 form an integral part of these financial statements.

## **LONGMORES SOLICITORS LLP**

### **Notes to the Financial Statements for the Year Ended 31 December 2021**

#### **1 General information**

The place of registration of the LLP is England and Wales under the Limited Liability Partnership Act 2000.

The address of the registered office is:

24 Castle Street  
Hertford  
Hertfordshire  
SG14 1HP

#### **2 Accounting policies**

##### **Summary of significant accounting policies and key accounting estimates**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

##### **Statement of compliance**

These financial statements have been prepared in accordance with Financial Reporting Standard 102 Section 1A - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

##### **Basis of preparation**

These financial statements have been prepared using the historical cost convention except for, where disclosed in these accounting policies certain items that are shown at fair value.

The presentational currency of the financial statements is pounds sterling, being the functional currency of the primary economic environment in which the LLP operates. Monetary amounts in these financial statements are rounded to the nearest pound.

##### **Judgements**

In the application of the LLP's accounting policies, management is required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying 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 if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

## **LONGMORES SOLICITORS LLP**

### **Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)**

#### **2 Accounting policies (continued)**

##### **Key sources of estimation uncertainty**

Bad debt provision - due to the nature of the business, there are high levels of trade receivables at the year end, and therefore a risk that some of these balances may be irrecoverable. A bad debt review is carried out, where debts are assessed and provided against when the recoverability of these balances is considered to be uncertain. The carrying amount is £30,854 (2020 - £17,713).

Amounts recoverable on contracts - The process of assessing amounts recoverable on contracts requires various estimates and judgements to be made. Fee earners are required to record time spent on client assignments and this is used as the basis for the amounts recoverable on contracts and work in progress estimates. A year end report of time on all assignments is circulated to fee earners to identify likely recoverable amounts. The carrying amount is £886,201 (2020 - £873,972).

Provision for client claims - the provision is based on a review of potential claims and an assessment of any potential settlements that are considered likely as a result of these. The carrying amount is £22,500 (2020 - £15,000).

Dilapidations provision - a provision for dilapidations on the offices is being built up each year based on the amount expected to be payable on termination of the relevant leases. The carrying amount is £129,350 (2020 - £50,000).

##### **Revenue recognition**

Fee income represents the fair value of services provided during the year on client assignments. Fair value reflects the amounts expected to be recoverable from clients based on time spent, skills provided and expenses incurred, and exclude VAT. Income is recognised as contract activity progresses and the right to consideration is secured, except where the final outcome cannot be assessed with reasonable certainty.

Income in respect of contingent fee assignments is recognised in the period when the contingent event occurs and collectability of the fee is assured.

Unbilled income on individual client assignments is included as amounts recoverable on contracts within debtors.

##### **Disbursement**

Disbursements are not included in income or expenses, but are netted against each other.

##### **Members' remuneration and division of profits**

Remuneration is paid to certain members under a contract of employment and is included as an expense in the profit and loss account after arriving at 'profit for the financial year before members' remuneration and profit shares'.

A member's share of the profit or loss for the year is accounted for as an allocation of profits. Unallocated profits and losses are included within 'other reserves'.

##### **Taxation**

The taxation payable on the LLP's profits is the personal liability of the members, although payment of such liabilities is administered by the LLP on behalf of its members. Consequently, neither LLP taxation nor related deferred taxation is accounted for in these financial statements. Sums set aside in respect of members' tax obligations are included in the balance sheet within loans and other debts due to members, or are set against amounts due from members as appropriate.

## LONGMORES SOLICITORS LLP

### Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

#### 2 Accounting policies (continued)

##### Tangible fixed assets

Tangible fixed assets are stated at cost or valuation, net of depreciation and any provision for impairment. The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

##### Depreciation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Asset class	Depreciation method and rate
Plant and machinery	33% straight line
Fixtures and fittings	10% straight line
Office equipment	20% straight line
Leasehold improvements	10% straight line

##### Trade debtors

Trade debtors are amounts due from clients for services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the limited liability partnership will not be able to collect all amounts due according to the original terms of the receivables.

##### Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

##### Trade creditors

Trade creditors 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 the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and all are repayable within one year and hence are included at the undiscounted amount of cash expected to be paid.

##### Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the profit and loss account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the LLP has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Borrowing costs which are directly attributable to the construction of tangible fixed assets are capitalised as part of the cost of those assets. The commencement of capitalisation begins when both finance costs and expenditures for the asset are being incurred and activities that are necessary to get the asset ready for use are in progress. Capitalisation ceases when substantially all the activities that are necessary to get the asset ready for use are complete.

