

## **Sarginsons Law LLP**

Unaudited Financial Statements

Year Ended

31 March 2023

Company Number OC342188

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# **Sarginsons Law LLP**

## **Chartered Accountants' Report to the Members on the preparation of the Unaudited Statutory Financial Statements of Sarginsons Law LLP for the Year Ended 31 March 2023**

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In order to assist you to fulfil your duties under the Limited Liability Partnerships (Accounts and Audit) (Application of the Companies Act 2006) Regulations 2008, we have prepared for your approval the financial statements of Sarginsons Law LLP for the year ended 31 March 2023 which comprise the Statement of Financial Position and the related notes from the LLP's accounting records and from information and explanations you have given us.

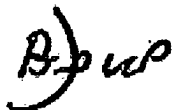
As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at <https://www.icaew.com/regulation/a-z>.

It is your duty to ensure that Sarginsons Law LLP has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the assets, liabilities, financial position and result of Sarginsons Law LLP. You consider that Sarginsons Law LLP is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or review of the financial statements of Sarginsons Law LLP. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory financial statements.

### **Use of our report**

This report is made solely to the members of Sarginsons Law LLP, as a body, in accordance with the terms of our engagement letter. Our work has been undertaken solely to prepare for your approval the accounts of Sarginsons Law LLP and state those matters that we have agreed to state to the limited liability partnership's members, as a body, in this report in accordance with ICAEW Technical Release TECH07/16AAF. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the limited liability partnership and the limited liability partnership's members as a body for our work or for this report.



**BDO LLP**

**Chartered Accountants**

Two Snowhill

Birmingham

B4 6GA

Date: 9 August 2023

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)

**Sarginsons Law LLP**  
Registered number: OC342188

**Statement of Financial Position**  
**As at 31 March 2023**

	Note	2023 £	2023 £	2022 £	2022 £
<b>Fixed assets</b>					
Tangible assets	4		857		1,795
			<u>857</u>		<u>1,795</u>
<b>Current assets</b>					
Debtors: amounts falling due within one year	5	266,760		237,062	
Cash at bank and in hand	6	3,167,557		7,910,643	
		<u>3,434,317</u>		<u>8,147,705</u>	
Creditors: amounts falling due within one year	7	(3,120,623)		(7,931,550)	
<b>Net current assets</b>			<u>313,694</u>		<u>216,155</u>
<b>Total assets less current liabilities</b>			<u>314,551</u>		<u>217,950</u>
<b>Net assets</b>			<u><u>314,551</u></u>		<u><u>217,950</u></u>
<b>Represented by:</b>					
<b>Loans and other debts due to members within one year</b>					
Loans and other amounts due to members	8		314,551		217,950
			<u>314,551</u>		<u>217,950</u>
<b>Total members' interests</b>					
Loans and other debts due to members	8		314,551		217,950
			<u>314,551</u>		<u>217,950</u>

**Sarginsons Law LLP**  
Registered number:OC342188

**Statement of Financial Position (continued)**  
**As at 31 March 2023**

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The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small LLPs regime.

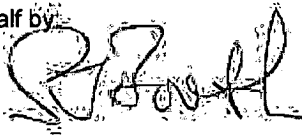
The entity was entitled to exemption from audit under section 477 of the Companies Act 2006, as applied by The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008.

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

The financial statements have been delivered in accordance with the provisions applicable to LLPs subject to the small LLPs regime.

The entity has opted not to file the statement of comprehensive income in accordance with the provisions applicable to entities subject to the small LLPs regime.

The financial statements were approved and authorised for issue by the Members and were signed on their behalf by



**S J Booth**  
Designated Member

Date:

9th August 2023

The notes on pages 4 to 9 form part of these financial statements.

Sarginsons Law LLP has no equity and, in accordance with the provisions contained within the Statement of Recommended Practice "Accounting by Limited Liability Partnerships", has not presented a Statement of Changes in Equity.

# **Sarginsons Law LLP**

## **Notes to the Financial Statements For the Year Ended 31 March 2023**

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### **1. General information**

Sarginsons Law LLP is an LLP incorporated on 18 December 2008. The registered office is 10 The Quadrant, Coventry, West Midlands, CV1 2EL. The LLP is registered in England and Wales, registered number OC342188.

The principal object of the LLP is to provide professional services in conveyancing, wills, probate, trust, civil law, accident and personal injury, crime and motoring and legal aid services.

### **2. Accounting policies**

#### **2.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006 and the requirements of the Statement of Recommended Practice "Accounting by Limited Liability Partnerships".

The financial statements are presented in Sterling, which is considered to be the functional currency of the LLP, and are rounded to the nearest £1.

#### **2.2 Going concern**

An agreement to sell the trade and work in progress of Sarginsons Law LLP was signed on 30 March 2023, with the sale occurring on 30 April 2023. The LLP is therefore not considered to be a going concern.

Following the sale, it is the intention of the Members to wind up the LLP. The Statement of Financial Position reflects the amounts that are considered to be recoverable as part of the sale and winding up process. The LLP is expected to be able to meet all liabilities as they fall due.

