

**BLICK ROTHENBERG AUDIT LLP (FORMERLY  
BLICK ROTHENBERG LLP)  
FINANCIAL STATEMENTS  
30 JUNE 2016**



# **BLICK ROTHENBERG AUDIT LLP (FORMERLY BLICK ROTHENBERG LLP)**

## **INFORMATION**

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### **Members**

Mark Hart  
Simon Mayston \*  
Milan Pandya  
James Rimell  
Andrew Sanford  
Nils Schmidt-Soltau  
Chris Shepherd  
Simon Wagman  
Blick Rothenberg Holdco Limited \*

\* Designated member

**LLP registered number** OC377158

**Registered office** 16 Great Queen Street  
Covent Garden  
London  
WC2B 5AH

**Independent auditors** Scrutton Bland  
Chartered Accountants  
Statutory Auditor  
Fitzroy House  
Crown Street  
Ipswich  
IP1 3LG

# **BLICK ROTHENBERG AUDIT LLP (FORMERLY BLICK ROTHENBERG LLP)**

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# **BLICK ROTHENBERG AUDIT LLP (FORMERLY BLICK ROTHENBERG LLP)**

## **MEMBERS' REPORT FOR THE YEAR ENDED 30 JUNE 2016**

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The members present their annual report together with the audited financial statements of Blick Rothenberg Audit LLP (formerly Blick Rothenberg LLP) (the "LLP and the Group") for the year ended 30 June 2016.

### **Principal activity**

The principal activity of the group and LLP during the year ended 30 June 2016 was the provision of accounting, taxation and advisory services. The majority of the group's activities are performed in the United Kingdom. On 31 October 2016 the assets and liabilities of Blick Rothenberg Audit LLP, other than those relating to regulated work, were acquired by Blick Rothenberg Limited. Blick Rothenberg Holdco Limited subsequently acquired 100% of the members' interests and itself became a member of Blick Rothenberg Audit LLP.

From 1 November 2016 the non-regulated work previously performed by Blick Rothenberg Audit LLP has been carried on by Blick Rothenberg Limited, this business being estimated to account for approximately 80% of the total business previously performed by Blick Rothenberg Audit LLP. The regulated audit and financial services activities continue to be performed by Blick Rothenberg Audit LLP.

### **Designated Members**

The current designated members are shown in the Information page. Bob Rothenberg, Nilesch Shah, Simon Wagman and Paul Finnegan were also designated members during the period and resigned on 31 October 2016. Colin Lehmann was a designated member until 21 February 2016.

### **Members' capital and interests**

Each member's subscription to the capital of the LLP is as specified in the appropriate Members' Agreement.

Details of changes in members' capital in the year ended 30 June 2016 are set out in the financial statements.

During the year ended 30 June 2016 members were remunerated from the profits of the LLP and were required to make their own provision for pensions and other benefits. Profits were allocated and divided between members after finalisation of the financial statements. Members drew a proportion of their profit shares monthly during the year, with the balance of profits being distributed after the year end, subject to the cash requirements of the business.

### **Disclosure of information to auditors**

Each of the persons who are members at the time when this members' report is approved has confirmed that:

- so far as that member is aware, there is no relevant audit information of which the Group's auditors are unaware, and
- that member has taken all the steps that ought to have been taken as a member in order to be aware of any relevant audit information and to establish that the Group's auditors are aware of that information.

This report was approved by the members on 31 March 2017 and signed on their behalf by:



**Simon Wagman**  
Director of Blick Rothenberg Holdco Limited  
Designated Member

# **BLICK ROTHENBERG AUDIT LLP (FORMERLY BLICK ROTHENBERG LLP)**

## **MEMBERS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 30 JUNE 2016**

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

Company law, as applied to LLPs, requires the members to prepare financial statements for each financial year. Under that law the members have elected to prepare the financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law, as applied to LLPs, the members must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the LLP and the Group and of the profit or loss of the Group for that period. In preparing these financial statements, the members are required to:

- select suitable accounting policies for the group's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The members are responsible for keeping adequate accounting records that are sufficient to show and explain the entity's transactions and disclose with reasonable accuracy at any time the financial position of the LLP and the Group 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 LLP and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# **BLICK ROTHENBERG AUDIT LLP (FORMERLY BLICK ROTHENBERG LLP)**

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BLICK ROTHENBERG AUDIT LLP (FORMERLY BLICK ROTHENBERG LLP) FOR THE YEAR ENDED 30 JUNE 2016**

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We have audited the financial statements of Blick Rothenberg Audit LLP (formerly Blick Rothenberg LLP) for the year ended 30 June 2016, set out on pages 5 to 28. The relevant financial reporting framework that has been applied in their preparation is the Companies Act 2006 and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

This report is made solely to the LLP's members in accordance with the Companies Act 2006, as applied by Part 12 of The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008. Our audit work has been undertaken so that we might state to the LLP's members those matters we are required to state to them in an auditors' 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 LLP and the LLP's members 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 members' responsibilities statement on page 2, 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 Ethical Standards for Auditors.

