

TLT LLP

**Annual report and audited financial
statements**

for the year ended 30 April 2019

Registered number: OC0308658

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TLT LLP

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TLT LLP

Members' report

The members present their annual report on the affairs of the group, together with the financial statements and auditor's report, for the year ended 30 April 2019.

Firm structure

The LLP is a Limited Liability Partnership registered in England and Wales. The registered office and principal place of business is One Redcliff Street, Bristol BS1 6TP.

The LLP has a branch, as defined in Section 1046(3) of the Companies Act 2006, outside the UK in Greece.

Principal activity

TLT LLP (the "Partnership") and its subsidiary entities (together the "group") are principally engaged in the provision of legal services in the United Kingdom and also in Greece. The subsidiary undertakings are set out in note 9.

Review of the business and future developments

A summary of the results for the year and the financial position are set out in the financial statements on pages 6 to 25. During the financial year the group has continued its strategy to grow and provide legal services in all three legal jurisdictions in the United Kingdom showing reasonable growth in income that increased by £5.1m (6%) to £86.7m. Profits available to members increased after continued high investment costs in infrastructure and lateral hires. Net assets increased by £3.4m to £27.1m. The members consider that a satisfactory result was achieved for the full year with a strong financial performance whilst continuing to invest at a significant level. This investment through growth and partner hires in all offices as well as premises and technology infrastructure will continue in 2019/20.

The members remain positive and committed to the future growth and success of TLT LLP, and plan to maintain its strategy of planned growth in its chosen sectors and jurisdictions.

TLT (NI) LLP is not directly owned by the TLT LLP group but the results are consolidated due to its being under common control by virtue of its members.

Going concern

After making enquiries, the members have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future being the period of at least 12 months from the signing of these financial statements. Accordingly, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in note 1 to the financial statements.

Distributions

Details of the distribution of profits are given in the statement of changes in members' interests and in note 1 to the financial statements.

Members' drawings and the subscription and repayment of members' capital

Salaried members are remunerated through employment contracts with TLT LLP.

Fixed share members are entitled to a guaranteed share of the firm's profit and participation in a profit-sharing pool alongside the designated members who participate fully in the firm's profit share, share the risks and subscribe to the firm's capital.

Fixed share members are required to contribute capital of 25% to 28% of their contractually-entitled earnings. They participate in the profit-sharing pool pro rata to their capital contribution. Capital is subscribed and repaid at par.

A designated member's capital requirement comprises a fixed element of £250,000 (2018 - £250,000). New designated members subscribe their capital at par and retiring members are repaid their capital at par. The payment of capital to retiring members is made over a period of between one and three years, but this period can be altered by mutual agreement of the continuing and retiring members.

TLT LLP

Members' report (continued)

Members' drawings and the subscription and repayment of members' capital (continued)

Drawings comprise salaries and other amounts paid monthly. Further distributions are made subject to the cash requirements of the business.

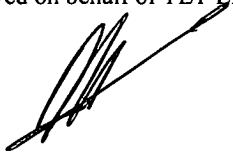
During the year, capital totalling £1,452,000 (2018: £946,000) was received from members and £836,000 (2018: £713,000) was repaid to members.

Designated members

The designated members, who served during the year and subsequently, unless otherwise stated, were as follows:

A Bell (designated from 1 May 2018)	W Hull	D Smithen
S Butterworth	P Jervis	R Staunton (not designated from 1 May 2019)
S Campbell	J Lucas	J Stewart (designated from 1 May 2018)
P Carney	A Lyon	J Touzel
R Clothier	J Mant	M Trower
M Connolly	S McBride	R Waller (not designated from 1 May 2019)
L Convery	T McEntegart	G Walters
K Evans	G Orchison	B Watson (designated from 1 May 2018)
J Forsyth	C Owen	A Webber
A Glynn	D Pester	J Wood
S Goss	I Roberts	
K Gwyther	G Roscoe	
R Hayllar	M Routley	
J Hoey	J P Sheridan	

Approved on behalf of TLT LLP by:



David Pester
Designated Member
11 December 2019

TLT LLP

Members' responsibilities statement

The members are responsible for preparing the members' report and financial statements in accordance with applicable law and regulation.

The Limited Liability Partnerships (*Accounts and Audit*) (*Application of the Companies Act 2006*) *Regulations 2008* require the members to prepare financial statements for each financial year. Under these regulations the members have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under these regulations the members must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Limited Liability Partnership and of the profit or loss of the Limited Liability Partnership for that period.

In preparing these financial statements, the members are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Limited Liability Partnership will continue in business.

