

Limited Liability Partnership Registration No. OC351719 (England and Wales)

**PEARSON SOLICITORS AND FINANCIAL
ADVISERS LLP**

**REPORT AND UNAUDITED FINANCIAL
STATEMENTS
FOR THE PERIOD ENDED
31 JULY 2020**

PAGES FOR FILING WITH REGISTRAR



PEARSON SOLICITORS AND FINANCIAL ADVISERS LLP**STATEMENT OF FINANCIAL POSITION****AS AT 31 JULY 2020**

	Notes	2020 £	£	2019 £	£
Fixed assets					
Goodwill	3		1,200		1,200
Tangible assets	4		76,190		81,993
			<u>77,390</u>		<u>83,193</u>
Current assets					
Stocks		64,545		215,043	
Debtors	5	959,626		1,290,243	
Cash at bank and in hand		534,348		126,973	
		<u>1,558,519</u>		<u>1,632,259</u>	
Creditors: amounts falling due within one year	6	<u>(1,282,450)</u>		<u>(1,126,978)</u>	
Net current assets			<u>276,069</u>		<u>505,281</u>
Total assets less current liabilities			<u>353,459</u>		<u>588,474</u>
Creditors: amounts falling due after more than one year	7		<u>(80,820)</u>		<u>(203,371)</u>
Net assets attributable to members			<u><u>272,639</u></u>		<u><u>385,103</u></u>
Represented by:					
Loans and other debts due to members within one year					
Members' capital classified as a liability			240,000		240,000
Other amounts			32,639		145,103
			<u>272,639</u>		<u>385,103</u>
Total members' interests					
Amounts due from members			(20,893)		-
Loans and other debts due to members			272,639		385,103
			<u>251,746</u>		<u>385,103</u>

The members have elected not to include a copy of the income statement within the financial statements.

PEARSON SOLICITORS AND FINANCIAL ADVISERS LLP

STATEMENT OF FINANCIAL POSITION (CONTINUED)

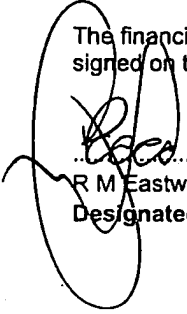
AS AT 31 JULY 2020

For the financial period ended 31 July 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 responsibility for complying with the requirements of the Companies Act 2006 (as applied to limited liability partnerships) with respect to accounting records and the preparation of financial statements.

These financial statements have been prepared and delivered in accordance with the special provisions of the Companies Act 2006 (as applied by the Limited Liability Partnerships (Accounts and Audit) (Application of the Companies Act 2006) Regulations 2008) applicable to LLPs subject to the small LLPs regime.

The financial statements were approved by the members and authorised for issue on 27/1/21 and are signed on their behalf by:


R M Eastwood
Designated member


J P Ormston
Designated Member

PEARSON SOLICITORS AND FINANCIAL ADVISERS LLP

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 JULY 2020

1 Accounting policies

Limited liability partnership information

Pearson Solicitors and Financial Advisers LLP is a limited liability partnership registered and incorporated in England and Wales. The registered office is Albion House, 31 Queen Street, Oldham, Lancashire, OL1 1RD.

The limited liability partnership's principal activities and nature of its operations are disclosed in the Members' Report.

Accounting convention

The financial statements have been prepared under the historical cost convention in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Statement of Recommended Practice "Accounting by Limited Liability Partnerships" (published January 2018). 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.

Going concern

The limited liability partnership ceased trading on 31 July 2020, and was incorporated into a limited company. Following the transfer of trade to Pearson Solicitors and Financial Advisers Ltd, as a going concern, all assets and liabilities were transferred at book value.

Turnover

The turnover shown in the profit and loss account represents amounts receivable during the year, exclusive of Value Added Tax.

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. Revenue in respect of conditional or contingent fee engagements, over and above any agreed minimum fee, is recognised when the contingent event occurs.

PEARSON SOLICITORS AND FINANCIAL ADVISERS LLP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 JULY 2020

1 Accounting policies (Continued)

Members' participation rights

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.

Profits are automatically divided as they arise, so the LLP does not have an unconditional right to refuse payment, so the amounts arising that are due to members are in the nature of liabilities. They are therefore treated as an expense in the Profit and Loss Account in the relevant year. To the extent that they remain unpaid at the period end, they are shown as liabilities in the Balance Sheet.