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

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the Group's and the parent LLP's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the designated members; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the members' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **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 parent LLP's affairs as at 30 June 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 Companies Act 2006) Regulations 2008.

**BLICK ROTHENBERG AUDIT LLP (FORMERLY BLICK ROTHENBERG LLP)**  
**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BLICK ROTHENBERG**  
**AUDIT LLP (FORMERLY BLICK ROTHENBERG LLP) (continued)**  
**FOR THE YEAR ENDED 30 JUNE 2016**

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**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 parent LLP, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent LLP financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.



Susan Gull (senior statutory auditor)

for and on behalf of  
**Scrutton Bland**

Chartered Accountants  
Statutory Auditor

Fitzroy House  
Crown Street  
Ipswich  
IP1 3LG

Date: 31 March 2017

# BLICK ROTHENBERG AUDIT LLP (FORMERLY BLICK ROTHENBERG LLP)

## CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 JUNE 2016

	Note	2016 £	2015 £
<b>Turnover</b>	3	<b>26,224,298</b>	23,584,671
Administrative expenses		(17,371,952)	(15,668,853)
Other operating income	4	52,731	137,028
<b>Operating profit</b>	5	<b>8,905,077</b>	8,052,846
Interest payable and similar expenses	7	(38,851)	(31,290)
<b>Profit before tax</b>		<b>8,866,226</b>	8,021,556
Tax on profit on ordinary activities	8	(315)	(150)
<b>Profit for the financial year before members' remuneration and profit shares</b>		<b>8,865,911</b>	8,021,406
<b>Profit for the financial year before members' remuneration and profit shares</b>		<b>8,865,911</b>	8,021,406
Members' remuneration charged as an expense		(8,861,473)	(8,009,450)
<b>Profit for the financial year available for discretionary division among members</b>		<b>4,438</b>	11,956

There are no items of other comprehensive income for either the year or the prior year other than the profit for the year. Accordingly no statement of other comprehensive income has been presented.

The notes on pages 13 to 28 form part of these financial statements.



**BLICK ROTHENBERG AUDIT LLP  
(FORMERLY BLICK ROTHENBERG  
LLP)**

REGISTERED NUMBER: OC377158

**CONSOLIDATED BALANCE SHEET  
AS AT 30 JUNE 2016**

	Note	2016 £	2015 £
<b>Fixed assets</b>			
Tangible assets	9	1,725,876	1,915,085
		<u>1,725,876</u>	<u>1,915,085</u>
<b>Current assets</b>			
Debtors	11	9,740,872	8,745,388
Cash at bank and in hand	12	95,297	126,047
		<u>9,836,169</u>	<u>8,871,435</u>
Creditors: amounts falling due within one year	13	(4,469,705)	(3,467,460)
<b>Net current assets</b>		<u>5,366,464</u>	<u>5,403,975</u>
<b>Total assets less current liabilities</b>		<u>7,092,340</u>	<u>7,319,060</u>
Creditors: amounts falling due after more than one year	14	(1,310,377)	(1,641,558)
<b>Net assets</b>		<u><u>5,781,963</u></u>	<u><u>5,677,502</u></u>


**BLICK ROTHENBERG AUDIT LLP  
(FORMERLY BLICK ROTHENBERG  
LLP)**

REGISTERED NUMBER: OC377158

**CONSOLIDATED BALANCE SHEET (CONTINUED)  
AS AT 30 JUNE 2016**

	Note	2016 £	2015 £
<b>Capital and reserves</b>			
<b>Loans and other debts due to members within one year</b>			
Loans		2,837,500	3,225,630
Other amounts	17	2,439,795	1,919,402
		<u>5,277,295</u>	<u>5,145,032</u>
<b>Members' other interests</b>			
Members' capital classified as equity	500,000	500,000	500,000
Other reserves classified as equity	4,668	32,470	32,470
		<u>504,668</u>	<u>532,470</u>
		<u>5,781,963</u>	<u>5,677,502</u>
<b>Total members' interests</b>			
Loans and other debts due to members	17	5,277,295	5,145,032
Members' other interests		504,668	532,470
		<u>5,781,963</u>	<u>5,677,502</u>

The financial statements were approved and authorised for issue by the members and were signed on their behalf by:



**Simon Wagman**  
Director of Blick Rothenberg Holdco Limited  
Designated Member

Date: 31 March 2017

The notes on pages 13 to 28 form part of these financial statements.

