

LLP Registration No. OC304417

CARTER JONAS LLP

Annual Report and Financial Statements

30 April 2020

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CARTER JONAS LLP

ANNUAL REPORT AND FINANCIAL STATEMENTS 2020

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CARTER JONAS LLP

MEMBERS AND PROFESSIONAL ADVISERS

DESIGNATED MEMBERS

C M P Granger
S N Harkness
S A J Pallett
L E Simon

REGISTERED OFFICE

One Chapel Place
London
W1G 0BG

BANKERS

Barclays Bank plc
Professional Services Team
London

AUDITOR

Deloitte LLP
Statutory Auditor
London

CARTER JONAS LLP

MEMBER'S REPORT

The members present their annual report and the audited financial statements of Carter Jonas LLP (the 'limited liability partnership'/'LLP') and its subsidiaries (the 'Group') for the year ended 30 April 2020.

PRINCIPAL ACTIVITY

The principal activity of the limited liability partnership during the year was the provision of property consultancy services to the commercial, residential and rural markets.

REVIEW OF DEVELOPMENTS

The group has continued to invest across the business over the last 12 months in line with our strategic vision and in order to continue providing an excellent service for our clients. This included the acquisition of Williams Gunter Hardwick Limited, a property consultancy business in Bristol in May 2019.

As a result of this continued investment the future prospects of the group have been enhanced and we remain focussed on further opportunities for growth in income and profitability.

The COVID-19 Pandemic led to the temporary closure of all our offices (all have subsequently reopened). The business has invested heavily in its IT infrastructure and as a result all areas of the business swiftly and successfully transitioned to home working and have continued to do so with minimal impact on productivity and client delivery. Indeed, it has been used as an opportunity to review operations and use of resources to enhance our delivery of services to clients including improving environmental sustainability. It is also likely to lead to more flexible working which will aid our people's health and mental welfare. The potential financial impact of COVID-19 has been addressed by a mixture of reducing operational costs and taking advantage of various Government and Local Government schemes, as appropriate.

RESULTS

The trading results for the year ended 30 April 2020 and the limited liability partnership's financial position at that date are presented in the attached financial statements.

DESIGNATED MEMBERS

The following were designated members during the year:

C M P Granger
S N Harkness
R F O'Neill (resigned 20 November 2019)
S A J Pallett
L E Simon (appointed 20 November 2019)

TRANSACTIONS WITH MEMBERS

The members participate in the firm's profit, share the risks and subscribe for the firm's capital. The capital of Equity Partners is set at a consistent level for all Equity Partners but this can be increased if considered necessary by the Management Board. The capital of Group Partners is reviewed on an annual basis and they will be asked for a further subscription if necessary. Members' drawings are agreed between the member and the Management Board on an annual basis. Any balance of profits remaining in the members' current accounts in the annual accounts of the limited liability partnership is withdrawn on a phased basis after the year end.

The capital required by an incoming member is approved by the members on the recommendation of the Management Board and is subscribed in full on admission to the limited liability partnership. Capital is repaid to an outgoing member in accordance with the LLP agreement, which for Equity Partners is in 6 quarterly instalments commencing 3 months after departure.

CARTER JONAS LLP

MEMBER'S REPORT

AUDITOR

Deloitte LLP have expressed their willingness to continue in office as auditor and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

Signed on behalf of the Members

A handwritten signature in black ink, appearing to be 'C M P Granger', with a stylized, flowing script.

C M P Granger
Designated member

Date: 5th October 2020

CARTER JONAS LLP

CARBON REPORT

We have reported on all sources of Carter Jonas LLP emissions and energy usage as required under the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 as amended.

CARTER JONAS LLP EMISSIONS AND ENERGY USAGE

Carter Jonas LLP emissions and energy usage data for period 1 May 2019 to 30 April 2020

	UK and offshore 2020
<i>Emissions from combustion of gas (Scope 1 – tonnes of CO₂e)</i>	66
<i>Emissions from combustion of fuel for transport purposes (Scope 1 – tonnes of CO₂e)</i>	227.8
<i>Emissions from electricity purchased for own use, including for the purposes of transport (Scope 2 – tonnes of CO₂e)</i>	221
<i>Emissions from business travel in rental cars or employee-owned vehicles where company is responsible for purchasing the fuel (Scope 3 - tonnes of CO₂e)</i>	354.2
Total gross tCO₂e based on above	869
Energy consumption used to calculate emissions – kwh	3,556,152
Total gross emissions from above by unit turnover (tCO₂e/£M)	12.99

The full list of members of Carter Jonas LLP is available from Companies House.

CARTER JONAS LLP

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), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". The financial statements are required by law to give a true and fair view of the state of affairs of the LLP 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 LLP 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 LLP 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 LLP and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The members are responsible for the maintenance and integrity of the corporate and financial information included on the firm's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CARTER JONAS LLP

Opinion

In our opinion the financial statements of Carter Jonas LLP (the 'parent limited liability partnership') and its subsidiaries (the 'group'):

- give a true and fair view of the state of the group's and of the parent limited liability partnership's affairs as at 30 April 2020 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006 as applied to limited liability partnerships.

We have audited the financial statements which comprise:

- the consolidated profit and loss account;
- the consolidated and parent limited liability partnership balance sheets;
- the consolidated and parent limited liability partnership statements of changes in member' interests;
- the consolidated cash flow statement;
- the related notes 1 to 25.

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).

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 group and of the parent limited liability partnership in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (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 are required by ISAs (UK) to report in respect of the following matters where:

- the members' use of the going concern basis of accounting in 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 group's or the parent 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.

We have nothing to report in respect of these matters.