The members are responsible for keeping adequate accounting records that are sufficient to show and explain the Limited Liability Partnership's transactions, disclose with reasonable accuracy at any time the financial position of the Limited Liability Partnership, and enable them to ensure that the financial statements comply with the Limited Liability Partnerships (*Accounts and Audit*) (*Application of the Companies Act 2006*) *Regulations 2008*. They are also responsible for safeguarding the assets of the Limited Liability Partnership and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TLT LLP

Opinion

We have audited the financial statements of TLT LLP ("the Limited Liability Partnership") for the year ended 30 April 2019 which comprise the consolidated profit and loss account and statement of other comprehensive income, the consolidated and Limited Liability Partnership balance sheets, the consolidated and Limited Liability Partnership statements of changes in members' interests, the consolidated cash flow statement and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Group and the Limited Liability Partnership's affairs as at 30 April 2019 and the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of the Companies Act 2006) Regulations 2008.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Limited Liability Partnership in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Members' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Members have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Limited Liability Partnership's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The Members are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TLT LLP

(continued)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 as applied to limited liability partnerships requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Members

As explained more fully in the Members' responsibilities statement, the Members are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Members are responsible for assessing the Limited Liability Partnership's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Members either intend to liquidate the Limited Liability Partnership or to cease operations, or have no realistic alternative but to do so.

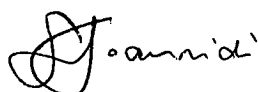
Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Limited Liability Partnership's members, as a body, in accordance with the Limited Liability Partnerships (Accounts and Audit) (Application of the Companies Act 2006) Regulations 2008. Our audit work has been undertaken so that we might state to the Limited Liability Partnership's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Partnership and the Limited Liability Partnership's members as a body, for our audit work, for this report, or for the opinions we have formed.



Sarah Joannidi (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
Bristol

Date: 12 December 2019

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

TLT LLP

Consolidated profit and loss account and statement of other comprehensive income

For the year ended 30 April 2019

	Note	2019 £'000	2018 £'000
Turnover	3	86,714	81,641
Other operating income		361	378
		<u>87,075</u>	<u>82,019</u>
Other external charges			
Staff costs	4	(36,067)	(34,133)
Depreciation and amortisation	5	(2,607)	(2,519)
Other operating expenses		<u>(24,156)</u>	<u>(21,803)</u>
Operating profit	5	24,245	23,564
Interest receivable and similar income	6	293	157
Interest payable and similar charges	6	<u>(292)</u>	<u>(320)</u>
Profit on ordinary activities before members' remuneration and profit shares		24,246	23,401
Members' remuneration charged as an expense		<u>(24,246)</u>	<u>(23,401)</u>
Profit for the financial year and total comprehensive income available for discretionary division among members	7	<u>-</u>	<u>-</u>

All results relate to continuing activities.

There was no other comprehensive income in the year (2018: none).

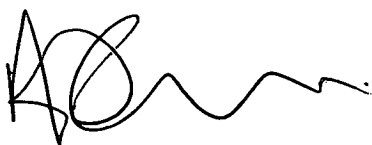
The notes on pages 12 to 25 form part of these financial statements.

TLT LLP

Consolidated balance sheet At 30 April 2019

	Note	2019 £'000	2018 £'000
Fixed assets			
Tangible assets	8	10,357	10,774
Fixed asset investments	9	19	19
		<u>10,376</u>	<u>10,793</u>
Current assets			
Debtors	10	39,604	35,695
Cash at bank and in hand		374	2,776
		<u>39,978</u>	<u>38,471</u>
Creditors: amounts falling due within one year	11	<u>(18,456)</u>	<u>(22,417)</u>
Net current assets		<u>21,522</u>	<u>16,054</u>
Total assets less current liabilities		31,898	26,847
Creditors: amounts falling due after more than one year	12	(4,077)	(2,562)
Provisions for liabilities	13	<u>(754)</u>	<u>(595)</u>
Net assets attributable to members		<u>27,067</u>	<u>23,690</u>
Represented by:			
Loans and other debts due to members within one year			
Members' capital classified as a liability		12,711	12,095
Loans and other debts due to members		14,356	11,595
Total members' interests		<u>27,067</u>	<u>23,690</u>

The financial statements of TLT LLP (registered number OC0308658) were approved by the members and authorised for issue on 11 December 2019. They were signed on behalf of the members by:



Andrew Glynn
Senior Partner - Designated member



David Pester
Managing Partner - Designated member

The notes on pages 12 to 25 form part of these financial statements.