**BLICK ROTHENBERG AUDIT LLP  
(FORMERLY BLICK ROTHENBERG  
LLP)**

REGISTERED NUMBER: OC377158

**LLP BALANCE SHEET  
AS AT 30 JUNE 2016**

	Note	2016 £	2015 £
<b>Fixed assets</b>			
Tangible assets	9	1,679,289	1,869,270
Investments	10	209	209
		<u>1,679,498</u>	<u>1,869,479</u>
<b>Current assets</b>			
Debtors	11	9,153,118	8,324,328
Cash at bank and in hand	12	40,407	106,724
		<u>9,193,525</u>	<u>8,431,052</u>
Creditors: amounts falling due within one year	13	(3,785,351)	(3,013,941)
<b>Net current assets</b>		<u>5,408,174</u>	<u>5,417,111</u>
<b>Total assets less current liabilities</b>		<u>7,087,672</u>	<u>7,286,590</u>
Creditors: amounts falling due after more than one year	14	(1,310,377)	(1,641,558)
<b>Net assets</b>		<u><u>5,777,295</u></u>	<u><u>5,645,032</u></u>

**BLICK ROTHENBERG AUDIT LLP  
(FORMERLY BLICK ROTHENBERG  
LLP)**

REGISTERED NUMBER: OC377158

**LLP BALANCE SHEET (CONTINUED)  
AS AT 30 JUNE 2016**

	Note	2016 £	2015 £
<b>Capital and reserves</b>			
<b>Loans and other debts due to members within one year</b>			
Loans		2,837,500	3,225,630
Other amounts		2,439,795	1,919,402
		<u>5,277,295</u>	<u>5,145,032</u>
<b>Members' other interests</b>			
Members' capital classified as equity	500,000	500,000	500,000
		<u>500,000</u>	<u>500,000</u>
		<u>5,777,295</u>	<u>5,645,032</u>
<b>Total members' interests</b>			
Loans and other debts due to members	17	5,277,295	5,145,032
Members' other interests		500,000	500,000
		<u>5,777,295</u>	<u>5,645,032</u>

The financial statements were approved and authorised for issue by the members and were signed on their behalf by:



**Simon Wagman**  
Director of Blick Rothenberg Holdco Limited  
Designated Member

Date: 31 March 2017

The notes on pages 13 to 28 form part of these financial statements.

# BLICK ROTHENBERG AUDIT LLP (FORMERLY BLICK ROTHENBERG LLP)

## CONSOLIDATED RECONCILIATION OF MEMBERS' INTERESTS FOR THE YEAR ENDED 30 JUNE 2016

	Members' capital (classified as equity) £	Other reserves £	Total equity £	Members' capital (classified as debt) £	Other amounts £	Total debt £	Total £
Amounts due to members					1,194,898	1,194,898	
<b>Balance at 1 July 2014</b>	<b>500,000</b>	<b>20,514</b>	<b>520,514</b>	<b>3,167,500</b>	<b>1,194,898</b>	<b>4,362,398</b>	<b>4,882,912</b>
Members' remuneration charged as an expense	-	-	-	-	8,009,450	8,009,450	8,009,450
Profit for the year available for discretionary division among members	-	11,956	11,956	-	-	-	11,956
<b>Members' interests after profit for the year</b>	<b>500,000</b>	<b>32,470</b>	<b>532,470</b>	<b>3,167,500</b>	<b>9,204,348</b>	<b>12,371,848</b>	<b>12,904,318</b>
Amounts introduced by members	-	-	-	354,202	-	354,202	354,202
Repayment of capital	-	-	-	(296,072)	-	(296,072)	(296,072)
Amounts withdrawn by members	-	-	-	-	(7,284,946)	(7,284,946)	(7,284,946)
Amounts due to members				3,225,630	1,919,402	5,145,032	
<b>Balance at 30 June 2015</b>	<b>500,000</b>	<b>32,470</b>	<b>532,470</b>	<b>3,225,630</b>	<b>1,919,402</b>	<b>5,145,032</b>	<b>5,677,502</b>
Members' remuneration charged as an expense	-	-	-	-	8,861,473	8,861,473	8,861,473
Profit for the year available for discretionary division among members	-	4,438	4,438	-	-	-	4,438
<b>Members' interests after profit for the year</b>	<b>500,000</b>	<b>36,908</b>	<b>536,908</b>	<b>3,225,630</b>	<b>10,780,875</b>	<b>14,006,505</b>	<b>14,543,413</b>
Transfer between reserves	-	(32,240)	(32,240)	-	32,240	32,240	-
Amounts introduced by members	-	-	-	774,169	-	774,169	774,169
Repayment of capital	-	-	-	(1,162,299)	-	(1,162,299)	(1,162,299)
Amounts withdrawn by members	-	-	-	-	(8,373,320)	(8,373,320)	(8,373,320)
Amounts due to members				2,837,500	2,439,795	5,277,295	
<b>Balance at 30 June 2016</b>	<b>500,000</b>	<b>4,668</b>	<b>504,668</b>	<b>2,837,500</b>	<b>2,439,795</b>	<b>5,277,295</b>	<b>5,781,963</b>

The notes on pages 13 to 28 form part of these financial statements.

