

# **Rhealisation LLP**

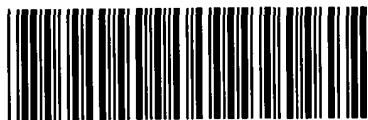
Report and Financial Statements

Year Ended

30 April 2016

LLP Number OC326278

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# **Rhealisation LLP**

## **Report and Financial Statements for the year ended 30 April 2016**

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### **Contents**

#### **Page:**

1	Members' report
2	Statement of members' responsibilities
3	Independent auditor's report
5	Consolidated income statement
6	Consolidated statement of comprehensive income
7	Consolidated balance sheet
9	Consolidated statement of changes in equity
11	Consolidated statement of cash flows
12	LLP balance sheet
14	LLP statement of changes in equity
15	Notes forming part of the financial statements

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### **Designated members**

C R Baker  
D J Bastide  
J W M Chadwick  
M N Cross

### **Registered office**

Thomas Eggar House  
Friary Lane  
Chichester  
PO19 1UF

### **LLP number**

OC 326278

### **Auditors**

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

# Rhealisation LLP

## Members' Report for the year ended 30 April 2016

The members are pleased to present their report and the audited consolidated financial statements of the Rhealisation LLP group for the year ended 30 April 2016.

### Principal activity and review of the business

The principal activity of the Group is the provision of legal services in the United Kingdom.

There are no overseas branches.

### Designated Members

The designated members of the LLP throughout the year were:

R S Ashby	(Resigned 17 December 2015)
C R Baker	(Appointed 17 December 2015)
D J Bastide	(Appointed 17 December 2015)
B E Bletso	(Resigned 17 December 2015)
V C Brackett	(Resigned 17 December 2015)
M N Cross	(Appointed 17 December 2015)
J W M Chadwick	
U M T Danagher	(Resigned 17 December 2015)
R E Kenyon	(Resigned 17 December 2015)
T R Purcell	(Resigned 17 December 2015)
J G Riddick	(Resigned 17 December 2015)

### Members' drawings and the subscription and repayment of members' capital

Members' capital in total is linked to the financial requirements of the LLP and is contributed by members in equal amounts, with new members contributing a full capital balance during the first four years of partnership. Capital is repaid to retiring members at the same value at which they contributed it.

The LLP's drawings policy provides for a monthly payment to each member on account of their share of the profit. The balance of their share, net of retention of tax, is paid within 12 months of the financial year end subject to the LLP's cash requirements.

### Auditors

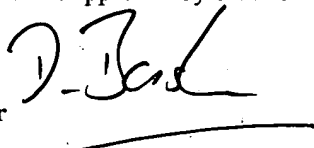
All of the Members as at the date of this report have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information. The Members are not aware of any relevant audit information of which the LLP's auditor is unaware.

### Approval

This Members' Report was approved by order of the Board on

3rd May 2017

D J Bastide  
Designated member



# Rhealisation LLP

## Statement of Members' Responsibilities

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### Members' responsibilities

The members are responsible for preparing the members' report and the 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 group and Limited Liability Partnership 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 group and Limited Liability Partnership 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 judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the 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.

# **Rhealisation LLP**

## **Independent auditor's report**

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### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RHEALISATION LLP**

We have audited the financial statements of Rhealisation LLP for the year ended 30 April 2016 which comprise the consolidated income statement, the consolidated balance sheet, the consolidated statement of cash flows, the LLP balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the limited liability partnership's members, as a body, in accordance with the 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 limited liability partnership and the limited liability partnership's members as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of members and auditors**

As explained more fully in the statement of members' responsibilities, the members are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

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

A description of the scope of an audit of financial statements is provided on the FRC's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

#### **Basis for qualified opinion on financial statements**

The audit evidence available to us was limited because the members could not provide supporting documentation in relation to the disclosed amounts in the related party transactions note 26 to the financial statements due to these records not being available. This was due to the accounting records transferring after a merger had taken place. Had this information been available to us we might have formed a different opinion on the financial statements.

#### **Qualified opinion on financial statements**

In our opinion, except for the possible effects of the matter described in the Basis of qualified opinion paragraph, 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 30 April 2016 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 as applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of the Companies Act 2006) Regulations 2008.

## Rhealisation LLP

### Independent auditor's report (*continued*)

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

In respect solely of the limitation on our work relating to the disclosures in relation to related party transactions within the financial statements, described above:

- we have not obtained all the information and explanations that we considered necessary for the purpose of our audit; and
- adequate accounting records have not been kept.

We have nothing to report in respect of the following matters where the Companies Act 2006 as applied to limited liability partnerships requires us to report to you if, in our opinion:

- returns adequate for our audit have not been received from branches not visited by us; or
- the limited liability partnership financial statements are not in agreement with the accounting records and returns;

*BDO LLP*

Nicholas Carter-Pegg (senior statutory auditor)  
For and on behalf of BDO LLP, statutory auditor  
London  
United Kingdom  
Date

*4/5/17*

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

# Rhealisation LLP

## Consolidated income statement for the year ended 30 April 2016

	Note	Continuing operations 2016 £	Discontinued operations 2016 £	Total 2016 £	Continuing operations 2015 £	Discontinued operations 2015 £	Total 2015 £
<b>Turnover</b>	<b>1</b>	-	16,667,809	16,667,809	-	40,015,773	40,015,773
Cost of sales		-	-	-	-	-	-
<b>Gross profit</b>		-	16,667,809	16,667,809	-	40,015,773	40,015,773
Distribution costs							
Administrative expenses		(987,260)	(17,195,187)	(18,182,447)	(1,219,797)	(28,146,114)	(29,365,911)
Profit on disposal of operations		-	14,336,883	14,336,883			
Other operating income		463,410	327,604	791,014	-	92,451	92,451
<b>Group operating profit</b>	<b>3</b>	(523,850)	14,137,109	13,613,259	(1,219,797)	11,962,110	10,742,313
Income from other fixed asset investments							
Other interest receivable and similar income	7	-	98,695	98,695	-	179,283	179,283
Interest payable and similar charges	6	-	(80,223)	(80,223)	-	(161,106)	(161,106)
Income from current asset investments							
Other finance costs							
<b>Profit on ordinary activities before taxation</b>		(523,850)	14,155,581	13,631,731	-1,219,797	11,980,287	10,760,490
Taxation on profit on ordinary activities	8	-	(138,297)	(138,297)	-	(233,598)	(233,598)
<b>Profit for the financial year before members' remuneration and profit shares</b>		(523,850)	14,017,284	13,493,434	-1,219,797	11,746,689	10,526,892
Members' remuneration charged as an expense	22	523,850	(14,017,284)	(13,493,434)	1,219,797	-11,746,689	-10,526,892
<b>Profit for the financial year available for discretionary division among members</b>		-	-	-	-	-	-

