

CLUTTONS LLP
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2014

Registered Number: OC310771

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CLUTTONS LLP

FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2014

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CLUTTONS LLP

MEMBERS AND ADVISERS

YEAR ENDED 31 MARCH 2014

DESIGNATED MEMBERS

M. C. Chumbley
J.G.M. Eastaugh
J. R. Hyman
W. P. Siegle
J. W. Wood

REGISTERED AUDITORS

Grant Thornton UK LLP
Grant Thornton House
Melton Street
Euston Square
London
NW1 2EP

BANKERS

Barclays Bank Plc
United Kingdom House
180 Oxford Street
London W1D 1EL

REGISTERED NUMBER

OC310771

REGISTERED OFFICE

Portman House
2 Portman Street
London
W1H 6DU

CLUTTONS LLP

MEMBERS' REPORT

YEAR ENDED 31 MARCH 2014

The Members present their report and the audited accounts for the year ended 31 March 2014.

PRINCIPAL ACTIVITY

The principal activity of Cluttons LLP ("the LLP") is chartered surveying.

RESULTS

The consolidated results for the year ended 31 March 2014 are shown in the profit and loss account on page 5.

We are pleased with the results for 2014. Turnover was up 11% at £41.2m with profits before tax up 36% at £10.93m.

The year's strong results and operating cash flow has meant that net debt has reduced during the year from £1.85m to £0.65m at 31 March 2014 despite significant investment.

We rebranded the firm in February 2014 which involved a global repositioning of the firm and a refurbishment programme of our offices worldwide which will complete in early 2015. We also moved into a larger and better located office in Dubai's Media City. This has given us the platform to expand our operations in the UAE where we have been awarded a number of significant instructions in the current year.

We continue to gain significant new clients whilst expanding our service lines both in the UK and overseas. We now operate across APAC, establishing entities in 9 countries in the region. Further expansion in Europe has also taken place in the current year. The proportion of turnover from outside the UK has risen from 20% in 2013 to 27% in 2014 and is expected to be over 30% for the current financial year.

Our final salary pension scheme, which was closed for future accrual in June 2006, continues to have an adverse impact on our balance sheet. A reappraisal of the assumptions underlying the valuation of the scheme's liabilities combined with gilt yields remaining low as at the balance sheet date resulted in a significant increase in the deficit. However, the pension scheme liability is very long term with an average term in excess of 20 years and is managed through a recovery plan agreed with The Pensions Regulator.

We regularly review our medium term strategy and are investing in a number of initiatives that will help to strengthen and grow the business for the future. We will be opening another London agency office in the coming months and continue to expand our Middle East and wider international business. As a result we are securing further large international contracts which will require the firm to enter a number of new overseas markets. We are also continuing to upgrade our IT infrastructure, applications and client systems to support the projected growth in the business. 2015 also marks the 250th anniversary of the firm and we have a number of client events, marketing and charitable initiatives planned to celebrate this achievement.

DESIGNATED MEMBERS

The designated members during the year were as follows:

M.C. Chumbley
J. G. M. Eastaugh
J. R. Hyman
W. P. Siegle
J. W. Wood

J. R. Gray and J.E.C. Briant, who were designated members at 1 April 2013, resigned as designated members on 1 August 2013.

BRANCHES OUTSIDE THE UK

The LLP has branches in the Kingdom of Bahrain and the United Arab Emirates.

CLUTTONS LLP

MEMBERS' REPORT (continued)

YEAR ENDED 31 MARCH 2014

MEMBERS' DRAWINGS AND THE SUBSCRIPTION AND REPAYMENT OF MEMBERS' CAPITAL

The LLP operates a drawings policy which has regard to a cautious estimate of budgeted profits and restricts monthly drawings to prudent levels until the results for the year and individual members' allocations have been determined. Members' capital requirements are determined at the start of each financial year, provided by members in proportion to their percentage share. The LLP pays interest on each member's capital account payable before any allocation of profits.

STATEMENT OF MEMBERS' RESPONSIBILITIES

The members are responsible for preparing the Members' Report and the financial statements in accordance with applicable law and regulations.