#### **2.3 Revenue**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the LLP and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

##### **Rendering of services**

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the LLP will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

#### **2.4 Operating leases: the LLP as lessee**

Rentals paid under operating leases are charged to the Statement of comprehensive income on a straight-line basis over the lease term.

# **Sarginsons Law LLP**

## **Notes to the Financial Statements For the Year Ended 31 March 2023**

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

#### **2.5 Interest income**

Interest income is recognised in the Statement of comprehensive income using the effective interest method.

#### **2.6 Finance costs**

Finance costs are charged to the Statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

#### **2.7 Borrowing costs**

All borrowing costs are recognised in the Statement of comprehensive income in the year in which they are incurred.

#### **2.8 Pensions**

##### **Defined contribution pension plan**

The LLP operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the LLP pays fixed contributions into a separate entity. Once the contributions have been paid the LLP has no further payment obligations.

The contributions are recognised as an expense in the Statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the LLP in independently administered funds.

#### **2.9 Division and distribution of profits**

A division of profits is the mechanism by which the profits of an LLP become a debt due to members. A division may be automatic or discretionary, may relate to some or all of the profits for a financial period and may take place during or after the end of a financial period.

An automatic division of profits is one where the LLP does not have an unconditional right to avoid making a division of an amount of profits based on the members' agreement in force at the time, whereas a discretionary division of profits requires a decision to be made by the LLP, which it has the unconditional right to avoid making.

The LLP divides profits automatically. Automatic divisions of profits are recognised as 'Members' remuneration charged as an expense in .

#### **2.10 Tangible fixed assets**

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

# Sarginsons Law LLP

## Notes to the Financial Statements For the Year Ended 31 March 2023

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### 2. Accounting policies (continued)

#### 2.10 Tangible fixed assets (continued)

Depreciation is provided on the following basis:

Fixtures and fittings	- 7 years - straight line basis
Computer equipment	- 3 years - straight line basis

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of comprehensive income.

#### 2.11 Debtors

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

#### 2.12 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

#### 2.13 Creditors

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

#### 2.14 Financial instruments

The LLP only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

#### 2.15 Transfer of members' interests

During the year £nil was transferred from members' capital interests to debts due to members.

### 3. Employees

The average monthly number of employees, including directors, during the year was 15 (2022 = 14).

# Sarginsons Law LLP

## Notes to the Financial Statements For the Year Ended 31 March 2023

### 4. Tangible fixed assets

	Fixtures and fittings £	Computer equipment £	Total £
<b>Cost or valuation</b>			
At 1 April 2022	33,381	16,513	49,894
Disposals	(26,822)	(16,513)	(43,335)
At 31 March 2023	6,559	-	6,559
<b>Depreciation</b>			
At 1 April 2022	31,586	16,513	48,099
Charge for the year	938	-	938
Disposals	(26,822)	(16,513)	(43,335)
At 31 March 2023	5,702	-	5,702
<b>Net book value</b>			
At 31 March 2023	857	-	857
At 31 March 2022	1,795	-	1,795

### 5. Debtors

	2023 £	2022 £
Trade debtors	16,708	33,993
Accrued income (WIP)	183,111	143,682
Prepayments	66,941	59,387
	<b>266,760</b>	<b>237,062</b>



# Sarginsons Law LLP

## Notes to the Financial Statements For the Year Ended 31 March 2023

### 6. Cash and cash equivalents

	2023 £	2022 £
Cash at bank and in hand	3,167,557	7,910,643
Less: bank overdrafts	-	(18,674)
	<u>3,167,557</u>	<u>7,891,969</u>

### 7. Creditors: amounts falling due within one year

	2023 £	2022 £
Bank overdrafts	-	18,674
Client accounts	3,032,265	7,849,199
Other taxation and social security	33,227	42,409
Accruals and deferred income	55,131	21,268
	<u>3,120,623</u>	<u>7,931,550</u>

The bank overdraft is secured by fixed and floating charges over all assets held by the LLP and by personal guarantees for equal amounts on behalf of I Cox, S Booth, C Bailey and L Robson, who are all members of the LLP.

### 8. Loans and other debts due to members

	2023 £	2022 £
Loans and other amounts due to members	<u>314,551</u>	<u>217,950</u>

Loans and other amounts due to members rank equally with debts due to ordinary creditors in the event of a winding up.

# Sarginsons Law LLP

## Notes to the Financial Statements For the Year Ended 31 March 2023

### 9. Commitments under operating leases

At 31 March 2023 the LLP had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2023 £	2022 £
Not later than 1 year	37,464	37,464
Later than 1 year and not later than 5 years	93,660	131,124
	<u>131,124</u>	<u>168,588</u>

After the year end, the lease that the above commitment relates to was assigned to Talbots Law Limited. Therefore, the above commitment was extinguished on 1 May 2023, when the lease was assigned.

### 10. Post balance sheet events

On 30 April 2023 the trade and work in progress of the Sarginsons Law LLP were sold to Talbots Law Limited. The LLP's employees were transferred under a TUPE arrangement.

Talbots Law Limited, acquired the WIP at its book value as at 30 April 2023 and paid £205,000 in respect of the trade and goodwill of the business.