# BLICK ROTHENBERG AUDIT LLP (FORMERLY BLICK ROTHENBERG LLP)

## LLP RECONCILIATION OF MEMBERS' INTERESTS FOR THE YEAR ENDED 30 JUNE 2016

	Total equity £	Members' capital (classified as debt) £	Other amounts £	Total debt £	Total £
Amounts due to members			1,194,898	1,194,898	
<b>Balance at 1 July 2014</b>	500,000	3,167,500	1,194,898	4,362,398	4,862,398
Members' remuneration charged as an expense	-	-	8,009,450	8,009,450	8,009,450
<b>Members' interests after profit for the year</b>	500,000	3,167,500	9,204,348	12,371,848	12,871,848
Amounts introduced by members	-	354,202	-	354,202	354,202
Repayment of capital	-	(296,072)	-	(296,072)	(296,072)
Drawings	-	-	(7,284,946)	(7,284,946)	(7,284,946)
Amounts due to members		3,225,630	1,919,402	5,145,032	
<b>Balance at 30 June 2015</b>	500,000	3,225,630	1,919,402	5,145,032	5,645,032
Members' remuneration charged as an expense	-	-	8,861,473	8,861,473	-
<b>Members' interests after profit for the year</b>	500,000	3,225,630	10,780,875	14,006,505	14,506,505
Amounts introduced by members	-	774,169	-	774,169	774,169
Repayment of capital	-	(1,162,299)	-	(1,162,299)	(1,162,299)
Amounts withdrawn by members	-	-	(8,373,320)	(8,373,320)	(8,373,320)
Dividend received from subsidiary undertaking	-	-	32,240	32,240	32,240
Amounts due to members		2,837,500	2,439,795	5,277,295	
<b>Balance at 30 June 2016</b>	500,000	2,837,500	2,439,795	5,277,295	5,777,295

There are no existing restrictions or limitations which impact the ability of the members of the LLP to reduce the amount of Members' other interests.

# BLICK ROTHENBERG AUDIT LLP (FORMERLY BLICK ROTHENBERG LLP)

## CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2016

	2016 £	2015 £
<b>Cash flows from operating activities</b>		
Profit for the financial year	8,865,911	8,021,406
<b>Adjustments for:</b>		
Depreciation of tangible assets	487,401	495,710
Profit/(loss) on disposal of tangible assets	(9,590)	1,215
Interest paid	38,851	31,290
Taxation charge	315	150
(Increase) in debtors	(995,484)	(1,005,551)
Increase/(decrease) in creditors	285,000	(197,429)
Corporation tax (paid)	(150)	(288)
<b>Net cash generated from operating activities</b>	<b>8,672,254</b>	<b>7,346,503</b>
<b>Cash flows from investing activities</b>		
Purchase of tangible fixed assets	(363,304)	(239,459)
Sale of tangible fixed assets	74,699	9,631
Finance lease interest	(9,520)	(13,684)
<b>Net cash from investing activities</b>	<b>(298,125)</b>	<b>(243,512)</b>
<b>Cash flows from financing activities</b>		
Repayment of finance leases	(87,297)	(83,134)
Interest paid	(29,331)	(17,606)
Amounts introduced by members	629,244	354,202
Amounts withdrawn by members	(9,390,694)	(7,581,018)
<b>Net cash used in financing activities</b>	<b>(8,878,078)</b>	<b>(7,327,556)</b>
<b>Net (decrease) in cash and cash equivalents</b>	<b>(503,949)</b>	<b>(224,565)</b>
Cash and cash equivalents at beginning of year	(132,828)	91,737
<b>Cash and cash equivalents at the end of year</b>	<b>(636,777)</b>	<b>(132,828)</b>
<b>Cash and cash equivalents at the end of year comprise:</b>		
Cash at bank and in hand	95,297	126,047
Bank overdrafts	(732,074)	(258,875)
	<b>(636,777)</b>	<b>(132,828)</b>

The notes on pages 13 to 28 form part of these financial statements.

# **BLICK ROTHENBERG AUDIT LLP (FORMERLY BLICK ROTHENBERG LLP)**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016**

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### **1. General information**

Blick Rothenberg Audit LLP (formerly Blick Rothenberg LLP) is a limited liability partnership registered and incorporated in England. The address of its registered office and principal place of business is 16 Great Queen Street, Covent Garden, London WC2B 5AH.

### **2. Accounting policies**

#### **2.1 Basis of preparation of financial statements**

The financial statements are presented in Sterling (£).

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland ("FRS 102"), the Companies Act 2006 as applied by LLPs and the Statement of Recommended Practice (SORP) "Accounting by Limited Liability Partnerships".

The LLP has taken advantage of the exemption contained within Section 408 of the Companies Act 2006 not to present its own profit and loss account. The profit and loss account of the LLP for the year was £8,861,473 (2015 - £8,009,450)

In preparing these financial statements, as permitted by FRS 102, the LLP has taken advantage of the disclosure exemption from the requirement to present a statement of cash flows in relation to the individual accounts of the LLP on the basis that the disclosures are given in the consolidated financial statements.

Information on the impact of first-time adoption of FRS 102 is given in note 23.

