

**Differentis 2007 LLP (formerly Differentis LLP)**  
**Annual Report and financial statements**  
**for the year ended 31 March 2014**

Registered Number: OC332525

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**Annual report and financial statements  
for the year ended 31 March 2014**

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## **Differentis 2007 LLP (formerly Differentis LLP)**

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### **Members and advisers for the year ended 31 March 2014**

#### **Designated members**

D R Marsh	W Murray	J Patience	K M Helme
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#### **Members**

R Mackintosh	F Morrison	A Dickinson	D Midgen
H Scriven	C McIntosh	L Hilton	I Douglas
A Montgomery	Differentis 2000 Limited		

#### **Registered office**

Waltham House  
St Mary's Terrace  
Mill Lane  
Guildford  
Surrey  
GU1 3TZ

#### **Solicitors**

Lewis Silkin Solicitors  
5 Chancery Lane  
Clifford's Inn  
London  
EC4A 1BL

#### **Independent auditors**

PricewaterhouseCoopers LLP  
Chartered Accountants & Statutory Auditors  
The Portland Building  
25 High Street  
Crawley  
RH10 1BG

#### **Bankers**

Barclays Bank plc  
Richmond & Twickenham Business Centre  
PO Box 13  
8 George Street  
Richmond  
TW9 1JU

## **Differentis 2007 LLP (formerly Differentis LLP)**

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### **Members' report for the year ended 31 March 2014**

The members present their report and the audited financial statements of Differentis 2007 LLP (formerly Differentis LLP) ("the firm" or "the LLP") for the year ended 31 March 2014. The comparative financial information is for the 12 month period ended 31 March 2013.

#### **Principal activities**

The principal activity of Differentis 2007 LLP (formerly Differentis LLP) in the year under review was to provide advice on the deployment of IT related assets and programmes and to assist in the management of their deployment.

#### **Review of business**

The results for the year are shown in the profit and loss account.

Market conditions for all Information Technology services slowly improved over this year and the LLP generated healthy profits. The Executive Committee have continually reviewed the cost base and expect to match it to the needs of the business as it grows. A capital repayment holiday of six months was agreed with Barclays Bank plc on 15 January 2014 to free funds for expansion

The results for the partnership show turnover for the year of £6,153,843 (2012: £3,614,362), net assets attributable to members of £3,626,600 (2012: £2,684,007) and a cash position of £713,600 (2012: £69,986).

#### **Distributions**

Interim profit allocations totalling £5,057,177 (2013: £1,511,000) were paid to the members during the year.

#### **Future outlook**

On April 4 2014 the Partnership transferred its trade and assets to Differentis Limited (formerly Differentis 2000 Limited) and changed its name from Differentis LLP to Differentis 2007 LLP. The transfer of trade has resulted in a change to the principal activity of the Partnership. From April 4, the LLP has ceased trading, and now acts as a holding company (see note 18).

#### **Key performance indicators (KPIs)**

Given the straightforward nature of the business, the members believe that a detailed analysis using KPI's is not necessary for an understanding of the development, performance or position of the business.

#### **Strategic Review**

This report has been prepared in accordance with the LLP SORP and The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) and the Partnership is therefore exempt from the requirement to prepare a Strategic Report.

#### **LLP Guarantee of members personnel drawings**

There are no guarantees nor indemnities with respect to members' personal borrowings.

**Members' report for the year ended 31 March 2014 (continued)**

## **Differentis 2007 LLP (formerly Differentis LLP)**

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### **Members' report for the year ended 31 March 2014 (continued)**

#### **Statement of members' responsibilities**

The members are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law as applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 (the "Regulations") requires the members to prepare financial statements for each financial year. Under that law the members have elected to prepare the partnership financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law as applied to limited liability partnerships 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 partnership and of the profit or loss of the partnership for that period. In preparing these financial statements, the members are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting 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 partnership will continue in business

The members are responsible for keeping adequate accounting records that are sufficient to show and explain the partnership's transactions and disclose with reasonable accuracy at any time the financial position of the partnership and enable them to ensure that the financial statements comply with the Companies Act 2006 as applied to limited liability partnerships by the Regulations. They are also responsible for safeguarding the assets of the partnership and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### **Independent Auditors and disclosure of information to auditors**

PricewaterhouseCoopers LLP have indicated their willingness to continue in office and a resolution to reappoint PricewaterhouseCoopers LLP, as auditors to the firm, will be proposed.

