

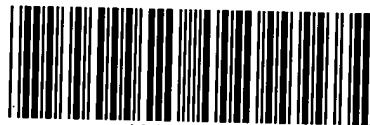
**Fladgate LLP**

**Report and Financial Statements**

**Year ended  
31 March 2015**

**Registration No: OC334334**

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## **Report to the Members**

The Board is pleased to present its report to the members of Fladgate LLP and the audited financial statements of the group (or "the firm") for the year ended 31 March 2015.

### **Firm Structure**

Fladgate LLP is a limited liability partnership registered in England and Wales.

A list of members' names is available for inspection at 16 Great Queen Street, London, WC2B 5DG, United Kingdom, which is also Fladgate LLP's principal place of business and registered office. More information about Fladgate LLP is available on our website, [www.fladgate.com](http://www.fladgate.com)

### **Principal Activity and Business Review**

The firm's principal activity is the provision of legal services in the UK. The results for the year and the financial position at the year end were considered satisfactory by the members.

### **Designated Members**

The designated members who served throughout the year were:

S J Ekins  
G D Gordon  
R M Reuben  
C D Wander

### **Members' Drawings and Capital Policy**

The members' policy on drawings is dependent upon the working capital requirements of the firm. A conservative level of monthly drawings is set at the start of the year and further distributions are made once the results for the year and allocation of profit have been finalised.

The level of members' capital is determined by the members from time to time. Capital is repaid to members on retirement from the firm.

### **Going Concern**

The Board has a reasonable expectation that the LLP and the Group have adequate resources to continue in operational existence for the foreseeable future. Thus, it continues to adopt the going concern basis of accounting in preparing the annual financial statements.

Further details regarding the adoption of the going concern basis can be found in the Statement of accounting policies in the financial statements.

### **Auditors**

Deloitte LLP have indicated their willingness to be reappointed for another term and appropriate arrangements are being made for them to be deemed reappointed as auditors in accordance with the LLP agreement.

## Report to the Members Year ended 31 March 2015

### Members' Responsibilities Statement

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

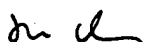
The Limited Liability Partnerships (Accounts & Audit) (Application of Companies Act 2006) Regulations 2008 require the members to prepare financial statements for each financial year. Under that law the members have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the firm and of the Group and of the profit or loss of the Group 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the firm will continue in business.

The members are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the firm and enable them to ensure that the financial statements comply with the Companies Act 2006, as applicable to limited liability partnerships. They are also responsible for safeguarding the assets of the firm and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

These responsibilities are exercised by the Management Board on behalf of the members.

Signed on behalf of the Board:



S J Ekins

Designated Member

14 September 2015

## **Independent Auditor's Report to the Members of Fladgate LLP**

We have audited the financial statements of Fladgate LLP for the year ended 31 March 2015 which comprise the consolidated profit and loss account, the consolidated and LLP balance sheets, the consolidated cash flow statement and the related notes 1 to 20. 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).

This report is made solely to the limited liability partnership's members, as a body, in accordance with Chapter 3 of Part 16 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. 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 limited liability 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.

### **Respective responsibilities of members and auditor**

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

### **Scope of the audit of the financial statements**

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 group's and the parent limited liability partnership's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the members; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report 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.

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the LLP's affairs as at 31 March 2015 and of 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, as applicable to limited liability partnerships.

## **Independent Auditor's Report to the Members of Fladgate LLP**

### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 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 parent limited liability partnership 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.