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 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 respect of these matters.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CARTER JONAS LLP (continued)

Responsibilities of directors

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 group's and the parent 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 group or the parent 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 FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Report on other legal and regulatory requirements

Matters on which we are required to report by exception

Under the Companies Act 2006 as applied to limited liability partnerships we are required to report in respect of the following matters if, in our opinion:

- adequate accounting records have not been kept by the parent limited liability partnership, 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.

We have nothing to report in respect of these matters.

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 to limited liability partnerships. 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.



Peter Saunders (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
London, United Kingdom

9 October 2020

CARTER JONAS LLP

CONSOLIDATED PROFIT AND LOSS ACCOUNT

Year ended 30 April 2020

	Note	2020 £	2019 £
TURNOVER	3	66,889,089	64,895,679
Cost of sales		<u>(728,433)</u>	<u>(996,697)</u>
GROSS PROFIT		66,160,656	63,898,982
Administrative expenses		(52,925,195)	(50,962,475)
Other operating income	5	<u>205,756</u>	<u>29,921</u>
OPERATING PROFIT	6	13,441,217	12,966,428
Interest receivable	9	57,215	44,921
Interest payable	10	<u>(153,747)</u>	<u>(158,394)</u>
PROFIT BEFORE TAXATION		13,344,685	12,852,955
Tax on profit	11	<u>(669,744)</u>	<u>(643,311)</u>
PROFIT FOR THE FINANCIAL YEAR BEFORE MEMBERS' REMUNERATION AND PROFIT SHARES		12,674,941	12,209,644
Members' remuneration charged as an expense		<u>(11,130,593)</u>	<u>(10,554,869)</u>
PROFIT FOR THE FINANCIAL YEAR AVAILABLE FOR DISCRETIONARY DIVISION AMONG MEMBERS		<u>1,544,348</u>	<u>1,654,775</u>

There are no comprehensive income or expense items for the current and preceding financial year other than as shown in the profit and loss account. Accordingly no separate statement of comprehensive income is shown.

All results are derived from continuing activities.

CARTER JONAS LLP**CONSOLIDATED BALANCE SHEET****As at 30 April 2020**

	Note	2020 £	2019 £
FIXED ASSETS			
Intangible assets	12	4,964,226	5,432,615
Tangible assets	13	2,463,518	3,083,302
Investments	14	83,970	83,970
		<u>7,511,714</u>	<u>8,599,887</u>
CURRENT ASSETS			
Amounts recoverable under contracts		3,333,996	3,098,172
Debtors	15	16,874,635	16,916,165
Cash at bank and in hand		519,086	318,943
		<u>20,727,717</u>	<u>20,333,280</u>
CREDITORS: amounts falling due within one year	16	<u>(13,185,123)</u>	<u>(14,267,162)</u>
NET CURRENT ASSETS		<u>7,542,594</u>	<u>6,066,118</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		15,054,308	14,666,005
CREDITORS: amounts falling due after more than one year	17	(669,998)	(840,000)
PROVISIONS FOR LIABILITIES AND CHARGES	19	<u>(201,473)</u>	<u>(98,931)</u>
NET ASSETS ATTRIBUTABLE TO MEMBERS		<u>14,182,837</u>	<u>13,727,074</u>
REPRESENTED BY:			
Loans and other debts due to members			
Members' capital classified as a liability		8,600,016	8,656,685
Other amounts		4,038,473	3,415,614
		<u>12,638,489</u>	<u>12,072,299</u>
Members' other interests			
Members' other reserves classified as equity		1,544,348	1,654,775
		<u>14,182,837</u>	<u>13,727,074</u>
TOTAL MEMBERS' INTERESTS			
Amounts due from members		(30,197)	(32,937)
Loans and other debts due to members		12,638,489	12,072,299
Members' other interests		1,544,348	1,654,775
		<u>14,152,640</u>	<u>13,694,137</u>

The financial statements of Carter Jonas LLP, registered number OC304417, were approved by the Members and authorised for issue on 5th October 2020.

Signed on behalf of the Members



C M P Granger
Designated member

CARTER JONAS LLP

LLP BALANCE SHEET

As at 30 April 2020

	Note	2020 £	2019 £
FIXED ASSETS			
Intangible assets	12	1,836,031	2,143,104
Investments	14	2,997,740	2,447,740
		<u>4,833,771</u>	<u>4,590,844</u>
CURRENT ASSETS			
Amounts recoverable under contracts		3,333,996	3,098,172
Debtors	15	26,521,821	25,325,856
Cash at bank and in hand		506,944	303,623
		<u>30,362,762</u>	<u>28,727,651</u>
CREDITORS: amounts falling due within one year	16	<u>(20,563,421)</u>	<u>(19,014,450)</u>
NET CURRENT ASSETS		<u>9,799,341</u>	<u>9,713,201</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>14,633,112</u>	<u>14,304,045</u>
CREDITORS: amounts falling due after more than one year	17	<u>(519,998)</u>	<u>(840,000)</u>
NET ASSETS		<u>14,113,114</u>	<u>13,464,045</u>
REPRESENTED BY:			
Loans and other debts due to members			
Members' capital classified as a liability		8,600,016	8,656,685
Other reserves		3,968,750	3,152,585
		<u>12,568,766</u>	<u>11,809,270</u>
Members' other interests			
Members' other reserves classified as equity		1,544,348	1,654,775
		<u>14,113,114</u>	<u>13,464,045</u>
TOTAL MEMBERS' INTERESTS			
Amounts due from members		(30,197)	(32,937)
Loans and other debts due to members		12,568,766	11,809,270
Members' other interests		1,544,348	1,654,775
		<u>14,082,917</u>	<u>13,431,108</u>

The profit for the financial year dealt with in the financial statements of the parent entity was £12,869,862 (2019 - £12,193,422). Per the statement of changes in members' interests this is made up of the profit for the year available for discretionary division among members and the members remuneration charged as an expense.