The notes on page 10 to 31 form part of these financial statements.

# Rhealisation LLP

## Consolidated balance sheet at 30 April 2016

<i>Registered number OC326278</i>	<i>Note</i>	<b>2016</b> £	<b>2016</b> £	<b>2015</b> £	<b>2015</b> £
<b>Fixed assets</b>					
Intangible assets – negative goodwill	<b>10</b>		-		(130,682)
Tangible assets	<b>11</b>		<b>1,112</b>		3,155,182
Investments	<b>12</b>		<b>2,775,655</b>		2,775,655
			<hr/>		<hr/>
			<b>2,776,767</b>		<b>5,800,155</b>
<b>Current assets</b>					
Financial Assets	<b>14</b>	<b>1,429</b>		8,571	
Debtors	<b>13</b>	<b>6,719,595</b>		16,194,029	
Cash at bank and in hand		<b>2,641,545</b>		771,061	
		<hr/>		<hr/>	
		<b>9,362,569</b>		16,973,661	
<b>Creditors: amounts falling due within one year</b>	<b>15</b>	<b>(496,237)</b>		<b>(8,952,068)</b>	
		<hr/>		<hr/>	
<b>Net current assets</b>			<b>8,866,332</b>		<b>8,021,593</b>
<b>Total assets less current liabilities</b>			<hr/>		<hr/>
			<b>11,643,099</b>		<b>13,821,748</b>
<b>Creditors: amounts falling due after more than one year</b>	<b>16</b>		-		(1,157,449)
<b>Provisions for liabilities</b>	<b>18</b>		<b>(233,516)</b>		<b>(663,689)</b>
			<hr/>		<hr/>
<b>Net assets attributable to members</b>	<b>22</b>		<b>11,409,583</b>		<b>12,000,610</b>
			<hr/>		<hr/>

The notes on page 10 to 31 form part of these financial statements.

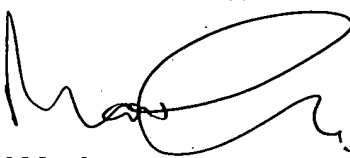


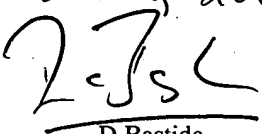
# Rhealisation LLP

Consolidated balance sheet  
at 30 April 2016 (*continued*)

	Note	2016 £	2015 £
<b>Represented by:</b>			
<b>Loans and amounts due to Members</b>			
Members' capital classified as a liability	22	-	7,695,584
Other amounts	22	11,408,810	3,019,760
<b>Equity attributable to the members of the parent LLP</b>			
Members' other interests classified as equity	22	773	1,285,266
Other reserves			
		<u>11,409,583</u>	<u>12,000,610</u>

The financial statements were approved by the members and authorised for issue on

  
M Cross  
Designated Member

3rd May 2017  
  
D Bastide  
Designated Member

The notes on page 10 to 31 form part of these financial statements.

# Rhealisation LLP

## Consolidated statement of cash flows for the year ended 30 April 2016

	Note	2016 £	2015 £
<b>Cash flows from operating activities</b>			
<b>Profit for the financial year before members' remuneration and profit shares</b>		<b>13,493,434</b>	<b>10,526,892</b>
Adjustments for:			
Depreciation, impairment and amortisation of fixed assets		270,688	877,077
(Profit)/Loss on sale of tangible fixed assets		(214,748)	35,147
Revaluation of current asset investments	14	7,142	12,858
Net interest (payable)		(18,472)	(18,177)
Taxation expense		138,297	233,598
Decrease in trade and other debtors		7,663,434	1,155,201
(Decrease)/Increase in trade and other creditors		(3,777,301)	534,524
(Decrease) in provisions	18	(430,173)	(616,317)
<b>Cash from operations</b>		<b>17,132,301</b>	<b>12,740,803</b>
Taxation paid	8	(221,801)	(253,635)
Members' drawings in relation to remuneration	22	(6,388,897)	(10,675,986)
<b>Net cash generated from operating activities</b>		<b>10,521,603</b>	<b>1,811,182</b>
<b>Cash flows from investing activities</b>			
Proceeds from sale of tangible fixed assets		3,051,013	24,114
Purchases of tangible fixed assets	11	(83,565)	(821,611)
Interest received	7	98,695	179,283
Sale of business operations		1,811,000	-
<b>Net cash from investing activities</b>		<b>4,877,143</b>	<b>(618,214)</b>
<b>Cash flows from financing activities</b>			
Capital element of lease repaid		(16,113)	(21,485)
Capital introduced by members		-	985,306
Capital repaid to members	22	(7,695,584)	(1,007,623)
Interest paid	6	(76,864)	(152,268)
New bank loans		-	2,134,608
Interest element of lease repaid	6	(3,359)	(8,838)
Bank loans repaid	16	(5,736,362)	(1,882,877)
<b>Net cash used in financing activities</b>		<b>(13,528,282)</b>	<b>46,823</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>1,870,464</b>	<b>1,239,791</b>
<b>Cash and cash equivalents at beginning of the year</b>		<b>(4,981,414)</b>	<b>(5,990,959)</b>
<b>Cash and cash equivalents at end of year</b>		<b>2,641,545</b>	<b>(4,981,414)</b>
<b>Cash and cash equivalents comprise:</b>			
Cash at bank and in hand		2,641,545	771,061