**Jeremy Black (Senior Statutory Auditor)**  
**for and on behalf of Deloitte LLP**  
**Chartered Accountants and Statutory Auditor**  
**London, UK**  
**15 September 2015**

**Consolidated Profit and Loss Account**  
**Year ended 31 March 2015**

	Note	2015 £	2014 £
<b>Turnover</b>	<b>2</b>	35,503,552	31,114,460
<b>Other operating income</b>		846,073	834,239
		<u>36,349,625</u>	<u>31,948,699</u>
<b>Operating expenses</b>	<b>3</b>	(18,118,848)	(15,620,187)
<b>Operating profit</b>		18,230,777	16,328,512
Profit/(loss) on disposal of fixed assets		9,574	(1,700)
Net interest receivable	<b>5</b>	559,044	430,540
<b>Profit on ordinary activities before taxation</b>		18,799,395	16,757,352
Tax on profit on ordinary activities	<b>6</b>	(37,418)	(101,756)
<b>Profit for the financial year before members' remuneration</b>		18,761,977	16,655,596
Members' remuneration charged as an expense		-	-
<b>Profit available for discretionary division among members</b>	<b>14a</b>	<u>18,761,977</u>	<u>16,655,596</u>

All amounts relate to continuing operations. There were no gains or losses in either year other than those included in the above profit and loss account. Accordingly, no statement of total recognised gains and losses is presented.

# Consolidated Balance Sheet

## 31 March 2015

	Note	2015 £	2014 £
<b>Fixed assets</b>			
Tangible fixed assets	9	1,338,707	1,035,215
Investments	10	5	5
		<u>1,338,712</u>	<u>1,035,220</u>
<b>Current assets</b>			
Debtors	11	15,409,917	14,772,291
Investments	10	-	1
Amounts due from members	14(a)	15,238,590	13,694,651
Cash at bank and in hand		<u>3,576,081</u>	<u>3,237,316</u>
		34,224,588	31,704,259
<b>Creditors: amounts falling due within one year</b>	12	(3,364,466)	(2,858,280)
<b>Net current assets</b>		<u>30,860,122</u>	<u>28,845,979</u>
<b>Total assets less current liabilities</b>		32,198,834	29,881,199
<b>Provision for liabilities</b>	13	(2,657,687)	(2,977,368)
<b>Net assets</b>		<u>29,541,147</u>	<u>26,903,831</u>
<b>Represented by:</b>			
<b>Loans and other debts due to members within one year</b>			
Members' capital classified as a liability under FRS 25	14(a)	5,345,338	4,911,334
Other amounts	14(a)	<u>5,433,832</u>	<u>5,336,901</u>
		10,779,170	10,248,235
<b>Equity</b>			
Members' other interests – other reserves classified as equity under FRS 25	14(a)	<u>18,761,977</u>	<u>16,655,596</u>
		<u>29,541,147</u>	<u>26,903,831</u>
<b>Total Members' interests</b>			
Amounts due from members		(15,238,590)	(13,694,651)
Loans and other debts due to members		10,779,170	10,248,235
Members' other interests		<u>18,761,977</u>	<u>16,655,596</u>
	14(a)	<u>14,302,557</u>	<u>13,209,180</u>

These financial statements of Fladgate LLP (Registered number OC334334) on pages 5 to 19 were approved by the members and signed on their behalf on 14 September 2015 by

  
.....  
S J Ekins

Designated Member

  
.....  
C D Wander

Designated Member

**Limited Liability Partnership Balance Sheet**  
31 March 2015

	Note	2015 £	2014 £
<b>Fixed assets</b>			
Tangible fixed assets	9	1,338,707	1,035,215
Investments	10	2	2
		<u>1,338,709</u>	<u>1,035,217</u>
<b>Current assets</b>			
Debtors	11	15,458,043	14,517,713
Investments	10	-	1
Amounts due from members	14(b)	15,138,223	13,639,993
Cash at bank and in hand		2,412,647	2,363,312
		<u>33,008,913</u>	<u>30,521,019</u>
<b>Creditors: amounts falling due within one year</b>	12	<u>(2,254,889)</u>	<u>(1,735,758)</u>
<b>Net current assets</b>		<u>30,754,024</u>	<u>28,785,261</u>
<b>Total assets less current liabilities</b>		<u>32,092,733</u>	<u>29,820,478</u>
<b>Provision for liabilities</b>	13	<u>(2,657,687)</u>	<u>(2,977,368)</u>
<b>Net assets</b>		<u><u>29,435,046</u></u>	<u><u>26,843,110</u></u>
<b>Represented by:</b>			
<b>Loans and other debts due to members within one year</b>			
Members' capital classified as a liability under FRS 25	14(b)	5,345,338	4,911,334
Other amounts	14(b)	5,327,402	5,275,839
		<u>10,672,740</u>	<u>10,187,173</u>
<b>Equity</b>			
Members' other interests – other reserves classified as equity under FRS 25	14(b)	18,762,306	16,655,937
		<u>29,435,046</u>	<u>26,843,110</u>
<b>Total Members' interests</b>			
Amounts due from members		(15,138,223)	(13,639,993)
Loans and other debts due to members		10,672,740	10,187,173
Members' other interests		18,762,306	16,655,937
	14(b)	<u>14,296,823</u>	<u>13,203,117</u>

