

# Hanne & Co Solicitors LLP

Annual Report and Unaudited Financial Statements

For filing with the Registrar

For the year ended 31 March 2020

# Hanne & Co Solicitors LLP

## Limited Liability Partnership Information

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<b>Designated members</b>	E A Francis S M Harlow C L Martin M J A Meadows M Stewart
<b>Limited liability partnership number</b>	OC422012
<b>Registered office</b>	The Candle Factory 112 York Road Battersea London United Kingdom SW11 3RS
<b>Accountants</b>	Moore Kingston Smith LLP Devonshire House 60 Goswell Road London EC1M 7AD

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# Hanne & Co Solicitors LLP

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# Hanne & Co Solicitors LLP

## Members' Report

For the year ended 31 March 2020

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The members present their annual report and financial statements for the year ended 31 March 2020.

### Principal activities

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

### 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.

### 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:

E A Francis

S M Harlow

C L Martin

M J A Meadows

M Stewart

G S Buchanan

D Taylor

(Resigned 31 May 2019)

(Resigned 31 March 2020)

### 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;
- 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.

# Hanne & Co Solicitors LLP

## Members' Report (Continued)

For the year ended 31 March 2020

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E A Francis  
**Designated Member**

.....  
C L Martin  
**Designated Member**

.....  
M Stewart  
**Designated Member**

S M Harlow  
**Designated Member**

.....  
M J A Meadows  
**Designated Member**

# Hanne & Co Solicitors LLP

## Profit and loss account

For the year ended 31 March 2020

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		<b>Period ended</b>
	<b>2020</b>	<b>31 March</b>
	<b>£</b>	<b>2019</b>
		<b>£</b>
<b>Turnover</b>	4,966,324	2,320,196
Administrative expenses	(4,127,470)	(1,872,123)
<b>Operating profit</b>	838,854	448,073
Interest receivable and similar income	48,706	11,043
Interest payable and similar expenses	(9,768)	(4,305)
<b>Profit for the financial year before members' remuneration and profits available for discretionary division among members</b>	877,792	454,811

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# Hanne & Co Solicitors LLP

## Balance Sheet

As at 31 March 2020

	Notes	2020 £	£	2019 £	£
<b>Fixed assets</b>					
Tangible assets	3		40,305		62,166
<b>Current assets</b>					
Debtors	4	1,870,480		1,800,273	
Cash and cash equivalents		492		884	
		<u>1,870,972</u>		<u>1,801,157</u>	
<b>Creditors: amounts falling due within one year</b>	5	<u>(651,737)</u>		<u>(917,840)</u>	
<b>Net current assets</b>			<u>1,219,235</u>		<u>883,317</u>
<b>Total assets less current liabilities</b>			<u>1,259,540</u>		<u>945,483</u>
<b>Provisions for liabilities</b>			<u>(15,000)</u>		<u>(15,000)</u>
<b>Net assets attributable to members</b>			<u><u>1,244,540</u></u>		<u><u>930,483</u></u>
<b>Represented by:</b>					
<b>Loans and other debts due to members within one year</b>					
Amounts due in respect of profits			772,540		458,483
<b>Members' other interests</b>					
Members' capital classified as equity			472,000		472,000
			<u>1,244,540</u>		<u>930,483</u>
<b>Total members' interests</b>					
Loans and other debts due to members			772,540		458,483
Members' other interests			472,000		472,000
			<u>1,244,540</u>		<u>930,483</u>

# Hanne & Co Solicitors LLP

## Balance Sheet (Continued)

As at 31 March 2020

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For the financial year ended 31 March 2020 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 and delivered 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 22 January 2021 and are signed on their behalf by:

E A Francis  
**Designated member**

S M Harlow  
**Designated Member**

C L Martin  
**Designated Member**

M J A Meadows  
**Designated Member**

M Stewart  
**Designated Member**

**Limited Liability Partnership Registration No. OC422012**



# Hanne & Co Solicitors LLP

## Reconciliation of Members' Interests For the year ended 31 March 2020

<i>Current financial year</i>	EQUITY		DEBT		TOTAL MEMBERS' INTERESTS
	Members' capital (classified as equity) £	Members' other reserves £	Loans and other debts due to members less any amounts due from members in debtors	Total	
			Total Other amounts	Total	Total 2020
Members' interests at 1 April 2019	472,000	-	472,000	458,483	930,483
Profit for the financial year available for discretionary division among members	-	877,792	877,792	-	877,792
Members' interests after profit for the year	472,000	877,792	1,349,792	458,483	1,808,275
Allocation of profit for the financial year	-	(877,792)	(877,792)	877,792	-
Drawings	-	-	-	(557,252)	(557,252)
Amounts due to retired members	-	-	-	(10,683)	(10,683)
Other movements	-	-	4,200	4,200	4,200
Members' interests at 31 March 2020	472,000	-	472,000	772,540	1,244,540

As permitted by the Statement of Recommended Practice (SORP), Accounting by Limited Liability Partnerships issued in December 2018, the LLP has taken the option of presenting the above Reconciliation of Members' Interests as a primary statement instead of the Statement of Changes in Equity.