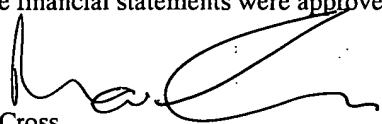
# Rhealisation LLP

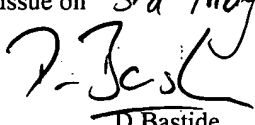
## LLP balance sheet at 30 April 2016

<i>Registered number OC326278</i>	Note	2016 £	2016 £	2015 £	2015 £
<b>Fixed assets</b>					
Intangible assets – negative goodwill	10		-		(130,682)
Tangible assets	11		1,112		3,155,182
Investments	12		2,872,657		2,872,657
			<u>2,873,769</u>		<u>5,897,157</u>
<b>Current assets</b>					
Financial assets	14	1,429		8,571	
Debtors	13	6,711,770		15,892,196	
Cash at bank and in hand		2,627,212		737,579	
		<u>9,340,411</u>		<u>16,638,346</u>	
<b>Creditors: amounts falling due within one year</b>	15	(571,854)		(9,999,021)	
<b>Net current assets</b>			<u>8,768,557</u>		<u>6,639,325</u>
<b>Total assets less current liabilities</b>			<u>11,642,326</u>		<u>12,536,482</u>
<b>Creditors: amounts falling due after more than one year</b>	16		-		(1,157,449)
<b>Provision for liabilities</b>	18		(233,516)		(663,689)
<b>Net assets attributable to members</b>	23		<u>11,408,810</u>		<u>10,715,344</u>
<b>Represented by:</b>					
<b>Loans and amounts due to Members</b>					
Members' capital classified as a liability			-		7,695,584
Other amounts	23		11,408,810		3,019,760
			<u>11,408,810</u>		<u>10,715,344</u>

The financial statements were approved by the Board of Members and authorised for issue on

3rd May 2017

  
M Cross  
Designated Member

  
D Bastide  
Designated Member

The notes on page 10 to 31 form part of these financial statements.

# Rhealisation LLP

## Notes forming part of the financial statements for the year ended 30 April 2016

### 1 Accounting policies

The financial statements have been prepared in accordance with FRS 102 the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland, including the Statement of Recommended Practice (2015), 'Accounting by Limited Liability Partnerships'.

Information on the impact of first-time adoption of FRS 102 is given in note 27.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgement in applying the Group's accounting policies (see note 2).

#### *Parent LLP disclosure exemptions*

In preparing the separate financial statements of the parent LLP, advantage has been taken of the following disclosure exemptions available in FRS 102:

- No cash flow statement has been presented for the parent LLP;
- No disclosure has been given for the aggregate remuneration of the key management personnel of the parent LLP as their remuneration is included in the totals for the group as a whole.

The following principal accounting policies have been applied:

#### *Basis of consolidation*

The consolidated financial statements present the results of Rhealisation LLP and its subsidiaries ("the Group") as if they formed a single entity. Intergroup transactions and balances between group companies are therefore eliminated in full.

#### *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.

#### *Depreciation*

Depreciation is provided at rates calculated to write off the cost, less estimated residual value, on each asset over its expected useful life, as follows:

Freehold properties	2% on a straight line basis
Leasehold improvements	Straight line depreciation over the term of the lease
Office furniture and telephone equipment	25% on a straight line basis
Computer hardware	33 1/3% on a straight line basis
Computer software, bar practice management system	50% on a straight line basis
Practice management system	25% on a straight line basis
Motor vehicles	25% on a reducing balance basis

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.

# Rhealisation LLP

## Notes forming part of the financial statements for the year ended 30 April 2016 (continued)

### 1 Accounting policies (continued)

#### *Intangible assets: Goodwill*

Goodwill arising on the acquisition of businesses representing any excess of the fair value of the consideration given over the fair value of the identifiable assets and liabilities acquired is capitalised and written off on a straight line basis over its useful economic life.

Negative goodwill is similarly included in the balance sheet and is credited to the profit and loss account in the periods in which the acquired non-monetary assets are recovered through depreciation, which is 3 ½ years. Negative goodwill in excess of the fair values of the non-monetary assets acquired is credited to the profit and loss account in the period expected to benefit.

#### *Impairment of fixed assets and goodwill*

Assets that are subject to depreciation or amortisation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each reporting date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

#### *Fixed asset investments*

Fixed assets investments at 30 April 2016 are stated at cost, net of amortisation and any provision for impairment save for the investment by Rhealisation LLP in Thesis Asset Management Plc.

At 30 April 1998, on conclusion of a merger, the investment in Thesis Asset Management was uplifted to reflect the Members' valuation of that asset. Subsequent investments have been accounted for at cost.

#### *Financial assets – Available for sale*

Available for sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless the investment matures or management intends to dispose of it within 12 months of the end of the reporting period.

Purchases of financial assets are recognised on the trade-date. Investments are initially recognised at fair value. Gains and losses arising from changes in fair value are recognised through the profit and loss account.

#### *Amounts recoverable from clients in respect of unbilled work performed*

Services provided during the year to clients, that at the balance sheet date have not yet been billed, are recognised as turnover in accordance with FRS 102. Turnover is recognised by reference to 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 client engagements where the right to receive consideration is contingent on factors outside the control of the partnership, and therefore provided amounts are not included in turnover.

# Rhealisation LLP

## Notes forming part of the financial statements for the year ended 30 April 2016 (continued)

### 1 Accounting policies (continued)

#### *Current and deferred taxation*

Taxation on a members' share of the LLP's profits is solely the personal liability of the individual members and consequently is not dealt with in these financial statements. The tax within these consolidated financial statements relate to the corporate subsidiaries of the group.