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

The following principal accounting policies have been applied:

#### **2.2 Going concern**

After making enquiries, the members have a reasonable expectation that the group has adequate resources to continue in operational existence and meet its liabilities as they fall due for the foreseeable future, being a period of at least twelve months from the date these financial statements were approved. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

#### **2.3 Basis of consolidation**

The financial statements consolidate the accounts of Blick Rothenberg Audit LLP and all of its subsidiary undertakings.



# **BLICK ROTHENBERG AUDIT LLP (FORMERLY BLICK ROTHENBERG LLP)**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016**

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### **2. Accounting policies (continued)**

#### **2.4 Revenue**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

##### **Rendering of services**

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Group will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

#### **2.5 Tangible fixed assets**

Tangible fixed assets under the cost model 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 is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, on the following bases:

Leasehold property	- Lease term
Motor vehicles	- 25% reducing balance
Fixtures & fittings	- 10% to 20% straight line
Computer equipment	- 33% straight line

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the consolidated profit and loss account.

#### **2.6 Valuation of investments**

Investments in subsidiaries are measured at cost less accumulated impairment.

#### **2.7 Financial instruments**

The group has elected to apply Sections 11 and 12 of FRS 102 in respect of financial instruments.

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

# **BLICK ROTHENBERG AUDIT LLP (FORMERLY BLICK ROTHENBERG LLP)**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016**

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### **2. Accounting policies (continued)**

#### **2.7 Financial instruments (continued)**

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.

##### **Financial assets**

Basic financial assets, including trade and other debtors, cash and bank balances, intercompany working capital balances, and intercompany financing are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest for a similar debt instrument. Financing transactions are those in which payment is deferred beyond normal business terms or is financed at a rate of interest that is not a market rate.

Such assets are subsequently carried at amortised cost using the effective interest method, less any impairment.

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price which excludes transaction costs for those financial assets that are subsequently measured at fair value profit and loss.

Such financial assets are subsequently measured at fair value through profit or loss, where they are publicly traded, or fair value can be measured reliably, for example by using a valuation technique. Where fair value cannot be measured reliably, the financial asset is measured at cost less impairment.

##### **Financial liabilities**

Basic financial liabilities, including trade and other creditors, bank loans, loans from fellow Group companies and preference shares that are classified as debt, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument. Financing transactions are those in which payment is deferred beyond normal business terms or is financed at a rate of interest that is not a market rate.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

##### **Impairment of financial assets**

Financial assets measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the profit and loss account.

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

For financial assets measured at amortised cost, the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If the financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

# **BLICK ROTHENBERG AUDIT LLP (FORMERLY BLICK ROTHENBERG LLP)**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016**

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### **2. Accounting policies (continued)**

#### **2.7 Financial instruments (continued)**

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

#### **Derecognition of financial assets and financial liabilities**

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

If a transfer does not result in derecognition because the group has retained significant risks and rewards of ownership of the transferred asset, the group continues to recognise the transferred asset in its entirety and recognises a financial liability for the consideration received. The asset and liability are not offset. In subsequent periods, the group recognises any income on the transferred asset and any expense incurred on the financial liability.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

# **BLICK ROTHENBERG AUDIT LLP (FORMERLY BLICK ROTHENBERG LLP)**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016**

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### **2. Accounting policies (continued)**

#### **2.8 Members' participation rights**

Members' participation rights are the rights of a member against the LLP that arise under the members' agreement (for example, in respect of amounts subscribed or otherwise contributed, remuneration and profits).

Members' participation rights in the earnings or assets of the LLP are analysed between those that are, from the LLP's perspective, either a financial liability or equity, in accordance with FRS 102. A member's participation right results in a liability unless the right to any payment is discretionary on the part of the LLP.

Amounts subscribed or otherwise contributed by members, for example members' capital, are classed as equity if the LLP has an unconditional right to refuse payment to members. If the LLP does not have such an unconditional right, such amounts are classified as liabilities.

Where profits are automatically divided as they arise, so the LLP does not have an unconditional right to refuse payment, the amounts arising that are due to members are in the nature of liabilities. They are therefore treated as an expense in the profit and loss account in the relevant year. To the extent that they remain unpaid at the period end, they are shown as liabilities in the balance sheet.

Conversely, where profits are divided only after a decision by the LLP or its representative, so that the LLP has an unconditional right to refuse payment, such profits are classed as an appropriation of equity rather than as an expense. They are therefore shown as a residual amount available for discretionary division among members in the profit and loss account and are equity appropriations in the balance sheet.

Other amounts applied to members, for example remuneration paid under an employment contract and interest on capital balances, are treated in the same way as all other divisions of profits, as described above, according to whether the LLP has, in each case, an unconditional right to refuse payment.

All amounts due to members that are classified as liabilities are presented in the balance sheet within 'Loans and other debts due to members' and are charged to the profit and loss account within 'Members' remuneration charged as an expense'. Amounts due to members that are classified as equity are shown in the balance sheet within 'Members' other interests'.