TLT LLP

Limited Liability Partnership balance sheet At 30 April 2019

	Note	2019 £'000	2018 £'000
Fixed assets			
Tangible assets	8	9,120	10,774
Fixed asset investments	9	19	19
		<u>9,139</u>	<u>10,793</u>
Current assets			
Debtors	10	39,167	34,974
Cash at bank and in hand		248	2,633
		<u>39,415</u>	<u>37,607</u>
Creditors: amounts falling due within one year	11	(17,594)	(22,179)
Net current assets		<u>21,821</u>	<u>15,428</u>
Total assets less current liabilities		30,960	26,221
Creditors: amounts falling due after more than one year	12	(4,077)	(2,562)
Provisions for liabilities	13	(353)	(595)
Net assets attributable to members		<u>26,530</u>	<u>23,064</u>
Represented by:			
Loans and other debts due to members within one year			
Members' capital classified as a liability		12,479	11,921
Loans and other debts due to members		<u>14,051</u>	<u>11,143</u>
Total members' interests		<u>26,530</u>	<u>23,064</u>

Profit for the financial year in the financial statements of the LLP was £23,407,000 (2018 - £22,514,000).

The financial statements of TLT LLP (registered number OC0308658) were approved by the members and authorised for issue on 11 December 2019. They were signed on behalf of the members by:


Andrew Glynn
 Senior Partner - Designated member


David Pester
 Managing Partner - Designated member

The notes on pages 12 to 25 form part of these financial statements.

TLT LLP

Consolidated statement of changes in members' interests

For the year ended 30 April 2019

	Members' capital classified as a liability £'000	Loans and other debts due to members £'000	Total members' interests £'000
Members' interests at 1 May 2017	11,862	8,421	20,283
Members' remuneration charged as an expense	-	23,401	23,401
Members' interests after total comprehensive income for the year	11,862	31,822	43,684
Members' capital introduced	946	-	946
Repayments of debt (including members' capital classified as a liability)	(713)	-	(713)
Drawings (including tax payments)	-	(20,227)	(20,227)
At 30 April 2018	<u>12,095</u>	<u>11,595</u>	<u>23,690</u>
 Members' interests at 1 May 2018	 12,095	 11,595	 23,690
Members' remuneration charged as an expense	-	24,246	24,246
Members' interests after total comprehensive income for the year	12,095	35,841	47,936
Members' capital introduced	1,452	-	1,452
Repayments of debt (including members' capital classified as a liability)	(836)	-	(836)
Drawings (including tax payments)	-	(21,485)	(21,485)
At 30 April 2019	<u>12,711</u>	<u>14,356</u>	<u>27,067</u>

TLT LLP

Limited Liability Partnership statement of changes in members' interests For the year ended 30 April 2019

	Members' capital classified as a liability £'000	Loans and other debts due to members £'000	Total members' interests £'000
Members' interests at 1 May 2017	11,862	8,309	20,171
Members' remuneration charged as an expense	-	22,514	22,514
Members' interests after total comprehensive income for the year	11,862	30,823	42,685
Members' capital introduced	772	-	772
Repayments of debt (including members' capital classified as a liability)	(713)	-	(713)
Drawings (including tax payments)	-	(19,680)	(19,680)
At 30 April 2018	<u>11,921</u>	<u>11,143</u>	<u>23,064</u>
 Members' interests at 1 May 2018	 11,921	 11,143	 23,064
Members' remuneration charged as an expense	-	23,407	23,407
Members' interests after total comprehensive income for the year	11,921	34,550	46,471
Members' capital introduced	1,394	-	1,394
Repayments of debt (including members' capital classified as a liability)	(836)	-	(836)
Drawings (including tax payments)	-	(20,499)	(20,499)
At 30 April 2019	<u>12,479</u>	<u>14,051</u>	<u>26,530</u>

TLT LLP

Consolidated cash flow statement For the year ended 30 April 2019

	Note	2019 £'000	2018 £'000
Net cash flows from operating activities	14	23,413	26,216
Cash flows from investing activities			
Purchase of tangible fixed assets		(1,597)	(4,993)
Purchase of fixed asset investments		-	(19)
Interest received		293	157
Net cash outflows used in investing activities		(1,304)	(4,855)
Cash flows from financing activities			
Repayments of borrowings		(10,935)	(7,667)
Interest paid		(165)	(176)
Interest element of finance lease rentals		(127)	(144)
Repayments of obligations under finance lease		(1,827)	(1,887)
New bank loans raised		8,271	9,040
New finance leases raised		882	2,762
Payments to or on behalf of the members		(21,485)	(20,227)
Capital contributions by members		1,452	946
Repayments of capital to former members		(836)	(713)
Net cash outflows used in financing activities		(24,770)	(18,066)
Net (decrease)/increase in cash and cash equivalents		(2,661)	3,295
Cash and cash equivalents at beginning of year		2,776	(519)
Net (decrease)/increase during the year		(2,661)	3,295
Cash and cash equivalents at end of year		115	2,776
Reconciliation to cash at bank and in hand			
Cash at bank and in hand		374	2,776
Bank overdraft		(259)	-
Cash and cash equivalents		115	2,776

The notes on pages 12 to 25 form part of these financial statements.