The financial statements of Carter Jonas LLP, registered number OC304417, were approved by the Members and authorised for issue on 5th October 2020.

Signed on behalf of the Members



C M P Granger
Designated member

CARTER JONAS LLP

CONSOLIDATED STATEMENT OF CHANGES IN MEMBERS' INTERESTS
Year ended 30 April 2020

	<u>Loans & other debts due within one year</u>				
	Members' capital £	Amounts due to members less any amounts due from members in debtors £	Total £	Members' other interests £	Total £
At 1 May 2018	9,075,017	3,565,078	12,640,095	1,349,404	13,989,499
Other reserves distributed	-	1,349,404	1,349,404	(1,349,404)	-
Profit for the year available for discretionary division among members	-	-	-	1,654,775	1,654,775
Members' remuneration charged as an expense	-	10,554,869	10,554,869	-	10,554,869
Members' interests after profit for the year	9,075,017	15,469,351	24,544,368	1,654,775	26,199,143
Distributions to members	-	(7,756,174)	(7,756,174)	-	(7,756,174)
Loans repaid by members	-	8,053	8,053	-	8,053
Capital repaid	(933,333)	-	(933,333)	-	(933,333)
Capital introduced	515,001	-	515,001	-	515,001
Taxation paid on behalf of members	-	(4,338,553)	(4,338,553)	-	(4,338,553)
At 30 April 2019	8,656,685	3,382,677	12,039,362	1,654,775	13,694,137
Other movements	-	1,615	1,615	-	1,615
Other reserves distributed	-	1,654,775	1,654,775	(1,654,775)	-
Profit for the year available for discretionary division among members	-	-	-	1,544,348	1,544,348
Members' remuneration charged as an expense	-	11,130,593	11,130,593	-	11,130,593
Members' interests after profit for the year	8,656,685	16,169,660	24,826,345	1,544,348	26,370,693
Distributions to members	-	(8,455,933)	(8,455,933)	-	(8,455,933)
Loans repaid by members	-	2,740	2,740	-	2,740
Capital repaid	(456,670)	-	(456,670)	-	(456,670)
Capital introduced	400,001	-	400,001	-	400,001
Taxation paid on behalf of members	-	(3,708,191)	(3,708,191)	-	(3,708,191)
At 30 April 2020	8,600,016	4,008,276	12,608,292	1,544,348	14,152,640
Amounts due from members			(30,197)		(30,197)
Amounts due to members			12,638,489		14,182,837
			<u>12,608,292</u>		<u>14,152,640</u>

CARTER JONAS LLP

LLP STATEMENT OF CHANGES IN MEMBERS' INTERESTS **Year ended 30 April 2020**

	Loans and other debts due within one year				
	Members' capital £	Amounts due to members less any amounts due from members in debtors £	Total £	Members' other interests £	Total £
At 1 May 2018	9,075,017	3,318,271	12,393,288	1,349,404	13,742,692
Other reserves distributed	-	1,349,404	1,349,404	(1,349,404)	-
Profit for the year available for discretionary division among members	-	-	-	1,654,775	1,654,775
Members' remuneration charged as an expense	-	10,538,647	10,538,647	-	10,538,647
Members' interests after profit for the year	9,075,017	15,206,322	24,281,339	1,654,775	25,936,114
Distributions to members	-	(7,756,174)	(7,756,174)	-	(7,756,174)
Loans repaid by members	-	8,053	8,053	-	8,053
Capital repaid	(933,333)	-	(933,333)	-	(933,333)
Capital introduced	515,001	-	515,001	-	515,001
Taxation paid on behalf of members	-	(4,338,553)	(4,338,553)	-	(4,338,553)
At 30 April 2019	8,656,685	3,119,648	11,776,333	1,654,775	13,431,108
Other reserves distributed	-	1,654,775	1,654,775	(1,654,775)	-
Profit for the year available for discretionary division among members	-	-	-	1,544,348	1,544,348
Members' remuneration charged as an expense	-	11,325,514	11,325,514	-	11,325,514
Members' interests after profit for the year	8,656,685	16,099,937	24,756,622	1,544,348	26,300,970
Distributions to members	-	(8,455,933)	(8,455,933)	-	(8,455,933)
Loans repaid by members	-	2,740	2,740	-	2,740
Capital repaid	(456,670)	-	(456,670)	-	(456,670)
Capital introduced	400,001	-	400,001	-	400,001
Taxation paid on behalf of members	-	(3,708,191)	(3,708,191)	-	(3,708,191)
At 30 April 2020	<u>8,600,016</u>	<u>3,938,553</u>	<u>12,538,569</u>	<u>1,544,348</u>	<u>14,082,917</u>
Amounts due from members			(30,197)		(30,197)
Amounts due to members			12,568,766		14,113,114
			<u>12,538,569</u>		<u>14,082,917</u>