The members have taken all the steps that ought to have been taken as members in order to make themselves aware of the information relevant to the firm's auditors in connection with preparing their audit report and have established that the auditors are aware of that information. So far as the members are aware, there is no relevant audit information of which the auditors are unaware.

#### **On behalf of the Members**



D R Marsh  
Designated Member  
17<sup>th</sup> November 2014

## **Differentis 2007 LLP (formerly Differentis LLP)**

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### **Independent auditors' report to the members of Differentis 2007 (formerly Differentis LLP)**

#### **Report on the financial statements**

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##### **Our opinion**

In our opinion the financial statements, defined below:

- give a true and fair view of the state of the limited liability partnership's affairs as at 31 March 2014 and of its profit and cash flows 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 as applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008.

This opinion is to be read in the context of what we say in the remainder of this report.

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##### **What we have audited**

The financial statements, which are prepared by Differentis 2007 LLP (formerly Differentis LLP), comprise:

- the Balance Sheet as at 31 March 2014;
- the Profit and loss account for the year then ended;
- the Cash flow statement for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the members have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

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##### **What an audit of financial statements involves**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the limited liability partnership's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the designated members; and
- the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Annual Report and Financial Statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

## **Differentis 2007 LLP (formerly Differentis LLP)**

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### **Independent auditors' report to the members of Differentis 2007 (formerly Differentis LLP) (continued)**

#### **Other matters on which we are required to report by exception**

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##### **Adequacy of accounting records and information and explanations received**

Under the Companies Act 2006 as applicable to limited liability partnerships we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

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#### **Responsibilities for the financial statements and the audit**

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##### **Our responsibilities and those of the members**

As explained more fully in the Statement of members' responsibilities set out on page 4, the members are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and ISAs (UK & Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinion, has been prepared for and only for the members of the partnership as a body in accordance with the Companies Act 2006 as applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.



Simon Bailey (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Gatwick  
17<sup>th</sup> November 2014



## Differentis 2007 LLP (formerly Differentis LLP)

### Profit and loss account for the year ended 31 March 2014

	Notes	Year ended 2014 £	Year ended 2013 £
<b>Turnover</b>		<b>6,153,843</b>	3,614,362
<b>Operating expenses</b>			
Staff costs	2	(733,167)	(333,254)
Other external charges		(2,722,336)	(1,622,645)
Depreciation of tangible fixed assets		(9,756)	(9,604)
Income from shares in group undertakings		<u>1,626,970</u>	<u>1,529,213</u>
<b>Operating profit</b>	3	<b>4,315,554</b>	3,178,072
Interest receivable and similar income	4	722	728
Interest payable and similar charges	4	(19,195)	(19,394)
<b>Profit for the financial year before members' remuneration and profit shares</b>		<u>4,297,081</u>	<u>3,159,406</u>
Members remuneration charged as an expense	6	<u>(7,101)</u>	<u>(5,800)</u>
<b>Profit for the financial year available for discretionary division among members</b>	13	<u><b>4,289,980</b></u>	<u>3,153,606</u>

The results stated above are all derived from operations that have since been discontinued, see note 18 for further details.

There are no material differences between the profit for the financial year available for discretionary division among members stated above and their historical costs equivalents.

The partnership has no recognised gains and losses other than those included in the results above and therefore no separate statement of total recognised gains and losses has been presented.

## Differentis 2007 LLP (formerly Differentis LLP)

### Balance sheet at 31 March 2014

	Notes	2014 £	2013 £
<b>Fixed assets</b>			
Tangible assets	7	7,807	16,081
Investments	8	3,018,000	3,018,000
		<u>3,025,807</u>	<u>3,034,081</u>
<b>Current assets</b>			
Debtors	9	1,469,906	842,957
Cash at bank and in hand		713,600	69,986
		<u>2,183,506</u>	<u>912,943</u>
<b>Creditors: Amounts falling due within one year</b>	10	(1,022,058)	(686,403)
<b>Net current assets</b>		<b>1,161,448</b>	<b>226,540</b>
<b>Total assets less current liabilities</b>		<b>4,187,255</b>	<b>3,260,621</b>
<b>Creditors: Amounts falling due after more than one year</b>	11	(560,655)	(576,614)
<b>Net assets attributable to members</b>		<u><b>3,626,600</b></u>	<u><b>2,684,007</b></u>
<b>Represented by:</b>			
<b>Loans and other debts due to members</b>			
Members' capital classified as a liability under FRS 25	12	1,920,114	1,910,114
Other amounts	13	915,655	(784,135)
		<u>2,835,769</u>	<u>1,125,979</u>
<b>Members' other interests</b>			
Other reserves	13	790,831	1,558,028
		<u>3,626,600</u>	<u>2,684,007</u>
<b>Total members interests:</b>			
Amounts due to members		2,835,769	1,125,979
Members' other interests	13	790,831	1,558,028
	13	<u>3,626,600</u>	<u>2,684,007</u>

