

Limited Liability Partnership Registration No. OC382406 (England and Wales)

EC3 LEGAL LLP

ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

PAGES FOR FILING WITH REGISTRAR

EC3 LEGAL LLP

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STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2020

	2020 £	2019 £
Profit for the financial year available for discretionary division among members	260,976	685,921
Other comprehensive income	-	-
Total comprehensive income for the year	<u>260,976</u>	<u>685,921</u>

EC3 LEGAL LLP

BALANCE SHEET

AS AT 31 MARCH 2020

	Notes	2020		2019	
		£	£	£	£
Fixed assets					
Tangible assets	3		23,662		42,112
Investments	4		1		1
			<u>23,663</u>		<u>42,113</u>
Current assets					
Debtors	5	700,473		1,111,943	
Cash at bank and in hand		585,428		296,730	
		<u>1,285,901</u>		<u>1,408,673</u>	
Creditors: amounts falling due within one year					
Other creditors	6	226,025		295,553	
Taxation and social security		106,863		55,240	
		<u>332,888</u>		<u>350,793</u>	
Net current assets			<u>953,013</u>		<u>1,057,880</u>
Total assets less current liabilities			<u>976,676</u>		<u>1,099,993</u>
Represented by:					
Loans and other debts due to members within one year					
Amounts due in respect of profits			337,676		472,993
Members' other interests					
Members' capital classified as equity			639,000		627,000
			<u>976,676</u>		<u>1,099,993</u>
Total members' interests					
Loans and other debts due to members			337,676		472,993
Members' other interests			639,000		627,000
			<u>976,676</u>		<u>1,099,993</u>

The members of the limited liability partnership have elected not to include a copy of the profit and loss account within the financial statements.

EC3 LEGAL LLP

BALANCE SHEET (CONTINUED)

AS AT 31 MARCH 2020

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 14 June 2021 and are signed on their behalf by:

Mr D Coupe

Designated member

Limited Liability Partnership Registration No. OC382406

EC3 LEGAL LLP

RECONCILIATION OF MEMBERS' INTERESTS
FOR THE YEAR ENDED 31 MARCH 2020

Current 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	Other amounts	Total	Total 2020
	£	£	£	£	£	£
Amounts due to members				472,993		
Members' interests at 1 April 2019	627,000	130,693	757,693	472,993	472,993	1,230,684
Profit for the financial year available for discretionary division among members	-	260,976	260,976	-	-	260,976
Members' interests after profit for the year	627,000	391,669	1,018,669	472,993	472,993	1,491,660
Allocation of profit for the financial year	-	-	-	391,669	391,669	391,669
Other divisions of profits	-	(391,669)	(391,669)	-	-	(391,669)
Introduced by members	78,000	-	78,000	-	-	78,000
Repayments of capital	(66,000)	-	(66,000)	-	-	(66,000)
Drawings	-	-	-	(526,986)	(526,986)	(526,986)
Members' interests at 31 March 2020	639,000	-	639,000	337,676	337,676	976,676
Amounts due to members				337,676		
				337,676		

EC3 LEGAL LLP

RECONCILIATION OF MEMBERS' INTERESTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020

Prior financial year

	EQUITY			DEBT		TOTAL
	Members' other interests		Total	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	Other amounts	Total
	£	£	£	£	£	£
Amounts due to members				869,767		
Members' interests at 1 April 2018	627,000	-	627,000	869,769	869,769	1,496,769
Profit for the period available for discretionary division among members	-	685,921	685,921	-	-	685,921
Members' interests after profit for the period	627,000	685,921	1,312,921	869,769	869,769	2,182,690
Allocation of profit for the period	-	-	-	685,919	685,919	685,919
Other divisions of profits	-	(685,921)	(685,921)	-	-	(685,921)
Drawings	-	-	-	(1,082,695)	(1,082,695)	(1,082,695)
Members' interests at 31 March 2019	627,000	-	627,000	472,993	472,993	1,099,993
Amounts due to members				472,993		
				472,993		

EC3 LEGAL LLP

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

1 Accounting policies

Limited liability partnership information

EC3 Legal LLP is a limited liability partnership incorporated in England and Wales. The registered office is Fourth Floor, 106 Leadenhall Street, London, EC3A 4AA.

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 January 2017, 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.

The limited liability partnership has taken advantage of the exemption under section 399 of the Companies Act 2006 not to prepare consolidated accounts, on the basis that the group of which it is a parent qualifies as a small group. The financial statements present information about the limited liability partnership as an individual entity and not about its group.

The limited liability partnership has taken advantage of the exemption, under Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

1.2 Turnover

Turnover represents the amounts recoverable for legal services net of VAT and trade discounts.

At the Balance sheet date, income has been accrued for all time spent on matters which have not been billed and there is a contractual obligation for the client to pay.

EC3 LEGAL LLP

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020**

1 Accounting policies (Continued)

1.3 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.

1.4 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:

Fixtures, fittings & equipment	25% straight line
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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.

1.5 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the limited liability partnership. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

EC3 LEGAL LLP

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020**

1 Accounting policies (Continued)

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). Where it is not possible to estimate the recoverable amount of an individual asset, the limited liability partnership estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.7 Cash at bank and in hand

Cash and cash equivalents include cash in hand, deposits held at call with banks, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.8 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 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.

EC3 LEGAL LLP

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020**

1 Accounting policies (Continued)

Impairment of financial assets

Financial assets, other than those held at fair value through profit and 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.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

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 creditors, bank loans, are initially recognised at transaction price unless the arrangement constitutes a financing transaction.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. Trade creditors are recognised initially at transaction price.

Derecognition of financial liabilities

Financial liabilities are derecognised when the limited liability partnership's obligations expire or are discharged or cancelled.

1.9 Retirement benefits and post retirement payments to members

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

1.10 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 0 (2018 - 0).

EC3 LEGAL LLP

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020**

3 Tangible fixed assets	Fixtures, fittings & equipment	
	£	
Cost		
At 1 April 2019 and 31 March 2020		123,224
Depreciation and impairment		
At 1 April 2019		81,112
Depreciation charged in the year		18,450
At 31 March 2020		99,562
Carrying amount		
At 31 March 2020		23,662
At 31 March 2019		42,112
		<u>42,112</u>
4 Fixed asset investments		
	2020	2019
	£	£
Investments	1	1
	<u>1</u>	<u>1</u>
5 Debtors		
	2020	2019
	£	£
Amounts falling due within one year:		
Trade debtors	428,231	493,114
Amounts owed by group undertakings	-	81,529
Other debtors	193,258	477,555
Prepayments	78,984	59,745
	<u>700,473</u>	<u>1,111,943</u>
	<u>700,473</u>	<u>1,111,943</u>
6 Other creditors falling due within one year		
	2020	2019
	£	£
Trade creditors	118,276	106,703
Other creditors	107,749	188,850
	<u>226,025</u>	<u>295,553</u>
	<u>226,025</u>	<u>295,553</u>

EC3 LEGAL LLP

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020**

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 Financial commitments, guarantees and contingent liabilities

EC3 Legal LLP has obtained an unsecured Loan Facility to finance the acquisition of an equity stake by means of a Capital advance to the LLP and it has undertaken to repay the Lender in the event of any default by a Member. The aggregate amount of the Loan will not exceed £500,000 and is subject to a variable rate of interest currently payable by the member in proportion to their Capital advance. The term of the Loan is 10 years from the 1st Drawdown Date

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, as follows:

2020	2019
£	£
798,970	1,027,247
<u>798,970</u>	<u>1,027,247</u>