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the LLP's subsidiaries operate and generate taxable income.

Deferred balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where timing differences relate to interests in subsidiaries, associates, branches and joint ventures and the group can control their reversal and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax.

Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

#### *Pension costs*

Contributions to the group's defined contribution pension scheme are charged to profit or loss in the year in which they become payable. Members obtain a valuation of any surplus or deficit on the defined benefit sections under FRS 102 on a regular basis and recognise any change in the surplus or deficit based on their assessment of i) materiality and ii) likelihood of realisation or payment.

#### *Finance costs*

Finance costs are charged to profit or loss over the term of the debt using the effective interest rate method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

#### *Profit allocations*

Profit allocations are recognised in the year in which they are declared and become a present obligation of the LLP. Salaried members' are remunerated through employment contracts with Rhealisation LLP and fixed share members are entitled to a pre-determined share of the profits plus a potential performance-related bonus element. All other members participate fully in the firm's profits, sharing the risks and rewards according to profit sharing ratios that are determined annually by an elected committee after careful consideration of a range of performance measures.

# Rhealisation LLP

## Notes forming part of the financial statements for the year ended 30 April 2016 (*continued*)

### 1 Accounting policies (*continued*)

#### *Drawings*

Drawings represent payments on account of profits which may be allocated to members. The amount of such drawings is set at the beginning of each financial year, taking into account the anticipated cash needs of the LLP and may be reclaimed from members until profits have been allocated to them. Unallocated profits are included within members' other interests, classified as equity, advanced drawings in excess of allocated profits are included within 'Amounts due from members' in debtors, and allocated profits in excess of drawings are included within 'Amounts due to members' as a liability.

#### *Members' capital*

Initial capital contributions ('principal capital') of each of the members are amounts as set out in the LLP agreement. Further members shall contribute upon admission to the LLP such capital as determined by the Board.

No member can withdraw or receive back any part of their principal capital contribution account except for in specific circumstances as detailed in the LLP deed and approved by the Board. Members' principal capital is therefore classified as equity.

#### *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.

#### *Leased assets: Lessee*

Where assets are financed by leasing agreements that give rights approximating to ownership (finance leases), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable over the term of the lease. The corresponding leasing commitments are shown as amounts payable to the lessor. Depreciation on the relevant assets is charged to profit or loss over the shorter of estimated useful economic life and the term of the lease.

Lease payments are analysed between capital and interest components so that the interest element of the payment is charged to profit or loss over the term of the lease and is calculated so that it represents a constant proportion of the balance of capital repayments outstanding. The capital part reduces the amounts payable to the lessor.

All other leases are treated as operating leases. Their annual rentals are charged to profit or loss on a straight-line basis over the term of the lease. On certain leased properties the business benefits from a rent free period. These are treated as a reduction in the overall rental expense and the benefit spread on a straight line basis over the shorter of the lease term or the period until the rent is first adjusted to the prevailing market rate.

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.

For leases entered into on or after 1 January 2014, reverse premiums and similar incentives received to enter into operating lease agreements are released to profit or loss over the term of the 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.

# Rhealisation LLP

## Notes forming part of the financial statements for the year ended 30 April 2016 (*continued*)

### 1 Accounting policies (*continued*)

#### *Onerous leases*

Where the unavoidable costs of a lease exceed the economic benefit expected to be received from it, a provision is made for the present value of the obligations under the lease.

#### *Professional indemnity insurance*

Insurance premiums are expensed to the profit and loss account over the period of the insurance cover. Provision is made for any uninsured excess that is likely to be payable in respect of claims made. These are based on best estimates of the expected cash outflows, discounted to present value where appropriate.

#### *Provisions for Properties*

Provisions for dilapidations and re-instatement in respect of leased property are made where required. These provisions are based on the terms of the individual lease agreements and, where relevant, independent reports.

#### *Provision for litigation claims*

Any claims notified to the firm are assessed on their merits and, where it is considered probable that costs will be incurred, a provision is recognised.

#### *Turnover*

Turnover represents fees and other income earned from the provision of services falling within the Group's ordinary activities and is stated net of value added tax. All income derives from activities within the United Kingdom.

#### *Other operating income*

Other operating income represents fees and other income earned from the provision of services falling outside of the Group's ordinary activities, such as fees charged for the provision of directors' services and office facilities, and is stated net of value added tax. All such income derives from activities within the United Kingdom.

#### *Financial liabilities and equity*

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.

#### *Going concern*

Regular forecasts and projections are prepared by management, taking account of anticipated changes in trading performance and show that the Group, and each individual business therein, should be able to operate within the level of its current banking facility and covenants for at least the 12 months following the date of signing the financial statements.

The Members believe that the Group is well placed to continue to invest in the business and its staff and so manage its business risks, and that the LLP and Group have adequate resources to continue in operational existence for the foreseeable future. Accordingly they continue to adopt the going concern basis of accounting in preparing the annual financial statements.



# Rhealisation LLP

## Notes forming part of the financial statements for the year ended 30 April 2016 (*continued*)

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

In preparing these financial statements, the members have made the following judgements:

- Determine whether leases entered into by the group either as a lessor or a lessee are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.
- Determine whether there are indicators of impairment of the group's tangible and intangible assets, including goodwill. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.

#### *Other key sources of estimation uncertainty*

- *Tangible fixed assets (see note 11)*

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. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

- *Investments (see notes 12 and 14)*

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.

