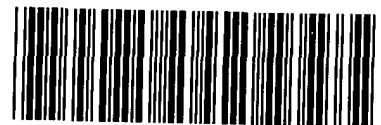


**THOMAS EGGAR LLP**

**Report and Financial Statements**

**for the year ended 30 April 2015**

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**REPORT & FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2015**

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**REPORT & FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2015**

**OFFICERS AND PROFESSIONAL ADVISORS**

**DESIGNATED MEMBERS**

R S Ashby  
B E Bletso  
V C Brackett  
J W M Chadwick  
U M T Danagher  
R E Kenyon  
T R Purcell  
J G Riddick

**REGISTERED OFFICE**

Thomas Eggar House  
Friary Lane  
Chichester  
PO19 1UF

**BANKERS**

Barclays Bank plc  
East Street  
Chichester  
West Sussex

**INDEPENDENT AUDITORS**

BDO LLP  
55 Baker Street  
London  
W1U 7EU

## **MEMBERS' REPORT**

The members present their annual report and the audited financial statements of the Group, for the year ended 30 April 2015.

### **FIRM STRUCTURE**

Thomas Eggar LLP ("the firm" or "the LLP") is a limited liability partnership registered in England and Wales.

A list of members' names is available for inspection at Thomas Eggar House, Friary Lane, Chichester, PO19 1UF, United Kingdom, which is also Thomas Eggar's principal place of business and registered office. More information about Thomas Eggar LLP is available on our website, [www.thomaseggar.com](http://www.thomaseggar.com).

The Group's financial statements consolidate the financial statements of Thomas Eggar LLP and its subsidiary undertakings up to 30 April 2015.

### **PRINCIPAL ACTIVITIES**

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 who served during the year, and appointments following the year end, were as follows:

R S Ashby	
B E Bletso	(Appointed 1 May 2015)
V C Brackett	
J W M Chadwick	
U M T Danagher	(Appointed 1 May 2015)
G R Jordan	(Resigned 30 April 2015)
R E Kenyon	(Appointed 8 May 2014)
T R Purcell	
J G Riddick	
P L Woolgar	(Resigned 30 April 2015)

### **MEMBERS' DRAWINGS AND CAPITAL POLICY**

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.

## MEMBERS' REPORT

### AUDITOR

In the case of each of the persons who are members of the LLP at the date when this report is approved:

- so far as each of the members is aware, there is no relevant audit information of which the LLP's auditor is unaware; and
- each of the members has taken all the steps that they ought to have taken as a member to make themselves aware of any relevant audit information and to establish that the LLP's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006, as applicable to LLPs.

Deloitte LLP resigned as auditors of the group during the year and BDO LLP were appointed as auditors by the members.

Approved by the Members and signed on their behalf

  
.....

V C Brackett

25 August 2015

## MEMBERS' RESPONSIBILITIES STATEMENT

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

The Limited Liability Partnerships (Accounts and Audit) (Application of the Companies Act 2006) Regulations 2008 require the members to prepare financial statements for each financial year. Under these regulations the members have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under these regulations the members must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Limited Liability Partnership and of the profit or loss of the Limited Liability Partnership for that period.

In preparing these financial statements, the members are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Limited Liability Partnership will continue in business.

The members are responsible for keeping adequate accounting records that are sufficient to show and explain the Limited Liability Partnership's transactions, disclose with reasonable accuracy at any time the financial position of the Limited Liability Partnership, and enable them to ensure that the financial statements comply with the Limited Liability Partnerships (Accounts and Audit) (Application of the Companies Act 2006) Regulations 2008. They are also responsible for safeguarding the assets of the Limited Liability Partnership and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

We have audited the financial statements of Thomas Eggar LLP for the year ended 30 April 2015 which comprise the consolidated profit and loss account, the consolidated and partnership balance sheet, the consolidated cash flow statement 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).

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the limited liability partnership's affairs as at 30 April 2015 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 as applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of the Companies Act 2006) Regulations 2008.

