

ONDRA LLP

Report and Financial Statements

Year Ended

31 March 2019

Registered Number OC340822



ONDRA LLP

Report and financial statements for the year ended 31 March 2019

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Registered office:

125 Old Broad Street, London EC2N 1AR (registered in England and Wales; Registered Number OC340822)

Lawyers:

Slaughter and May – One Bunhill Row, London, EC1Y 8YY

Auditors:

BDO LLP – 55 Baker Street, London, W1U 7EU

ONDRA LLP

Report of the members for the year ended 31 March 2019

The Designated Members of ONDRA LLP present their report and consolidated financial statements for the year ended 31 March 2019.

Principal activity and review of the business

We are pleased to present our Report & Accounts for the year ended 31 March 2019.

Ondra's primary purpose is to serve clients in such a way as to help them create long term value. We are very satisfied with our progress and achievements in this respect, as well as with the confidence our clients place in us, and the professional growth and development of our team. Our financial results for the year, however, lagged the value delivered for our clients, due primarily to a combination of timing and client life cycle factors. The consequence of this is, that while we were again able to reward our team, there was only a modest profit remaining available for distribution to the Members, including our external investors, who we last year prioritised over the Members. Retainers once again covered 100 per cent of our operating costs, a key feature of our model.

We are confident that this period of transition – growth and development of our team, a steady increase in the population of clients attracted to our distinctive model, and an appropriate focus on our cost base – is now drawing to a natural close and that, in the current year, we will be able to resume more representative levels of distributions to our Members and to our external investors.

The current year is off to a promising start in terms of existing and new client activity, and we look to the future with confidence and gratitude to our clients for their continued support for us and to our team for their unstinting dedication in turn to serving our clients.

Designated members

The designated members in the year were:

M A Tory
M S Baldock
MB Quattro Management LLC
M A Skelly

Transactions with members

The members participate fully in the firm's profits and losses, share the risks and subscribe the firm's capital.

Members' capital requirements are linked in part to their share of profit and the financing requirements of the firm. There is no opportunity for appreciation of the capital subscribed and, on retirement, any amount outstanding to the credit of a retiring member's capital account is generally repaid to the member.

The firm's drawings policy allows (i) Individual Members who are not Independent Members to make fixed monthly drawings and (ii) for certain members to request ad-hoc drawings against future profits throughout the year. The balance of profits is allocated to members' Current Accounts in the subsequent year. Within 60 days following the approval of the annual accounts each Member is entitled to request a distribution of any amount standing to the credit of his Current Account. All payments are made subject to the cash requirements of the business.

Income tax payable on the LLP's profits is solely the personal liability of the individual members and consequently is not dealt with in these financial statements.

ONDRA LLP

Report of the members (continued) for the year ended 31 March 2019

Members' responsibilities

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.

Auditors

All of the designated members have taken all the steps that they ought to have taken to make themselves aware of any information needed by the auditors for the purposes of their audit and to establish that the auditors are aware of that information. The designated members are not aware of any relevant audit information of which the auditors are unaware.

The auditors, BDO LLP have expressed their willingness to continue in office and are deemed to have been re-appointed in accordance with section 487 (2) of the Companies Act 2006.

On behalf of the Members



Mary Skelly
Date: 22 July 2019

ONDRA LLP

Independent auditor's report

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ONDRA LLP

Opinion

We have audited the financial statements of ONDRA LLP ("the Limited Liability Partnership") for the year ended 31 March 2019 which comprise the consolidated income statement, the consolidated statement of comprehensive income, the consolidated balance sheet, the consolidated statement of changes in members' interests, the consolidated statement of cash flows, the partnership balance sheet, the partnership statement of changes in members' interests and 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's and the Limited Liability Partnership's affairs as at 31 March 2019 and of its 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.

ONDRA LLP

Independent auditor's report (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 on 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 Chapter 3 of part 16 of the Companies Act 2006 as applied by 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.



