

Critchleys LLP

(LLP no OC354137)

Consolidated Financial Statements

For the year ended

31 May 2019



CRITCHLEYS LLP

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CRITCHLEYS LLP

Members and Professional Advisers

Designated members

Robert Kirtland Ltd
Gavin Little Ltd
Jason McGuigan Ltd
Mark Rusher Ltd

Members

Nick Ashley
Lawrence King
Andrew Rodzynski
Matthew Williams
Critchleys Annuitants

Retired 31 May 2019

Registered Office

Beaver House
23-38 Hythe Bridge Street
Oxford
OX1 2EP

Bankers

Barclays Bank plc
Minns Business Park
3 West Way
Oxford
OX2 0SZ

CRITCHLEYS LLP

Members' Report

The members present their annual report and group financial statements for the year ended 31 May 2019.

PRINCIPAL ACTIVITIES

The group's principal activities are: accountants, auditors, taxation advisors, financial planning, corporate finance, payroll and HR advisors, business recovery specialists and management accounting.

BUSINESS REVIEW AND FUTURE DEVELOPMENTS

As we all continue to navigate through the uncertainty of Brexit and fears of a possible recession, the Members remain very upbeat about the future.

The Members remain focused on our future strategy for growth and will continue to build on our strengths, which include

- the breadth and depth of our services – including the further development of our digital offering and added value advisory services
- commitment to putting our clients at the heart of what we do
- providing a highly personalised service.
- developing our people
- investing in technology

In the financial year to May 2019, we saw a decline in our fee income, the main reason for this being the restructuring of our corporate finance offering and the significant investment made into developing our new corporate finance joint venture, Kinetix Critchleys LLP. Kinetix Critchleys LLP is not consolidated in these accounts. We are now securing notable corporate finance engagements and since the year-end we have completed a record breaking business disposal as lead adviser.

Prudent management of our costs lead to achieving a very pleasing 7.8% increase in overall operating profit and this continues to put the business on a firm financial footing.

PRINCIPAL RISKS AND UNCERTAINTIES FACING THE GROUP

The business is exposed to a number of risks as is any such firm, principal managed risks include:

- Retention of quality staff and offering a positive and rewarding work environment
- Retention of clients by providing high quality, personalised services delivered by real experts
- Quality control of work by the use of robust procedures and processes that incorporate the best use of IT

Our risk management focus will continue to lead us to invest in three key areas, namely developing our people, ensuring that we deliver our services in a more integrated way across the Critchleys group and continuing to invest in technology.

We will also ensure that risks are mitigated by planning, management control and insurance cover. We are delighted to have appointed a Regulatory and Compliance Director to oversee our continuing high standards.

CRITCHLEYS LLP

Members' Report (continued)

KEY PERFORMANCE INDICATORS

The key performance indicators for the profit and loss account are fees, gross profit percentage and net profit, for balance sheet they are working capital compared to income.

CRITCHLEYS LLP

Members' Report (continued)

DESIGNATED MEMBERS

The designated members of the LLP during the year together with subsequent changes are listed on page 1

STATEMENT OF MEMBERS RESPONSIBILITIES

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

Company law (as applied by The Limited Liability Partnerships (Accounts and Audit) (Application of the Companies Act 2006) Regulations 2008) requires 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 FRS102. Under company law (as applied by The Limited Liability Partnerships (Accounts and Audit) (Application of the Companies Act 2006) Regulations 2008) 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 LLP and the group and of the group profit for the year. In preparing those financial statements, the members are required to:

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

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

The members' responsibilities above are discharged by the Designated Members.

On behalf of the members



R Kirtland (On behalf of Robert Kirtland Ltd)

Chairman

21/2/2020

CRITCHLEYS LLP

Accounting Policies for the year ended 31 May 2019

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards and the Statement of Recommended Practice; Accounting for Limited Liability Partnerships as published in 2017.