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THOMAS EGGAR LLP

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

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

- adequate accounting records have not been kept by the limited liability partnership, or 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;
- we have not received all the information and explanations we require for our audit;



.....  
Nicholas Carter-Pegg (senior statutory auditor)  
For and on behalf of BDO LLP, statutory auditor  
55 Baker Street  
United Kingdom  
25 August 2015

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



**CONSOLIDATED PROFIT AND LOSS ACCOUNT**  
**Year ended 30 April 2015**

		2015	2014
	Note	£	£
<b>TURNOVER</b>	1	<b>40,015,773</b>	<b>40,982,265</b>
Operating expenses		<b>(29,365,911)</b>	<b>(30,211,075)</b>
Other operating income		<b>92,451</b>	<b>154,363</b>
<b>OPERATING PROFIT</b>	2	<b>10,742,313</b>	<b>10,925,553</b>
Interest receivable	5	<b>179,283</b>	<b>215,658</b>
Interest payable and similar charges	6	<b>(161,106)</b>	<b>(171,852)</b>
<b>PROFIT FOR THE FINANCIAL YEAR ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>10,760,490</b>	<b>10,969,359</b>
Tax on profit on ordinary activities	7	<b>(233,598)</b>	<b>(126,761)</b>
<b>PROFIT FOR THE FINANCIAL YEAR BEFORE MEMBERS' REMUNERATION AND PROFIT SHARES</b>		<b>10,526,892</b>	<b>10,842,598</b>
Members' remuneration charged as an expense	18	<b>(10,526,892)</b>	<b>(10,842,598)</b>
<b>PROFIT FOR THE FINANCIAL YEAR AVAILABLE FOR DISCRETIONARY DIVISION AMONG MEMBERS</b>	18	<b>-</b>	<b>-</b>

All results relate to continuing operations in the current and the prior year.

There have been no recognised gains and losses in either year other than the profit for that year, accordingly no Statement of Total Recognised Gains and Losses is presented.

The notes on pages 11-28 form part of these financial statements.

**CONSOLIDATED BALANCE SHEET**  
**As at 30 April 2015**

		2015	2014
	Note	£	£
<b>FIXED ASSETS</b>			
Intangible assets – negative goodwill	8	(130,682)	(213,218)
Tangible assets	9	3,155,182	3,352,445
Investments	10	2,775,655	2,775,655
		<u>5,800,155</u>	<u>5,914,882</u>
<b>CURRENT ASSETS</b>			
Financial Assets	11	8,571	21,429
Debtors	12	16,194,029	17,349,230
Cash at bank and in hand		771,061	6,683
		<u>16,973,661</u>	<u>17,377,342</u>
<b>CREDITORS: amounts falling due within one year</b>	13	<u>(9,309,429)</u>	<u>(8,482,958)</u>
<b>NET CURRENT ASSETS</b>		<u>7,664,232</u>	<u>8,894,384</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>13,464,387</u>	<u>14,809,266</u>
<b>CREDITORS: amounts falling due after more than one year</b>	14	(1,157,449)	(1,698,487)
<b>OBLIGATIONS UNDER FINANCE LEASES</b>	15	-	(16,113)
<b>PROVISIONS FOR LIABILITIES</b>	17	<u>(306,328)</u>	<u>(922,645)</u>
<b>NET ASSETS ATTRIBUTABLE TO MEMBERS</b>		<u>12,000,610</u>	<u>12,172,021</u>
<b>REPRESENTED BY:</b>			
<b>Loans and other debts due to Members</b>			
Members capital classified as a liability under FRS25	18	7,695,584	7,529,605
Other amounts	18	3,019,760	4,213,827
		<u>10,715,344</u>	<u>11,743,432</u>
<b>Equity</b>			
Members' other interests – Other reserves classified as equity under FRS25	18	<u>1,285,266</u>	<u>428,589</u>
<b>TOTAL MEMBERS' INTERESTS</b>	18	<u>12,000,610</u>	<u>12,172,021</u>

These financial statements of Thomas Eggar LLP, registered number OC326278, were approved by the Members and authorised for issue on 25 August 2015.

Signed on behalf of the Members

 .....

V C Brackett

 .....

T R Purcell

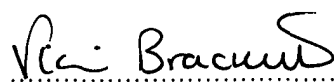
The notes on pages 11-28 form part of these financial statements.