CARTER JONAS LLP

CONSOLIDATED CASH FLOW STATEMENT
Year ended 30 April 2020

	Note	2020 £	2019 £
Net cash flows from operating activities	20	16,155,063	12,646,694
Cash flows from investing activities			
Purchase of tangible and intangible fixed assets		(335,988)	(1,045,164)
Payments to acquire investments		(536,195)	-
Interest received		57,215	44,921
Cash acquired with subsidiary		289,844	-
Payment of deferred consideration		(5,887)	-
Net cash flows from investing activities		(531,011)	(1,000,243)
Cash flows from financing activities			
Repayment of bank loans		(2,451,250)	(1,548,344)
New bank loans		2,950,070	500,000
Payments to or on behalf of members		(12,164,124)	(12,094,727)
Capital contributions by members		400,001	515,001
Repayments to former members		(456,670)	(933,333)
Interest paid		(153,747)	(158,394)
Net cash flows from financing activities		(11,875,720)	(13,719,797)
Net increase / (decrease) in cash and cash equivalents		3,748,332	(2,073,346)
Cash and cash equivalents at beginning of year		(5,015,303)	(2,941,957)
Cash and cash equivalents at end of year		(1,266,971)	(5,015,303)
Reconciliation to cash at bank and in hand:			
Cash at bank and in hand		519,086	318,943
Bank overdrafts		(1,786,057)	(5,334,246)
Cash and cash equivalents		(1,266,971)	(5,015,303)

CARTER JONAS LLP

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 April 2020

1. ACCOUNTING POLICIES

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

Basis of accounting

Carter Jonas LLP (the "LLP") is incorporated in the United Kingdom under the Limited Liability Partnership Act 2000. The address of the registered office is given on page 1. The nature of the group's operations and its principal activities are set out in the members' report on pages 2 and 3.

The financial statements have been prepared under the historical cost convention, modified to include certain items at fair value, and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council and the requirements of the Statement of Recommended Practice (SORP): Accounting by Limited Liability Partnerships (issued December 2018). The Group has applied the amendments to FRS 102 issued by the FRC in December 2017 and the sixth edition of the SORP with effect from 1 January 2019. The transitional provisions relating to the triennial review amendments have not resulted in any restatements of comparative information by the Partnership.

The functional currency of Carter Jonas LLP is considered to be pounds sterling because that is the currency of the primary economic environment in which the Partnership operates.

Carter Jonas LLP meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements, which are presented alongside the consolidated financial statements. Exemptions have been taken in relation to financial instruments, intra-group transactions, presentation of a cash flow statement and remuneration of key management personnel.

For the year ended 30 April 2020 the following subsidiaries of the partnership were entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

<i>Subsidiary Name</i>	<i>Companies House Registration Number</i>
Carter Jonas Enterprises Limited	09342548
Williams Gunter Hardwick Limited	05739670

Going concern

The group meets its day to day working capital requirements through an overdraft facility which was renewed on 8 March 2019. The overdraft has no expiry date and is repayable on demand. The company has received confirmation from its lenders that they have no current intention to withdraw the overdraft facility, which is reviewed annually in March.

The group's forecasts and projections have taken account of the economic uncertainty arising from COVID-19 pandemic which has impacted on the business from March 2020. Scenarios have been modelled for the period to April 2022, building in the action that has been taken to reduce costs and maintain cash flow following a projected fall of around 5.2% in fee income across this period. The firm has a wide base of work across a broad band of public and private sector clients across the UK. The consultancy business supported by a significant number of long-term contracts is projected to offset the potential volatility of our agency based income.

The business responded to the lock down, furloughing initially 35% of its staff. By the end of the first quarter 2020-21 this has dropped by over half as a result of activity levels. The firm also has concentrated on reducing employment costs in the first quarter of 2020-21 and has benefited from some Government grants and rebates. This together with reducing discretionary spend has offset the projected fee income reduction in 2020-21. With regard to cash flow, the firm has deferred a number of significant payments including VAT and income tax.

Scenarios beyond April 2021 assume the firm will adjust expenditure and investment in line with income. As a result, even in a reasonable worst case scenario the firm expects to maintain current levels of profit. Cash flow projections indicate that with such action taken the business can meet its working capital requirements within existing funding and covenants after taking into account an increase in the debt collection period (debtor days), although it is unlikely such a deterioration would take place.

CARTER JONAS LLP

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 April 2020

1. ACCOUNTING POLICIES (continued)

Going concern (continued)

In summary, the members have prepared prudent forecasts which show that the LLP and the group have adequate realisable resources to continue in operational existence for the foreseeable future being no less than 12 months from the date of signing these financial statements. Accordingly, the going concern basis of accounting is considered appropriate in preparing the accounts.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the limited liability partnership and all group undertakings. Acquisitions are accounted for under the acquisitions method and goodwill on consolidation is capitalised. The results of companies acquired or disposed of are included in the profit and loss account after or up to the date that control passes respectively. As a consolidated profit and loss account is published, a separate profit and loss account for the parent entity is omitted from the group financial statements by virtue of section 408 of the Companies Act 2006, as applied to Limited Liability Partnerships.

Investments in Subsidiaries Associates and Joint Venture

Investments in subsidiaries, associates and joint ventures are held at cost less impairment.

Goodwill

Purchased goodwill and goodwill arising on the acquisition of subsidiary undertakings and businesses is written off over varying periods not exceeding 48 years depending upon the assessment of its useful economic life and date of acquisition. Provision is made for any impairment.

Tangible Fixed assets

Tangible fixed assets are stated at cost net of depreciation. Depreciation is calculated so as to write off the cost of an asset less its estimated residual value over the useful economic life of that asset as follows:

Short leasehold property improvements	Over the shorter of the lease term or the life of the asset
Office furniture and equipment	3 years straight line
Computer equipment	4-6 years straight line

No depreciation is charged on assets under construction.

Financial instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities.

(i) Financial assets and liabilities

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in balance sheet when, and only when, there exists a legally enforceable right to set off the recognised amounts and the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Debt instruments which qualify as 'basic' financial instruments as defined in paragraph 11.9 of FRS 102 are subsequently measured at amortised cost using the effective interest method.