The group's principal accounting policies are set out below and have been applied consistently:

(a) BASIS OF PREPARATION

The consolidated financial statements comprise the accounts of Critchleys LLP and its subsidiary undertakings, Critchleys HR and Payroll LLP, Critchleys Probate LLP, Critchleys Audit LLP and landtax LLP drawn up to 31 May each year.

No profit and loss account is presented for Critchleys LLP as permitted by Section 408 of Companies Act 2006. The LLP's profit for the year was £1,074,000 (2018: £900,000)

(b) REVENUE RECOGNITION

Fee income represents revenue earned under a wide variety of contracts to provide professional services. Revenue is recognised as earned when, and to the extent that, the firm obtains the right to consideration in exchange for its performance under these contracts. It is measured at the fair value of the right to consideration, which represents amounts chargeable to clients, including expenses and disbursements but excluding value added tax.

For incomplete contracts, an assessment is made of the extent to which the revenue has been earned. This assessment takes into account the nature of the assignment, its stage of completion and the relevant contract terms. Revenue in respect of contingent fee engagements (over and above any agreed minimum fee) is recognised when the contingent event occurs and the recoverability of the fee assured.

Accrued income includes the value of work performed which has not been invoiced at the year end, in accordance with FRS 102.

Commission income is included in the accounts on an accruals basis.

CRITCHLEYS LLP

Accounting Policies for the year ended 31 May 2019

(c) AMORTISATION / INTANGIBLE FIXED ASSETS

Amortisation is calculated to write down the cost less estimated residual value of all intangible fixed assets over their expected useful lives as follows:

Goodwill – acquisitions	10% per annum of cost
Goodwill – retiring members	10% per annum of cost

(d) DEPRECIATION / PROPERTY, PLANT AND EQUIPMENT

Depreciation is calculated to write down the cost less estimated residual value of all tangible fixed assets over their expected useful lives as follows:

Leasehold improvements	10% per annum of cost
Fixtures and fittings	10% per annum of cost
Computer equipment	25% per annum of cost
Plant and Machinery	15% per annum of net book value

(e) GOODWILL

Goodwill is the difference between the fair value of consideration paid for an acquired entity and the aggregate of the fair value of that entity's identifiable assets and liabilities.

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

(f) INVESTMENTS

Investments in subsidiary undertakings are stated at cost less any amounts written off.

(g) LEASED ASSETS

Where assets are financed by leasing (or hire purchase) agreements that give risks and rewards which approximate to ownership ("finance leases"), they are treated as if they had been purchased outright on credit. They are therefore initially recorded as a fixed asset and a liability at a sum equal to the fair value of the asset.

Leasing payments on such assets are regarded as consisting of a capital element which reduces the outstanding liability, and an interest charge.

Depreciation on such assets is based on the normal depreciation policy as detailed above.

All other leases are regarded as operating leases and total payments made under them are charged to the profit and loss account on a straight line basis over the duration of the lease.

CRITCHLEYS LLP

Accounting Policies

for the year ended 31 May 2019 (continued)

(h) PENSION COSTS

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

(i) PROVISIONS FOR LIABILITIES

Dilapidations

Provision is made for any property dilapidation costs that may be incurred in the future, upon termination of a lease, where the cost is likely to be incurred and a reasonable estimate can be made.

Annual leave

Short term benefits including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received. A liability is recognised to the extent of any unused holiday pay entitlement which is accrued at the Statement of financial position date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the Statement of Financial Position date.

(j) FINANCIAL INSTRUMENTS

The group only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, and loans to related third parties.

Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured initially and subsequently at the undiscounted amount of the cash or other consideration expected to be paid or received.

(k) MEMBERS' DRAWINGS AND THE SUBSCRIPTION AND REPAYMENT OF MEMBERS' CAPITAL

In accordance with the LLP agreement, from time to time the firm determines the amount of profit to be treated as members' fixed remuneration. This profit is treated as allocated. Allocated profit is included within 'loans and other debts due to members'. The remaining profit is allocated on a discretionary basis per the members' agreement and therefore is shown as 'profit available for discretionary division among members' in the profit and loss account and also within an equity reserve, 'other reserves', on the statement of financial position.