#### **2.9 Finance leases**

Assets obtained under finance leases are capitalised as tangible fixed assets and are depreciated over the shorter of the lease term and their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the entity. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

#### **2.10 Operating leases: the Group as lessee**

Rentals paid under operating leases are charged to the consolidated profit and loss account on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

# **BLICK ROTHENBERG AUDIT LLP (FORMERLY BLICK ROTHENBERG LLP)**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016**

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### **2. Accounting policies (continued)**

#### **2.11 Taxation**

Tax is recognised in the consolidated profit and loss account, except that a charge attributable to an item of income and 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 balance sheet date in the countries where the LLP and the Group operate and generate income.

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

- 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 they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences 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 tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

#### **2.12 Foreign currency translation**

##### **Functional and presentation currency**

The LLP's functional and presentational currency is Sterling.

##### **Transactions and balances**

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated profit and loss account except when deferred in other comprehensive income as qualifying cash flow hedges.

# BLICK ROTHENBERG AUDIT LLP (FORMERLY BLICK ROTHENBERG LLP)

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

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### 2. Accounting policies (continued)

#### 2.13 Client Accounts

Balances held in client bank accounts and the corresponding liabilities are not recognised in the financial statements.

#### 2.14 Research and development

Research and development expenditure is written off in the year in which it is incurred.

#### 2.15 Pensions

##### Defined contribution pension plan

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in the consolidated profit and loss account when they fall due. Amounts not paid are shown in accruals as a liability in the balance sheet. The assets of the plan are held separately from the Group in independently administered funds.

### 3. Turnover

Turnover is attributable to the group's principal activity.

Analysis of turnover by country of destination:

	2016 £	2015 £
United Kingdom	22,171,554	20,148,711
Rest of the world	4,052,744	3,435,960
	<u>26,224,298</u>	<u>23,584,671</u>

### 4. Other operating income

	2016 £	2015 £
Net rents receivable	<u>52,731</u>	<u>137,028</u>

# BLICK ROTHENBERG AUDIT LLP (FORMERLY BLICK ROTHENBERG LLP)

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

### 5. Operating profit

The operating profit is stated after charging:

	2016 £	2015 £
Depreciation of tangible fixed assets - owned by the group	391,751	400,060
Depreciation of tangible fixed assets - held under finance leases	95,650	95,650
Fees payable to the Group's auditor and its associates for the audit of the LLP's annual financial statements	20,700	20,100
Other operating lease rentals	853,088	853,088

Auditors' fees for the LLP were £16,100 (2015 - £15,640).

### 6. Employees

Staff costs were as follows:

	2016 £	2015 £
Wages and salaries	8,912,964	7,952,763
Social security costs	1,053,421	858,393
Cost of defined contribution scheme	512,651	396,085
	10,479,036	9,207,241

The average monthly number of members and staff during the year was as follows:

	2016 No.	2015 No.
Fee earners	161	146
Practice management	53	47
	214	193

The average number of members during the year was 24 (2015 - 24). The amount of profit attributable to the member with the largest entitlement was £1,092,304 (2015 - £956,823).

All profits of the LLP are divided as prescribed by the members' agreement as they arise and are therefore shown as an expense in the profit and loss account for the relevant year. To the extent that the profits for the year remain unpaid at the year end, they are shown as liabilities.

# BLICK ROTHENBERG AUDIT LLP (FORMERLY BLICK ROTHENBERG LLP)

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

### 7. Interest payable and similar charges

	2016 £	2015 £
Bank interest payable	29,331	17,606
Finance leases and hire purchase contracts	9,520	13,684
	<u>38,851</u>	<u>31,290</u>

### 8. Taxation

The tax charge for the year reflects the corporation tax relating to the profits of the subsidiary companies. The majority of the group's profits are recognised in the LLP and the tax on these profits is borne and paid by the members of the LLP. Accordingly this tax is not shown in the financial statements of the LLP.

	2016 £	2015 £
<b>Corporation tax</b>		
UK corporation tax charge on profit for the year	<u>315</u>	<u>150</u>

#### Factors affecting tax charge for the year

The tax assessed for the year is lower than (2015 - lower than) the standard rate of corporation tax in the UK of 20% (2015 - 20%). The differences are explained below:

	2016 £	2015 £
Profit on ordinary activities before tax	<u>4,753</u>	<u>12,106</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015 - 20%)	951	2,421
<b>Effects of:</b>		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	-	261
Capital allowances for year in excess of depreciation	(636)	(2,532)
<b>Total tax charge for the year</b>	<u>315</u>	<u>150</u>