TLT LLP

Notes to the financial statements For the year ended 30 April 2019

1. Accounting policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and to the preceding year.

a. General information and basis of accounting

TLT LLP ("the Partnership") is incorporated in the United Kingdom under the Limited Liability Partnership Act 2000. The address of the registered office is given on page 1. The nature of the group's operations and its principal activities are set out in the members' report on pages 1 to 2.

The financial statements have been prepared under the historical cost convention, modified to include certain items at fair value, and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council and the requirements of the Statement of Recommended Practice Accounting by Limited Liability Partnerships (2017).

The functional currency of the group is considered to be pounds sterling because that is the currency of the primary economic environment in which the Partnership operates. The consolidated financial statements are also presented in pounds sterling. Foreign operations are included in accordance with the policies set out below.

TLT LLP meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements, which are presented alongside the consolidated financial statements. Exemptions have been taken in relation to certain disclosures around financial instruments, presentation of an individual entity cash flow statement and remuneration of key management personnel.

b. Basis of consolidation

The group LLP financial statements consolidate the financial statements of the partnership and its subsidiary undertakings drawn up to 30 April each year. A list of subsidiaries is included in note 9.

Whilst TLT (NI) LLP is not directly owned by the TLT LLP group, the results are consolidated on the basis of common control; all members of TLT (NI) LLP are members of TLT LLP. The members of TLT (NI) LLP are bound to vote in accordance with the interests of TLT LLP based on agreements in place.

c. Going concern

In preparing the financial statements, the members have considered the current financial position of the group and its projected future cash flows. At the date of signing the financial statements, the members have concluded that it is appropriate to prepare the financial statements on a going concern basis.

The group reported a profit before members' remuneration and profit shares for the year of £24,246,000 (2018 - £23,401,000) and had net assets attributable to members as at 30 April 2019 of £27,067,000 (2018 - £23,690,000).

The group meets its day-to-day working capital requirements through an overdraft facility of £3,000,000, which has subsequently been renewed until 31 July 2020. The group's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the group should be able to operate within the level of this facility for the foreseeable future. After making enquiries of their bankers, the members have a reasonable expectation that the facility will subsequently be renewed on acceptable terms on 31 July 2020.

The medium-term financing requirements of the group are met by a term loan facility of £4,250,000 (2018 - £4,250,000), which run to 31 July 2021. The group has met all interest payments in relation to these loans as they have fallen due and there have been no breaches in respect of the associated covenants of these loans up to the date of signing the financial statements. The facility was drawdown at £2,500,000 at 30 April 2019 (2018 - £4,250,000).

The group's forecasts and projections, taking account of reasonably possible changes in trading performance, indicate that the group can continue to meet such payments and covenants for the foreseeable future.

After making enquiries, the members have a reasonable expectation that the group will have access to adequate resources to meet its liabilities as they fall due for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements.

TLT LLP

Notes to the financial statements (continued)

For the year ended 30 April 2019

1. Accounting policies (continued)

d. Tangible fixed assets

Tangible fixed assets are stated at cost or valuation, net of depreciation and any provision for impairment. Depreciation is provided on all tangible fixed assets, other than investment properties and freehold land, at rates calculated to write off the cost or valuation, less estimated residual value, of each asset on a straight-line basis over its expected useful life, as follows:

Leasehold improvements	over the shorter of expected useful life and life of the lease
Assets under construction	only depreciated once becoming economically active
Computer equipment and software	4-6 years on a straight-line basis
Furniture and equipment	15% per annum on a straight-line basis

Residual value represents the estimated amount which would currently be obtained from disposal of an asset, after deducting estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life.

e. Fixed asset investments

Fixed asset investments are stated at historical cost, net of any provision for impairment. No depreciation is provided.

f. Impairment of assets

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss as described below.

Non-financial assets

An asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

For financial assets carried at amortised cost, the amount of an impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate, where this effect is deemed material.

Financial assets

For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

g. Taxation

The taxation payable on the partnership profits is the personal liability of the members, although payment of such liabilities is administered by the partnership on behalf of the members. Consequently, neither partnership taxation nor related deferred taxation are accounted for in the 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 set against amounts due from members as appropriate.

TLT LLP

Notes to the financial statements (continued)

For the year ended 30 April 2019

1. Accounting policies (continued)

h. Members' interests

An individual designated member's capital requirement comprises a fixed element of £250,000 (2018 - £250,000). New designated members subscribe their capital at par and retiring members are repaid their capital at par. Fixed Share Members contribute capital in proportion to their contractual earnings at par and are repaid at par. Members' capital is repayable on retirement of the member and is therefore classified as a liability. Because members may retire with less than one year's notice and typically have their capital repaid within one year of serving notice, members' capital is shown as being due within one year.