CRITCHLEYS LLP

Accounting Policies

for the year ended 31 May 2019 (continued)

An individual member's capital requirement is linked to his or her profit share and the financing requirements of the firm. An interest rate of 2% above bank base rate is paid on the Members' Interests as brought forward at the start of the financial reporting period. The repayment of capital to retiring members is made over a period of 24 months, with amounts reclassified as amounts due to retired members.

The firm's drawings policy is determined by the designated members as they arise.

CRITCHLEYS LLP

Consolidated Income Statement for the year ended 31 May 2019

	Note	2019 £'000	2018 £'000
Gross income	1	7,827	8,166
Disbursements		(56)	(174)
Net income		7,771	7,992
Direct costs	1	(3,856)	(4,019)
Gross profit		3,915	3,973
Overheads		(1,822)	(2,113)
Other operating income		22	19
Operating profit	1	2,115	1,879
Bank interest receivable		0	0
Interest payable	2	(40)	(27)
Profit on ordinary activities		2,075	1,852
Minority interest	13	(431)	(405)
Profit for the year before members' remuneration and profit shares		1,644	1,447
Members' remuneration charged as an expense		(1,377)	(1,431)
Profit for the financial year available for discretionary division among members	12	267	16

The accounting policies on pages 7 to 9 and the notes on pages 14 to 24 form an integral part of these financial statements

CRITCHLEYS LLP


Statements of Financial Position


As at 31 May 2019

	Note	Group 2019 £'000	Group 2018 £'000	LLP 2019 £'000	LLP 2018 £'000
FIXED ASSETS					
Intangible assets	5	1,413	1,572	1,277	1,572
Tangible assets	6	456	548	449	532
Investments	7	0	0	125	125
		<u>1,869</u>	<u>2,120</u>	<u>1,851</u>	<u>2,229</u>
CURRENT ASSETS					
Debtors	8	3,280	3,043	2,812	2,442
Cash at bank and in hand		0	0	0	0
		<u>3,280</u>	<u>3,043</u>	<u>2,812</u>	<u>2,442</u>
CREDITORS: Amounts falling due within one year	9	<u>(3,082)</u>	<u>(3,216)</u>	<u>(2,664)</u>	<u>(2,724)</u>
NET CURRENT ASSETS		<u>198</u>	<u>(173)</u>	<u>148</u>	<u>(282)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>2,067</u>	<u>1,947</u>	<u>1,999</u>	<u>1,947</u>
CREDITORS: Amounts falling due after more than one year	10	<u>(593)</u>	<u>(1,032)</u>	<u>(525)</u>	<u>(1,032)</u>
PROVISIONS FOR LIABILITIES	11	<u>(20)</u>	<u>(10)</u>	<u>(20)</u>	<u>(10)</u>
NET ASSETS ATTRIBUTABLE TO MEMBERS		<u>1,454</u>	<u>905</u>	<u>1,454</u>	<u>905</u>
REPRESENTED BY:					
LOANS AND OTHER DEBTS DUE TO MEMBERS					
Members' capital classified as a liability (due in more than one year)	12	508	505	508	505
Other amounts (due within one year)	12	678	125	678	125
		<u>1,186</u>	<u>630</u>	<u>1,186</u>	<u>630</u>
MEMBERS' OTHER INTERESTS					
Other reserves	12	268	275	268	275
Minority interest	13	0	0	0	0
		<u>1,454</u>	<u>905</u>	<u>1,454</u>	<u>905</u>
TOTAL MEMBERS' INTERESTS	12	<u>1,454</u>	<u>905</u>	<u>1,454</u>	<u>905</u>

For the year ending 31 May 2019 the Limited Liability Partnership was entitled to exemption from audit under section 477 of Companies Act 2006 as applied by Limited Liability Partnerships, relating to small LLPs. The members acknowledge their responsibility for complying with the requirements of the Companies Act 2006 (as applied to limited liability partnerships) with respect to accounting records and the preparation of accounts. These accounts have been prepared in accordance with the provisions applicable to LLPs subject to the small LLPs regime.

The financial statements were approved by the Members and authorised for issue on 21/2/2020


M Rusher
(On behalf of Mark Rusher Ltd)


R Kirtland
(On behalf of Robert Kirtland Ltd)

The accounting policies on pages 7 to 9 and the notes on pages 14 to 24 form an integral part of these financial statements

CRITCHLEYS LLP

Consolidated Statement of Cash Flows for the year ended 31 May 2019

	Note	2019 £'000	2019 £'000	2018 £'000	2018 £'000
Cash inflow from operating activities					
Profit for financial year		2,075		1,852	
Adjustments for:					
Depreciation		116		137	
Amortisation		175		118	
Provisions for liabilities		10		10	
Profit on disposal of property, plant and equipment					
Interest paid		40		27	
Interest received					
Taxation					
Decrease/(increase) in trade and other receivables		(117)		(206)	
Decrease/(increase) in inventories					
Increase/(Decrease) in trade payables		(61)		(262)	
Increase/(Decrease) in other creditors		(17)		1,509	
Cash from operations		2,221		3,185	
Interest paid		(40)		(27)	
Income taxes paid					
<i>Net cash generated from operating activities</i>			2,181		3,158
Cash flows from investing activities					
Proceeds from sale of equipment/intangibles		0		0	
Purchase of property, plant and equipment		(24)		(182)	
Purchase of intangible assets		(136)		(890)	
Interest received		0		0	
<i>Net cash generated from investing activities</i>			(160)		(1,072)
Cash flows from financing activities					
Capital introduced		33		218	
Capital repaid		0		(102)	
Payments to members	12	(1,066)		(1,600)	
Payments made to minority interests	13	(431)		(405)	
Payments to retired members		(520)		(560)	
Repayment of borrowings		(79)		(77)	
<i>Net cash used in financing activities</i>			(2,063)		(2,526)
Net increase/(decrease) in cash and cash equivalents	16		(42)		(440)
Adjustment for non-cash transactions for subsidiary removal					
Cash and cash equivalents at beginning of year			(854)		(414)
Cash and cash equivalents at end of year	16		(896)		(854)

The accounting policies on pages 7 to 9 and the notes on pages 14 to 24 form an integral part of these financial statements

CRITCHLEYS LLP

Consolidated Statement of Changes in Equity for the year ended 31 May 2019

Group	Members' capital classified as equity	Members' other interest	Total
At 1 June 2017	600	436	1,036
Profit for the financial year available for discretionary division among members		16	16
Other comprehensive income			0
Total comprehensive income for the year	0	16	16
Capital introduced	(7)		116
Retiring members reclassified	(88)	(6)	(94)
Division of profits		(169)	(169)
At 1 June 2018	505	400	905
Profit for the financial year available for discretionary division among members		268	268
Other comprehensive income			0
Total comprehensive income for the year	0	268	268
Capital introduced	33	0	33
Retiring members reclassified	(30)	(33)	(63)
Division of profits		311	311
At 31 May 2019	508	946	1,454

LLP	Members' capital classified as equity	Members' other interest	Total
At 1 June 2017	600	436	1,036
Profit for the financial year available for discretionary division among members		16	16
Other comprehensive income			0
Total comprehensive income for the year	0	16	16
Capital introduced	(7)		116
Retiring members reclassified	(88)	(6)	(94)
Division of profits		(169)	(169)
At 1 June 2018	505	400	905
Profit for the financial year available for discretionary division among members		268	268
Other comprehensive income			0
Total comprehensive income for the year	0	268	268
Capital introduced	33	0	33
Retiring members reclassified	(30)	(33)	(63)
Division of profits		311	311
At 31 May 2019	508	946	1,454

The accounting policies on pages 7 to 9 and the notes on pages 14 to 24 form an integral part of these financial statements

CRITCHLEYS LLP

Notes to the Financial Statements for the year ended 31 May 2019

1. GROSS INCOME AND OPERATING PROFIT

Gross income and operating profit are attributable to the principal activity and arose in the United Kingdom.