These financial statements of Fladgate LLP (Registered number OC334334) on pages 5 to 19 were approved by the members and signed on their behalf on 14 September 2015 by

  
.....  
S J Ekins

Designated Member

  
.....  
C D Wanger

Designated Member



**Consolidated Cash Flow Statement**  
**Year ended 31 March 2015**

	Note	2015 £	2014 £
Net cash inflow from operating activities	17	18,147,125	16,270,960
Returns on investments and servicing of finance	18	559,044	430,540
Taxation	18	(101,757)	(119,231)
Capital expenditure and financial investment	18	(597,047)	(323,946)
Transactions with members and former members	18	(17,668,600)	(13,677,723)
<b>Increase in cash in the year</b>		<u>338,765</u>	<u>2,580,600</u>

		2015 £	2014 £
<b>Reconciliation of net cash flow to movement in net funds</b>			
Net funds at beginning of year	19	3,237,316	656,716
Increase in cash in the year	19	<u>338,765</u>	<u>2,580,600</u>
<b>Net funds at end of year</b>	19	<u>3,576,081</u>	<u>3,237,316</u>

## Notes to the Financial Statements

### Year ended 31 March 2015

#### 1. Accounting Policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the current year and in the preparation of the comparative figures.

##### **Basis of accounting**

The financial statements have been prepared under the historical cost convention in accordance with United Kingdom applicable law and accounting standards and the Statement of Recommended Practice, 'Accounting by Limited Liability Partnerships'. There are no differences between the profit on ordinary activities before taxation and the profit available for division among the members and their historical cost equivalents.

##### **Basis of preparation**

Fladgate LLP is a limited liability partnership registered in England and Wales.

These financial statements reflect the results for the year ended 31 March 2015. The financial statements consolidate the accounts of Fladgate LLP and all of its subsidiary undertakings (the "firm"), drawn up to 31 March 2015. No individual profit and loss account is prepared for Fladgate LLP, as permitted by Section 408 of the Companies Act 2006.

##### **Basis of consolidation**

The consolidated financial statements incorporate the financial statements of Fladgate LLP and all of its subsidiary undertakings.

##### **Going concern**

The group has £3,576,081 of cash at bank at 31 March 2015. Further details of the financial position of the group, its cash flows, liquidity position and borrowing facilities are disclosed in the balance sheet, cash flow statement and notes 18 and 19. The group has considerable financial resources together with a diverse range of clients and suppliers across different geographic locations and sectors. The group also has considerable discretion over the timing of any cash distributions to its members.

After making enquiries, the Members have formed a judgement, at the time of approving the accounts, that there is a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. Having considered the group's forecasts and projections, and the level of committed facilities available, the Members are satisfied that the firm has adequate resources to continue in operational existence for the foreseeable future. For this reason the Members continue to adopt the going concern basis in preparing the accounts.

## Notes to the Financial Statements

### Year ended 31 March 2015

#### 1. Accounting Policies (continued)

##### Turnover and revenue recognition

Fee income represents the fair value of legal services provided during the year on client assignments. Fair value reflects the amount expected to be recoverable from clients and is based on time spent, expertise and skills provided, and expenses incurred. Fee income is stated net of Value Added Tax.