# Rhealisation LLP

Notes forming part of the financial statements  
for the year ended 30 April 2016 (continued)

## 3 Operating profit

	2016 £	2015 £
This is arrived at after charging/(crediting):		
Depreciation of tangible fixed assets	401,370	959,613
(Profit)/Loss on disposal of tangible fixed assets	(214,748)	35,147
Amortisation of intangible assets, including goodwill	(130,682)	(82,536)
Fees payable to the LLP's auditor and its associates for the audit of the LLP's annual accounts	47,500	30,643
Fees payable to the LLP's auditor and its associates for other services to the group:	123,493	86,114
The audit of the LLP's subsidiaries pursuant to legislation	3,224	4,264
Taxation compliance services		
Operating lease payments - Premises	1,220,990	1,602,223
Operating lease payments – Plant & machinery	208,691	348,096
Defined contribution pension cost	332,530	511,393
	<u>          </u>	<u>          </u>

## 4 Employees

	2016 £	2015 £
Staff costs consist of:		
Wages and salaries	9,008,372	13,872,721
Social security costs	857,554	1,455,123
Cost of defined contribution scheme (note 19)	246,750	394,012
	<u>          </u>	<u>          </u>
	10,112,676	15,721,856
	<u>          </u>	<u>          </u>

The average number of employees during the year was as follows:

	Number	Number
Client service staff	194	191
Support staff	146	145
	<u>          </u>	<u>          </u>
	340	336
	<u>          </u>	<u>          </u>

# Rhealisation LLP

Notes forming part of the financial statements  
for the year ended 30 April 2016 (*continued*)

## 5 Members' remuneration

Profits are shared among the members in accordance with agreed profit sharing arrangements. Members are required to make their own provision for pensions from their profit shares.

	2016 Number	2015 Number
Average number of members during the year	66	66
	£	£
Profit attributable to the member with the largest entitlement	1,000,994	392,421

## 6 Interest payable and similar charges

	2016 £	2015 £
Bank loans and overdrafts	76,864	152,268
Finance leases and hire purchase contracts	3,359	8,838
	80,223	161,106

## 7 Interest receivable

	2016 £	2015 £
Bank interest receivable	98,695	179,283

# Rhealisation LLP

Notes forming part of the financial statements  
for the year ended 30 April 2016 (*continued*)

## 8 Taxation on profit on ordinary activities

	2016 £	2016 £	2015 £	2015 £
<i>UK corporation tax</i>				
Current tax on profits of the year		125,824		233,503
Adjustment in respect of previous periods		2,847		(144)
Tax on discontinued operations				
Total current tax		<u>128,671</u>		<u>233,359</u>
<i>Deferred tax</i>				
Origination and reversal of timing differences	9,626		239	
Changes to tax rates	-		-	
	<u>9,626</u>	<u>9,626</u>	<u>239</u>	<u>239</u>
Taxation on profit on ordinary activities		<u><u>138,297</u></u>		<u><u>233,598</u></u>

The tax assessed for the year is higher than the standard rate of corporation tax in the UK applied to profit before tax. The differences are explained below:

	2016 £	2015 £
Profit on ordinary activities before tax	15,281,935	10,760,490
Less: amounts subject to personal taxation	(14,777,929)	(9,670,215)
Profits subject to taxation	<u>504,006</u>	<u>1,090,275</u>
Profits subject to taxation at the standard rate of corporation tax in the UK of 20 % (2015: 20.9%)	100,801	228,061
Effects of:		
Expenses not deductible for tax purposes	34,649	5,681
Adjustment in respect of prior years	2,847	(144)
Total tax charge for period	<u><u>138,297</u></u>	<u><u>233,598</u></u>

# Rhealisation LLP

Notes forming part of the financial statements  
for the year ended 30 April 2016 (*continued*)

## 9 Parent LLP profit for the year

The LLP has taken advantage of the exemption allowed under the Companies Act 2006 as applied to LLPs and has not presented its own statement of comprehensive income in these financial statements. The profit available for discretionary division among members of the parent LLP for the year was £14,777,929 (2015 - £9,670,215).

## 10 Intangible assets

Group	Negative Goodwill £
<i>Cost or valuation</i>	
At 1 May 2015	295,754
Additions	-
	<hr/>
At 30 April 2016	<b>295,754</b>
	<hr/>
<i>Amortisation</i>	
At 1 May 2015	165,072
Provision for year	130,682
	<hr/>
At 30 April 2016	<b>295,754</b>
	<hr/>
<i>Net book value</i>	
At 30 April 2016	-
	<hr/>
At 30 April 2015	<b>130,682</b>
	<hr/>

Negative goodwill arising on the acquisition of Pritchard Englefield on 1 May 2013 is being written back on a straight line basis over a period of 3 ½ years which is equal to the period over which the related non-monetary assets of the acquired business are being depreciated.

## Rhealisation LLP

Notes forming part of the financial statements  
for the year ended 30 April 2016 (*continued*)

### 11 Tangible fixed assets

	Freehold Properties £	Building improvements £	Fixtures & fittings £	Computer equipment £	Motor vehicles £	Total £
<i>Cost or valuation</i>						
At 1 May 2015	1,788,800	2,357,489	1,652,492	2,749,173	407,698	8,955,652
Additions	-	-	-	1,900	81,665	83,565
Disposals	(1,788,800)	(2,335,268)	(1,652,492)	(2,751,073)	(489,363)	(9,016,996)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 30 April 2016	-	22,221	-	-	-	22,221
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<i>Depreciation</i>						
At 1 May 2015	250,432	1,462,453	1,410,157	2,470,109	207,319	5,800,470
Provision for year	32,795	195,168	48,002	96,621	28,784	401,370
Disposals	(283,227)	(1,636,512)	(1,458,159)	(2,566,730)	(236,103)	(6,180,731)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 30 April 2016	-	21,109	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<i>Net book value</i>						
At 30 April 2016	-	1,112	-	-	-	1,112
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 30 April 2015	1,538,368	895,036	242,335	279,064	200,379	3,155,182
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

Assets held under finance leases in the Group and the LLP, capitalised and included in Computer Equipment, have:

- A cost of £nil (30 April 2015: £64,453);
- Aggregate depreciation of £nil (30 April 2015: £37,599); and
- A net book value of £nil (30 April 2015: £26,854).