Debt instruments that have no stated interest rate (and do not constitute financing transaction) and are classified as payable or receivable within one year are initially measured at an undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

CARTER JONAS LLP

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 April 2020

1. ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Other debt instruments not meeting conditions of being 'basic' financial instruments are measured at fair value through profit or loss.

Commitments to make and receive loans which meet the conditions mentioned above are measured at cost (which may be nil) less impairment.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the Group transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the Group, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

(ii) Investments

Investments in non-derivative instruments that are equity of the issuer (where shares are publicly traded or their fair value is reliably measurable) are measured at fair value through profit or loss. Where fair value cannot be measured reliably, investments are measured at cost less impairment.

In the Partnership balance sheet, investments in subsidiaries, joint ventures and associates are measured at cost less impairment.

(iii) Derivative financial instruments

The Group uses derivative financial instruments to reduce exposure to foreign exchange risk and interest rate movements. The Group does not hold or issue derivative financial instruments for speculative purposes.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The resulting gain or loss is recognised in profit or loss immediately. The Group does not apply hedge accounting.

(iv) Fair value measurement

The best evidence of fair value is a quoted price for an identical asset in an active market. When quoted prices are unavailable, the price of a recent transaction for an identical asset provides evidence of fair value as long as there has not been a significant change in economic circumstances or a significant lapse of time since the transaction took place. If the market is not active and recent transactions of an identical asset on their own are not a good estimate of fair value, the fair value is estimated by using a valuation technique.

Impairment of assets

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

Non-financial assets

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

Where indicators exist for a decrease in impairment loss previously recognised for assets other than goodwill, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised. Where a reversal of impairment occurs in respect of a CGU, the reversal is applied first to the assets of the CGU, except for goodwill, on a pro-rata basis. Impairment of goodwill is never reversed.

CARTER JONAS LLP

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 April 2020

1. ACCOUNTING POLICIES (continued)

Impairment of assets (continued)

Financial assets

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

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

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

Amounts due back to clients

Amounts held on behalf of clients in designated client bank accounts, and therefore due back to clients, are not reflected in these accounts for the current year and prior year.

Amounts recoverable under contracts

Services provided to clients during the year, which at the balance sheet date have not been billed to clients, have been recognised as turnover in accordance with Section 23 of FRS 102. Turnover recognised in this manner is based on an assessment of the fair value of the services provided at 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 payment is contingent on factors outside the control of the firm.

Turnover

The turnover shown in the profit and loss account represents the value of fees and services rendered, exclusive of value added tax. Turnover from the supply of services represents the value of services provided under contracts to the extent that there is a right to consideration and is recorded at the fair value of the consideration received or receivable. Where a contract has only been partially completed at the balance sheet date turnover represents the fair value of the service provided to date based on the stage of completion of the contract activity at the balance sheet date.

Where payments are received from customers in advance of services provided, the amounts are recorded as deferred income and included as part of creditors due within one year.

Governments Grants

Government grants are recognised based on the accrual model and are measured at the fair value of the asset received or receivable. Grants are classified as relating either to revenue or to assets. Grants relating to revenue are recognised in income over the period in which the related costs are recognised. Grants relating to assets are recognised over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income.

The group as lessee

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term.

The group as lessor

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

CARTER JONAS LLP

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 April 2020

1. ACCOUNTING POLICIES (continued)

Taxation

The taxation payable on the limited liability partnership's profits is the personal liability of individual members. A retention from allocated profits is made to fund payments of taxation on members' behalf.

The companies dealt with in these consolidated financial statements are subject to corporation tax based on their profits for the accounting period. The tax liabilities and any deferred taxation of these companies are recorded in the profit and loss account under the relevant heading and any related asset or liability is carried as a debtor or creditor in the consolidated balance sheet.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

Members' interests

Members' capital is repayable on retirement of the member. Equity partner's capital is repayable in six equal quarterly instalments and group partner's capital is repayable immediately. Amounts due to retiring members are classified as current liabilities or liabilities over one year accordingly.

In the event of winding up, loans and other debts due to members and members' other interests rank subordinate to other unsecured creditors.

Divisible profits and members' remuneration

Members' share of profits and interest earned on members' capital balances, excluding bonus pool, are automatically allocated and are treated as members' remuneration charged as an expense to the profit and loss account in arriving at profit available for discretionary division amongst members.

Pension costs

The amount charged to the profit and loss account in respect of pension costs paid to defined contribution schemes is the contributions payable in the year. Differences in contributions payable in the year and contributions paid are shown as either accruals or prepayments in the balance sheet.

CARTER JONAS LLP

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 April 2020

2. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In applying the Group's accounting policies, which are described in note 1, the members are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

Critical Accounting Judgement - Revenue Recognition

Turnover shown in the accounts represents the value of fees and services rendered exclusive of value added tax. As the group provides a range of services, the revenue recognition point for each type of revenue is a matter of judgement and depends on the type of contract in place. Management's judgement is to recognise revenue on exchange of contracts in the case of property sale transactions. In the case of consultancy and other services, revenue is recognised on stage of completion which is determined by the stage of completion of the contract activity as at the balance sheet date.

In making its judgement, management considered the detailed criteria for the recognition of revenue set out in FRS 102 Section 23. In particular revenue relating to rendering of services has been recognised when the stage of completion and costs incurred can be measured reliably. If this is not the case revenue has been recognised to the extent that costs incurred to date will be recoverable.

Key source of estimation uncertainty

The directors are not aware of any key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

3. TURNOVER

The turnover and profit before tax, which arise in the United Kingdom, are attributable to the one principal activity of the group, being the provision of property consultancy services to the commercial, residential and rural markets.

No segmental analyses have been shown since the members consider that such disclosure would be prejudicial to the business on the grounds that many of the competitors do not include such information.

4. RESTRUCTURING

In the prior year the group undertook a restructuring which included the reduction of share capital in certain subsidiaries and associated adjustments.

CARTER JONAS LLP

NOTES TO THE FINANCIAL STATEMENTS Year ended 30 April 2020

5. OTHER OPERATING INCOME

	Group	
	2020	2019
	£	£
Government Grants	175,000	-
Rent receivable	30,756	29,921
	<u>205,756</u>	<u>29,921</u>

Government grants were received under the Retail, Hospitality and Leisure Grant Fund which was set up to support businesses in these sectors with their business costs during the coronavirus pandemic. The grants are non-repayable and eligibility is determined by the rateable value of each individual office.

6. OPERATING PROFIT

	Group	
	2020	2019
	£	£
Operating profit is after charging/crediting :		
Depreciation of owned fixed assets	899,572	877,721
Loss on disposal of tangible fixed assets	60,773	30,219
Amortisation of goodwill	989,816	935,038
Operating lease rentals:		
Motor vehicles	378,484	346,728
Land and buildings	3,444,864	3,572,901
Other	387,689	416,560
Government Grants	(175,000)	-
Fees payable to the LLP's auditor for the audit of the LLP's annual accounts	44,500	44,500
Fees payable to the LLP's auditor for the audit of the LLP's subsidiaries' annual accounts	35,500	35,500
Fees payable to the LLP's auditor for other services to the group:		
Tax compliance	<u>21,930</u>	<u>38,970</u>

Fees payable to Deloitte LLP and its associates for non-audit services to the LLP are not required to be disclosed because the consolidated financial statements are required to disclose such fees on a consolidated basis.

No services were provided pursuant to contingent fee arrangements.

CARTER JONAS LLP

NOTES TO THE FINANCIAL STATEMENTS Year ended 30 April 2020

7. INFORMATION REGARDING EMPLOYEES

Group	2020 No.	2019 No.
Average number of staff employed by the group during the financial year was:		
Professional staff including directors of subsidiaries	512	472
Support staff	112	116
	<u>624</u>	<u>588</u>

There are no staff employed by the LLP.

	£	£
The aggregate payroll costs of the above were:		
Wages and salaries	26,016,305	24,184,998
Social security costs	2,758,998	2,547,856
Other pension costs	1,091,790	820,905
	<u>29,867,093</u>	<u>27,553,759</u>

8. MEMBERS' REMUNERATION AND TRANSACTIONS

Profits are shared among the members in accordance with profit sharing agreements and include interest on members' capital.

The share of profits that has been allocated to the member with the largest entitlement to profit was £245,705 (2019 - £245,470).

The average number of members during the year was 101 (2019 - 97).

Key decisions are made by 9 members. Their aggregate share of profit was £2,071,059 (2019 - £1,955,003).

9. INTEREST RECEIVABLE

	Group 2020 £	2019 £
Interest Receivable	57,215	44,921
Interest Receivable - intercompany	-	-
	<u>57,215</u>	<u>44,921</u>

10. INTEREST PAYABLE

	Group 2020 £	2019 £
Interest payable on bank borrowing	151,318	150,749
Interest payable on capital	2,229	7,615
Interest payable to HMRC	200	30
	<u>153,747</u>	<u>158,394</u>

CARTER JONAS LLP

NOTES TO THE FINANCIAL STATEMENTS **Year ended 30 April 2020**

11. TAX ON PROFIT

	Group	
	2020	2019
	£	£
Current tax		
UK corporation tax based on taxable profit for the year	699,929	645,724
Adjustments in respect of prior years	6,840	(4,817)
	<u>706,769</u>	<u>640,907</u>
Deferred tax		
Origination and reversal of timing differences	(38,892)	(8,560)
Adjustments in respect of prior years	(3,869)	10,064
Effect of change in tax rates	5,736	900
	<u>(37,025)</u>	<u>2,404</u>
Tax on profit	<u>669,744</u>	<u>643,311</u>

The standard rate of tax for the year, based on the UK standard rate of corporation tax is 19% (2019 - 19%). The actual tax charge for the current and the previous year differs from the standard tax rate for the reasons set out in the following reconciliation:

	2020	2019
	£	£
Profit before tax	13,344,685	12,852,955
Tax on profit at standard rate	2,535,490	2,442,061
Factors affecting charge for the year:		
Expenses not deductible for tax purposes	152,824	127,361
Adjustments in respect of prior years	2,971	5,247
LLP profits not subject to corporation tax	(1,620,250)	(1,311,643)
Non-taxable income	(407,027)	(620,615)
Effects of other tax rates/credits	5,736	900
Tax charge for the year	<u>669,744</u>	<u>643,311</u>

The UK Finance Bill 2016 enacted provisions to reduce the main rate of UK corporation tax to 17% from 1 April 2020. However, in the March 2020 Budget it was announced that the reduction in the UK rate to 17% will now not occur and the Corporation Tax Rate will be held at 19%. As substantive enactment occurred before the balance sheet date there is no impact on the accounts for the current period.