Neil Fung-On (Senior Statutory Auditor)
For and on behalf of BDO LLP, statutory auditor
London, United Kingdom

Date: 22/7/19

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

ONDRA LLP

Consolidated income statement for the year ended 31 March 2019

	Note	Year ended 31 March 2019 £	Year ended 31 March 2018 £
Turnover		12,892,163	14,666,809
Operating expenses		(11,250,946)	(12,511,671)
Operating profit/(loss)	4	1,641,217	2,155,138
(Loss)/profit from associate		-	-
Interest receivable	5	60,812	30,655
Interest payable		-	-
Profit on ordinary activities before tax		1,702,029	2,185,793
Tax on ordinary activities in corporate subsidiaries	7	-	164
Profit for the year before members' remuneration charged as an expense and profit shares		1,702,029	2,185,957
Members' remuneration charged as an expense		(63,196)	(64,541)
Profit for the year available for discretionary division among members		1,638,833	2,121,416

All amounts relate to continuing activities.

The notes on pages 12 to 20 form part of these financial statements.

ONDRA LLP

Consolidated statement of comprehensive income for the year ended 31 March 2019

	Year ended 31 March 2019 £	Year ended 31 March 2018 £
Profit for the financial year available for discretionary division among members	1,638,833	2,121,416
Other comprehensive income:		
Exchange difference on retranslation of subsidiary undertakings	(101,134)	(871,642)
Total gains and losses recognised in the year	1,537,699	1,249,774

The notes on pages 12 to 20 form part of these financial statements.

ONDRA LLP

Consolidated balance sheet at 31 March 2019

Registered number OC340822	Note	2019 £	2019 £	2018 £	2018 £
Fixed assets					
Tangible fixed assets	8		94,759		165,902
Investment in associate	9		-		-
Total fixed assets			94,759		165,902
Current assets					
Investments	10	99,297		267,833	
Debtors	11	6,663,490		5,900,894	
Cash at bank and in hand		<u>8,823,038</u>		<u>10,895,626</u>	
		15,585,825		17,064,353	
Creditors: amounts falling due within one year	12	<u>5,296,673</u>		<u>4,799,791</u>	
Net current assets			10,289,152		12,264,562
Total assets less current liabilities			10,383,911		12,430,464
Net assets attributable to members			10,383,911		12,430,464
REPRESENTED BY:					
Loans and other debts due to members					
Members' capital classified as a liability			4,101,985		5,192,259
Other amounts			<u>2,547,520</u>		<u>2,981,425</u>
			6,649,505		8,173,684
Equity					
Members' equity interests - other reserves classified as equity			<u>3,734,406</u>		<u>4,256,780</u>
			10,383,911		12,430,464
Total members' interests					
Amounts drawn on account of current year profit (included in debtors)			(1,466,222)		(1,335,088)
Loans and other debts due to members			6,649,505		8,173,684
Members' equity interests			<u>3,734,406</u>		<u>4,256,780</u>
			<u>8,917,689</u>		<u>11,095,376</u>

The financial statements were approved by the members of ONDRA LLP and authorised for issue on 22 July 2019.



Michael Tory
Designated Member

The notes on pages 12 to 20 form part of these financial statements.

ONDRA LLP

Consolidated statement of changes in members' interests for the year ended 31 March 2019

Group	Members' equity interests	Loan and other debts due to members		Total members' Interests
	Total Other Reserves £	Members' capital classed as a liability £	Other amounts £	Total £
Amounts due to members	4,256,780	5,192,259	2,981,425	12,430,464
Amounts due from members	-	-	(1,335,088)	(1,335,088)
At 1 April 2018	4,256,780	5,192,259	1,646,337	11,095,376
Profit for discretionary division among members	1,638,833	-	-	1,638,833
Prior year profit allocated to members	(2,060,073)	-	2,060,073	-
Members' remuneration charged as an expense	-	-	63,196	63,196
Members' interests after profit for the year	3,835,540	5,192,259	3,769,606	12,797,405
Other recognised gains and losses	(101,134)	266,040	105,545	270,451
Capital repaid to retiring members	-	(1,356,314)	-	(1,356,314)
Capital introduced by members	-	-	-	-
Loan notes repaid to members	-	-	-	-
Loan notes issued to members	-	-	-	-
Drawings and distributions	-	-	(2,793,853)	(2,793,853)
Other movements	-	-	-	-
Amounts due to members	3,734,406	4,101,985	2,547,520	10,383,911
Amounts due from members	-	-	(1,466,222)	(1,466,222)
At 31 March 2019	3,734,406	4,101,985	1,081,298	8,917,689

The notes on pages 12 to 20 form part of these financial statements.