Legal services provided to clients during the year which, at the balance sheet date, have not been invoiced to clients, have been recognised as fee income in accordance with Financial Reporting Standard 5 'Reporting the substance of transactions': Application Note G 'Revenue Recognition' and the Urgent Issues Task Force Abstract 40 'Revenue recognition and service contracts'. Fee income recognised in this manner is based on an assessment of the fair value of the services provided by the balance sheet date as a proportion of the total value of the engagement. Provision is made against unbilled amounts on those engagements where the right to receive payments is contingent on factors outside the control of the firm. Contingent fee income (over and above any agreed minimum fee which is recognised as above) is recognised in the period when the contingent event occurs. Unbilled fee income is included as unbilled revenue within debtors.

##### Fixed assets

Depreciation is provided so as to write off the cost, less the estimated residual value, of fixed assets over their estimated useful economic lives, as follows:

Leasehold costs & improvements	-	over the remaining period of the lease.
Furniture and equipment	-	between 12.5% and 25% per annum on a reducing balance basis.
Computer equipment	-	25% per annum on a straight-line basis.
Motor vehicles	-	25% per annum on a reducing balance basis.

##### Investments

Fixed asset investments are stated at cost less provision for impairment. Current asset investments are listed investments and are stated at the lower of cost and net realisable value.

##### Taxation

The taxation payable on the profits of limited liability partnerships is usually the personal liability of the members for the year. An amount is retained from each member's profit share within Fladgate LLP to cover the member's estimated liability for income tax and social security contributions on their profit share.

## Notes to the Financial Statements

### Year ended 31 March 2015

#### 1. Accounting Policies (continued)

##### Provisions

Provision is made for the best estimate of expected losses from onerous contracts; in particular, in respect of surplus property. This is calculated as the present value of future lease payments for surplus property after allowance for anticipated income from sub-tenants.

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.

The provision for claims represents the estimated cost to Fladgate LLP of settling claims where a liability is considered by the members to be probable, after allowing for recoveries under insurance policies.

##### Staff pensions

Fladgate LLP operates a defined contribution pension scheme.

The pension scheme is accounted for under UK Financial Reporting Standard 17 'Retirement Benefits' (FRS 17).

The amount charged to the profit and loss account for the defined contribution scheme is the amount payable for the period according to the scheme's rules. Differences between contributions payable in the year and contributions actually paid are shown either as accruals or prepayments on the balance sheet.

##### Leases

Operating lease rentals are charged to the profit and loss account in equal amounts over the lease term.

#### 2. Segmental Analysis

The Board are of the opinion that the operations of the partnership are substantially similar in that they relate to the provision of legal services. Information in relation to the geographical destination of turnover is not provided on the basis that the Board believe it would be seriously prejudicial to the interests of the partnership.

#### 3. Analysis of Operating Expenses

	Note	2015 £	2014 £
Staff costs	4	8,571,874	7,507,390
Depreciation	9	303,127	246,132
Other operating charges		9,243,847	7,866,665
		<u>18,118,848</u>	<u>15,620,187</u>

## Notes to the Financial Statements

### Year ended 31 March 2015

#### 3. Analysis of Operating Expenses (continued)

	2015	2014
	£	£
Operating profit is stated after charging:		
Depreciation:		
- Owned assets	303,127	246,132
Operating lease rentals:		
- Land and buildings	2,791,642	2,616,935
Auditor's remuneration:		
- Fees payable to the LLP's auditor for the audit of the LLP's annual accounts	35,650	34,700
- Fees payable to the LLP's auditor for the audit of the LLP's subsidiary	1,600	1,600
- Audit related assurance services	26,750	26,000
- Taxation advisory services	<u>58,215</u>	<u>71,483</u>

#### 4. Staff and Staff Costs

	2015	2014
	No.	No.
The average number of people employed during the year (excluding members) was:		
Fee-earners	70	55
Support staff	74	76
	<u>144</u>	<u>131</u>
	2015	2014
	£	£
Staff costs incurred during the year in respect of employees were:		
Salaries (including staff bonus)	7,458,069	6,565,836
Social Security costs	849,518	748,063
Other pension costs	264,287	193,491
Total staff costs	<u>8,571,874</u>	<u>7,507,390</u>

The cost of contributions in respect of employees' personal pension schemes included in the profit and loss account for the year was £264,287 (2014 - £193,491). No contributions were outstanding at either year end.