The payment of capital to retiring members is made over a period of up to three years, but this period can be altered by mutual agreement of the continuing and retiring members. Members' capital is accounted for as a financial liability.

Unsecured debt to members would rank equally with debts due to other unsecured creditors if the entity were to wind up.

i. Divisible profits and members' remuneration

Fixed share members are entitled to a guaranteed share of the firm's profit plus a potential fixed bonus element. All other members participate fully in the firm's profit share, share the risks and subscribe to the firm's capital. Profits are automatically allocated at the balance sheet date in accordance with the Members' Agreement, first by way of Capital Account interest, secondly by way of bonuses awarded by the remuneration committee, and thirdly according to the proportion of profit-sharing points held.

j. Turnover

Turnover is recognised as earned when, and to the extent that, the firm obtains the right to consideration in exchange for its performance. It is measured at the fair value of the right to consideration, which represents amounts chargeable to clients, including expenses and disbursements but excluding VAT. Provisions against the recoverability of assets in respect of this turnover (accrued income and unbilled deliverables) are made on the basis of known irrecoverable assets after the year end and also based on the recovery rate expectations of the firm.

Turnover on projects, which represent fixed pieces of work in revenue lines that are not operated on a time recording system (as above), is recognised by taking assumed timeframes over which such projects are usually active and adjusting for the assumed completion percentage of work billed in the months after year end. For such contracts the amount of turnover reflects the accrual of the right to consideration by reference to the percentage of work performed to complete the project.

Turnover not billed to clients is included in accrued income and unbilled deliverables.

k. Employee benefits

The group and LLP operate a defined contribution pension scheme. The assets of the scheme are held separately from those of the group and LLP in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund.

TLT LLP

Notes to the financial statements (continued)

For the year ended 30 April 2019

1. Accounting policies (continued)

l. Foreign currency

Transactions denominated in foreign currencies other than the functional currency are recorded at the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities not denominated in the functional currency at the balance sheet date are translated at the rates ruling at that date. Any differences are taken to the profit and loss account.

Other exchange differences are recognised in profit or loss in the period in which they arise except for exchange differences arising on gains or losses on non-monetary items which are recognised in other comprehensive income; and

m. Leases

Assets held under finance leases, which are leases where substantially all of the risks and rewards of ownership of the assets have passed to the firm, are capitalised in the balance sheet and are depreciated over their estimated useful economic lives. The capital elements of future obligations under leases are included as liabilities on the balance sheet. The interest elements of the rental obligations are charged in the profit and loss accounts of the periods of the leases to produce a constant rate of charge on the balance of capital repayments outstanding.

Operating lease rentals are charged to the profit and loss account on a straight-line basis over the lease term. Benefits received and receivable as an incentive to sign an operating lease are similarly spread over the lease term.

n. Provisions

Uninsured excesses arising on claims are assessed annually on a case specific basis and provision made where payments are deemed probable, after allowing for recoveries under insurance policies. Only the excess is provided against since the gross cost of settling claims is done so directly by the insurer of those claims.

Provision is made for dilapidations in respect of property leases which contain requirements for the premises to be returned to their original state prior to the conclusion of the lease term.

Provision is made in respect of onerous leases to recognise all the expected future costs arising under the contractual lease term. Costs include rent, rates, service charges, and dilapidations up until the later of lease expiry, break date, or anticipated assignment date. No discounting or time value of money adjustments are made as they are considered immaterial.

o. Bank borrowings

Interest-bearing bank loans and overdrafts are recorded at the proceeds received, net of direct issue costs. Finance charges, including premiums payable on settlement or redemption and direct issue costs, are accounted for on an accruals basis in the profit or loss account using the effective interest method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

2. Critical accounting judgements and key sources of estimation uncertainty

In the application of the LLP's accounting policies, which are described in note 1, the members are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

TLT LLP

Notes to the financial statements (continued)

For the year ended 30 April 2019

2. Critical accounting judgements and key sources of estimation uncertainty (continued)

Critical judgements in applying the group's accounting policies

The following are the critical judgements and key sources of estimation uncertainty and use a combination of both critical judgement and estimates that the members have made in the process of applying the group's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Revenue recognition – accrued revenue

The value of accrued revenue is derived on the basis of estimations and assumptions regarding the fair value of unbilled time at the year-end, having regard to the group's accounting policy for revenue recognition and assumptions made around both the recovery rates of the firm and the percentage completion on fixed fee assignments over the year end. Neither are expected to experience a material deviation from the valuations estimated by management at the year end.