## Rhealisation LLP

Notes forming part of the financial statements  
for the year ended 30 April 2016 (*continued*)

### 12 Fixed asset investments

Group	Shares in group undertakings £	Other investments and loans £	Total £
<i>Cost or valuation</i>			
At 1 May 2015	-	2,775,655	2,775,655
Additions	-	-	-
Movement in fair value	-	-	-
	<hr/>	<hr/>	<hr/>
At 30 April 2016	-	2,775,655	2,775,655
	<hr/>	<hr/>	<hr/>
 <b>LLP</b>	 <b>Shares in group undertakings £</b>	 <b>Other investments and loans £</b>	 <b>Total £</b>
<i>Cost</i>	<hr/>	<hr/>	<hr/>
At 1 May 2015 and 30 April 2016	155,000	2,621,655	2,776,655
	<hr/>	<hr/>	<hr/>

Other investments are shares in other unlisted companies which have been measured at fair value.

# Rhealisation LLP

Notes forming part of the financial statements  
for the year ended 30 April 2016 (continued)

## 12 Fixed asset investments (continued)

### *Subsidiary undertakings, associated undertakings and other investments*

The LLP and the Group have investments in the following subsidiary undertakings and other investments. All businesses are incorporated in Great Britain and registered in England and Wales.

Name	Proportion of voting rights and ordinary share capital held		Nature of business
<i>Subsidiary undertakings</i>			
Rhealisation Enterprises Limited (formerly Thomas Eggar Enterprises Limited)	Ordinary	100%	Dormant Company
Rhealisation Services Limited (formerly Thomas Eggar Services Limited)	Redeemable	100%	Services Company
Rhealisation Two Limited (formerly Thomas Eggar Limited)	Ordinary	100%	Dormant Company
Rhealisation Nominees Limited (formerly Thomas Eggar Nominees Limited)	Ordinary	100%	Dormant Company
<i>Other Investments</i>			
Meridies Limited (Isle of Man)	Ordinary	10%	Insurance Company
	Redeemable	10%	
Thesis Asset Management plc	Ordinary (voting)	100%	Investment Management
	'A' Ordinary (non-voting)	100%	
	'B' Ordinary (non-voting)	100%	

Thomas Eggar Limited and Thomas Eggar Nominees Limited were all dormant companies at 30 April 2015 and 30 April 2016 and have been excluded from the consolidation as they are immaterial to the results of the Group.

All investments are held directly by Thomas Eggar LLP, except as noted below.

The Ordinary shares of Thesis Asset Management plc, which confer voting rights on the holders, are held in a discretionary trust. The beneficiaries of that trust comprise current members and an employee of Thomas Eggar LLP plus a number of former members of the LLP or its predecessor unincorporated partnership. Two current members of the LLP serve as directors of Thesis Asset Management plc. The level of control exercised over Thesis Asset Management plc by the LLP does not satisfy the requirements of FRS102 for the business to be treated as a subsidiary undertaking.

The 'B' Ordinary shares in Thesis Asset Management plc are held by Rhealisation Enterprises Limited (formerly Thomas Eggar Enterprises Limited).

The redeemable shares in Rhealisation Enterprises Limited (formerly Thomas Eggar Enterprises Limited) are held by Rhealisation LLP.



# Rhealisation LLP

Notes forming part of the financial statements  
for the year ended 30 April 2016 (continued)

## 13 Debtors

	Group 2016 £	Group 2015 £	LLP 2016 £	LLP 2015 £
Trade debtors	-	8,663,291	-	8,663,291
Amounts owed by members	-	124,727	-	124,727
Amounts recoverable from clients in respect of unbilled work performed	-	5,813,950	-	5,813,950
Other debtors including deferred tax	6,538,985	155,774	6,531,160	75,278
Prepayments	180,610	1,436,287	180,610	1,214,950
	<u>6,719,595</u>	<u>16,194,029</u>	<u>6,711,770</u>	<u>15,892,196</u>

All amounts shown under debtors fall due for payment within one year except:

Group:

- deferred tax asset recognised in respect of the defined benefit pension scheme operated by some subsidiaries of the group. This will reverse over the life of the scheme and is subject to changes in valuations of the defined benefit obligation and plan assets.

The impairment loss recognised in the group profit or loss for the period in respect of bad and doubtful trade debtors was £219,964 (2015: £197,783 profit). The impairment loss recognised in the LLP profit or loss for the period in respect of bad and doubtful trade debtors was £219,964 (2015: £197,783 profit).

## 14 Current asset investments

	Group and LLP	
	2016 £	2015 £
<u>Listed Securities - UK</u>		
Opening fair value	8,571	21,429
Gains/(losses) on remeasurement to fair value	(7,142)	(12,858)
	<u>1,429</u>	<u>8,571</u>

All current asset investments are shares held in listed companies which are traded on a regular basis. The total income recognised on these investments in the period was £nil (2015: £nil) representing the fair value remeasurements shown above and dividends received of £nil (2015: £nil).

## Rhealisation LLP

Notes forming part of the financial statements  
for the year ended 30 April 2016 (*continued*)

### 15 Creditors: amounts falling due within one year

	Group 2016 £	Group 2015 £	LLP 2016 £	LLP 2015 £
Bank overdrafts (secured)	-	4,578,913	-	4,578,913
Trade creditors	-	992,068	-	921,393
Amounts owed to group undertakings	-	-	-	2,009,313
Corporation tax	-	83,504	-	-
Taxation and social security	378,510	1,547,436	378,510	1,212,693
Obligations under finance lease and hire purchase contracts	-	16,113	-	16,113
Other creditors	27,703	203,137	113,320	154,306
Accruals and deferred income	90,024	1,530,897	80,024	1,106,290
Amounts due to former members	-	-	-	-
	<u>496,237</u>	<u>8,952,068</u>	<u>571,854</u>	<u>9,999,021</u>

The bank overdrafts are secured by a floating charge over the assets of the group and the LLP.