ONDRA LLP

Consolidated statement of cash flows for the year ended 31 March 2019

	Note	Year ended 31 March 2019 £	Year ended 31 March 2018 £
Cash flows from operating activities			
Profit for the financial year before members' remuneration and profit shares		1,702,029	2,185,957
Adjustments for:			
Depreciation of fixed assets		93,120	158,214
Share of loss/(profit) of associates		-	-
Interest receivable		(60,812)	(30,655)
Interest payable		-	-
Taxation (income)/expense		-	(164)
(Increase)/decrease in debtors		(462,926)	(2,161,472)
Increase/(decrease) in creditors		496,882	(2,515,860)
Exchange adjustments		37,090	(708,100)
Cash from operations		1,805,383	(3,072,080)
Taxation received/(paid)		-	78,370
Members' drawings in relation to remuneration		(2,730,657)	(15,151,083)
Interest on convertible loan notes		(63,196)	(64,541)
Net cash generated from operating activities		(988,470)	(18,209,334)
Cash flows from investing activities			
Purchase of tangible fixed assets		(19,839)	(36,179)
Interest received		60,812	30,655
Purchase of shares in unlisted companies		-	1,947,575
Disposal of shares in unlisted companies		-	(1,947,575)
Net cash from investing activities		40,973	(5,524)
Cash flows from financing activities			
Interest payable		-	-
Capital contributions by members		-	507,813
Capital repaid to retiring members		(1,356,314)	(336,250)
Loan notes issued to members		-	-
Loan notes repaid to members		-	-
Net cash from financing activities		(1,356,314)	171,563
Net decrease in cash and cash equivalents		(2,303,811)	(18,043,295)
Cash and cash equivalents at beginning of year		10,895,626	29,680,076
Foreign exchange gains and losses		231,223	(741,155)
Cash at bank and in hand		8,823,038	10,895,626

The notes on pages 12 to 20 form part of these financial statements.

ONDRA LLP

LLP balance sheet at 31 March 2019

Registered number OC340822	Note	2019 £	2019 £	2018 £	2018 £
Fixed assets					
Tangible assets	8		85,458		123,259
Fixed asset investments	9		<u>155</u>		<u>144</u>
			85,613		123,403
Current assets					
Investments	10	99,297		267,833	
Debtors	11	7,500,653		6,963,376	
Cash at bank and in hand		<u>4,725,549</u>		<u>6,059,249</u>	
		12,325,499		13,290,458	
Creditors: amounts falling due within one year	12	<u>4,830,760</u>		<u>4,301,581</u>	
Net current assets			<u>7,494,739</u>		<u>8,988,877</u>
Total assets less current liabilities			<u>7,580,352</u>		<u>9,112,280</u>
Net assets attributable to members			<u>7,580,352</u>		<u>9,112,280</u>
REPRESENTED BY:					
Loans and other debts due to members					
Members' capital classified as a liability			4,101,985		5,192,259
Other amounts			<u>2,640,160</u>		<u>2,894,228</u>
			6,742,145		8,086,487
Equity					
Members' equity interests - other reserves classified as equity			<u>838,207</u>		<u>1,025,793</u>
			7,580,352		9,112,280
Total members' interests					
Amounts drawn on account of current year profit (included in debtors)			(1,237,615)		(1,108,658)
Loans and other debts due to members			6,742,145		8,086,487
Members' equity interests			<u>838,207</u>		<u>1,025,793</u>
			<u>6,342,737</u>		<u>8,003,622</u>

The financial statements were approved by the members of ONDRA LLP and authorised for issue on 22nd July 2019.