Impairment of debtors

The group makes an estimate of the recoverable value of debtors and other debtors. When assessing impairment of trade receivables and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile and historic experience. See note 10 for the net carrying amount of the group's debtors and associated impairment provision.

Measurement of provisions

The group's provisions, as set out in note 13 to the financial statements, include provisions for professional indemnity and other commercial claims, and onerous lease provisions, and are based on the management's best estimate of future cash flows in accordance with the policy outlined in note 1. The onerous lease provision of £400,000 (2018: £nil) is based on expected future cashflows for one floor for a period of 6 months and a further floor until lease expiry in 2024. The provision will be unwound over 5 years unless earlier assignment is achieved.

3. Turnover

The Board considers that disclosure of segmental analysis would be seriously prejudicial to the interests of the business.

4. Staff numbers and costs

The average monthly number of employees (excluding members) was:

Group and Limited Liability Partnership:	2019 Number	2018 Number
Client service staff	657	639
Support staff	174	189
	<u>831</u>	<u>828</u>

Their aggregate remuneration comprised:

	£'000	£'000
Wages and salaries	32,047	30,323
Social security costs	3,067	2,945
Pension costs	953	865
	<u>36,067</u>	<u>34,133</u>

TLT LLP

Notes to the financial statements (continued)

For the year ended 30 April 2019

5. Operating profit

Operating profit is stated after charging/(crediting):

	2019 £'000	2018 £'000
Depreciation of tangible fixed assets – owned assets	1,560	1,283
(note 8) – leased assets	1,047	1,229
	<u>2,607</u>	<u>2,512</u>
Amortisation of goodwill	-	7
	<u>2,607</u>	<u>2,519</u>
Operating lease rentals – land and buildings	3,996	3,848
Foreign exchange loss/(gain)	12	(5)
Profit on disposal of fixed assets	-	-
	<u>3,996</u>	<u>3,848</u>
Amortisation of intangible assets is included in depreciation in the consolidated profit and loss account.		
Fees payable to the group's auditor and its associates for the audit of the Limited Liability Partnership's annual accounts	33	33
The audit of the LLP's subsidiaries	9	9
	<u>42</u>	<u>42</u>
Total audit fees	<u>42</u>	<u>42</u>
Audit-related assurance services	26	18
	<u>26</u>	<u>18</u>
Total non-audit fees	<u>26</u>	<u>18</u>

No services were provided pursuant to contingent fee arrangements.

6. Finance costs

Interest receivable and similar income

	2019 £'000	2018 £'000
Bank interest receivable	<u>293</u>	<u>157</u>
Interest payable and similar charges		
Bank loans and overdrafts	165	176
Finance leases and hire purchase contracts	127	144
	<u>292</u>	<u>320</u>

TLT LLP

Notes to the financial statements (continued)

For the year ended 30 April 2019

7. Members' remuneration and transactions

Profits are shared among the members in accordance with agreed profit-sharing arrangements.

The profit attributable to the member with the largest entitlement was £550,000 (2018 - £508,000). Key management personnel as defined under FRS102 are considered to be the designated members who received remuneration amounting to £13,376,000 (2018 - £13,170,000).

The average number of members during the year was 122 (2018 - 116).

8. Tangible fixed assets

Group	Leasehold improvements £'000	Furniture & equipment £'000	Computer equipment £'000	Software £'000	Total £'000
Cost or valuation					
At 1 May 2018	6,373	4,737	5,925	3,954	20,989
Additions	891	551	513	235	2,190
Disposals	(236)	-	(807)	(173)	(1,216)
At 30 April 2019	7,028	5,288	5,631	4,016	21,963
Depreciation					
At 1 May 2018	2,088	1,722	3,764	2,641	10,215
Charge for the year	663	612	845	487	2,607
Disposals	(236)	-	(807)	(173)	(1,216)
At 30 April 2019	2,515	2,334	3,802	2,955	11,606
Net book value					
At 30 April 2019	4,513	2,954	1,829	1,061	10,357
At 30 April 2018	4,285	3,015	2,161	1,313	10,774
Leased assets included above:					
Net book value					
At 30 April 2019	-	1,502	936	315	2,753
At 30 April 2018	-	1,943	1,556	575	4,074

TLT LLP

Notes to the financial statements (continued)