**LIMITED LIABILITY PARTNERSHIP BALANCE SHEET**  
As at 30 April 2015

	Note	2015 £	2014 £
<b>FIXED ASSETS</b>			
Intangible assets – negative goodwill	8	(130,682)	(213,218)
Tangible assets	9	3,155,182	3,352,445
Investments	10	2,872,657	2,872,657
		<u>5,897,157</u>	<u>6,011,884</u>
<b>CURRENT ASSETS</b>			
Financial assets	11	8,571	21,429
Debtors	12	15,892,196	17,123,062
Cash at bank and in hand		737,579	923
		<u>16,638,346</u>	<u>17,145,414</u>
<b>CREDITORS: amounts falling due within one year</b>	13	<u>(10,356,382)</u>	<u>(8,776,621)</u>
<b>NET CURRENT ASSETS</b>		<u>6,281,964</u>	<u>8,368,793</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>12,179,121</u>	<u>14,380,677</u>
<b>CREDITORS: amounts falling due after more than one year</b>	14	(1,157,449)	(1,698,487)
<b>OBLIGATIONS UNDER FINANCE LEASES</b>	15	-	(16,113)
<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>	17	<u>(306,328)</u>	<u>(922,645)</u>
<b>NET ASSETS ATTRIBUTABLE TO MEMBERS</b>		<u>10,715,344</u>	<u>11,743,432</u>
<b>REPRESENTED BY:</b>			
<b>Loans and other debts due to Members</b>			
Members capital classified as a liability under FRS25	18	7,695,584	7,529,605
Other amounts	18	3,019,760	4,213,827
<b>TOTAL MEMBERS' INTERESTS</b>	18	<u>10,715,344</u>	<u>11,743,432</u>

These financial statements of Thomas Eggar LLP, registered number OC326278, were approved by the Members and authorised for issue on 25 August 2015.

Signed on behalf of the Members



V C Brackett



T R Purcell

The notes on pages 11-28 form part of these financial statements.

**CONSOLIDATED CASH FLOW STATEMENT**  
**Year ended 30 April 2015**

	<b>Note</b>	<b>2015 £</b>	<b>2014 £</b>
Net cash inflow from operating activities	21	<b>12,740,803</b>	11,427,155
Returns on investments and servicing of finance	22	<b>18,177</b>	43,806
Taxation paid		<b>(253,635)</b>	(219,386)
Capital expenditure and financial investment	22	<b>(797,497)</b>	(703,039)
Transactions with Members and former Members	22	<b>(10,698,303)</b>	(9,799,383)
Net cash inflow before financing		<b>1,009,545</b>	749,153
Financing	22	<b>230,246</b>	(1,124,573)
Increase in cash in the year	23	<b>1,239,791</b>	(375,420)

The notes on pages 11-28 form part of these financial statements.

## NOTES TO THE FINANCIAL STATEMENTS

### Year ended 30 April 2015

#### 1. ACCOUNTING POLICIES

The principal accounting policies are summarised below. They have all been applied consistently throughout the current year and prior years.

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

The financial statements are prepared under the historical cost convention, as modified by the revaluation of certain investments, and in accordance with applicable accounting standards and the Statement of Recommended Practice for Limited Liability Partnerships.

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

The financial statements consolidate the accounts of Thomas Eggar LLP and its subsidiary undertakings, drawn up to 30 April each year. No separate profit and loss account is presented for Thomas Eggar LLP, as permitted by The Companies Act 2006 interpreted by Statutory Instruments 2008 No. 1911 "Limited Liability Partnerships".

##### **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.

##### **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.

##### **Fixed assets and depreciation**

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment.

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

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**Year ended 30 April 2015**

**1. ACCOUNTING POLICIES (CONTINUED)**

**Fixed asset investments**

Fixed assets investments at 30 April 2015 are stated at cost, net of amortisation and any provision for impairment save for the investment by Thomas Eggar 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 Financial Reporting Standard 5 "Reporting the substance of transactions" Application Note G "Revenue Recognition" and UITF Abstract 40 Revenue Recognition and Service Contracts. 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.

**Taxation**

Members are personally liable for taxation on their share of the profits of the business. Consequently no reserve for taxation is made in the financial statements in respect of members' tax liabilities, and the profits are shown within members' interests or as 'Loans and other debts due to Members' without any deduction for tax.

Certain subsidiary undertakings, whose results are consolidated in these financial statements, are subject to corporation tax based on their profits for the year.

In relation to these subsidiary undertakings, deferred tax is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date at rates expected to apply when they crystallise. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

**Pension costs**

Contributions to defined contribution schemes are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

Contributions to defined benefit sections of schemes are charged to the profit and loss account as they become payable in accordance with the rules of the scheme. Members obtain a valuation of any surplus or deficit on the defined benefit sections under FRS17 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.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**Year ended 30 April 2015**

**1. ACCOUNTING POLICIES (CONTINUED)**

**Leasing**

Operating lease rentals are charged to profit on a straight line basis over the period 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.

In accordance with Financial Reporting Standard 12 whenever premises are vacated and no further economic benefit is derived full provision is made at the earliest opportunity for all expenditure to which the Group is committed under the terms of the lease.

**Finance Leases**

Assets held under finance leases and other similar contracts, which confer rights and obligations similar to those attached to owned assets, are capitalised as tangible fixed assets and are depreciated over the shorter of the lease terms and their useful lives. The capital elements of future lease obligations are recorded as liabilities, while the interest elements are charged to the profit and loss account over the period of the leases to produce a constant rate of charge on the balance of capital repayments outstanding.

**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.

**Members' allocation of profits**

Salaried members' are remunerated through employment contracts with Thomas Eggar 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.

**Finance costs**

Finance costs of financial liabilities are recognised in the profit and loss account over the term of such instruments at a constant rate on the carrying amount.

**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.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**Year ended 30 April 2015**

**2. OPERATING PROFIT**

	2015 £	2014 £
<b>Operating profit is stated after charging/(crediting):</b>		
Amortisation of goodwill (note 8)	(82,536)	(82,536)
Loss on disposal of fixed assets	35,147	20,211
Depreciation of fixed assets (note 9)	959,613	728,200
Operating lease payments - Premises	1,602,223	2,022,226
Operating lease payments - Plant and machinery	348,096	268,348
	<hr/>	<hr/>
<b>The analysis of auditor's remuneration is as follows:</b>		
Fees payable to the LLP's auditor for the audit of the LLP's annual accounts	30,643	35,000
Fees payable for the audit of the LLP's subsidiaries pursuant to legislation	4,264	5,000
	<hr/>	<hr/>
Total audit fees	34,907	40,000
	<hr/>	<hr/>
<b>Fees payable to the LLP's auditor for other services:</b>		
Services required pursuant to legislation	34,600	35,000
Tax services	33,784	57,000
Other services (advisory)	17,730	27,300
	<hr/>	<hr/>
Total non-audit fees	86,114	119,300
	<hr/>	<hr/>



**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**Year ended 30 April 2015**

**3. STAFF COSTS**

	2015 No.	2014 No.
The average monthly number of employees, excluding salaried members, was:		
<b>Group</b>		
Client service staff	191	199
Support staff	145	162
	<u>336</u>	<u>361</u>
	2015 £	2014 £
Their aggregate remuneration comprised:		
Wages and salaries	13,872,721	14,208,703
Social security costs	1,455,123	1,415,931
Pension costs (note 20)	394,012	392,152
	<u>15,721,856</u>	<u>16,016,786</u>

**4. MEMBERS' REMUNERATION**

	2015 No.	2014 No.
Details of how members' remuneration is determined are set out in note 1. Salaried remuneration of members includes pension and other costs of employment.		
Average number of members in the year	<u>66</u>	<u>66</u>
	£	£
Profit attributable to the member with the highest entitlement to profit	<u>392,421</u>	<u>397,259</u>

**5. INTEREST RECEIVABLE**

	2015 £	2014 £
Bank interest receivable	<u>179,283</u>	<u>215,658</u>

**6. INTEREST PAYABLE AND SIMILAR CHARGES**

	2015 £	2014 £
Bank loans and overdrafts	152,268	168,412
Finance leases	<u>8,838</u>	<u>3,440</u>
	<u>161,106</u>	<u>171,852</u>

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**Year ended 30 April 2015**

**7. TAX ON PROFIT ON ORDINARY ACTIVITIES**

The financial statements do not incorporate any charge or liability for taxation on the results of the LLP as the relevant tax is the responsibility of individual members. Corporation tax does arise on the activities of the LLP's subsidiary undertakings as follows.

**(a) Analysis of tax charge on ordinary activities**

	2015 £	2014 £
United Kingdom corporation tax at 20.9% (2014: 22.8%) based on profits chargeable to corporation tax	233,503	253,869
Contribution from controlling entity	-	(127,053)
Adjustment in respect of prior years	(144)	-
Total current tax	233,359	126,816
Deferred tax:		
Timing differences, origination and reversal	239	(55)
Total tax charge for the year	233,598	126,761

**(b) Factors affecting tax charges for the current period**

The tax assessed for the period is higher (2014: higher) than that resulting from applying the standard rate of corporation tax in the UK (2015: 20.9%, 2014: 22.8%).

The differences are explained below:

	2015 £	2014 £
Group profit on ordinary activities before taxation	10,760,490	10,969,359
Less:		
LLP profit not subject to corporation tax	(9,670,215)	(10,414,019)
Group profit subject to taxation	1,090,275	555,340
Tax at 20.9% (2014: 22.8%) thereon:	228,061	126,816
Effects of:		
Transfer pricing adjustment	-	121,541
Expenses not deducted for tax purposes	5,201	4,524
Contribution from controlling entity	-	(127,053)
Short term timing differences	241	988
Adjustment in respect of prior years	(144)	-
Current tax charge for the year	233,359	126,816

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**Year ended 30 April 2015**

**8. INTANGIBLE FIXED ASSETS**

	Negative Goodwill £
<b>Group and LLP</b>	
<b>Cost</b>	
At 1 May 2014	295,754
Additions	-
	<hr/>
At 30 April 2015	295,754
	<hr/>
<b>Accumulated Amortisation</b>	
At 1 May 2014	82,536
Charge for the year	82,536
	<hr/>
At 30 April 2015	165,072
	<hr/>
<b>Net book value</b>	
At 30 April 2015	130,682
	<hr/>
At 30 April 2014	213,218
	<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.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**Year ended 30 April 2015**

**9. TANGIBLE FIXED ASSETS**

	Freehold properties £	Building improvements £	Fixtures & fittings £	Computer equipment £	Motor vehicles £	Total £
<b>Group and LLP</b>						
<b>Cost</b>						
At 1 May 2014	1,788,800	2,405,161	1,579,602	2,994,791	398,197	9,166,551
Additions	-	339,828	267,497	243,595	114,248	965,168
Disposals	-	(387,500)	(194,607)	(489,213)	(104,747)	(1,176,067)
At 30 April 2015	1,788,800	2,357,489	1,652,492	2,749,173	407,698	8,955,652
<b>Accumulated depreciation</b>						
At 1 May 2014	214,656	1,560,837	1,348,258	2,468,139	222,216	5,814,106
Charge for the year	35,776	289,116	242,166	341,051	51,504	959,613
Disposals	-	(387,500)	(180,267)	(339,081)	(66,401)	(973,249)
At 30 April 2015	250,432	1,462,453	1,410,157	2,470,109	207,319	5,800,470
<b>Net book value</b>						
At 30 April 2015	1,538,368	895,036	242,335	279,064	200,379	3,155,182
At 30 April 2014	1,574,144	844,324	231,344	526,652	175,981	3,352,445

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

- a cost of £64,453 (30 April 2014: £64,453);
- aggregate depreciation of £37,599 (30 April 2014: £10,746); and
- a net book value of £26,854 (30 April 2014: £53,707).

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**Year ended 30 April 2015**

**10. FIXED ASSET INVESTMENTS**

	Group Shares in group undertakings £	Other investments and loans £	Shares in group undertakings £	LLP Other investments and loans £	Total £
At 1 May 2014 & 30 April 2015	-	2,775,655	251,002	2,621,655	2,872,657

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	Nature of Trade	Proportion of share capital and voting rights held	
Subsidiary undertakings			
Thomas Eggar Trust Corporation Limited	Trust Corporation	Ordinary	100%
		Redeemable shares	100%
Thomas Eggar Enterprises Limited	Dormant Company	Ordinary	100%
		Redeemable shares	100%
Thomas Eggar Services Limited	Services Company	Ordinary	100%
Thomas Eggar Limited	Dormant Company	Ordinary	100%
Thomas Eggar Secretaries Limited	Dormant Company	Ordinary	100%
Thomas Eggar Nominees Limited	Dormant Company	Ordinary	100%
Other Investments			
Meridies Limited (Isle of Man)	Insurance Company	Ordinary	10%
		Redeemable preference	10%
Thesis Asset Management plc	Investment Management	Ordinary shares (voting)	100%
		‘A’ Ordinary shares (non-voting)	100%
		‘B’ Ordinary shares (non-voting)	100%

Thomas Eggar Limited, Thomas Eggar Secretaries Limited and Thomas Eggar Nominees Limited were all dormant companies at 30 April 2014 and 30 April 2015 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 FRS2 'Accounting for Subsidiary Undertakings' for the business to be treated as a subsidiary undertaking.

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

The redeemable shares in Thomas Eggar Enterprises Limited are held by Thomas Eggar Trust Corporation Limited.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**Year ended 30 April 2015**

**11. AVAILABLE FOR SALE INVESTMENTS**

	<b>Group</b>		<b>LLP</b>	
	<b>Available for sale</b>		<b>Available for sale</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<u>Listed Securities – UK</u>				
At 1 May	21,429	-	21,429	-
Additions	-	25,000	-	25,000
Revaluation	(12,858)	(3,571)	(12,858)	(3,571)
At 30 April	<u>8,571</u>	<u>21,429</u>	<u>8,571</u>	<u>21,429</u>

The available for sale listed investment was acquired on 20 December 2013.

**12. DEBTORS**

	<b>Group</b>		<b>LLP</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Due within one year:</b>				
Trade debtors	8,663,291	9,072,178	8,663,291	9,072,178
Amounts recoverable from clients in respect of unbilled work performed	5,813,950	6,743,012	5,813,950	6,743,012
Amounts owed by members	124,727	153,860	124,727	153,860
Other debtors including deferred tax	155,774	144,815	75,278	79,011
Prepayments and accrued income	1,436,287	1,235,365	1,214,950	1,075,001
	<u>16,194,029</u>	<u>17,349,230</u>	<u>15,892,196</u>	<u>17,123,062</u>

**13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>Group</b>		<b>LLP</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Due within one year:</b>				
Bank loans and overdraft	4,578,913	4,261,557	4,578,913	4,261,557
Obligations under finance leases and hire purchase contracts	16,113	21,485	16,113	21,485
Trade creditors	992,068	962,906	921,393	907,732
Amounts due to group undertakings	-	-	2,009,313	1,296,394
Corporation tax	83,504	104,082	-	-
Other taxation and social security	1,547,436	1,441,795	1,212,693	1,095,785
Other creditors	203,137	335,311	154,306	290,522
Accruals and deferred income	1,888,258	1,355,822	1,463,651	903,146
	<u>9,309,429</u>	<u>8,482,958</u>	<u>10,356,382</u>	<u>8,776,621</u>

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**Year ended 30 April 2015**

**14. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	<b>Group</b>		<b>LLP</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Bank loans	<u>1,157,449</u>	<u>1,698,487</u>	<u>1,157,449</u>	<u>1,698,487</u>
	<u>1,157,449</u>	<u>1,698,487</u>	<u>1,157,449</u>	<u>1,698,487</u>
Borrowings are repayable as follows:				
<b>Bank loans</b>				
Between one and two years	476,354	553,875	476,354	553,875
Between two and five years	<u>681,095</u>	<u>1,144,612</u>	<u>681,095</u>	<u>1,144,612</u>
	<u>1,157,449</u>	<u>1,698,487</u>	<u>1,157,449</u>	<u>1,698,487</u>
On demand or within one year	<u>1,394,928</u>	<u>602,150</u>	<u>1,394,928</u>	<u>602,150</u>
	<u>2,552,377</u>	<u>2,300,637</u>	<u>2,552,377</u>	<u>2,300,637</u>

The above balances comprise eight separate loan agreements, none of which extends for more than 5 years. The loans carry interest rates priced at a margin of between 1% and 2.5% above the relevant cost of funding from the bank. Two of the bank loans are secured by a legal charge over the freehold land and building in Southampton.

**15. OBLIGATIONS UNDER FINANCE LEASES**

	<b>Group</b>		<b>LLP</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Finance lease charges during the year:	<u>21,485</u>	<u>36,671</u>	<u>21,485</u>	<u>36,371</u>
Amounts payable under finance leases				
- Within one year	16,113	21,485	16,113	21,485
- Between two and five years	<u>-</u>	<u>16,113</u>	<u>-</u>	<u>16,113</u>
	<u>16,113</u>	<u>37,598</u>	<u>16,113</u>	<u>37,598</u>

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 2015, the average effective borrowing rate was 7.68% (2014: 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 9.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**Year ended 30 April 2015**

**16. DEFERRED TAX**

The total potential amount of deferred tax on timing differences and the amount for which an asset at 20% (2014: 21%) has been recognised is:

	2015 £	2014 £
Balance as at 1 May 2014	9,865	9,810
Credit/(charge) to profit and loss account	<u>(239)</u>	<u>55</u>
Balance as at 30 April 2015	<u><u>9,626</u></u>	<u><u>9,865</u></u>

The deferred tax asset is included within other debtors within Note 12.

**17. PROVISIONS FOR LIABILITIES**

	Dilapidations 2015 £	Dilapidations 2014 £
<b>Group and LLP</b>		
At 1 May 2014	922,645	942,596
Release of Provision	(782,645)	(19,951)
Charge to Profit & Loss	<u>166,328</u>	<u>-</u>
At 30 April 2015	<u><u>306,328</u></u>	<u><u>922,645</u></u>

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.



**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**Year ended 30 April 2015**

**18. TOTAL MEMBERS' INTERESTS**

<b>Group</b>	<b>Members' capital £</b>	<b>Loans and other debts due to members £</b>	<b>Total liability under FRS25 £</b>	<b>Other equity reserves £</b>	<b>Total members' interests £</b>
Amounts due to members	7,529,605	4,213,827	11,743,432	428,589	12,172,021
Amounts due from members	-	(153,860)	(153,860)	-	(153,860)
<b>Balance at 1 May 2014</b>	<b>7,529,605</b>	<b>4,059,967</b>	<b>11,589,572</b>	<b>428,589</b>	<b>12,018,161</b>
Members' remuneration charged as an expense, including employment and retirement benefit costs	-	9,670,215	9,670,215	856,677	10,526,892
<b>Members' interests after profit for the year</b>	<b>7,529,605</b>	<b>13,730,182</b>	<b>21,259,787</b>	<b>1,285,266</b>	<b>22,545,053</b>
Allocation of profit	188,296	(188,296)	-	-	-
Capital introduced	985,306	-	985,306	-	985,306
Repayments of capital	(1,007,623)	-	(1,007,623)	-	(1,007,623)
Repayment of loan	-	29,133	29,133	-	29,133
Drawings	-	(10,675,986)	(10,675,986)	-	(10,675,986)
Amounts due to members	7,695,584	3,019,760	10,715,344	1,285,266	12,000,610
Amounts due from members	-	(124,727)	(124,727)	-	(124,727)
<b>Balance at 30 April 2015</b>	<b>7,695,584</b>	<b>2,895,033</b>	<b>10,590,617</b>	<b>1,285,266</b>	<b>11,875,883</b>

Members' capital together with 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.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**Year ended 30 April 2015**

**18. TOTAL MEMBERS' INTERESTS (CONTINUED)**

	Members' capital £	Loans and other debts due to members £	Total liability under FRS25 £	Other equity reserves £	Total members' interests £
<b>LLP</b>					
Amounts due to members	7,529,605	4,213,827	11,743,432	-	11,743,432
Amounts due from members	-	(153,860)	(153,860)	-	(153,860)
Balance at 1 May 2014	7,529,605	4,059,967	11,589,572		11,589,572
Members' remuneration charged as an expense, including employment and retirement benefit costs	-	9,670,215	9,670,215		9,670,215
Members' interests after profit for the year	7,529,605	13,730,182	21,259,787		21,259,787
Allocation of profit	188,296	(188,296)	-		-
Capital introduced	985,306	-	985,306		985,306
Repayments of capital	(1,007,623)	-	(1,007,623)		(1,007,623)
Repayment of loan	-	29,133	29,133		29,133
Drawings	-	(10,675,986)	(10,675,986)		(10,675,986)
Amounts due to members	7,695,584	3,019,760	10,715,344		10,715,344
Amounts due from members	-	(124,727)	(124,727)		(124,727)
<b>Balance at 30 April 2015</b>	<b>7,695,584</b>	<b>2,895,033</b>	<b>10,590,617</b>		<b>10,590,617</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.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**Year ended 30 April 2015**

**19. FINANCIAL COMMITMENTS**

The Group and the LLP have annual commitments under non-cancellable operating leases as follows:

	2015	2014	2015	2014
	Hire of Plant & Machinery £	Hire of Plant & Machinery £	Land and buildings £	Land and buildings £
<b>Group and LLP</b>				
Expiry date				
- Within one year	203,373	47,329	-	112,917
- Between two and five years	2,281	117,726	1,512,405	1,384,635
- After five years	-	-	-	-
	<u>205,654</u>	<u>165,055</u>	<u>1,512,405</u>	<u>1,497,552</u>

**20. PENSION ARRANGEMENTS**

The group operates a number of defined contribution schemes for which the pension cost charge for the year amounted to £511,393 (2014: £526,955). The pension cost charge for the year excluding salaried members amounted to £394,012 (2014: £392,152).

As at 30 April 2015 there were £69,314 (2014: £68,805) 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 17 performed as at 30 April 2015 shows that the assets of the scheme are sufficient to cover 100% (2014: 101.71%) of the relevant liabilities. No asset has been recognised by the LLP in respect of this surplus.