The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 requires the members to prepare financial statements for each financial year. Under that law the members have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable laws). Under company law 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 and profit or loss of the LLP 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 accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the LLP will continue in business.

The members are responsible for keeping adequate accounting records that are sufficient to show and explain the member's transactions and disclose with reasonable accuracy at any time the financial position of the LLP and enable them to ensure that the financial statements comply with the 2008 Regulations. They are also responsible for safeguarding the assets of the LLP and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The members confirm that:

- so far as they are aware, there is no relevant audit information of which the auditor is unaware; and
- they have taken all the steps that they ought to have taken as members in order to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

AUDITORS

In accordance with s485(4) of the Companies Act 2006, a resolution to reappoint Grant Thornton UK LLP as auditors will be proposed at the next Members' meeting.

Approved by the Members and signed on their behalf by:



W. P. Siegle
Designated Member
Date: 13.1.2015

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS' OF

CLUTTONS LLP

We have audited the financial statements of Cluttons LLP (the "LLP") for the year ended 31 March 2014 which comprise the Consolidated Profit and Loss Account, the Consolidated Statement of Total Recognised Gains and Losses, the Consolidated Balance Sheet, the LLP 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 LLP's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, as applied by 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 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 LLP and the LLP's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of members and auditor

As explained more fully in the Members' Responsibilities Statement set out on page 3, 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 Auditing Practices Board'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 Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

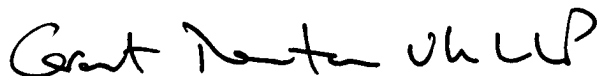
In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent limited liability partnership's affairs as at 31 March 2014 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.

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, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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.



Peter Gamson
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
London

13 January 2015

CLUTTONS LLP**CONSOLIDATED PROFIT AND LOSS ACCOUNT****YEAR ENDED 31 MARCH 2014**

	Notes	2014 £	2013 £
TURNOVER	3	41,232,494	37,014,704
Operating costs		(30,719,176)	(29,110,449)
Other operating income	4	949,682	762,499
OPERATING PROFIT	5	11,463,000	8,666,754
Net interest payable	7	(528,534)	(608,816)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAX		10,934,466	8,057,938
Tax charge on profit on ordinary activities of subsidiaries	8	(139,386)	(31,628)
PROFIT ON ORDINARY ACTIVITIES AFTER TAX ON SUBSIDIARIES		10,795,080	8,026,310
Minority interest		(69,062)	(54,657)
PROFIT FOR THE FINANCIAL YEAR BEFORE MEMBERS' REMUNERATION AND PROFIT SHARES		10,726,018	7,971,653
Members' remuneration charged as an expense	16	(10,391,576)	(7,870,141)
PROFIT FOR THE FINANCIAL YEAR AVAILABLE FOR DISCRETIONARY DIVISION AMONG MEMBERS	16	£334,442	£101,512

There were no discontinued operations during the year.

The notes on pages 10 to 23 form part of these accounts.

CLUTTONS LLP

CONSOLIDATED STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

YEAR ENDED 31 MARCH 2014

	Note	2014	2013
		£	£
Profit for the financial year		334,442	101,512
Actuarial loss	21	(4,862,000)	(1,462,000)
TOTAL RECOGNISED GAINS AND LOSSES FOR THE YEAR		<u>£(4,527,558)</u>	<u>£(1,360,488)</u>

The notes on pages 10 to 23 form part of these accounts.