For the year ended 30 April 2019

8. Tangible fixed assets (continued)

Partnership	Leasehold improvements £'000	Furniture & equipment £'000	Computer equipment £'000	Software £'000	Total £'000
Cost or valuation					
At 1 May 2018	6,373	4,737	5,925	3,954	20,989
Additions	33	161	513	235	942
Disposals	(236)	-	(807)	(173)	(1,216)
At 30 April 2019	6,170	4,898	5,631	4,016	20,715
Depreciation					
At 1 May 2018	2,088	1,722	3,764	2,641	10,215
Charge for the year	655	609	845	487	2,596
Disposals	(236)	-	(807)	(173)	(1,216)
At 30 April 2019	2,507	2,331	3,802	2,955	11,595
Net book value					
At 30 April 2019	3,663	2,567	1,829	1,061	9,120
At 30 April 2018	4,285	3,015	2,161	1,313	10,774
Leased assets included above:					
Net book value					
At 30 April 2019	-	1,502	936	315	2,753
At 30 April 2018	-	1,943	1,556	575	4,074

TLT LLP

Notes to the financial statements (continued)

For the year ended 30 April 2019

9. Fixed asset investments

	Partnership	
	2019	2018
	£'000	£'000
Subsidiary undertakings	-	-
Shares in non-listed foreign companies	19	19
	<u>19</u>	<u>19</u>

Group investments

The Partnership has investments in the following subsidiary undertakings:

	Country of incorporation	Company number	Holding	%
TLT (NI) LLP*	Northern Ireland	NC000856	N/A	100
TLT Holdings Limited	England	08053902	£1 ordinary	100
TLT Scotland Limited*	Scotland	SC423249	£1 ordinary	100
TLT Legal Limited	England	02687171	£1 ordinary	100
TLT Directors Limited	England	02754249	£1 ordinary	100
TLT Secretaries Limited	England	02754253	£1 ordinary	100
TLT Services (Redcliff Street) Limited	England	03402439	£1 ordinary	100
TLT Solicitors Limited	England	05022675	£1 ordinary	100
L J Nominees Limited	England	02309235	£1 ordinary	100
Lawrence Jones Limited	England	04329787	£1 ordinary	100
TLT Limited	England	05377237	£1 ordinary	100
TLT Trustees Limited	England	02127091	£1 ordinary	100

* All investments in the above subsidiary undertakings are directly held, except for the shares in TLT Scotland Limited that are held indirectly via TLT Holdings Limited, and TLT (NI) LLP that are held in trust on behalf of TLT LLP.

All subsidiaries are dormant and have a Registered Office address of One Redcliff Street, Bristol, except for TLT Scotland Limited which is registered at 140 West George Street, Glasgow, and TLT (NI) LLP, which is registered at River House, 48-60 High Street, Belfast.

TLT LLP

Notes to the financial statements (continued)

For the year ended 30 April 2019

10. Debtors

	Group		Partnership	
	2019	2018	2019	2018
	£'000	£'000	£'000	£'000
Amounts falling due within one year:				
Trade debtors	27,016	24,431	25,780	23,439
Bad debt provision	(554)	(799)	(545)	(799)
Net trade debtors	26,462	23,632	25,235	22,640
Amounts owed by group undertakings	-	-	1,851	1,310
Other debtors	2,632	2,062	2,259	1,696
Prepayments	3,889	2,991	3,724	2,874
Accrued income and unbilled deliverables	6,621	7,010	6,098	6,454
	<u>39,604</u>	<u>35,695</u>	<u>39,167</u>	<u>34,974</u>

Amounts owed by group undertakings are interest-free, unsecured and repayable on demand.

Impairment losses of £301,000 (2018: £657,000) were recognised in the year on trade debtors through the consolidated profit and loss account and statement of comprehensive income.

11. Creditors: amounts falling due within one year

	Group		Partnership	
	2019	2018	2019	2018
	£'000	£'000	£'000	£'000
Bank overdraft	259	-	259	-
Bank loans (see note 12)	2,005	7,169	2,005	7,169
Obligations under finance leases and hire purchase contracts (see note 12)	1,478	1,635	1,478	1,635
Trade creditors	2,308	1,810	1,684	1,793
Other taxation and social security	3,198	3,368	3,316	3,323
Other creditors	2,049	2,060	1,967	1,981
Accruals and deferred income	7,159	6,375	6,885	6,278
	<u>18,456</u>	<u>22,417</u>	<u>17,594</u>	<u>22,179</u>

Finance leases are secured on the assets to which the lease relates.