The financial statements on pages 7 to 18 were approved by the Members of Differentis 2007 LLP (formerly Differentis LLP) on 17<sup>th</sup> November 2014 and were signed on their behalf by:



**D R Marsh**  
Designated Member

Registered Number: OC332525

## Differentis 2007 LLP (formerly Differentis LLP)

### Cash flow statement for the year ended 31 March 2014

	Notes	Year ended 2014 £	Year ended 2013 £
<b>Net cash inflow from operating activities</b>	15	<b>4,051,552</b>	<b>3,023,294</b>
<b>Returns on investments and servicing of finance</b>			
Interest received		722	728
Interest paid		(19,195)	(19,394)
<b>Net cash outflow from returns on investments and servicing of finance</b>		<b>(18,473)</b>	<b>(18,666)</b>
<b>Capital expenditure and financial investment</b>			
Payment to acquire tangible fixed assets		(1,482)	(2,070)
<b>Net cash flow from capital expenditure and financial investment</b>		<b>(1,482)</b>	<b>(2,070)</b>
<b>Transactions with members and former members</b>			
Payments to members		(3,364,488)	(3,174,677)
Capital payments/(repayments) from/(to) members	12	10,000	(10,000)
<b>Net cash outflow from transactions with members</b>		<b>(3,354,488)</b>	<b>(3,184,677)</b>
<b>Net cash inflow/ (outflow) before financing</b>		<b>677,109</b>	<b>(182,119)</b>
Repayment of bank loan		(33,495)	(263,565)
<b>Increase (Decrease) in cash in the year</b>	17	<b>643,614</b>	<b>(445,684)</b>

## **Differentis 2007 LLP (formerly Differentis LLP)**

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### **Notes to the financial statements for the year ended 31 March 2014**

#### **1. Principal accounting policies**

The financial statements have been prepared on the going concern basis, under the historical cost convention and in accordance with the Companies Act 2006 as applicable to limited liability partnerships and applicable accounting standards in the United Kingdom including SORP revised 2010

A summary of the more important accounting policies, which have been applied consistently, is set out below.

#### **Consolidation**

The firm has taken advantage of the exemption not to prepare consolidated financial statements on the basis that it qualifies as a small group.

#### **Going Concern**

Subsequent to the 4 April 2014 the Partnership will not incur any direct costs and all third party liabilities have been assumed by Differentis Limited (formerly Differentis 2000 Limited). The members have also prepared projected cash flow information for a period of at least 12 months from the date of approval of these financial statements. On this basis the members have a reasonable expectation that the Partnership will continue as a going concern for a period of at least 12 months from the date of approval of these financial statements. The financial statements are therefore prepared on this basis.

#### **Turnover**

All turnover arises from the principal activities of the firm in the UK and comprises the value of consulting work undertaken during the year, excluding value added tax.

Revenue is based on the fair value of the services provided on each client assignment, including expenses and disbursements, reflecting the stage of completion of each assignment as at the reporting date.

For "time and materials" contracts, revenue is recognised as services are provided to the client.

For "fixed-price" contracts, revenue is recognised on the percentage-of-completion method, based on the percentage which incurred contract costs to date bear to total estimated contract costs after giving effect to the most recent estimates of total. The effect of changes to total estimated contract costs is recognised in the year such changes are determined. Provisions for estimated losses are made in the year in which the loss first becomes apparent.

Services provided to clients that have not been invoiced at the balance sheet date are recorded as turnover and included as accrued income on the balance sheet.

Advance payments from clients for in respect of services that have not been provided as at the balance sheet date are excluded from turnover and shown within accruals and deferred income on the balance sheet.