# BLICK ROTHENBERG AUDIT LLP (FORMERLY BLICK ROTHENBERG LLP)

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

### 9. Tangible fixed assets

#### Group

	Leasehold property £	Motor vehicles £	Fixtures & fittings £	Computer equipment £	Total £
<b>Cost or valuation</b>					
At 1 July 2015	1,732,509	160,977	864,682	818,533	3,576,701
Additions	100,547	-	100,216	162,541	363,304
Disposals	-	(160,977)	-	-	(160,977)
At 30 June 2016	1,833,056	-	964,898	981,074	3,779,028
<b>Depreciation</b>					
At 1 July 2015	450,023	74,314	485,972	651,307	1,661,616
Charge for the year	186,963	21,551	159,409	119,478	487,401
Disposals	-	(95,865)	-	-	(95,865)
At 30 June 2016	636,986	-	645,381	770,785	2,053,152
<b>Net book value</b>					
At 30 June 2016	1,196,070	-	319,517	210,289	1,725,876
At 30 June 2015	1,282,486	86,663	378,710	167,226	1,915,085

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2016 £	2015 £
Fixtures & fittings	135,118	230,768

# BLICK ROTHENBERG AUDIT LLP (FORMERLY BLICK ROTHENBERG LLP)

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

### 9. Tangible fixed assets (continued)

#### LLP

	Leasehold property £	Motor vehicles £	Fixtures & fittings £	Computer equipment £	Total £
<b>Cost or valuation</b>					
At 1 July 2015	1,732,509	160,977	785,264	528,990	3,207,740
Additions	100,547	-	95,128	141,867	337,542
Disposals	-	(160,977)	-	-	(160,977)
At 30 June 2016	<u>1,833,056</u>	<u>-</u>	<u>880,392</u>	<u>670,857</u>	<u>3,384,305</u>
<b>Depreciation</b>					
At 1 July 2015	450,023	74,314	413,140	400,993	1,338,470
Charge for the year	186,963	21,551	157,817	96,080	462,411
Disposals	-	(95,865)	-	-	(95,865)
At 30 June 2016	<u>636,986</u>	<u>-</u>	<u>570,957</u>	<u>497,073</u>	<u>1,705,016</u>
<b>Net book value</b>					
At 30 June 2016	<u>1,196,070</u>	<u>-</u>	<u>309,435</u>	<u>173,784</u>	<u>1,679,289</u>
At 30 June 2015	<u>1,282,486</u>	<u>86,663</u>	<u>372,124</u>	<u>127,997</u>	<u>1,869,270</u>

#### Finance leases

The net book value of assets held under finance leases or hire purchase contracts, included above, is as follows:

	2016 £	2015 £
Fixtures & fittings	<u>135,118</u>	<u>230,768</u>

# BLICK ROTHENBERG AUDIT LLP (FORMERLY BLICK ROTHENBERG LLP)

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

### 10. Fixed asset investments

#### Subsidiary undertakings

The following were subsidiary undertakings of the LLP at 30 June 2016:

Name	Country of incorporation	Class of shares	Holding	Principal activity
Blick Rothenberg Global Business Services Limited	England & Wales	ordinary	100 %	Accounting and related services
Blick Rothenberg Global Business Solutions Limited	England & Wales	ordinary	100 %	Accounting and related services
BRAL fx Limited	England & Wales	ordinary	100 %	Accounting and related services

#### LLP

	Investments in subsidiary companies £
<b>Cost or valuation</b>	
At 1 July 2015	209
At 30 June 2016	209
<b>Net book value</b>	
At 30 June 2016	209
At 30 June 2015	209

### 11. Debtors

	Group 2016 £	Group 2015 £	LLP 2016 £	LLP 2015 £
Trade debtors	7,592,315	6,811,536	6,602,699	5,845,190
Amounts owed by group undertakings	-	-	575,289	659,345
Other debtors	44,179	42,441	25,416	27,562
Prepayments	1,135,052	950,021	980,388	850,841
Accrued income	969,326	941,390	969,326	941,390
	<u>9,740,872</u>	<u>8,745,388</u>	<u>9,153,118</u>	<u>8,324,328</u>

# BLICK ROTHENBERG AUDIT LLP (FORMERLY BLICK ROTHENBERG LLP)

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

### 12. Cash and cash equivalents

	Group 2016 £	Group 2015 £	LLP 2016 £	LLP 2015 £
Cash at bank and in hand	95,297	126,047	40,407	106,724
Less: bank overdrafts	(732,074)	(258,875)	(732,074)	(258,875)
	<u>(636,777)</u>	<u>(132,828)</u>	<u>(691,667)</u>	<u>(152,151)</u>

### 13. Creditors: Amounts falling due within one year

	Group 2016 £	Group 2015 £	LLP 2016 £	LLP 2015 £
Bank overdrafts	732,074	258,875	732,074	258,875
Trade creditors	603,102	410,208	461,491	320,992
Corporation tax	315	150	-	-
Other taxation and social security	1,309,969	1,197,449	1,130,730	1,066,306
Net obligations under finance leases	91,843	87,503	91,843	87,503
Other creditors	4,565	14,259	4,575	14,256
Accruals and deferred income	1,727,837	1,499,016	1,364,638	1,266,009
	<u>4,469,705</u>	<u>3,467,460</u>	<u>3,785,351</u>	<u>3,013,941</u>

Certain of the bank overdraft facilities are secured by debentures. The obligations under finance leases are secured against the assets to which they relate.