CARTER JONAS LLP

NOTES TO THE FINANCIAL STATEMENTS Year ended 30 April 2020

12. INTANGIBLE ASSETS

Group

	Purchased goodwill £	Goodwill on consoli- dation £	Total £
Cost			
At 1 May 2019	4,835,500	6,258,897	11,094,397
Additions	-	521,427	521,427
At 30 April 2020	4,835,500	6,780,324	11,615,824
Amortisation			
At 1 May 2019	2,556,487	3,105,295	5,661,782
Charge for the year	331,783	658,033	989,816
At 30 April 2020	2,888,270	3,763,328	6,651,598
Net book value			
At 30 April 2020	1,947,230	3,016,996	4,964,226
At 30 April 2019	2,279,013	3,153,602	5,432,615

LLP

	Goodwill £
Cost	
At 1 May 2019 and 30 April 2020	3,753,785
Amortisation	
At 1 May 2019	1,610,681
Charge for the year	307,073
At 30 April 2020	1,917,754
Net book value	
At 30 April 2020	1,836,031
At 30 April 2019	2,143,104

CARTER JONAS LLP

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 April 2020

13. TANGIBLE ASSETS

Group	Short leasehold property improvements £	Office furniture/ equipment £	Computer equipment £	Total £
Cost				
At 1 May 2019	3,981,338	1,691,603	1,513,286	7,186,227
Additions	197,826	68,608	69,554	335,988
Transfers	-	15,712	-	15,712
Disposals	(157,531)	(18,386)	(73,969)	(249,886)
At 30 April 2020	4,021,633	1,757,537	1,508,871	7,288,041
Depreciation				
At 1 May 2019	1,824,772	1,468,748	809,405	4,102,925
Charge for the year	466,720	153,303	279,549	899,572
Transfers	-	11,139	-	11,139
Disposals	(101,946)	(13,198)	(73,969)	(189,113)
At 30 April 2020	2,189,546	1,619,992	1,014,985	4,824,523
Net book value				
At 30 April 2020	1,832,087	137,545	493,886	2,463,518
At 30 April 2019	2,156,566	222,855	703,881	3,083,302

14. INVESTMENTS HELD AS FIXED ASSETS

Group	Associated undertakings £
Cost and net book value	
At 1 May 2019 and 30 April 2020	83,970
LLP	Subsidiary undertakings £
Cost and net book value	
At 1 May 2019	2,447,740
Additions – Carter Jonas Acquisitions Ltd.	550,000
At 30 April 2020	2,997,740

On 30 April 2020, Carter Jonas Acquisitions Ltd., issued 550,000 ordinary shares of £1 each to Carter Jonas LLP.

CARTER JONAS LLP

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 April 2020

14. INVESTMENTS HELD AS FIXED ASSETS (continued)

The companies in which Carter Jonas LLP held an investment at the balance sheet date, both directly and indirectly, the proportion of issued share capital held and the respective nature of their activities are listed below:

Company name	Country of incorporation	Holding	Class	Business activity
Carter Jonas Acquisitions Ltd	United Kingdom	100%	Ordinary and Redeemable Preference	Investment company
Carter Jonas Enterprises Limited *	United Kingdom	100%	Ordinary	Holder of acquired businesses
Carter Jonas Limited	United Kingdom	100%	Ordinary	Dormant
Carter Jonas Service Company*	United Kingdom	100%	Ordinary	Provision of services to group companies and LLP
The Carter Jonas Group Limited	United Kingdom	100%	Ordinary	Dormant
Kemp and Kemp Limited*	United Kingdom	100%	Ordinary	Dormant
SGDN Limited	United Kingdom	49%	Ordinary	Property consultants
Williams Gunter Hardwick Limited **	United Kingdom	100%	Ordinary	Property consultants

* Denotes investment held directly by Carter Jonas Acquisitions Ltd

**Denotes investment held directly by Carter Jonas Enterprises Limited

The investments are held at cost less any provision for impairment.

The 1,470 £1 ordinary shares in SGDN Limited, representing a 49% holding in the company, are held for Carter Jonas LLP.

SGDN Limited is a company formed by Savills plc (previously Smiths Gore LLP) and Carter Jonas LLP to service a joint venture contract performed for the Ministry of Defence. Savills plc and Carter Jonas LLP share in the income according to the work performed under the contracts and the running costs of that company in their shareholding proportions. SGDN Limited is expected to be self funding.

On 1 May 2019 Carter Jonas Enterprises Limited, a wholly owned subsidiary of Carter Jonas Acquisitions Ltd., completed the acquisition of Williams Gunter Hardwick Limited, a commercial property consultancy.

The registered address of all entities is One Chapel Place, London, W1G 0BG.

15. DEBTORS

	Group		LLP	
	2020	2019	2020	2019
	£	£	£	£
Amounts falling due within one year:				
Trade debtors	14,488,615	14,442,606	14,128,320	14,106,521
Amounts owed by Group undertakings	-	-	12,357,220	10,733,295
Amounts due from members	30,197	32,937	30,197	32,937
Other debtors	65,288	64,877	6,085	-
Prepayments and accrued income	2,244,602	1,886,852	-	-
Deferred consideration escrow account	-	453,103	-	453,103
	<u>16,828,702</u>	<u>16,880,375</u>	<u>26,521,822</u>	<u>25,325,856</u>
Amounts falling due after more than one year:				
Office lease deposits	45,933	35,790	-	-
	<u>16,874,635</u>	<u>16,916,165</u>	<u>26,521,822</u>	<u>25,325,856</u>

The balance within amounts owed by group undertakings are unsecured, interest free and repayable on demand.

