

**REGISTRAR OF
COMPANIES**

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

**PEARSON SOLICITORS AND FINANCIAL
ADVISERS LLP**

**REPORT AND UNAUDITED FINANCIAL
STATEMENTS
FOR THE YEAR ENDED
31 MARCH 2018**

PAGES FOR FILING WITH REGISTRAR



PEARSON SOLICITORS AND FINANCIAL ADVISERS LLP**STATEMENT OF FINANCIAL POSITION****AS AT 31 MARCH 2018**

	Notes	2018 £	£	2017 £	£
Fixed assets					
Intangible assets	3		1,200		1,200
Tangible assets	4		88,422		90,068
Current assets					
Stocks		224,914		168,115	
Debtors	5	1,589,728		1,174,669	
Cash at bank and in hand		151,898		233,398	
		<u>1,966,540</u>		<u>1,576,182</u>	
Creditors: amounts falling due within one year	6	<u>(939,736)</u>		<u>(795,947)</u>	
Net current assets			<u>1,026,804</u>		<u>780,235</u>
Total assets less current liabilities			<u>1,116,426</u>		<u>871,503</u>
Represented by:					
Loans and other debts due to members within one year					
Members' capital classified as a liability			382,000		344,000
Other amounts			734,426		527,503
			<u>1,116,426</u>		<u>871,503</u>
Total members' interests					
Loans and other debts due to members			<u>1,116,426</u>		<u>871,503</u>

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

For the financial year ended 31 March 2018 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).

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.

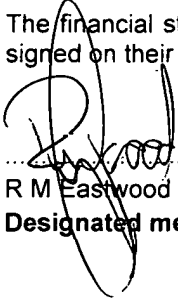
These financial statements have been prepared and delivered in accordance with the special provisions of the Companies Act 2006 (as applied by the Limited Liability Partnerships (Accounts and Audit)(Application of the Companies Act 2006) Regulations 2008) applicable to LLPs subject to the small LLPs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

PEARSON SOLICITORS AND FINANCIAL ADVISERS LLP

STATEMENT OF FINANCIAL POSITION (CONTINUED)

AS AT 31 MARCH 2018

The financial statements were approved by the members and authorised for issue on 24/8/2018 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 YEAR ENDED 31 MARCH 2018

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 2017). 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.

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 YEAR ENDED 31 MARCH 2018

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 YEAR ENDED 31 MARCH 2018

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.

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.

PEARSON SOLICITORS AND FINANCIAL ADVISERS LLP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

1 Accounting policies (Continued)

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.

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.

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 year was 62 (2017 - 59).

PEARSON SOLICITORS AND FINANCIAL ADVISERS LLP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2018

3 Intangible fixed assets

	Goodwill £
Cost	
At 1 April 2017 and 31 March 2018	1,200
Carrying amount	
At 31 March 2018	1,200
At 31 March 2017	1,200

4 Tangible fixed assets

	Leasehold improvements £	Plant and machinery etc £	Total £
Cost			
At 1 April 2017	33,544	162,351	195,895
Additions	-	23,260	23,260
At 31 March 2018	33,544	185,611	219,155
Depreciation and impairment			
At 1 April 2017	14,815	91,012	105,827
Depreciation charged in the year	3,355	21,551	24,906
At 31 March 2018	18,170	112,563	130,733
Carrying amount			
At 31 March 2018	15,374	73,048	88,422
At 31 March 2017	18,729	71,339	90,068

5 Debtors

	2018 £	2017 £
Amounts falling due within one year:		
Trade debtors	1,222,753	835,415
Amounts recoverable on long term contracts	292,871	261,517
Other debtors	7,782	-
Prepayments and accrued income	66,322	77,737
	1,589,728	1,174,669

PEARSON SOLICITORS AND FINANCIAL ADVISERS LLP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

6 Creditors: amounts falling due within one year

	2018 £	2017 £
Bank loans and overdrafts	539,056	472,724
Other taxation and social security	69,612	48,128
Other creditors	331,068	275,095
	<u>939,736</u>	<u>795,947</u>

Included within creditors falling due under one year are £407,106 (2017 - £398,142) of overdrafts and £Nil (2017 - £74,582) loans which are secured by the LLP.

7 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.

8 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:

	2018 £	2017 £
Within one year	48,108	43,429
Between one and five years	23,156	29,784
	<u>71,264</u>	<u>73,213</u>

9 Related party transactions

During the year the Limited Liability Partnership was charged rent of £75,000 (2017- £75,000) by Pearson Hinchliffe Properties "the company", a company in which a number of designated members are directors and shareholders.