	2019 £'000	2018 £'000
Operating profit is stated after charging		
Depreciation – owned assets	116	137
Amortisation	175	118
Profit attributable to non-designated members of subsidiaries	431	405
	<hr/>	<hr/>
Gross income	2019 £'000	2018 £'000
Critchleys LLP	4,394	5,275
Critchleys Audit LLP	1,966	1,493
Critchleys HR and Payroll LLP	613	617
Landtax LLP	851	781
	<hr/>	<hr/>

2. INTEREST PAYABLE

	2019 £'000	2018 £'000
On bank loans and overdrafts repayable within 5 years	40	27
	<hr/>	<hr/>

CRITCHLEYS LLP

Notes to the Financial Statements for the year ended 31 May 2019 (continued)

3. STAFF COSTS

	2019 £'000	2018 £'000
Staff costs during the year were:		
Wages and salaries	3,286	3,372
Social security costs	325	329
Other pension costs	131	126
	<u>3,742</u>	<u>3,827</u>
	2019 Number	2018 Number
Average number of employees		
Client service staff	87	90
Support staff	19	18
	<u>106</u>	<u>108</u>

The group participates in a defined contribution pension scheme. The assets of the Scheme are held separately from those of the group in an independently administered fund. The group had contributions outstanding at the year end of £ 23,837 (2018: £ 22,485)

4. MEMBERS' SHARE OF PROFITS

Profits are divided among members in accordance with established profit sharing arrangements and includes interest on members' funds. Members are required to make their own provision for pensions from their profit shares.

	2019 £'000	2018 £'000
Average allocated profit per member	<u>183</u>	<u>158</u>
The share of allocated profits which is allocated to the member with the largest entitlement to profit was Critchleys Annuitants	<u>389</u>	<u>445</u>
	2019 Number	2018 Number
Average number of members	<u>8</u>	<u>8</u>

CRITCHLEYS LLP

Notes to the Financial Statements for the year ended 31 May 2019 (continued)

5. INTANGIBLE FIXED ASSETS

Group only	Goodwill £'000
Cost	
At 1 June 2018	1,750
Additions	136
Disposals	(120)
At 31 May 2019	1,766
Amortisation	
At 1 June 2018	178
Charge for year	175
Disposals	0
At 31 May 2019	353
Net book values	
At 31 May 2019	1,413
At 31 May 2018	1,572
LLP	Goodwill £'000
Cost	
At 1 June 2018	1,750
Additions	0
Disposals	(120)
At 31 May 2019	1,630
Amortisation	
At 1 June 2018	178
Charge for year	175
Disposals	0
At 31 May 2019	353
Net book values	
At 31 May 2019	1,277
At 31 May 2018	1,572

CRITCHLEYS LLP

Notes to the Financial Statements for the year ended 31 May 2019 (continued)