Michael Tory
Designated Member

The notes on pages 12 to 20 form part of these financial statements.

ONDRA LLP

LLP statement of changes in members' interests for the year ended 31 March 2019

LLP	Members' equity interests	Loan and other debts due to members		Total members' interests
	Total other reserves £	Members' capital classed as a liability £	Other amounts £	Total £
Amounts due to members	1,025,793	5,192,259	2,894,228	9,112,280
Amounts due from members	-	-	(1,108,658)	(1,108,658)
At 1 April 2018	1,025,793	5,192,259	1,785,570	8,003,622
Profit for discretionary division among members	1,822,606	-	-	1,822,606
Profit allocated to members	(2,013,480)	-	2,013,480	-
Members' remuneration charged as an expense	-	-	63,196	63,196
Members' interests after profit for the year	834,919	5,192,259	3,862,246	9,889,424
Other recognised gains and losses	3,288	266,040	105,545	374,873
Capital repaid to retiring members	-	(1,356,314)	-	(1,356,314)
Capital introduced by members	-	-	-	-
Loan notes repaid to members	-	-	-	-
Loan notes issued to members	-	-	-	-
Drawings and distributions	-	-	(2,565,246)	(2,565,246)
Other movements	-	-	-	-
Amounts due to members	838,207	4,101,985	2,640,160	7,580,352
Amounts due from members	-	-	(1,237,615)	(1,237,615)
At 31 March 2019	838,207	4,101,985	1,402,545	6,342,737

During the year 3 members retired. Any capital introduced in the year by members is included within members' capital classified as a liability. All members are obliged to contribute capital on admission to ONDRA LLP. On retirement any amount outstanding to the credit of a retiring member's capital account is repaid to the member, except for Designated Members, where the balance is reallocated to the remaining members. Members' equity interests represent allocated profits not yet paid to members and are due within one year.

The basis on which profits are allocated is described in note 1. Information concerning distributions to members and the number of members is given in note 6. 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 and no additional protection is afforded to creditors. Members' capital contributions are determined by the Designated Members having regard, inter alia, to the working capital needs of the business.

At year-end exchange rates, loans and other debts due to members includes £807,358 (2018: £750,506) of loan notes issued directly to shareholders of the corporate members of the LLP. The loan notes outstanding at 31 March 2019 are unsecured and carry a coupon of 4% per annum until 30 November 2019, unless repaid earlier at the discretion of ONDRA. Interest is payable in cash annually on 30 November.

The notes on pages 12 to 20 form part of these financial statements.

ONDRA LLP

Notes forming part of the financial statements for the year ended 31 March 2019

1 Accounting policies

The financial statements have been prepared in accordance with FRS 102 of the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland, including the 2018 SORP, 'Accounting by Limited Liability Partnerships'.

The following principal accounting policies have been applied:

Basis of preparation

The financial statements consolidate the results and financial position of ONDRA LLP and all its subsidiary undertakings (the 'Group'). Businesses acquired or disposed of during the year are accounted for using acquisition accounting principles from or up to the date control passed.

As permitted by section 408 of the Companies Act 2006, no separate income statement is presented for ONDRA LLP.

Tangible fixed assets

Tangible fixed assets are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The group adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred if the replacement part is expected to provide incremental future benefits to the group. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Depreciation is provided on all tangible fixed assets so as to write them off over their anticipated useful lives on a straight line basis over the following years:

Leasehold improvements	-	Between 4 and 10 years
Computer and office equipment	-	Between 3 and 5 years
Fixtures and fittings	-	Between 4 and 10 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, if there is an indication of a significant change since the last reporting date.

Turnover

Turnover is wholly attributable to the principal activities of the Group and is presented exclusive of value added taxation. Turnover attributable to differing geographical markets has not been disclosed as the members consider such disclosure to be seriously prejudicial to the interests of the group.

Turnover represents services performed for external customers and is recognised as activity progresses to reflect the firm's partial performance of its contractual obligations. Work performed in excess of invoices raised is included within accrued income. Where amounts have been invoiced in excess of work performed, the excess is included within deferred income. If the right to consideration is conditional or contingent on a specified future event or outcome, the occurrence of which is outside the control of the firm, turnover is not recognised until that critical event occurs.

Foreign currencies

In the financial statements of the LLP and the individual companies, assets and liabilities expressed in foreign currencies are translated at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated at the rate ruling at the date of the transaction, except where covered by forward currency contracts in which case the forward rate is used. Differences arising are dealt with in the income statement.

The income statement of the financial statements of overseas subsidiaries is translated at the average rate of exchange ruling during the year. The balance sheet of the financial statements of overseas subsidiaries is translated at the rate ruling at the balance sheet date. Exchange differences arising on the retranslation of opening balances of overseas subsidiaries are dealt with through reserves.

ONDRA LLP

Notes forming part of the financial statements for the year ended 31 March 2019 (continued)

1 Accounting policies (continued)

Associates and joint ventures

An entity is treated as an associated undertaking where the group exercises significant influence in that it has the power to participate in the operating and financial policy decisions.

An entity is treated as a joint venture where the group is party to a contractual agreement with one or more parties from outside the group to undertake an economic activity that is subject to joint control.

In the consolidated accounts, interests in associated undertakings and joint ventures are accounted for using the equity method of accounting. Under this method an equity investment is initially recognised at the transaction price (including transaction costs) and is subsequently adjusted to reflect the investor's share of the profit or loss, other comprehensive income and equity of the associate or joint venture. The consolidated statement of comprehensive income includes the group's share of the operating results, interest, pre-tax results and attributable taxation of such undertakings applying accounting policies consistent with those of the group. In the consolidated balance sheet, the interests in associated undertakings and joint ventures are shown as the group's share of the identifiable net assets, including any unamortised premium paid on acquisition.

Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in unlisted company shares, which have been classified as fixed asset investments as the Group intends to hold them on a continuing basis, are re-measured to market value at each balance sheet date. Gains and losses on re-measurement are recognised in profit or loss for the period.

Investments in listed company shares, which have been classified as current asset investments, are re-measured to market value at each balance sheet date. Gains and losses on re-measurement are recognised in profit or loss for the period.

Leases

Rentals under operating leases are charged to the income statement on a straight-line basis over the term of the lease. The group has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard (1 January 2014) to continue to be charged over the shorter period to the first market rent review rather than the term of lease.

Where the Group has a legal obligation, a dilapidations provision is created on inception of a lease. These provisions are a best estimate of the cost required to return leased properties to their original condition upon termination of the lease. Where the obligation arises from 'wear and tear', the provision is accrued as the 'wear and tear' occurs.

Income tax

Income tax payable on the LLP's profits is solely the personal liability of the individual members and consequently is not dealt with in these financial statements.

Allocation of profits and drawings

The firm's drawings policy allows (i) Individual Members who are not Independent Members to make fixed monthly drawings and (ii) for certain members to request ad-hoc drawings against future profits throughout the year. The balance of profits is allocated to members' Current Accounts in the subsequent year. Within 60 days following the approval of the annual accounts each Member is entitled to request a distribution of any amount standing to the credit of his Current Account. All payments are made subject to the cash requirements of the business.

Profits for discretionary division among members are classified as equity.

Interest on members' other interests is debited to the income statement as members' remuneration charged as an expense constituting the interest payable on loan notes. The terms of the interest payments and of repayment of the loan note instruments is disclosed within the notes to the LLP statement of changes in members' interests.

Amounts drawn by members against profits awaiting allocation are included in 'Amounts due from members' debtors within debtors.

ONDRA LLP

Notes forming part of the financial statements for the year ended 31 March 2019 (continued)

1 Accounting policies (continued)

Provisions for claims

In common with comparable businesses the group can be involved in disputes in the ordinary course of business which may give rise to claims. The group carries an appropriate level of professional indemnity insurance.

Pension

Contributions to the group's defined contribution pension scheme are charged to the income statement in the year in which they become payable.

Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which has accrued at the balance sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the balance sheet date.

2 Judgements in applying accounting policies and key sources of estimation uncertainty

Key sources of estimation uncertainty

- *Tangible fixed assets (see note 8)*

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

- *Investments (see notes 9 and 10)*

The most critical estimates, assumptions and judgements relate to the determination of carrying value of unlisted investments at fair value through profit and loss. In determining this amount, the Group applies the overriding concept that fair value is the amount for which an asset can be exchanged between knowledgeable willing parties in an arm's length transaction. The nature, facts and circumstance of the investment drives the valuation methodology.

Listed investments are valued at the quoted bid price at the reporting date. Unquoted investments are valued using a price/earnings multiple methodology. The relevant price/earnings multiple is determined by reference to those applying to quoted companies in similar industries after adjustment for the reduced liquidity of unquoted companies. This multiple is then applied to the earnings of the investee company in the period, after adjustments for one-off unusual income or expenditure in the period.

ONDRA LLP

Notes forming part of the financial statements for the year ended 31 March 2019 (continued)

3 Employees

	Year ended 31 March 2019 £	Year ended 31 March 2018 £
Staff costs (excluding members) consist of:		
Wages and salaries	5,477,112	6,077,005
Social security costs	711,063	784,338
Pension costs	125,156	187,746
	<u>6,313,331</u>	<u>7,049,089</u>
	Number	Number
The average number of employees during the year was:	<u>30</u>	<u>42</u>

4 Operating profit

	Year ended 31 March 2019 £	Year ended 31 March 2018 £
This is stated after charging:		
Auditors' remuneration:		
- Fees payable to the LLP's auditor	34,840	33,500
- Fees payable to the LLP's auditor for other services:		
- the audit of the LLP's subsidiary companies pursuant to legislation	4,719	5,078
- the audit of the LLP's corporate members pursuant to legislation	9,360	9,000
- tax compliance services	35,511	33,582
- other services	8,027	31,350
Depreciation of tangible fixed assets	93,120	158,214
Foreign exchange (gains)/losses	(194,639)	(398,917)
Operating lease payments		
- land and buildings	973,646	1,006,324
- other	17,283	18,202
	<u>973,646</u>	<u>1,006,324</u>

5 Interest receivable

	Year ended 31 March 2019 £	Year ended 31 March 2018 £
On short-term deposits and investments	<u>60,812</u>	<u>30,655</u>

6 Profit for the year before members' remuneration and profit share

Profits and losses are shared among the members each year in accordance with agreed profit sharing arrangements and include interest on members' funds. Members are required to make their own provision for pensions from their profit shares.

	Year ended 31 March 2019 Number	Year ended 31 March 2018 Number
Average number of members	<u>12</u>	<u>13</u>

ONDRA LLP

Notes forming part of the financial statements for the year ended 31 March 2019 (continued)

7 Taxation on profit on ordinary activities in corporate subsidiaries

The financial statements do not incorporate any charge or liability for taxation on the results of the LLP, as the relevant income tax is the responsibility of the individual members. The charge to tax, which arises in the corporate entities included within these financial statements, is as follows:

	Year ended 31 March 2019 £	Year ended 31 March 2018 £
Analysis of charge for the year		
<i>Current tax</i>		
UK corporation tax on result for the year	-	-
Foreign taxation	-	(164)
	<hr/>	<hr/>
Total current tax	-	(164)
<i>Deferred tax</i>		
Origination and reversal of timing differences	-	-
	<hr/>	<hr/>
Taxation on profit on ordinary activities	-	(164)
	<hr/>	<hr/>
Factors affecting tax charge for the year		
The tax assessed for the year is lower than the standard rate of UK corporation tax of 19%. The differences are explained below:		
Profit on ordinary activities before corporate taxation	1,702,029	2,124,451
Profit taxed on members	(1,697,547)	(2,270,375)
	<hr/>	<hr/>
(Loss)/profit on ordinary activities before taxation in corporate subsidiaries	4,482	(145,924)
	<hr/>	<hr/>
(Loss)/profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19% (2018: 19%)	852	(29,185)
Effects of:		
Utilisation of tax losses	-	-
Items not deductible	-	-
Lower rates of tax on overseas earnings	(852)	29,185
Prior year adjustments	-	(164)
	<hr/>	<hr/>
	-	(164)
	<hr/>	<hr/>

ONDRA LLP

Notes forming part of the financial statements for the year ended 31 March 2019 (continued)

8 Tangible fixed assets

Group	Computer and office equipment £	Fixtures and fittings £	Total £
<i>Cost</i>			
At 1 April 2018	663,077	785,469	1,448,546
Additions	19,839	-	19,839
Disposals	-	-	-
Exchange adjustment	2,904	12,275	15,179
	<hr/>	<hr/>	<hr/>
At 31 March 2019	685,820	797,744	1,483,564
	<hr/>	<hr/>	<hr/>
<i>Depreciation</i>			
at 1 April 2018	541,966	740,678	1,282,644
Charge for the year	54,944	38,176	93,120
Disposals	-	-	-
Exchange adjustment	3,518	9,523	13,041
	<hr/>	<hr/>	<hr/>
At 31 March 2019	600,428	788,377	1,388,805
	<hr/>	<hr/>	<hr/>
<i>Net book value</i>			
At 31 March 2019	85,392	9,367	94,759
	<hr/>	<hr/>	<hr/>
At 31 March 2018	121,111	44,791	165,902
	<hr/>	<hr/>	<hr/>
LLP			
<i>Cost</i>			
At 1 April 2018	602,775	620,073	1,222,848
Additions	19,839	-	19,839
Disposals	-	-	-
Exchange adjustment	(1,664)	(254)	(1,918)
	<hr/>	<hr/>	<hr/>
At 31 March 2019	620,950	619,819	1,240,769
	<hr/>	<hr/>	<hr/>
<i>Depreciation</i>			
At 1 April 2018	486,664	612,925	1,099,589
Charge for the year	51,913	4,635	56,548
Disposals	-	-	-
Exchange adjustment	(671)	(155)	(826)
	<hr/>	<hr/>	<hr/>
At 31 March 2019	537,906	617,405	1,155,311
	<hr/>	<hr/>	<hr/>
<i>Net book value</i>			
At 31 March 2019	83,044	2,414	85,458
	<hr/>	<hr/>	<hr/>
At 31 March 2018	116,111	7,148	123,259
	<hr/>	<hr/>	<hr/>

ONDRA LLP

Notes forming part of the financial statements for the year ended 31 March 2019 (continued)

9 Fixed asset investments

	Group 2019 £	Group 2018 £	LLP 2019 £	LLP 2018 £
<i>Investment in subsidiaries</i>				
At 1 April 2018	-	-	144	161
Exchange adjustment	-	-	11	(17)
<i>Investment in associate</i>				
At 1 April 2018	147,882	147,882	147,882	147,882
(Loss)/profit from associate	-	-	-	-
Impairment provision	(147,882)	(147,882)	(147,882)	(147,882)
	<u>-</u>	<u>-</u>	<u>155</u>	<u>144</u>

The LLP has paid £150,000 for a 34% interest in Aouani & Co Limited, a UK company with a Moroccan subsidiary providing investment banking services to clients in North Africa. The company has ceased trading and full provision has been made.

The subsidiary undertakings of ONDRA LLP are:

Subsidiaries	Registered address	Trading address	Percentage owned	Nominal value	Nature of business
ONDRA (US) GP LLC	2711 Centerville Road, Suite 400 Wilmington, Delaware 19808, USA	140 East 45th Street New York NY 10017	100%	£ 77	Holding company
ONDRA (US) LP	2711 Centerville Road, Suite 400 Wilmington, Delaware 19808, USA	140 East 45th Street New York NY 10017	100%	£ 77	Corporate advisory
ONDRA Partners LP	2711 Centerville Road, Suite 400 Wilmington, Delaware 19808, USA	140 East 45th Street New York NY 10017	100%	£ -	Regulated advisory
Ondra Partners (Ireland) Ltd.	25 – 28 North Wall Quay, Dublin 1, Ireland	Alexandra House The Sweepstakes Ballsbridge Dublin 4	100%	£ 2	Corporate advisory