Other amounts applied to members, for example remuneration paid under an employment contract and interest on capital balances, are treated in the same way as all other divisions of profits, as described above, according to whether the LLP has, in each case, an unconditional right to refuse payment

Intangible fixed assets - goodwill

Goodwill representing the excess of the consideration for an acquired business compared with the fair value of net assets acquired is capitalised and amortised over its estimated useful life up to a maximum of 10 years. This length of time is presumed to be the maximum useful life of purchased goodwill because it is difficult to make projections beyond this period. Goodwill is reviewed for impairment at the end of the first full financial year following each acquisition and subsequently as and when necessary if circumstances emerge that indicate the carrying value may not be recoverable.

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	Over the period of the lease
Furniture and equipment	15% reducing balance
Computer installation	25% straight line

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 credited or charged to profit or loss.

PEARSON SOLICITORS AND FINANCIAL ADVISERS LLP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 JULY 2020

1 Accounting policies (Continued)

Stocks

Work in progress is valued on the basis of direct costs plus attributable overheads based on normal level of activity. Provision is made for any foreseeable losses where appropriate. No element of profit is included in the valuation of work in progress.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

Cash and cash equivalents

Cash and cash equivalents are basic financial instruments 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.

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 debtors 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 financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

Other financial assets

Other financial assets, including trade investments, 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 publicly 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 or 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.

PEARSON SOLICITORS AND FINANCIAL ADVISERS LLP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 JULY 2020

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 and loans from fellow group entities, 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.

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in or in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments where the contractual returns, repayment of the principal, or other terms (such as prepayment provisions or term extensions) do not meet the conditions to be measured at amortised cost, are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at 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, and only when, the company's contractual obligations are discharged, cancelled, or they expire.

Equity instruments

Equity instruments issued by the limited liability partnership are recorded at the fair value of 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.

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.

PEARSON SOLICITORS AND FINANCIAL ADVISERS LLP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 JULY 2020

1 Accounting policies (Continued)

Retirement benefits and post retirement payments to members

The LLP operates a defined contribution pension scheme and the pension charge represents the amounts payable by the LLP to the fund in respect of the year. The assets of the scheme are held separately from those of the LLP in an independently administered fund.

Other post retirement benefits where contractual obligations exist are accrued within creditors.

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.

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.

Taxation

The taxation payable on the partnership profits is solely the personal liability of the individual members consequently neither partnership taxation nor related deferred taxation arising in respect of the partnership are accounted for in these financial statements.

2 Employees

The average number of persons (excluding members) employed by the partnership during the period was 68 (2019 - 66).

3 Intangible fixed assets

	Goodwill £
Cost	
At 1 April 2019 and 31 July 2020	1,200
Carrying amount	
At 31 July 2020	1,200
At 31 March 2019	1,200

PEARSON SOLICITORS AND FINANCIAL ADVISERS LLP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 JULY 2020

4 Tangible fixed assets

	Leasehold improvements	Plant and machinery etc	Total
	£	£	£
Cost			
At 1 April 2019	33,544	207,379	240,923
Additions	-	26,633	26,633
At 31 July 2020	33,544	234,012	267,556
Depreciation and impairment			
At 1 April 2019	21,524	137,406	158,930
Depreciation charged in the period	4,473	27,963	32,436
At 31 July 2020	25,997	165,369	191,366
Carrying amount			
At 31 July 2020	7,547	68,643	76,190
At 31 March 2019	12,020	69,973	81,993

5 Debtors

	2020	2019
	£	£
Amounts falling due within one year:		
Trade debtors	572,338	936,925
Gross amounts owed by contract customers	312,794	288,625
Amounts owed by members	20,893	-
Prepayments and accrued income	53,601	64,693
	959,626	1,290,243

6 Creditors: amounts falling due within one year

	2020	2019
	£	£
Bank loans and overdrafts	626,670	560,509
Taxation and social security	127,528	78,115
Other creditors	528,252	488,354
	1,282,450	1,126,978

Included within creditors falling due under one year are £361,881 (2019 - £350,544) of overdrafts and £340,686 (2019 - £209,966) loans which are secured by the LLP.

PEARSON SOLICITORS AND FINANCIAL ADVISERS LLP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 JULY 2020

7 Creditors: amounts falling due after more than one year

	2020	2019
	£	£
Bank loans and overdrafts	80,820	203,371

Included within creditors falling due after more than one year are loans of £80,820 (2019: £203,371) which are secured by the LLP.

8 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.

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:

	2020	2019
	£	£
Within one year	39,714	54,374
Between one and five years	7,076	12,647
	46,790	67,021

10 Related party transactions

During the year the Limited Liability Partnership was charged rent of £74,658 (2019 - £75,000) by Pearson Hinchliffe Properties "the company", a company in which a number of designated members are directors and shareholders.