### 14. Creditors: Amounts falling due after more than one year

	Group 2016 £	Group 2015 £	LLP 2016 £	LLP 2015 £
Net obligations under finance leases	65,204	156,841	65,204	156,841
Accruals and deferred income	1,245,173	1,484,717	1,245,173	1,484,717
	<u>1,310,377</u>	<u>1,641,558</u>	<u>1,310,377</u>	<u>1,641,558</u>

# BLICK ROTHENBERG AUDIT LLP (FORMERLY BLICK ROTHENBERG LLP)

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

### 15. Finance leases

Minimum lease payments under hire purchase fall due as follows:

	Group 2016 £	Group 2015 £	LLP 2016 £	LLP 2015 £
Between one and five years	<u>65,204</u>	<u>156,841</u>	<u>65,204</u>	<u>156,841</u>

The obligations under finance leases are secured against the assets to which they relate.

### 16. Financial instruments

	Group 2016 £	Group 2015 £	LLP 2016 £	LLP 2015 £
<b>Financial assets</b>				
Financial assets that are debt instruments measured at amortised cost	<u>7,636,494</u>	<u>6,853,977</u>	<u>7,203,404</u>	<u>6,532,097</u>
<b>Financial liabilities</b>				
Financial liabilities measured at amortised cost	<u>1,339,741</u>	<u>683,342</u>	<u>1,198,140</u>	<u>594,123</u>

Financial assets that are debt instruments measured at amortised cost comprise trade debtors, group debtors and other debtors.

Financial liabilities measured at amortised cost comprise bank overdrafts, trade creditors and other creditors

# BLICK ROTHENBERG AUDIT LLP (FORMERLY BLICK ROTHENBERG LLP)

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

### 17. Loans and other debts due to members

	Group 2016 £	Group 2015 £	LLP 2016 £	LLP 2015 £
Members capital treated as debt	2,837,500	3,225,630	2,837,500	3,225,630
Amounts due to members	2,439,795	1,919,402	2,439,795	1,919,402
	<u>5,277,295</u>	<u>5,145,032</u>	<u>5,277,295</u>	<u>5,145,032</u>

Loans and other debts due to members may be further analysed as follows:

	Group 2016 £	Group 2015 £	LLP 2016 £	LLP 2015 £
Falling due within one year	<u>5,277,295</u>	<u>5,145,032</u>	<u>5,277,295</u>	<u>5,145,032</u>

Loans and other debts due to members rank equally with debts due to ordinary creditors in the event of a winding up.

### 18. Pension commitments

The group and LLP operate a defined contributions pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to £512,651 (2015 - £396,085). There were no contributions (2015 - £Nil) payable to the fund at the balance sheet date.

### 19. Commitments under operating leases

At 30 June 2016 the Group and the LLP had future minimum lease payments under non-cancellable operating leases as follows:

	Group 2016 £	Group 2015 £	LLP 2016 £	LLP 2015 £
Not later than 1 year	1,091,280	1,091,280	1,091,280	1,091,280
Later than 1 year and not later than 5 years	4,365,120	4,365,120	4,365,120	4,365,120
Later than 5 years	1,312,526	2,406,796	1,312,526	2,406,796
	<u>6,768,926</u>	<u>7,863,196</u>	<u>6,768,926</u>	<u>7,863,196</u>

# **BLICK ROTHENBERG AUDIT LLP (FORMERLY BLICK ROTHENBERG LLP)**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016**

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### **20. Related party transactions**

The LLP has taken advantage of the exemption contained in FRS 102 section 33 "Related Party Disclosures" from disclosing transactions with entities which are a wholly owned part of the group. During the year motor vehicles with a net book value of £59,140 were sold to certain members at market value of £66,500. The members were the only key management personnel. There were no other related party transactions in the years ended 30 June 2016 or 30 June 2015.

### **21. Post balance sheet events**

On 31 October 2016 the assets and liabilities of Blick Rothenberg Audit LLP, other than those relating to regulated work, were acquired by Blick Rothenberg Limited. Blick Rothenberg Holdco Limited subsequently acquired 100% of the members' interests and itself became a member of Blick Rothenberg Audit LLP.

From 1 November 2016 the non-regulated work previously performed by Blick Rothenberg Audit LLP has been carried on by Blick Rothenberg Limited, this business being estimated to account for approximately 80% of the total business previously performed by Blick Rothenberg Audit LLP. The regulated audit and financial services activities continue to be performed by Blick Rothenberg Audit LLP.

### **22. Controlling party**

Following the acquisition by Blick Rothenberg Holdco Limited of the members' interests in Blick Rothenberg Audit LLP on 31 October 2016, the ultimate controlling party is John Connolly. In the opinion of the members there was no ultimate controlling party at 30 June 2016.

### **23. First time adoption of FRS 102**

The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss.