

Registration number: OC346998

Pearn Kandola LLP

Annual Report and Unaudited Financial Statements
for the Year Ended 31 March 2022

Wenn Townsend
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Pearn Kandola LLP

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Pearn Kandola LLP

Limited liability partnership information

Designated members Prof R S Kandola
Mr S R S Duff

Registered office Latimer House 1st Floor
Langford Business Park Langford Locks
Kidlington
England
OX5 1GG

Accountants Wenn Townsend
Chartered Accountants
30 St Giles
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OX1 3LE

Pearn Kandola LLP

(Registration number: OC346998)
Balance Sheet as at 31 March 2022

	Note	2022 £	2021 £
Fixed assets			
Intangible assets	<u>3</u>	827,852	741,511
Tangible assets	<u>4</u>	71,660	67,245
Investments	<u>5</u>	5,632	5,897
		<u>905,144</u>	<u>814,653</u>
Current assets			
Stocks	<u>6</u>	31,682	174,252
Debtors	<u>7</u>	1,912,396	1,642,217
Cash and short-term deposits		922,784	1,882,077
		<u>2,866,862</u>	<u>3,698,546</u>
Creditors: Amounts falling due within one year	<u>8</u>	<u>(1,045,706)</u>	<u>(580,882)</u>
Net current assets		<u>1,821,156</u>	<u>3,117,664</u>
Net assets attributable to members		<u>2,726,300</u>	<u>3,932,317</u>
Represented by:			
Loans and other debts due to members			
Members' capital classified as a liability		<u>2,726,300</u>	<u>3,932,317</u>
		<u>2,726,300</u>	<u>3,932,317</u>
Total members' interests			
Amounts due from members		(488,496)	(78,658)
Loans and other debts due to members		<u>2,726,300</u>	<u>3,932,317</u>
		<u>2,237,804</u>	<u>3,853,659</u>

For the year ending 31 March 2022 the limited liability partnership was entitled to exemption from audit under section 477 of the Companies Act 2006, as applied to limited liability partnerships, relating to small entities.

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006, as applied to small limited liability partnerships.

These financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime, as applied to limited liability partnerships, and the option not to file the Profit and Loss Account has been taken.

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

The financial statements of Pearn Kandola LLP (registered number OC346998) were approved by the Board and authorised for issue on 16 December 2022 . They were signed on behalf of the limited liability partnership by:

The notes on pages 5 to 11 form an integral part of these financial statements.

Pearn Kandola LLP

(Registration number: OC346998)

Balance Sheet as at 31 March 2022 (continued)

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Prof R S Kandola
Designated member

Pearn Kandola LLP

**Statement of Changes in Members' Interests
At 31 March 2022**

	Loans and other debts due to/(from) members		
	Members' capital classified as a liability £	Members' other amounts £	Total 2022 £
Members' interest at 1 April 2021	1,161,511	2,770,806	3,932,317
Members' remuneration charged as an expense	-	966,895	966,895
Members' interests after profit for the year	1,161,511	3,737,701	4,899,212
Gains arising on revaluation of goodwill	86,341	-	86,341
Members' interests after total comprehensive income	1,247,852	3,737,701	4,985,553
Movement in tax provision	-	(663,379)	(663,379)
Drawings (including tax payments)	-	(1,595,874)	(1,595,874)
At 31 March 2022	<u>1,247,852</u>	<u>1,478,448</u>	<u>2,726,300</u>

	Loans and other debts due to/(from) members		
	Members' capital classified as a liability £	Members' other amounts £	Total 2021 £
Members' interest at 1 April 2020	1,161,511	1,686,114	2,847,625
Members' remuneration charged as an expense	-	2,092,631	2,092,631
Members' interests after total comprehensive income	1,161,511	3,778,745	4,940,256
Movement in tax provision	-	384,316	384,316
Drawings (including tax payments)	-	(1,392,255)	(1,392,255)
At 31 March 2021	<u>1,161,511</u>	<u>2,770,806</u>	<u>3,932,317</u>

The notes on pages 5 to 11 form an integral part of these financial statements.

Pearn Kandola LLP

Notes to the Financial Statements for the Year Ended 31 March 2022

1 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements have been prepared in accordance with Financial Reporting Standard 102 Section 1A - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

General information and basis of accounting

The limited liability partnership is incorporated in England and Wales under the Limited Liability Partnership Act 2000. The address of the registered office is given on the limited liability partnership information page.

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

The functional currency of Pearn Kandola LLP is considered to be pounds sterling because that is the currency of the primary economic environment in which the limited liability partnership operates. Foreign operations are included in accordance with the policies set out below.

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the rendering of services in the ordinary course of the limited liability partnership's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts.

The limited liability partnership recognises revenue when:

The amount of revenue can be reliably measured;

it is probable that future economic benefits will flow to the entity;

and specific criteria have been met for each of the limited liability partnership's activities activities.

Taxation

The taxation payable on the partnership's profits is the personal liability of the members, although payment of such liabilities is administered by the partnership on behalf of its members. Consequently, neither partnership taxation nor related deferred taxation is accounted for in these financial statements. Sums set aside in respect of members' tax obligations are included in the balance sheet within loans and other debts due to members, or are set against amounts due from members as appropriate.

Goodwill

Positive goodwill is capitalised, classified as an asset on the balance sheet and amortised on a straight line basis over its useful economic life. It is reviewed for impairment at the end of the first full financial year following the acquisition and in other periods if events or changes in circumstances indicate that the carrying value may not be recoverable.

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Notes to the Financial Statements for the Year Ended 31 March 2022 (continued)

1 Accounting policies (continued)

Intangible assets

Intangible assets are stated in the balance sheet at cost less accumulated amortisation and impairment. They are amortised on a straight line basis over their estimated useful lives.

Tangible fixed assets

Tangible assets are stated in the balance sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Asset class	Depreciation method and rate
Office equipment	15% reducing balance and 20% straight line
Computer equipment	33.3% straight line

Fixed asset investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in unlisted LLP shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Statement of Comprehensive income for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

Investments in listed company shares are remeasured to market value at each Balance Sheet date. Gains and losses on remeasurement are recognised in profit or loss for the period.

Stock and work in progress

Stock and work in progress are valued at the lower of cost and net realisable value, after due regard for obsolete and slow moving stocks. Net realisable value is based on selling price less anticipated costs to completion and selling costs. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised at the transaction price. A provision for the impairment of trade debtors is established when there is objective evidence that the limited liability partnership will not be able to collect all amounts due according to the original terms of the receivables.

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Notes to the Financial Statements for the Year Ended 31 March 2022 (continued)

1 Accounting policies (continued)

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the limited liability partnership does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised at the transaction price.

Members' interests

Amounts due to members after more than one year comprise provisions for annuities to current members and certain loans from members which are not repayable within twelve months of the balance sheet date.

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Notes to the Financial Statements for the Year Ended 31 March 2022 (continued)

1 Accounting policies (continued)

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 other related parties and investments in non-puttable ordinary shares.

2 Particulars of employees

The average number of persons employed by the limited liability partnership during the year was 36 (2021 - 29).

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Notes to the Financial Statements for the Year Ended 31 March 2022 (continued)

3 Intangible fixed assets

	Goodwill £	Total £
Cost		
At 1 April 2021	741,511	741,511
Revaluation on partnership share movements	86,341	86,341
	827,852	827,852
At 31 March 2022	827,852	827,852
Amortisation		
At 31 March 2022	-	-
Net book value		
At 31 March 2022	827,852	827,852
At 31 March 2021	741,511	741,511

4 Tangible fixed assets

	Office equipment £	Computer equipment £	Total £
Cost			
At 1 April 2021	128,680	112,265	240,945
Additions	4,368	25,658	30,026
Disposals	(3,738)	-	(3,738)
	129,310	137,923	267,233
At 31 March 2022	129,310	137,923	267,233
Depreciation			
At 1 April 2021	88,450	85,250	173,700
Charge for the year	6,384	18,782	25,166
Eliminated on disposals	(3,293)	-	(3,293)
	91,541	104,032	195,573
At 31 March 2022	91,541	104,032	195,573
Net book value			
At 31 March 2022	37,769	33,891	71,660
At 31 March 2021	40,230	27,015	67,245

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Notes to the Financial Statements for the Year Ended 31 March 2022 (continued)

5 Investments held as fixed assets

	2022 £	2021 £
Other investments	5,632	5,897

Other investments

	Subsidiary investment £	Unlisted investments £	Total £
Cost			
At 1 April 2021	3,540	2,357	5,897
Revaluation	-	(265)	(265)
At 31 March 2022	3,540	2,092	5,632
Net book value			
At 31 March 2022	3,540	2,092	5,632
At 31 March 2021	3,540	2,357	5,897

Details of undertakings

Details of the investments in which the limited liability partnership holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking Country of incorporation Holding Proportion of voting rights and shares held Principal activity

Subsidiary undertakings

Pearn Kandola Digital Solutions Limited	England and Wales	Ordinary shares	85 %	that of activities	digital consultancy
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Notes to the Financial Statements for the Year Ended 31 March 2022 (continued)

6 Stocks

	2022 £	2021 £
Stocks	14,206	12,342
Work in progress	17,476	161,910
	<u>31,682</u>	<u>174,252</u>

7 Debtors

	2022 £	2021 £
Trade debtors	1,290,354	1,510,665
Inter company balance	488,496	78,658
Prepayments and accrued income	133,546	52,894
	<u>1,912,396</u>	<u>1,642,217</u>

8 Creditors: Amounts falling due within one year

	2022 £	2021 £
Trade creditors	329,692	113,625
Accruals and deferred income	485,753	216,794
Taxation and social security	230,261	250,463
	<u>1,045,706</u>	<u>580,882</u>

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