**Notes to the Financial Statements**  
**Year ended 31 March 2015**

**5. Net Interest Receivable**

	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Bank and other interest receivable	<u>559,044</u>	<u>430,540</u>

**6. Tax on profit on ordinary activities**

The taxation charge which arises in the corporate entity included within these financial statements is:

	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Tax charge for the year		
Current taxation		
United Kingdom corporation tax	<u>(37,418)</u>	<u>(101,756)</u>

The standard rate of corporation tax for the period, based on the UK standard rate of corporation tax is 23%. The actual tax charge for the current and previous year differs from the standard rate for the reasons set out in the following reconciliation:

<b>Reconciliation of current tax</b>	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Profit on ordinary activities of corporate entities before tax	<u>18,799,395</u>	<u>16,757,352</u>
Tax on profit on ordinary activities at standard rate of 21% (2014: 23%)	(3,947,873)	(3,854,191)
Factors affecting charge for the year:		
Tax on profit subject to self-assessment	3,910,455	3,818,216
Transfer pricing adjustment	-	(73,462)
Marginal relief	-	7,681
Total actual amount of current tax	<u>(37,418)</u>	<u>(101,756)</u>

In recent years the UK Government has steadily reduced the rate of UK corporation tax, with the latest rates substantively enacted in July 2013 now standing at 21% with effect from 1 April 2014 and 20% with effect from 1 April 2015. The closing deferred tax assets and liabilities have been calculated at 20% in accordance with the rates enacted at the balance sheet date.

In the Budget on 8 July 2015, the UK Government proposed, amongst other things, to further reduce the main rate of UK corporation tax to 19% with effect from 1 April 2017 and to 18% with effect from 1 April 2020. Existing temporary differences may therefore unwind in periods subject to these reduced rates. These rate changes are to be included in the Finance Bill 2015 but this has not yet been substantively enacted.

**7. Members' Share of Profits**

Profits are shared among the members in accordance with agreed profit sharing arrangements after the financial statements have been approved by the members.

	<b>2015</b>	<b>2014</b>
	<b>No.</b>	<b>No.</b>
Average number of members	<u>65</u>	<u>60</u>

The highest remuneration of a member for the year was £941,148 (2014 - £757,040).

**Notes to the Financial Statements**  
**Year ended 31 March 2015**

**8. Profit Attributable to the Limited Liability Partnership**

The profit for the financial year attributable to the parent undertaking, Fladgate LLP, was £18,762,306 (2014 - £16,655,937).

**9. Tangible Fixed Assets – Consolidated and Limited Liability Partnership**

	Leasehold costs & improvements	Furniture and equipment	Computer equipment	Motor vehicles	Total
	£	£	£	£	£
<b><u>COST</u></b>					
At 1 April 2014	559,403	880,405	1,003,984	376,890	2,820,682
Additions	110,036	166,088	260,710	91,383	628,217
Disposals	-	(13,730)	-	(101,213)	(114,943)
At 31 March 2015	669,439	1,032,763	1,264,694	367,060	3,333,956
<b><u>DEPRECIATION</u></b>					
At 1 April 2013	92,306	665,981	790,372	236,808	1,785,467
Charge for the year	37,816	60,094	152,752	52,465	303,127
Disposals	-	(13,728)	-	(79,617)	(93,345)
At 31 March 2015	130,122	712,347	943,124	209,656	1,995,249
<b><u>NET BOOK VALUE</u></b>					
At 31 March 2014	467,097	214,424	213,612	140,082	1,035,215
At 31 March 2015	539,317	320,416	321,570	157,404	1,338,707

The profit arising from the disposal of assets was £9,574.