TLT LLP

Notes to the financial statements (continued)

For the year ended 30 April 2019

12. Creditors: amounts falling due after more than one year

	Group		Partnership	
	2019	2018	2019	2018
	£'000	£'000	£'000	£'000
Bank loans	2,500	-	2,500	-
Obligations under finance leases and hire purchase contracts	1,577	2,365	1,577	2,365
Other creditors	-	197	-	197
	<u>4,077</u>	<u>2,562</u>	<u>4,077</u>	<u>2,562</u>

Borrowings are repayable as follows:

	Group		Partnership	
	2019	2018	2019	2018
	£'000	£'000	£'000	£'000
Bank loans				
Between one and two years	2,500	-	2,500	-
Between two and five years	-	-	-	-
	<u>2,500</u>	<u>-</u>	<u>2,500</u>	<u>-</u>
On demand or within one year	2,005	7,169	2,005	7,169
	<u>4,505</u>	<u>7,169</u>	<u>4,505</u>	<u>7,169</u>
Finance leases				
Between one and two years	1,050	1,257	1,050	1,257
Between two and five years	527	1,108	527	1,108
	<u>1,577</u>	<u>2,365</u>	<u>1,577</u>	<u>2,365</u>
On demand or within one year	1,478	1,635	1,478	1,635
	<u>3,055</u>	<u>4,000</u>	<u>3,055</u>	<u>4,000</u>
Total borrowings including finance leases				
Between one and two years	3,550	1,257	3,550	1,257
Between two and five years	527	1,108	527	1,108
	<u>4,077</u>	<u>2,365</u>	<u>4,077</u>	<u>2,365</u>
On demand or within one year	3,483	8,804	3,483	8,804
	<u>7,560</u>	<u>11,169</u>	<u>7,560</u>	<u>11,169</u>

Term loans consist of one short-term loan and one medium-term loan. The medium-term loan carries interest at 2.05% above LIBOR. A fixed and a floating charge debenture is held as security against the medium-term loan and overdraft facility.

TLT LLP

Notes to the financial statements (continued)

For the year ended 30 April 2019

13. Provisions for liabilities

	Uninsured excess provision £'000	Onerous lease provision £'000	Total £'000
Group			
At 1 May	595	-	595
Charged to profit and loss account	126	400	526
Amounts utilised	(367)	-	(367)
At 30 April 2019	354	400	754
Partnership			
At 1 May 2018	595	-	595
Charged to profit and loss account	125	-	125
Amounts utilised	(367)	-	(367)
At 30 April 2019	353	-	353

14. Cash flow statement

Reconciliation of operating profit to cash generated by operations:

	2019 £'000	2018 £'000
Profit for the year before members' remuneration charged as an expense	24,246	23,401
Interest paid	292	320
Interest received	(293)	(157)
Adjustment for:		
Depreciation and amortisation	2,607	2,519
Operating cash flow before movement in working capital	26,852	26,083
Increase in debtors	(3,909)	(2,645)
Increase in creditors	311	2,829
Increase/(decrease) in provisions	159	(51)
Net cash inflow from operating activities	23,413	26,216

TLT LLP

Notes to the financial statements (continued)

For the year ended 30 April 2019

15. Financial commitments

Total future minimum lease payments under non-cancellable operating leases are as follows:

	2019		2018	
	Land and buildings £'000	Other £'000	Land and buildings £'000	Other £'000
Group				
- within one year	2,988	-	3,149	-
- between one and five years	19,188	-	12,373	-
- after five years	17,024	-	11,031	-
	<u>39,200</u>	<u>-</u>	<u>26,553</u>	<u>-</u>
Partnership				
- within one year	2,703	-	3,052	-
- between one and five years	17,698	-	11,984	-
- after five years	15,821	-	10,938	-
	<u>36,222</u>	<u>-</u>	<u>25,974</u>	<u>-</u>

16. Employee benefits

Defined contribution schemes

The group participates in a defined contribution pension scheme; contributions during the year amounted to £953,000 (2018 - £865,000) for all employees. The assets of the scheme are held separately from those of the group in an independently administered fund. The group had unpaid contributions outstanding at the year-end of £251,000 (2018 - £179,000).

17. Related party transactions

The LLP has taken advantage of the exemption given in FRS102 section 33 'Related Party Disclosures' not to disclose transactions between itself and its wholly-owned subsidiary or ultimately controlled undertakings.

18. Controlling party

In the opinion of the members there is no ultimate controlling party.

19. Post balance sheet events

There are no events after the balance sheet date requiring disclosure or adjustment in the financial statements.

20. Capital commitments

At 30 April 2019 the group had contractual capital commitments of £144,000 (2018 - £228,000) in relation to a leasehold improvement contract. The contract will complete in the year ended 30 April 2020.

TLT LLP

Notes to the financial statements (continued)

For the year ended 30 April 2019

21. Financial instruments

As at 30 April 2019 the Group's financial instruments were as follows:

	2019	2018
	£'000	£'000
Financial assets at amortised cost	36,089	35,480
Financial liabilities at amortised cost	19,335	21,611

Financial assets at amortised cost comprise cash at bank and in hand, net trade debtors, other debtors, accrued income and unbilled deliverables.

Financial liabilities at amortised cost comprise trade creditors, other creditors, bank overdrafts, bank loans, obligations under finance leases and hire purchase contracts, accruals and deferred income.