#### **Income from shares in group undertakings**

Dividend income from shares in group undertakings is recognised when the Partnership has legal entitlement to the income.

## Differentis 2007 LLP (formerly Differentis LLP)

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### Notes to the financial statements for the year ended 31 March 2014 (continued)

#### **Tangible fixed assets**

Tangible fixed assets are recognised at their purchase cost, together with any incidental costs of acquisition.

Depreciation is calculated so as to write off the cost of tangible fixed assets, less their estimated residual values, on a straight line basis over the expected useful economic lives of the assets concerned. The principal years used for this purpose are:

	Years
Fittings, furnishings and equipment	5-7

#### **Investments**

Investments are included at cost less any provision for impairment. Dividends from investments are shown as other income in the profit and loss account.

#### **Operating leases**

Costs in respect of operating leases are charged on a straight line basis over the lease term.

#### **Foreign currencies**

Monetary assets and liabilities denominated in foreign currencies are translated into Sterling at rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at operating profit.

#### **Taxation**

The taxation payable on profits of the limited liability partnership is the personal liability of the members. Accordingly, no tax charge is included in the profit and loss account and all payments are charged against members' funds. A retention from profits is held on account for individual members to fund the payment of taxation on behalf of members.

#### **Pension costs**

The firm makes pension contributions to employees' personal pension plans and are charged to the profit and loss account in the year in which they become payable. Any excess or shortfall in contributions payable is included with prepayments or accruals as appropriate.

#### **Members' profit shares**

Profits are shared between the members broadly at the discretion of the Executive Committee. Personal members share a small base profit, interest on their investment and any retirement share. Amounts in excess of this are shared at the Executive Committee's discretion save that all investment income is reserved for personal members.

## Differentis 2007 LLP (formerly Differentis LLP)

### Notes to the financial statements for the year ended 31 March 2014 (continued)

#### 2. Staff costs

The average monthly number of people employed by the partnership during the year (excluding members) was 9 (2013: 5).

Staff costs for the above persons:

	Year ended 2014 £	Year ended 2013 £
Wages and salaries	642,065	288,515
Social security costs	82,078	35,715
Other pension costs	9,024	9,024
	<u>733,167</u>	<u>333,254</u>

Pension costs of £752 (2013: £752) were outstanding at the year end.

Staff costs for the Consulting staff of the above persons

	Year ended 2014 £	Year ended 2013 £
Salaries	510,949	157,399
Social security costs	65,845	19,482
	<u>576,794</u>	<u>176,881</u>

The average number of people employed by the partnership during the year was split between consultants and administrative staff 6,3 (2013: 2,3)

#### 3. Operating profit

Operating profit is stated after charging:

	Year ended 2014 £	Year ended 2013 £
Depreciation of owned assets	9,756	9,604
Operating lease rental: Plant and machinery	3,134	2,538
Operating lease rentals: Land and buildings	70,000	70,000
Income from shares in group undertakings	1,626,365	1,493,858
<b>Services provided by the partnership's auditor</b>		
- Fees payable for the audit	33,235	27,091
- Fees payable for other services – tax advisory services	18,600	-
- Fees payable for other services – tax compliance	13,200	9,508

Income from shares in group undertakings is the dividend income from the LLP's ownership of shares in group companies.

## Differentis 2007 LLP (formerly Differentis LLP)

### Notes to the financial statements for the year ended 31 March 2014 (continued)

#### 4. Net interest

	Year ended 2014 £	Year ended 2013 £
<b>Interest receivable and similar income</b>		
Bank interest receivable	<u>722</u>	<u>728</u>
<b>Interest payable and similar charges</b>		
Bank Interest payable	<u>(19,195)</u>	<u>(19,394)</u>
<b>Net Interest</b>	<u><b>(18,473)</b></u>	<u><b>(18,666)</b></u>

#### 5. Members' profit shares

The basis on which profits are shared among members is set out in note 1.

The average monthly number of members during the year was 15 (2013: 15) and the average profit per member was £285,999 (2013: £210,240)

The amount invested by all members in the business, represented by total members' interests at 31 March 2014, divided by the number of members at that date, amounting to an average investment per member of £180,730 (2013: £236,089)

The estimated profit attributable to the corporate member (Differentis 2000 Limited), which is the member with the largest entitlement to profit, is £2,532,612 (2013: £1,592,208)

The investment in the business at 31 March 2014 of the corporate member, represented by its estimated share of total members' interests was £1,597,776 (2013: £1,678,642)

#### 6. Members' remuneration charged as expense

In accordance with the requirements of the Statement of Recommended Practice '*Accounting by Limited Liability Partnerships*' the mandatory interest payments to non-corporate members are treated as members' remuneration. No remuneration was paid to members under an employment contract.