**10. Investments**

Fladgate LLP has an investment in the following principal entities:

Entity	Country of registration	Activity	Proportion of voting rights and ordinary shares held
Walgate Services Ltd *	England and Wales	Service company	100%
Walgate Trustees Ltd	England and Wales	Dormant	100%
Fladgate Ltd	England and Wales	Dormant	100%
Fladgates Ltd	England and Wales	Dormant	100%
Fladgate Trustees Ltd	England and Wales	Dormant	100%

\* Held directly by Fladgate LLP.

**Notes to the Financial Statements**  
**Year ended 31 March 2015**

**10. Investments (continued)**

	<b>Consolidated</b>		<b>Limited Liability Partnership</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Fixed asset investments	5	5	2	2
Current asset investments	-	1	-	1

**11. Debtors**

	<b>Consolidated</b>		<b>Limited Liability Partnership</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Client debtors	7,395,302	7,339,381	7,395,302	7,339,381
Unbilled revenue	2,986,475	2,897,612	2,986,475	2,897,612
Amounts due from group undertakings	-	-	12,788	-
Other debtors	69,181	61,942	80	-
Dividend receivable	-	-	150,000	55,000
Prepayments and accrued income	4,958,959	4,473,356	4,913,398	4,225,720
	<u>15,409,917</u>	<u>14,772,291</u>	<u>15,458,043</u>	<u>14,517,713</u>

All debtors are due within one year.

**12. Creditors: Amounts Falling Due Within One Year**

	<b>Consolidated</b>		<b>Limited Liability Partnership</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Trade creditors	566,841	656,517	547,959	598,617
Amounts due to group undertakings	-	-	-	1,073
Corporation tax	37,417	101,756	-	-
Social security and other taxes	1,265,399	936,312	633,131	312,752
Other creditors	49,365	32,445	-	-
Accruals and deferred income	1,445,444	1,131,250	1,073,799	823,316
	<u>3,364,466</u>	<u>2,858,280</u>	<u>2,254,889</u>	<u>1,735,758</u>



# Notes to the Financial Statements

## Year ended 31 March 2015

### 13. Provision for Liabilities

Consolidated and Limited Liability Partnership	Provision for onerous lease	Provision for dilapidations	Provision for claims	Total
	£	£	£	£
At 1 April 2014	592,368	250,000	2,135,000	2,977,368
Charge for the year	-	-	700,000	700,000
Provision utilised	(119,681)	-	(900,000)	(1,019,681)
At 31 March 2015	472,687	250,000	1,935,000	2,657,687

A description of each provision is given in the provisions paragraph in the accounting policies note 1.

### 14a. Reconciliation of Members' Interests

Consolidated	Members' capital classified as a liability under FRS 25	Loans and other debts due to / (due from) members	Members' other interests	Total members' interests
	£	£	£	£
Amounts due to members	5,336,901			
Amounts due from members	(13,694,651)			
Members' interests at 1 April 2014	4,911,334	(8,357,750)	16,655,596	13,209,180
For discretionary division among members'	-	-	18,761,977	18,761,977
Members' interests after profit for the year	4,911,334	(8,357,750)	35,417,573	31,971,157
Allocation of prior year profit	-	16,655,596	(16,655,596)	-
Capital introduced	1,042,888	-	-	1,042,888
Repayments of capital	(608,884)	-	-	(608,884)
Amounts paid to and on behalf of members'	-	(18,102,604)	-	(18,102,604)
Amounts due to members	5,433,832			
Amounts due from members	(15,238,590)			
Members' interests at 31 March 2015	5,345,338	(9,804,758)	18,761,977	14,302,557

# Notes to the Financial Statements

## Year ended 31 March 2015

### 14a. Reconciliation of Members' Interests (continued)

Under the terms of the Members' Agreement, members are required to provide capital to the firm. The amount of capital varies according to the seniority of individual partners and is reviewed annually to adjust for new or retiring members. Amendments usually take place on 1 April. Capital is repaid to members upon cessation of membership over a period of 12 months following retirement and so is presented above in amounts due to members.