### 16 Creditors: amounts falling due after more than one year

	Group 2016 £	Group 2015 £	LLP 2016 £	LLP 2015 £
Bank loans	-	1,157,449	-	1,157,449
Borrowings are repayable as follows:				
	Group 2016 £	Group 2015 £	LLP 2016 £	LLP 2015 £'000
In one year or less, or on demand	-	1,394,928	-	1,394,928
Between one year and two years	-	476,354	-	476,354
Between two year and five years	-	681,095	-	681,095
	<u>-</u>	<u>2,552,377</u>	<u>-</u>	<u>2,552,377</u>

During the year, the group repaid its previous loans

## Rhealisation LLP

Notes forming part of the financial statements  
for the year ended 30 April 2016 *(continued)*

### 17 Obligations under finance leases

	Group 2016 £	Group 2015 £	LLP 2016 £	LLP 2015 £
Finance lease charges during the year	-	21,485	-	21,485
Amounts payable under finance leases:				
	Group 2016 £	Group 2015 £	LLP 2016 £	LLP 2015 £'000
In one year or less, or on demand	-	16,113	-	16,113
Between one year and five years	-	-	-	-
	-	16,113	-	16,113

It is the Group's and LLP's policy to lease certain of its fixtures and equipment under finance leases. The average lease term is 3 years. For the year ended 30 April 2016, the average effective borrowing rate was 7.68% (2015: 7.68%). Interest rates are fixed at the contract date. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

The fair value of the Group's and LLP's lease obligations is approximately equal to their carrying amount.

The Group's and LLP's obligations under finance leases are secured by the lessors' rights over the leased assets disclosed in note 11.

# Rhealisation LLP

Notes forming part of the financial statements  
for the year ended 30 April 2016 (*continued*)

## 18 Provisions for liabilities

Group & LLP	PII provision £	Dilapidations £	Total £
At 1 May 2015	357,361	306,328	663,689
Charged to profit or loss	(123,845)	(306,328)	(430,173)
At 30 April 2016	<u>233,516</u>	<u>-</u>	<u>233,516</u>

In common with comparable businesses, the Group is involved in a number of disputes in the ordinary course of business, which may give rise to claims. The Group carries professional indemnity insurance (PII) and where a claim is agreed with the insurance company on notification, the liability for the claim amount above the excess is taken on by the insurance firm. No separate disclosure is made of the cost of claims covered by insurance as to do so could seriously prejudice the position of the Group.

The provision for dilapidations relates to the amounts expected to be paid by the Group based on the terms of the individual lease agreements and where relevant independent surveyor reports. It is expected that payment will be made following the termination of the leases as they occur over the next year.

# Rhealisation LLP

## Notes forming part of the financial statements for the year ended 30 April 2016 (continued)

### 19 Pensions

The group operates a number of defined contribution schemes for which the pension cost charge for the year amounted to £332,530 (2015: £511,393). The pension cost charge for the year excluding salaried members amounted to £246,750 (2015: £394,012).

As at 30 April 2016 there were £nil (2015: £69,314) of contributions outstanding.

The LLP makes contributions to a defined contribution scheme that is closed to new members, and which includes certain guaranteed rates of return on one section of the scheme.

A valuation under Financial Reporting Standard 102 performed as at 30 April 2016 shows that the assets of the scheme are sufficient to cover 102% (2015: 100%) of the relevant liabilities. No asset has been recognised by the LLP in respect of this surplus.

### 20 Deferred taxation

#### Deferred tax assets – Group

The total potential amount of deferred tax on timing differences and the amount for which an asset at 20% (2015: 20%) has been recognised is:

	2016 £	2015 £
<b>Deferred tax asset</b>		
Balance as at 1 May 2015	9,626	9,865
Charge to income statement	(9,626)	(239)
Balance as at 30 April 2016	-	9,626

The deferred tax asset is included within other debtors within Note 13.

The group has no unused tax losses or credits.

### 21 Contingent liabilities

#### Group

SIMIA (the Solicitors Indemnity Mutual Insurance Association) a mutual insurance company who sold professional indemnity insurance of above 1 million to firms of solicitors has for the last few years been in the process of runoff. Rhealisation LLP had been notified of potential exposures to uncovered claims amounting to £746,543. During the course the accounting year 16/17, a call for a contribution of £17,326.07 was made by SIMIA and duly paid in October 2016. That contribution allowed SIMIA to meet its solvency to benchmark. It also allowed it to remain sufficiently solvent to arrange for the sale of its runoff book. It is anticipated that that sale will be approved by Members at a meeting on 15 May 2017. The sale of the runoff book will mean that there will be no contingent liability in the future and indeed there is the possibility of a refund of part of the recent contribution call.

The LLP has guaranteed the obligation to Cheviot Trust. Actuaries retained by the LLP have assessed the value of that contingent liability at between zero and £400,000. The members of the LLP have resolved to retain £450,000 in cash deposits as a reserve against this contingent liability. The LLP will review this reserve from year to year.

# Rhealisation LLP

Notes forming part of the financial statements  
for the year ended 30 April 2016 (continued)

## 22 Members' Interests

### Group

	EQUITY Members' other interests			DEBT Loans and other debts due to members less any amounts due from members in debtors			Total members' interest
	Members' capital classified as equity £	Other reserves £	Total £	Members' capital classified as a liability £	Other amounts £	Total £	Total £
Amounts due to members	7,695,584	1,285,266	8,980,850	3,019,760	-	3,019,760	12,000,610
Amounts due from members	-	-	-	(124,727)	-	(124,727)	(124,727)
<b>Balance at 1 May 2015</b>	<b>7,695,584</b>	<b>1,285,266</b>	<b>8,980,850</b>	<b>2,895,033</b>	<b>-</b>	<b>2,895,033</b>	<b>11,875,883</b>
Members' remuneration charged as an expense	-	522,202	522,202	14,777,929	-	14,777,929	15,300,131
Profit for the financial year available for discretionary division among members	-	-	-	-	-	-	-
Members' interests after profit for the year	7,695,584	1,807,468	9,503,052	17,672,962	-	17,672,962	27,176,014
Allocation of profit	-	(1,806,695)	(1,806,695)	-	-	-	(1,806,695)
Introduction by members	-	-	-	-	-	-	-
Repayment of capital	(7,695,584)	-	(7,695,584)	-	-	-	(7,695,584)
Drawings	-	-	-	(6,388,879)	-	(6,388,879)	(6,388,879)
Repayment of loan	-	-	-	124,727	-	124,727	124,727
Currency translation differences	-	-	-	-	-	-	-
Transfer to creditors	-	-	-	-	-	-	-
<b>Amounts due to members</b>	<b>-</b>	<b>773</b>	<b>773</b>	<b>11,408,810</b>	<b>-</b>	<b>11,408,810</b>	<b>11,409,583</b>
<b>Amounts due from members</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Balance at 30 April 2016</b>	<b>-</b>	<b>773</b>	<b>773</b>	<b>11,408,810</b>	<b>-</b>	<b>11,408,810</b>	<b>11,409,583</b>