Interest payments to non-corporate members accrue at the Bank of England base rate plus 1.15%.

## Differentis 2007 LLP (formerly Differentis LLP)

### Notes to the financial statements for the year ended 31 March 2014 (continued)

#### 7. Tangible assets

	Fittings, furnishings and equipment £
<b>Cost</b>	
At 1 April 2013	64,331
Additions	1,482
At 31 March 2014	<u>65,813</u>
<b>Accumulated depreciation</b>	
At 1 April 2013	48,250
Depreciation charge for the year	9,756
At 31 March 2014	<u>58,006</u>
<b>Net book amount at 31 March 2014</b>	<b>7,807</b>
Net book amount at 1 April 2013	<u>16,081</u>

#### 8. Fixed Asset Investments

The firm retained the following investments during the year:

	2014 £	2013 £
Interests in subsidiary undertakings	2,768,087	2,768,087
Other investments	249,913	249,913
	<u>3,018,000</u>	<u>3,018,000</u>

Interests in subsidiary undertakings comprise the firms holding of 99% of the ordinary shares of Mackron Limited, an entity registered in England and Wales whose principal activity is to act as a holding company.

Other investments comprise the firms holding of 6% of the ordinary shares of Differentis 2000 Limited, an entity registered in England and Wales whose principal activity is to provide advice on the deployment of IT related assets and programmes and to assist in the management of their deployment.

The Members believe that the carrying value of the investment is supported by the underlying trade and assets in its subsidiaries.

#### 9. Debtors

	2014 £	2013 £
Trade debtors	1,232,221	693,445
Prepayments	36,339	61,548
Accrued income	201,346	87,964
	<u>1,469,906</u>	<u>842,957</u>



## Differentis 2007 LLP (formerly Differentis LLP)

### Notes to the financial statements for the year ended 31 March 2014 (continued)

#### 10. Creditors: Amounts falling due within less than one year

	2014 £	2013 £
Bank loans and overdrafts	305,426	322,962
Trade creditors	166,536	116,811
Amounts owed to group undertakings	6,815	6,815
Other creditors including taxation and social security	385,384	203,810
Accruals and deferred income	157,897	36,005
	<u>1,022,058</u>	<u>686,403</u>

Further details relating to the bank loan are given in note 11. There is no security provided to any of the creditors except as classified in note 11.

The amounts owed to group undertakings are unsecured, interest free and repayable on demand.

#### 11. Creditors: Amounts falling due after more than one year

	2014 £	2013 £
<b>Bank loans and overdrafts</b>		
Repayable in two to five years	<u>560,655</u>	<u>576,614</u>

The firm was advanced a loan from Barclays Bank plc for £2,500,000 on 15 February 2008. The loan is subject to interest based on the Bank of England base rate plus 1.15% and is repayable in 78 monthly instalments which commenced 7 months after the initial drawn down. A six month capital repayment holiday was agreed with Barclays Bank plc in December 2012. Further six month capital repayment holidays were agreed with Barclays Bank plc in May 2013 and January 2014.

The bank loan has been guaranteed by separate fixed charges over individual members' private assets.

Due to the variable rate of interest payable on the bank loan the fair value is considered to equate to its book value as disclosed above.

## Differentis 2007 LLP (formerly Differentis LLP)

### Notes to the financial statements for the year ended 31 March 2014 (continued)

#### 12. Members' capital classified as a liability under FRS 25

	2014 £	2013 £
Balance at beginning of year	1,910,114	1,920,114
Payment / (Repayment) to members	10,000	(10,000)
<b>Balance at end of year</b>	<b>1,920,114</b>	<b>1,910,114</b>

Members' capital contributions are determined by the Executive Committee, having regard to the working capital needs of the business. Individual members' capital contributions are set by reference to profit share proportions and are not repayable until the member retires.