The members vote to approve the division of profit accrued after the balance sheet date. As a result, the balance of profit available for division among the members as at 31 March 2015 is included in members' other interests. Drawings by members on account of profits for the year have been included within amounts due from members. In the event of a winding up, loans and other debts due to members rank equally with unsecured creditors; members' other interests rank after unsecured creditors.

### 14b. Reconciliation of Members' Interests

Limited Liability Partnership	Members' capital classified as a liability under FRS 25	Loans and other debts due to / (due from) members	Members' other interests	Total members' interests
	£	£	£	£
Amounts due to members		5,275,839		
Amounts due from members		(13,639,993)		
Members' interests at 1 April 2014	4,911,334	(8,364,154)	16,655,937	13,203,117
For discretionary division among members'	-	-	18,762,306	18,762,306
Members' interests after profit for the year	4,911,334	(8,364,154)	35,418,243	31,965,423
Allocation of prior year profit	-	16,655,937	(16,655,937)	-
Capital introduced	1,042,888	-	-	1,042,888
Repayments of capital	(608,884)	-	-	(608,884)
Amounts paid to and on behalf of members'	-	(18,102,604)	-	(18,102,604)
Amounts due to members		5,327,402		
Amounts due from members		(15,138,223)		
Members' interests at 31 March 2015	5,345,338	(9,810,821)	18,762,306	14,296,823

**Notes to the Financial Statements**  
**Year ended 31 March 2015**

**15. Capital Commitments**

At the year-end the firm did not have any material capital commitments that were either contracted for but not provided in the financial statements or authorised but not contracted for.

**16. Operating Lease Commitments**

	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Operating lease payments due within next twelve months in respect of land and buildings		
- Terminating after five years	<u>3,197,440</u>	<u>2,616,935</u>

**17. Reconciliation of Operating Profit to Net Cash Inflow from Operating Activities**

	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Operating profit	18,230,777	16,328,512
Depreciation and amortisation charges	303,127	246,132
Impairment loss on investments	-	22,499
Loss on sale of tangible fixed assets	3	1,059
Increase in debtors	(637,626)	(995,974)
Increase in creditors	570,525	280,500
(Decrease)increase in provisions for liabilities and charges	(319,681)	388,232
<b>Net cash inflow from operating activities</b>	<u><u>18,147,125</u></u>	<u><u>16,270,960</u></u>

**18. Analysis of Cash Flows**

	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
<b>a) Returns on investments and servicing of finance</b>		
Interest received	<u>559,044</u>	<u>430,540</u>
<b>b) Taxation</b>		
UK corporation tax paid	<u>(101,757)</u>	<u>(119,231)</u>
<b>c) Capital expenditure and financial investment</b>		
Purchase of tangible fixed assets	(628,217)	(426,349)
Disposal proceeds of tangible fixed assets	31,169	32,403
Disposal proceeds of investments	1	70,000
	<u>(597,047)</u>	<u>(323,946)</u>
<b>d) Transactions with members and former members</b>		
Drawings and distributions	(18,102,604)	(15,319,532)
Capital contributions by members	1,042,888	2,065,761
Capital repayment to members	(608,884)	(423,952)
	<u><u>(17,668,600)</u></u>	<u><u>(13,677,723)</u></u>

**Notes to the Financial Statements**  
Year ended 31 March 2015

**19. Analysis of Changes in Net funds**

	At 1 April 2014	Cash flow	At 31 March 2015
Cash at bank	3,237,316	338,765	3,576,081
Net funds	3,237,316	338,765	3,576,081

**20. Transactions with Related Parties**

Fladgate LLP has relied upon the exemption given in the Financial Reporting Standard 8 'Related Party Disclosures' not to disclose transactions between itself and its subsidiary undertakings.