CONSOLIDATED BALANCE SHEET

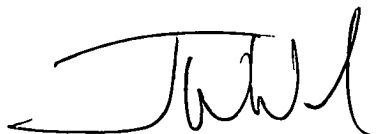
AT 31 MARCH 2014

	Notes	2014 £	2013 £
FIXED ASSETS			
Intangible assets	9	-	-
Tangible assets	10	1,981,302	1,603,843
Investments	11	1,251	12,140
		<u>1,982,553</u>	<u>1,615,983</u>
CURRENT ASSETS			
Debtors	12	11,342,000	10,884,339
Cash at bank and in hand		1,475,318	1,106,519
		<u>12,817,318</u>	<u>11,990,858</u>
CREDITORS: amounts falling due within one year	13	<u>(6,685,400)</u>	<u>(7,698,651)</u>
NET CURRENT ASSETS		<u>6,131,918</u>	<u>4,292,207</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		8,114,471	5,908,190
CREDITORS: amounts falling due after more than one year	14	(920,287)	(1,233,811)
PROVISIONS FOR LIABILITIES	15	<u>(674,175)</u>	<u>(1,214,714)</u>
		6,520,009	3,459,665
Minority interests		<u>(142,884)</u>	<u>(202,146)</u>
NET ASSETS BEFORE POST RETIREMENT LIABILITY		6,377,125	3,257,519
Post retirement liability	21	<u>(25,640,000)</u>	<u>(21,463,000)</u>
NET LIABILITIES ATTRIBUTABLE TO MEMBERS		<u>£(19,262,875)</u>	<u>£(18,205,481)</u>
REPRESENTED BY:			
Loans and other debts due to members			
Members' capital	16	3,240,002	2,923,002
Other amounts	16	3,702,816	956,789
		<u>6,942,818</u>	<u>3,879,791</u>
Equity			
Other interests	16	<u>(26,205,693)</u>	<u>(22,085,272)</u>
		<u>£(19,262,875)</u>	<u>£(18,205,481)</u>
MEMORANDUM OF MEMBERS' TOTAL INTERESTS			
Amounts due from members	12	(96,269)	(30,359)
Loans and other debts due to members	16	6,942,818	3,879,791
Members' other interests	16	<u>(26,205,693)</u>	<u>(22,085,272)</u>
		<u>(19,359,144)</u>	<u>£(18,235,840)</u>

The financial statements were approved and authorised for issue by the Members on 13 January 2015 and were signed below on its behalf by:



W.P. Siegle
Designated Member



J.W. Wood
Designated Member

The notes on pages 10 to 23 form part of these accounts.

LLP BALANCE SHEET

AT 31 MARCH 2014

	Notes	2014 £	2013 £
FIXED ASSETS			
Intangible fixed assets	9	-	-
Tangible assets	10	1,877,582	1,523,788
Investments	11	165,835	212,408
		<u>2,043,417</u>	<u>1,736,196</u>
CURRENT ASSETS			
Debtors	12	9,955,386	10,421,417
Cash at bank and in hand		1,178,067	937,526
		<u>11,133,453</u>	<u>11,358,943</u>
CREDITORS: amounts falling due within one year	13	<u>(5,771,978)</u>	<u>(7,640,775)</u>
NET CURRENT ASSETS		<u>5,361,475</u>	<u>3,718,168</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		7,404,892	5,454,364
CREDITORS: amounts falling due after more than one year	14	(920,287)	(1,233,811)
PROVISIONS FOR LIABILITIES	15	(674,175)	(1,214,714)
NET ASSETS BEFORE POST RETIREMENT LIABILITY		5,810,430	3,005,839
Post retirement liability	21	<u>(25,640,000)</u>	<u>(21,463,000)</u>
NET LIABILITIES ATTRIBUTABLE TO MEMBERS		<u>£(19,829,570)</u>	<u>£(18,457,161)</u>
REPRESENTED BY:			
Loans and other debts due to members			
Members' capital	16	3,240,002	2,923,002
Other amounts	16	3,702,816	956,789
		<u>6,942,818</u>	<u>3,879,791</u>
Equity			
Other interests	16	(26,772,388)	(22,336,952)
		<u>£(19,829,570)</u>	<u>£(18,457,161)</u>
MEMORANDUM OF MEMBERS' TOTAL INTERESTS			
Amounts due from members	12	(96,269)	(30,359)
Loans and other debts due to members	16	6,942,818	3,879,791
Members' other interests	16	(26,772,388)	(22,336,952)
		<u>£(19,925,839)</u>	<u>£(18,487,520)</u>

The financial statements were approved and authorised for issue by the Members on 13 January 2015 and were signed below on its behalf by:



W.P. Siegle
Designated Member



J.W. Wood
Designated Member

The notes on pages 10 to 23 form part of these accounts.