6. PROPERTY, PLANT AND EQUIPMENT

Group	Total £'000	Furniture and Fittings £'000	Computer Equipment £'000	Bicycles £'000	Leasehold Improvements £'000	Plant and Machinery £'000
Cost						
At 1 June 2018	1,963	46	1,429	9	478	1
Additions	24	0	8	0	16	0
Disposals	0	0	0	0	0	0
At 31 May 2019	1,987	46	1,437	9	494	1
Depreciation						
At 1 June 2018	1,415	38	1,317	9	51	0
Charge for year	116	3	62	0	50	1
Disposals	0	0	0	0	0	0
At 31 May 2019	1,531	41	1,379	9	101	1
Net book values						
At 31 May 2019	456	5	58	0	393	0
At 31 May 2018	548	8	112	0	427	1
LLP						
Cost						
At 1 June 2018	1,887	15	1,385	9	478	0
Additions	24	0	8	0	16	0
Disposals	0	0	0	0	0	0
At 31 May 2019	1,911	15	1,393	9	494	0
Depreciation						
At 1 June 2018	1,355	9	1,287	9	50	0
Charge for year	107	1	56	0	50	0
Disposals	0	0	0	0	0	0
At 31 May 2019	1,462	10	1,343	9	100	0
Net book values						
At 31 May 2019	449	5	50	0	394	0
At 31 May 2018	532	6	98	0	428	0

CRITCHLEYS LLP

Notes to the Financial Statements for the year ended 31 May 2019 (continued)

7. INVESTMENTS

LLP	Total £'000	Subsidiary Undertaking £'000
Cost and net book amounts		
At 31 May 2019	<u>125</u>	<u>0</u>
At 31 May 2018	<u>125</u>	<u>0</u>

The LLP has investment in the following subsidiary undertakings:

Critchleys HR and Payroll LLP	England	100%
Critchleys Audit LLP	England	33.3%
Kinetix Critchleys Corporate Finance LLP	England	33.3%
Landtax LLP	England	100%

Critchleys LLP entered the partnership of Kinetix Critchleys Corporate Finance LLP on 18 April 2018

8. DEBTORS

	Group 2019 £'000	Group 2018 £'000	LLP 2019 £'000	LLP 2018 £'000
Client debtors	1,710	1,818	977	939
Amounts due from subsidiary undertakings	0		602	552
Prepayments and accrued income	1,094	1,001	897	764
Other debtors	476	224	336	187
	<u>3,280</u>	<u>3,043</u>	<u>2,812</u>	<u>2,442</u>

CRITCHLEYS LLP

Notes to the Financial Statements for the year ended 31 May 2019 (continued)

9. CREDITORS: Amounts falling due within one year

	Group 2019 £'000	Group 2018 £'000	LLP 2019 £'000	LLP 2018 £'000
Bank loans (unsecured)	147	163	147	163
Bank overdrafts	896	854	851	783
Trade creditors	340	377	322	260
Amounts due to subsidiary undertakings	0	0	0	0
Social security and other taxes	300	324	301	319
Accruals and deferred income	351	690	255	587
Other creditors	858	612	788	612
Amounts due to members of subsidiaries	190	196		
	<u>3,082</u>	<u>3,216</u>	<u>2,664</u>	<u>2,724</u>

Barclays Bank plc holds a debenture over the assets of Critchleys LLP in respect of the bank loan and overdraft.

The bank loan is repayable by instalments over 5 years, the interest rate is variable.

10. CREDITORS: Amounts falling due after more than one year

	Group 2019 £'000	Group 2018 £'000	LLP 2019 £'000	LLP 2018 £'000
Bank loans (secured)	189	252	189	252
Other creditors	68	780	0	780
Accruals	336		336	
	<u>593</u>	<u>1,032</u>	<u>525</u>	<u>1,032</u>

CRITCHLEYS LLP

Notes to the Financial Statements for the year ended 31 May 2019 (continued)

11. PROVISIONS FOR LIABILITIES

Group	Total £'000	FRS102 Provision £'000
At 1 June 2019	10	10
Provisions transferred	0	0
New provisions	10	10
Paid	0	0
At 31 May 2019	<u>20</u>	<u>20</u>
LLP		
At 1 June 2018	10	10
Provisions transferred	0	0
New provisions	10	10
Paid	0	0
At 31 May 2019	<u>20</u>	<u>20</u>

Provisions relate to dilapidations and are calculated in accordance with the accounting policy.