Total members' interest, including loans and other debts due to members, are unsecured and would rank pari passu with other unsecured creditors in the event of a winding up.

Loans and other debts due to members are due within one year. Members' capital is repaid to retiring members at the same value at which they contributed it.

# Rhealisation LLP

## Notes forming part of the financial statements for the year ended 30 April 2016 (continued)

### 23 Members' Interests (continued)

#### LLP

	EQUITY Members' other interests			DEBT Loans and other debts due to members less any amounts due from members in debtors			Total members' interest
	Members' capital classified as equity £	Other reserves £	Total £	Members' capital classified as a liability £	Other amounts £	Total £	Total £
Amounts due to members	7,695,584	-	7,695,584	3,019,760	-	3,019,760	10,715,344
Amounts due from members	-	-	-	(124,727)	-	(124,727)	(124,727)
<b>Balance at 1 May 2015</b>	<b>7,695,584</b>	<b>-</b>	<b>7,695,584</b>	<b>2,895,033</b>	<b>-</b>	<b>2,895,033</b>	<b>10,590,617</b>
Members' remuneration charged as an expense	-	-	-	14,777,929	-	14,777,929	14,777,929
Profit for the financial year available for discretionary division among members	-	-	-	-	-	-	-
Members' interests after profit for the year	7,695,584	-	7,695,584	17,672,962	-	17,672,962	25,368,546
Allocation of profit	-	-	-	-	-	-	-
Introduction by members	-	-	-	-	-	-	-
Repayment of capital	(7,695,584)	-	(7,695,584)	-	-	-	(7,695,584)
Drawings	-	-	-	(6,388,879)	-	(6,388,879)	(6,388,879)
Repayment of loan	-	-	-	124,727	-	124,727	124,727
<b>Amounts due to members</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>11,408,810</b>	<b>-</b>	<b>11,408,810</b>	<b>11,408,810</b>
<b>Amounts due from members</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Balance at 30 April 2016</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>11,408,810</b>	<b>-</b>	<b>11,408,810</b>	<b>11,408,810</b>

Total members' interest, including loans and other debts due to members, are unsecured and would rank pari passu with other unsecured creditors in the event of a winding up

Loans and other debts due to members are due within one year. Members' capital is repaid to retiring members at the same value at which they contributed it.

# Rhealisation LLP

## Notes forming part of the financial statements for the year ended 30 April 2016 (continued)

### 24 Discontinued operations

On 17 December 2015 the group disposed of the trading assets & liabilities of Rhealisation Group. The profit on disposal has been calculated as follows:

	£	£
Cash proceeds		8,339,796
Net liabilities disposed of:		
Tangible fixed assets	890,655	
Investments	250,002	
Debtors	13,292,115	
Cash	827,536	
Creditors	(10,083,488)	
Long-term liabilities	(506,330)	
Members interests	(10,667,577)	
		(5,997,087)
Profit on disposal before tax		14,336,883

The net inflow of cash in respect of the sale of the trading assets & liabilities of Rhealisation Group is as follows:

	£
Cash consideration	8,339,796
Cash transferred on disposal	(1,811,000)
Net inflow of cash	6,528,796

### 25 Commitments under operating leases

The group and the LLP had minimum lease payments under non-cancellable operating leases as set out below:

	2016 Hire of Plant & Machinery £	2015 Hire of Plant & Machinery £	2016 Land and buildings £	2015 Land and buildings £
Expiry date:				
Within 1 year	-	203,373	58,751	-
Between two year and five years	-	2,281	-	1,512,405
Later than 5 years	-	-	-	-
Total	-	205,654	58,751	1,512,405



# Rhealisation LLP

Notes forming part of the financial statements  
for the year ended 30 April 2016 (*continued*)

## 26 Related party disclosures

There is no ultimate controlling party of Rhealisation LLP.

During the year the LLP transacted with Thesis Asset Management Plc ("TAM") and Thesis Unit Trust Management Limited ("TUTMAN"), companies in which the LLP has an interest (see note 12). Law South is a grouping of firms of solicitors that provide a variety of centralised services, such as training, for its members (V C Brackett is a Director). The results of which are included in the Group accounts, as follows:

	2016 £	2015 £
Sales to TAM	80,355	204,221
Sales to TUTMAN	72,703	208,620
Sales to Dekra	539,663	768,117
Purchases from TAM	(14,413)	(24,564)
Purchases from Law South	(75,384)	(95,390)
Purchases from Dekra	(7,541)	(9,848)
Purchases from Meridies	(280,667)	(173,185)
Amounts owed by TAM	-	42,092
Amounts owed by TUTMAN	-	28,724
Amounts owed by Dekra	-	88,353
Amounts owed to Dekra	-	(43,994)

All related party transactions for the Group and LLP were carried out on an arm's length basis.

The members have considered the key management to be the designated members in place throughout the financial year. The compensation paid to these members totalled £2,737,790 (2015: £3,910,255)

## 27 First time adoption of FRS 102

In the opinion of the members, there are no material adjustments to be made in relation to the transition to FRS 102 and thus the comparative periods have not been restated.