Capital payments from/(to) members during the year were in the form of:

	2014 £	2013 £
Cash	10,000	(10,000)

The book value of members' capital is consistent with fair value

#### 13. Total members' interests

	Members' Capital £	Other Reserves £	Total £	Loans and other amounts due from Members £	Total £
Balance at beginning of year	1,910,114	1,558,028	3,468,142	(784,135)	2,684,007
Members remuneration charged as an expense, including employment and retirement benefit costs				7,101	7,101
Profit for the financial year available for discretionary division among members		4,289,980	4,289,980		4,289,980
<b>Members' interests after profit for the year</b>	<b>1,910,114</b>	<b>5,848,008</b>	<b>7,758,122</b>	<b>(777,034)</b>	<b>6,981,088</b>
Allocated profit		(5,057,177)	(5,057,177)	5,057,177	0
Introduced by members	10,000		10,000		10,000
Drawings and distributions				(3,426,979)	(3,426,979)
Other movements				62,491	62,491
Amounts due to members				5,064,278	
Amounts due from members				(4,148,023)	
<b>Balance at end of year</b>	<b>1,920,114</b>	<b>790,831</b>	<b>2,710,945</b>	<b>915,655</b>	<b>3,626,600</b>

Amounts due to members would rank equally with unsecured creditors in the event of a winding up.

## Differentis 2007 LLP (formerly Differentis LLP)

### Notes to the financial statements for the year ended 31 March 2014 (continued)

#### 14. Commitments under operating leases

The partnership's annual commitments under non-cancellable operating leases are as follows:

	Land & buildings £	Other £	Total £
Within one year	70,000	-	70,000
Within two to five years	-	3,134	3,134
	<u>70,000</u>	<u>3,134</u>	<u>73,134</u>

#### 15. Reconciliation of operating profit to net cash flow from operating activities

	2014 £	2013 £
Operating profit	4,315,554	3,178,072
Depreciation	9,756	9,604
Increase in WIP	(113,382)	(81,464)
Increase in trade debtors	(538,776)	(64,730)
Decrease/(Increase) in other debtors and prepayments	25,209	(804)
Increase in trade creditors	49,725	34,833
Increase in other creditors including taxation & social security	181,574	1,995
Increase/(Decrease) in accruals and deferred income	121,892	(54,212)
<b>Net cash inflow from operating activities</b>	<b>4,051,552</b>	<b>3,023,294</b>

#### 16. Analysis of net debt

	Net debt at start of year £	Cash flow £	Net debt at end of year £
Cash at bank and in hand	69,986	643,614	713,600
Bank loan repayable in less than one year	(322,962)	17,536	(305,426)
Bank loan repayable in more than one year	(576,614)	15,959	(560,655)
	<u>(829,590)</u>	<u>677,109</u>	<u>(152,481)</u>

#### 17. Reconciliation of net cash inflow to movement in net debt

	2014 £	2013 £
Increase/(Decrease) in cash during the year	643,614	(445,684)
Net repayment of bank loans	33,495	263,565
Net debt at start of year	(829,590)	(647,471)
<b>Net debt at end of year</b>	<b>(152,481)</b>	<b>(829,590)</b>

## Differentis 2007 LLP (formerly Differentis LLP)

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### Notes to the financial statements for the year ended 31 March 2014 (continued)

#### 18. Post Balance sheet events

On 4 April 2014, the trade and assets of the LLP were transferred to Differentis Limited (formerly Differentis 2000 Limited). From this date the Partnership will act as a holding company for the wider Differentis Group, holding the bank loan and an intercompany balance of an equal and offsetting amount.

#### 19. Related party transactions

A detailed list of the partnership's members is disclosed on page 1 and details of the partnership's subsidiary undertaking are given in note 8.

Of the income from shares in group undertakings disclosed in the profit and loss account, £1,626,365 (2013: £1,529,213), relates to the partnerships' share of dividends declared by the following entities as detailed below:

	£
Differentis 2000 Limited	1,527,481
Mackron Limited	98,884
	<u>1,626,365</u>

Transactions with members, other than disclosed above, are described in aggregate rather than individually in the following notes in these financial statements:

- Note 5 - Members' profit shares
- Note 6 - Members' remuneration charged as expense
- Note 12 - Members capital classified as a liability under FRS 25
- Note 13 - Total Members' interests

There are no other transactions which require disclosure under FRS 8.

#### 20. Ultimate controlling party

There is no ultimate controlling party by virtue of the fact that no individual member has overall control.