CRITCHLEYS LLP

Notes to the Financial Statements for the year ended 31 May 2019 (continued)

12. TOTAL MEMBERS' INTERESTS

Group	Members' capital (due after one year) £'000	Loans and other debts due to/(from) members £'000	Total £'000	Other reserves £'000	Total £'000
At 1 June 2018 restated	505	125	630	275	905
Retired members' balances transferred to creditors	(30)	(33)	(63)		(63)
New capital introduced	33	0	33		33
Prior year profits now allocated to members		275	275	(275)	0
Members remuneration charged as an expense		1,377	1,377		1,377
Profit for the financial year available for discretionary division among members			0	268	268
Drawings		(1,066)	(1,066)		(1,066)
Repayments of capital	0		0		0
At 31 May 2019	508	678	1,186	268	1,454
Included in debtors		0			0
Members' funds		678			1,454
LLP					
At 1 June 2018 restated	505	125	630	275	905
Retired members' balances transferred to creditors	(30)	(33)	(63)		(63)
New capital introduced	33	0	33		33
Prior year profits now allocated to members		275	275	(275)	0
Members remuneration charged as an expense		1,377	1,377		1,377
Profit for the financial year available for discretionary division among members			0	268	268
Drawings		(1,066)	(1,066)		(1,066)
Repayments of capital	0		0		0
At 31 May 2019	508	678	1,186	268	1,454
Included in debtors					0
Members' funds		678			1,454

Loans and other amounts due to members may be set-off against amounts due from members included in debtors of £NIL (2018: £ NIL) but would otherwise rank as unsecured creditors.

CRITCHLEYS LLP

Notes to the Financial Statements for the year ended 31 May 2019 (continued)

13. MINORITY INTEREST

	Group 2019 £'000	Group 2018 £'000
At 1 June	0	0
Share of profit for the year	431	405
Payments made	(431)	(405)
At 31 May	<u>0</u>	<u>0</u>

14. CONTINGENT LIABILITIES

Neither the group nor the LLP had any contingent liabilities as at 31 May 2019 or 31 May 2018

15. LEASING COMMITMENTS

The total commitments in respect of operating leases for land and buildings were £ 1,991,000 (2018: £2,273,000).

16. ANALYSIS OF CHANGES IN NET FUNDS

	1 Jun 18 £'000	Cash flow £'000	31 May 19 £'000
Cash at bank and in hand	0	0	0
Bank overdrafts	(854)	(42)	(896)
	<u>(854)</u>	<u>(42)</u>	<u>(896)</u>

17. TRANSACTIONS WITH RELATED PARTIES

Within Critchleys Financial Planning LLP there are members that have significant control whom are also nominees of members within Critchleys LLP.

Critchleys LLP provided services to Critchleys Financial Planning LLP of £297,000 (2018: £281,167). At the year-end Critchleys Financial Planning owed Critchleys LLP £215,542 (2018: £181,279).

Critchleys LLP provided services to Kinetix Critchleys Corporate Finance LLP of £31,500 (2018: £9,333) Kinetix Critchleys Corporate Finance owed Critchleys LLP £136,278 at the year-end (2018: £32,111).

CRITCHLEYS LLP

Notes to the Financial Statements for the year ended 31 May 2019 (continued)

Critchleys LLP provided services to landtax LLP of £686 (2018: £66,683). Landtax LLP owed Critchleys LLP £24,389 at the year-end (2018: £122,648).

Critchleys LLP provided services to Critchleys Audit LLP of £420,500 (2018: £339,500). Critchleys Audit LLP owed Critchleys LLP £358,230 at the year-end (2018: £281,083).

Critchleys LLP provided services to Critchleys HR & Payroll LLP of £52,365 (2018: £48,365). Critchleys HR & Payroll provided services to Critchleys LLP of £4,910 in respect of payroll bureau services. Critchleys HR & Payroll LLP owed Critchleys LLP £74,402 at the year-end (2018: £111,202).

Within Other Debtors at the year-end was a balance due from Matthew Williams a retired member, for the sale of Goodwill, the bad debt reserve takes into account that there has been a guarantee of certain debts by him.