CARTER JONAS LLP

NOTES TO THE FINANCIAL STATEMENTS **Year ended 30 April 2020**

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		LLP	
	2020	2019	2020	2019
	£	£	£	£
Bank overdraft	1,786,057	5,334,246	-	-
Bank loans	1,967,658	1,148,836	1,476,027	1,148,836
Trade creditors	1,778,839	1,228,479	-	-
Amounts owed to Group undertakings	-	-	19,010,566	17,782,281
Amounts due to former members	-	83,333	-	83,333
Corporation tax	361,952	300,907	-	-
Other taxation and social security	4,800,579	3,257,609	8	-
Other creditors	107,974	35,866	76,820	-
Accruals and deferred income	2,192,110	2,832,045	-	-
Deferred consideration	189,954	45,841	-	-
	<u>13,185,123</u>	<u>14,267,162</u>	<u>20,563,421</u>	<u>19,014,450</u>

The borrowings are subject to interest at rates varying from 2.75% to 4.25% on the principal amount.

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

17. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group		LLP	
	2020	2019	2020	2019
	£	£	£	£
Bank loans	519,998	840,000	519,998	840,000
Deferred consideration	150,000	-	-	-
	<u>669,998</u>	<u>840,000</u>	<u>519,998</u>	<u>840,000</u>

CARTER JONAS LLP

NOTES TO THE FINANCIAL STATEMENTS Year ended 30 April 2020

18. BORROWINGS

Borrowings are repayable as follows:

	Group		LLP	
	2020	2019	2020	2019
	£	£	£	£
Bank overdraft				
On demand or within one year	1,786,057	5,334,246	-	-
Bank and other loans				
In less than one year	1,967,658	1,148,836	1,476,027	1,148,836
Between one and two years	319,998	320,000	319,998	320,000
Between two and five years	200,000	520,000	200,000	520,000
	<u>2,487,656</u>	<u>1,988,836</u>	<u>1,996,025</u>	<u>1,988,836</u>
Total borrowings				
On demand or within one year	3,753,715	6,483,082	1,476,027	1,148,836
Between one and two years	319,998	320,000	319,998	320,000
Between two and five years	200,000	520,000	200,000	520,000
	<u>4,273,713</u>	<u>7,323,082</u>	<u>1,996,025</u>	<u>1,988,836</u>

19. PROVISIONS FOR LIABILITIES AND CHARGES

Deferred taxation

The amount of deferred taxation recognised in the accounts is as follows:

Group	Note	Deferred tax	
		2020	2019
		£	£
Depreciation in deficit of capital allowances		<u>13,973</u>	<u>53,931</u>
		£	£
Movement in the year:			
Liability at the start of the year		53,931	51,527
Acquisition		(2,933)	-
Adjustment in respect of prior year	11	(3,869)	10,064
Charge for year	11	<u>(33,156)</u>	<u>(7,660)</u>
Liability at the end of the year		<u>13,973</u>	<u>53,931</u>

The balance represents full recognition of the deferred tax which is a liability in both years. This has been recognised at 19% (2019 – 17%).

It is expected that deferred tax liabilities of £18,348 will reverse during the year ended 30 April 2021.

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NOTES TO THE FINANCIAL STATEMENTS **Year ended 30 April 2020**

19. PROVISIONS FOR LIABILITIES AND CHARGES (continued)

Other Provisions

Group	2020 £	2019 £
Dilapidations provision	<u>187,500</u>	<u>45,000</u>
	2020 £	2019 £
Provision at the start of the year	45,000	25,000
Profit and loss account (credit) / charge	<u>142,500</u>	<u>20,000</u>
Provision at the end of the year	<u>187,500</u>	<u>45,000</u>

Provisions for dilapidation costs are held to satisfy contractual requirements to maintain office space in good condition prior to the lease ending.

20. CASH FLOW STATEMENT

	2020 £	2019 £
Reconciliation of operating profit to cash generated by operations		
Operating profit	13,441,217	12,966,428
Adjustment for:		
Depreciation and amortisation	1,889,388	1,812,759
Loss on disposal of fixed assets	<u>60,773</u>	<u>30,219</u>
Operating cash flows before movement in working capital	15,391,378	14,809,406
Increase in debtors and amounts recoverable under contract	(70,636)	(2,008,935)
Increase in creditors	1,545,485	451,196
Corporation tax paid	<u>(711,164)</u>	<u>(604,973)</u>
Cash generated by operations	<u>16,155,063</u>	<u>12,646,694</u>

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NOTES TO THE FINANCIAL STATEMENTS Year ended 30 April 2020

21. COMMITMENTS UNDER OPERATING LEASES

At 30 April 2020 the group had total commitments under non-cancellable operating leases as set out below:

Group	Land and Building		Other items	
	2020	2019	2020	2019
	£	£	£	£
Within one year	2,960,305	3,024,893	492,716	586,651
Within two to five years	4,243,113	6,247,549	626,839	745,584
After more than five years	-	71,975	-	-
	<u>7,203,418</u>	<u>9,344,417</u>	<u>1,119,555</u>	<u>1,332,235</u>

22. BANK GUARANTEE

Certain of the Group companies have provided cross-guarantees to Barclays Bank Plc under which such companies guarantee to the bank on a joint and several basis all present and future Group indebtedness in respect to the Group overdraft and revolving credit facilities. At 30 April 2020 the total borrowings from Barclays amounted to £1,786,057 (2019 - £7,323,082).

23. EMPLOYEE BENEFITS

The group operates a defined contribution benefit scheme for all qualifying employees. The total amount charged to profit and loss in the year amounted to £1,091,790 (2019 - £820,905).

24. RELATED PARTY TRANSACTIONS

The entity has taken the exemption in section 33 of Financial Reporting Standard 102 "Related party disclosures" not to disclose transactions between itself and its 100% owned subsidiary undertakings.

25. CONTROLLING PARTY

The LLP is controlled by its members and as such there is no single controlling party as defined by Financial Reporting Standard 102.