##### Provisions

Provisions are recognised when the company has an obligation at the reporting date as a result of a past event, it is probable that the company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

## **LONGMORES SOLICITORS LLP**

### **Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)**

#### **2 Accounting policies (continued)**

##### **Hire purchase and leasing**

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Rentals payable under operating leases are charged in the Statement of Financial Activities on a straight line basis over the lease term.

##### **Members' interests**

Amounts due to members after more than one year comprise provisions for annuities to current members and certain loans from members which are not repayable within twelve months of the balance sheet date.

##### **Pensions and other post retirement obligations**

The LLP operates a defined contribution pension scheme. Contributions are charged in the profit and loss account as they become payable in accordance with the rules of the scheme.

##### **Financial instruments**

###### **Classification**

Financial instruments are classified and accounted for according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the LLP after deducting all of its liabilities. Where shares are issued, any component that creates a financial liability of the LLP is presented as a liability on the balance sheet. The corresponding dividends relating to the liability component are charged as interest expenses in the profit and loss account.

###### **Recognition and Measurement**

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.



**2 Accounting policies (continued)**

**Impairment of financial assets**

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss as described below.

A non financial asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

The recoverable amount of goodwill is derived from measurement of the present value of the future cash flows of the cash-generating units ('CGUs') of which the goodwill is a part. Any impairment loss in respect of a CGU is allocated first to the goodwill attached to that CGU, and then to other assets within that CGU on a pro-rata basis.

Where indicators exist for a decrease in impairment loss, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised. Where a reversal of impairment occurs in respect of a CGU, the reversal is applied first to the assets (other than goodwill) of the CGU on a pro-rata basis and then to any goodwill allocated to that CGU.

For financial assets carried at amortised cost, the amount of an impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

**3 Particulars of employees**

The average number of persons employed by the LLP during the year was 52 (2020 - 57).

# **LONGMORES SOLICITORS LLP**

## **Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)**

### **4 Tangible fixed assets**

	Long leasehold land and buildings £	Plant and machinery £	Fixtures and fittings £	Office equipment £	Total £
<b>Cost</b>					
At 1 January 2021	15,862	716,141	211,069	47,474	990,546
Additions	-	9,958	1,958	4,549	16,465
At 31 December 2021	15,862	726,099	213,027	52,023	1,007,011
<b>Depreciation</b>					
At 1 January 2021	9,517	644,671	191,426	32,791	878,405
Charge for the year	1,586	48,047	4,175	5,281	59,089
At 31 December 2021	11,103	692,718	195,601	38,072	937,494
<b>Net book value</b>					
At 31 December 2021	4,759	33,381	17,426	13,951	69,517
At 31 December 2020	6,345	71,470	19,643	14,683	112,141

### **5 Debtors**

	2021 £	2020 £
Trade debtors	794,970	588,850
Amounts recoverable on contracts	886,201	873,972
Other debtors	595	10,107
Prepayments	290,064	269,786
	<u>1,971,830</u>	<u>1,742,715</u>

### **6 Creditors: Amounts falling due within one year**

	2021 £	2020 £
Bank loans and overdrafts	50,000	500,000
Trade creditors	28,225	33,629
Other loans	183,466	153,454
Accruals	367,226	140,212
Taxation and social security	383,209	538,980
Other creditors	185,000	35,000
	<u>1,197,126</u>	<u>1,401,275</u>

Creditors amounts falling due within one year includes the following liabilities, on which security has been given by the LLP:

<b>2021</b>	<b>2020</b>
-------------	-------------

	£	£
Bank loans	50,000	250,000

The bank loans are secured by a fixed and floating charge over all the property or undertaking of the LLP.

## LONGMORES SOLICITORS LLP

### Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

#### 7 Creditors: Amounts falling due after more than one year

	2021 £	2020 £
Bank loans and overdrafts	175,000	-

Creditors amounts falling due after more than one year includes the following liabilities, on which security has been given by the LLP:

	2021 £	2020 £
Bank loans	175,000	-

The bank loans are secured by a fixed and floating charge over all the property or undertaking of the LLP.

#### 8 Provisions

	Client claims £	Dilapidations provision £	Total £
At 1 January 2021	15,000	50,000	65,000
Increase in existing provisions	7,500	79,350	86,850
At 31 December 2021	22,500	129,350	151,850

#### 9 Financial commitments, guarantees and contingencies

##### Amounts not provided for in the balance sheet

The total amount of financial commitments not included in the balance sheet is £98,123 (2020 - £196,246).

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.