**21. NET CASH FLOW FROM OPERATING ACTIVITIES**

	2015 £	2014 £
Operating profit	10,742,313	10,925,553
<b>Adjusted for:</b>		
Amortisation of goodwill	(82,536)	(82,536)
Depreciation	959,613	728,200
Revaluation of available-for-sale-investments	12,858	3,571
Loss on sale of tangible assets	35,147	61,316
Decrease/(increase) in debtors	1,155,201	(608,810)
Increase in creditors	534,524	419,812
(Decrease) in provisions	(616,317)	(19,951)
Net cash inflow from operating activities	<u>12,740,803</u>	<u>11,427,155</u>

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**Year ended 30 April 2015**

**22. ANALYSIS OF CASH FLOWS**

	2015 £	2014 £
<b>Returns on investment and servicing of finance</b>		
Interest received	179,283	215,658
Interest paid	(152,268)	(168,412)
Interest element on finance lease payments	(8,838)	(3,440)
	<u>18,177</u>	<u>43,806</u>
<b>Capital expenditure and financial investment</b>		
Purchase of tangible fixed assets	(821,611)	(703,039)
Sale of tangible fixed assets	24,114	-
	<u>(797,497)</u>	<u>(703,039)</u>
<b>Transactions with Members and former Members</b>		
Payments to members	(10,675,986)	(9,795,434)
Capital introduced by members	985,306	1,265,078
Capital repaid to members	(1,007,623)	(1,269,027)
	<u>(10,698,303)</u>	<u>(9,799,383)</u>
<b>Bank Financing</b>		
Bank loan advanced	2,134,608	2,364,430
Loan repayments	(1,882,877)	(3,452,332)
Repayment of finance lease	(21,485)	(36,671)
	<u>230,246</u>	<u>(1,124,573)</u>

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**Year ended 30 April 2015**

**23. ANALYSIS OF NET DEBT**

	1 May 2014 £	Cash flow £	Other Non-cash flow changes £	30 April 2015 £
Cash at bank and in hand	6,683	764,378	-	771,061
Bank overdrafts	(3,659,398)	475,413	-	(3,183,985)
	<u>(3,652,715)</u>	<u>1,239,791</u>	<u>-</u>	<u>(2,412,924)</u>
Debt due within one year	(602,159)	1,882,877	(2,675,646)	(1,394,928)
Debt due after one year	(1,698,487)	(2,134,608)	2,675,646	(1,157,449)
Finance Lease	(37,598)	21,485	-	(16,113)
	<u>(5,990,959)</u>	<u>1,009,545</u>	<u>-</u>	<u>(4,981,414)</u>

**24. RELATED PARTY TRANSACTIONS**

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 10). 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:

	Sale of services		Purchase of goods and services	
	2015 £	2014 £	2015 £	2014 £
Sales to/(Purchases from) TAM	204,221	262,794	(24,564)	(22,768)
Sales to/(Purchases from) TUTMAN	208,620	259,676	-	-
Sales to/(Purchases from) Law South	-	-	(95,390)	(132,903)
Sales to/(Purchases from) Dekra	768,117	654,173	(9,848)	(34,146)
Sales to/(Purchases from) Meridies	-	-	(173,185)	(189,702)
	<u>1,180,958</u>	<u>1,176,643</u>	<u>(302,987)</u>	<u>(379,519)</u>

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**Year ended 30 April 2015**

	Amounts owed by related parties		Amounts owed to related parties	
	2015 £	2014 £	2015 £	2014 £
TAM	42,092	16,450	-	-
TUTMAN	28,724	46,866	-	-
Law South	-	-	-	-
Dekra	88,353	101,176	(43,994)	(34,146)
Meridies	-	-	-	-
	<u>159,169</u>	<u>164,492</u>	<u>(43,994)</u>	<u>(34,146)</u>

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

**25. PROFIT ATTRIBUTABLE TO THE LIMITED LIABILITY PARTNERSHIP**

The profit for the financial year attributable to the parent undertaking, Thomas Eggar LLP, was £9,670,215 (2014: £10,414,019).

**26. CONTINGENT LIABILITIES**

SIMIA (the Solicitors' Indemnity Mutual Insurance Association) a mutual insurance company whose sole business is the provision of professional indemnity insurance above £1m to firms of solicitors based in England and Wales has announced that it is in the process of winding up. Thomas Eggar LLP has been notified of a potential exposure to uncovered claims of £746,543 (2014: £746,543). The firm understands that any actual exposure will be dependent on the actual value of claims settled, the eventual expenses of managing the winding up and the value of assets realised. Because of the uncertainties surrounding the outcome of these items the firm does not believe that any reliable estimate of actual exposure can be made so no provision has been made.

**27. ULTIMATE CONTROLLING PARTY**

Thomas Eggar LLP is a limited liability partnership registered in England and Wales and is owned by its members, each of whom has contributed capital and is entitled to receive a share of the firm's profits. No individual member controls more than 5% of the voting rights and there is no ultimate controlling party.