Overseas branches:

Ondra LLP has the following overseas branches whose assets, liabilities and results form part of the LLP figures included in these financial statements:

Ondra LLP – Paris branch
Ondra LLP – Milan branch (non-trading)
Ondra Middle East and Africa – Casablanca branch (non-trading)

ONDRA LLP

Notes forming part of the financial statements for the year ended 31 March 2019 (continued)

10 Current asset investments

	Year ended 31 March 2019 £	Year ended 31 March 2018 £
<i>Valuation</i>		
At 1 April 2018	267,833	88,628
Additions		2,040,132
Disposals	(172,306)	(1,947,575)
Write back on impairment provision	(271)	84,271
Exchange adjustment	4,041	2,377
	<hr/>	<hr/>
At 31 March 2019	99,297	267,833
	<hr/>	<hr/>

The disposals in the year relate to proceeds of shares received from company in liquidation.

11 Debtors

	Group 2019 £	Group 2018 £	LLP 2019 £	LLP 2018 £
Trade debtors	3,464,138	3,089,638	3,091,154	2,514,009
Amounts owed by group undertakings	-	-	1,595,993	2,020,234
Other debtors	922,047	697,074	770,771	550,173
Prepayments and accrued income	811,083	779,094	805,120	770,302
Amounts due from members	1,466,222	1,335,088	1,237,615	1,108,658
	<hr/>	<hr/>	<hr/>	<hr/>
	6,663,490	5,900,894	7,500,653	6,963,376
	<hr/>	<hr/>	<hr/>	<hr/>

All amounts shown under debtors fall due within one year.

12 Creditors: amounts falling due within one year

	Group 2019 £	Group 2018 £	LLP 2019 £	LLP 2018 £
Trade creditors	420,703	330,838	410,710	315,222
Amounts owed to group undertakings	-	-	77	71
Amount owed to associate	-	-	-	-
Other taxation and social security	207,118	251,751	207,115	251,749
Corporation tax	-	-	-	-
Other creditors	79,237	71,033	72,715	63,252
Accruals and deferred income	4,589,615	4,146,169	4,140,143	3,671,287
	<hr/>	<hr/>	<hr/>	<hr/>
	5,296,673	4,799,791	4,830,760	4,301,581
	<hr/>	<hr/>	<hr/>	<hr/>

ONDRA LLP

Notes forming part of the financial statements for the year ended 31 March 2019 (continued)

13 Operating lease commitments

The group's total future minimum leasing commitments in relation to operating leases are:

	2019 Land and buildings £	2019 Other £	2018 Land and buildings £	2018 Other £
Within one year	824,882	9,067	977,553	13,986
Within two to five years	2,424,937	1,301	2,583,132	8,589
Over five years	-	-	215,163	-
	<u>3,249,819</u>	<u>10,368</u>	<u>3,775,848</u>	<u>22,575</u>

The LLP's total future minimum leasing commitments in relation to operating leases are:

	2019 Land and buildings £	2019 Other £	2018 Land and buildings £	2018 Other £
Within one year	778,632	9,067	677,400	13,515
Within two to five years	2,424,937	1,301	2,536,882	8,589
Over five years	-	-	215,163	-
	<u>3,203,569</u>	<u>10,368</u>	<u>3,429,445</u>	<u>22,104</u>

14 Related party transactions

At year-end exchange rates the key management personnel have contributed between them capital totalling £1,357,686 (2018: £1,317,165) and loan notes totalling £762,262 (2018: £719,148). They took drawings and distributions in the year totalling £1,482,939 (2018: £5,520,012) and earned accrued interest of £30,326 (2018: £30,097). At the year end their combined capital balances totalled £782,252 (2018: £782,252) and they had taken £919,728 (2018: £530,965) between them by way of advances against unallocated profits. The profit share of the highest paid member in the year was £256,623 (2018: £5,300,395), which relates to the 2017/18 profit allocation (2018: £5,300,395, which relates to 2016/17 profit allocation).