Hanne & Co Solicitors LLP

## Reconciliation of Members' Interests (Continued)

For the year ended 31 March 2020

Prior financial year	EQUITY			DEBT			TOTAL
	Members' other interests		Loans and other debts due to members less any amounts due from members in debtors	MEMBERS' INTERESTS			
	Members' capital (classified as equity)	Other reserves	Total	Members' capital (classified as debt)	Other amounts	Total	
	£	£	£	£	£	£	
Members' interests at 16 April 2018	-	-	-	-	-	-	
Profit for the financial year available for discretionary division among members	-	454,811	454,811	-	-	454,811	
Members' interests after profit for the year	-	454,811	454,811	-	-	454,811	
Allocation of profit for the financial year	-	(454,811)	(454,811)	-	454,811	-	
Introduced by members	-	-	-	402,000	418,607	820,607	
Reclassifications	472,000	-	472,000	(402,000)	(70,000)	(472,000)	
Drawings	-	-	-	-	(344,935)	(344,935)	
Members' interests at 31 March 2019	472,000	-	472,000	-	458,483	458,483	

As permitted by the Statement of Recommended Practice (SORP), Accounting by Limited Liability Partnerships issued in December 2018, the LLP has taken the option of presenting the above Reconciliation of Members' Interests as a primary statement instead of the Statement of Changes in Equity.

# Hanne & Co Solicitors LLP

## Notes to the Financial Statements

For the year ended 31 March 2020

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### 1 Accounting policies

#### Limited liability partnership information

Hanne & Co Solicitors LLP is a limited liability partnership incorporated in England and Wales. The registered office is The Candle Factory, 112 York Road, Battersea, London, United Kingdom, SW11 3RS.

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

At the time of approving the financial statements, the members have 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.

The members are also closely monitoring the impact of COVID-19 on the LLP's ability to remain profitable. Because of the nature of the LLP's activities and the ability of staff and partners to work remotely, whilst the ultimate impact cannot be precisely quantified the members do not expect the pandemic to significantly affect the ability of the LLP to continue in business and meet its liabilities as they fall due. The members will regularly review the position moving forward and take action if required.

#### 1.3 Turnover

Turnover represents the amounts recoverable for the services provided to clients, excluding value added tax, under contractual obligations which are performed gradually over time.

If, at the Balance sheet date, completion of contractual obligations is dependent on external factors (and thus outside the control of the Limited Liability Partnership), then revenue is recognised only when the event occurs. In such cases, costs incurred up to the Balance sheet date are carried forward as work in progress.

# Hanne & Co Solicitors LLP

## Notes to the Financial Statements (Continued)

For the year ended 31 March 2020

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### 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.

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.

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:

Leasehold improvements	20% per annum on a straight line basis
Plant and equipment	20% per annum on a straight line basis

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 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).

#### 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.

# Hanne & Co Solicitors LLP

## Notes to the Financial Statements (Continued)

For the year ended 31 March 2020

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### 1 Accounting policies

(Continued)

#### 1.8 Financial instruments

Basic financial instruments are measured at amortised cost. The limited liability partnership has no other financial instruments or basic financial instruments measured at fair value.

#### 1.9 Provisions

Provisions are recognised when the limited liability partnership has a legal or constructive present obligation as a result of a past event, it is probable that the limited liability partnership will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

#### 1.10 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense.

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 Retirement benefits and post retirement payments to members

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

#### 1.12 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.

### 2 Employees

The average number of persons (excluding members) employed by the partnership during the year was 57 (2019 - 54).

# Hanne & Co Solicitors LLP

## Notes to the Financial Statements (Continued)

For the year ended 31 March 2020

### 3 Tangible fixed assets

	Land and buildings	Plant and machinery etc	Total
	£	£	£
<b>Cost</b>			
At 1 April 2019	41,527	46,245	87,772
Additions	-	23,864	23,864
At 31 March 2020	41,527	70,109	111,636
<b>Depreciation and impairment</b>			
At 1 April 2019	10,381	15,225	25,606
Depreciation charged in the year	20,763	24,962	45,725
At 31 March 2020	31,144	40,187	71,331
<b>Carrying amount</b>			
At 31 March 2020	10,383	29,922	40,305
At 31 March 2019	31,146	31,020	62,166

### 4 Debtors

	2020	2019
	£	£
<b>Amounts falling due within one year:</b>		
Trade debtors	906,017	980,886
Other debtors	964,463	819,387
	1,870,480	1,800,273

### 5 Creditors: amounts falling due within one year

	2020	2019
	£	£
Bank loans and overdrafts	158,981	504,850
Trade creditors	150,311	145,281
Other taxation and social security	312,171	258,229
Other creditors	30,274	9,480
	651,737	917,840

The LLP's bank overdraft of £75,507 (2019: £377,999) is secured by a debenture and floating charge over the assets of the LLP. The designated members have provided personal guarantees to the firm's banker in respect of the overdrafts, such guarantee being limited to £350,000.

# Hanne & Co Solicitors LLP

## Notes to the Financial Statements (Continued)

For the year ended 31 March 2020

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### 6 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.

### 7 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:

	2020 £	2019 £
Within one year	214,595	200,686
Between two and five years	887,831	1,065,024
In over five years	67,705	267,114
	<u>1,170,131</u>	<u>1,532,824</u>

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