CLUTTONS LLP

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH 2014

	Notes	2014		2013	
		£	£	£	£
NET CASH INFLOW FROM OPERATING ACTIVITIES	17		9,425,623		9,354,855
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE					
Interest paid		(99,534)		(80,816)	
NET CASH OUTFLOW FROM RETURNS ON INVESTMENT AND SERVICING OF FINANCE			(99,534)		(80,816)
TAX PAID			(17,077)		6,702
CAPITAL EXPENDITURE					
Payments to acquire tangible fixed assets		(1,008,385)		(601,026)	
NET CASH OUTFLOW FROM CAPITAL EXPENDITURE			(1,008,385)		(601,026)
ACQUISITIONS AND DISPOSALS					
Payments to increase interests in investment		-		(10,882)	
NET CASH OUTFLOW FROM ACQUISITIONS AND DISPOSALS			-		(10,882)
FINANCING					
Capital element of finance leases		(60,111)		(60,110)	
(Increase)/decrease in borrowings		(416,856)		802,433	
NET CASH OUTFLOW FROM FINANCING			(476,967)		742,323
TRANSACTIONS WITH MEMBERS					
Capital contributions by members		531,000		52,001	
Repayments to former members		(320,000)		(365,679)	
Payments to or on behalf of members		(7,326,646)		(9,116,589)	
NET CASH OUTFLOW FROM MEMBERS			(7,115,646)		(9,430,267)
INCREASE/(DECREASE) IN CASH	18		£708,014		£(19,111)
Reconciliation of net cash flow to movement in net debt				2014	2013
				£	£
Increase/(decrease) in cash in the year				708,014	(19,111)
Cash outflow from repayment of finance leases				60,111	60,110
Cash outflow/(inflow) from decrease/(increase) in debt				416,856	(802,433)
Net debt brought forward				1,184,981	(761,434)
				(1,849,905)	(1,088,471)
Net debt carried forward	18			£(664,924)	£(1,849,905)

The notes on pages 10 to 23 form part of these accounts.

1. ACCOUNTING POLICIES

Basis of preparation

The financial statements have been prepared in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including the Statement of Recommended Practice (SORP) "Accounting for Limited Liability Partnerships 2006", and under the historical cost convention.

Basis of consolidation

The group financial statements consolidate those of the LLP and the subsidiary undertakings, further details of which are set out in note 11.

Intangible fixed assets - Goodwill

Purchased goodwill is capitalised and written off on a straight line basis over the useful economic life. Provision is made for any impairment.

Tangible fixed assets and depreciation

Depreciation is provided on all tangible fixed assets in use at rates calculated to write off the cost over the expected useful life of each asset as follows:

Improvements to leasehold property:

United Kingdom	25% of written down value
Middle East	33 1/3% of written down value

Other assets:

Premises on short leases	Over the length of the lease
Furniture and equipment	5 years for electrical items, otherwise 20% of written down value
Computer equipment and software	5 years
Motor vehicles	4 years

Investments

Investments are stated at cost less any provision for impairment.

Retirement benefits

The group has adopted the full requirements of Financial Reporting Standard 17: Retirement Benefits ("FRS17"). In accordance with FRS17, the deficit on the defined benefit pension scheme is shown on the balance sheet. Current service costs, curtailments, settlement gains and losses and net financial returns are included in the profit and loss account in the period to which they relate. Actuarial gains and losses are recognised in the statement of total recognised gains and losses.

Turnover

Group turnover is the total amount estimated to be receivable by the group for services rendered during the year, excluding VAT and disbursements. Turnover, in accordance with UITF 40, Revenue Recognition and Service Contracts, is recognised when a right to consideration has been obtained through performance under each contract and reflects the contract activity during the year having regard to the stage of completion of each contract and the relative uncertainty of predicting ultimate profitability on long term assignments.

Revenues from agency transactions are recognised at the time of unconditional exchange of contracts.

Revenues from advisory services are recognised where fees have been unconditionally earned and to the extent that these have not been invoiced at the year end, these amounts are included within amounts recoverable on contracts. Revenue in respect of conditional or contingent fee engagements is recognised when the contingent event occurs.

1. ACCOUNTING POLICIES (continued)

Amounts recoverable on contracts

Services provided to clients during the financial year, which at the balance sheet date have not yet been billed to clients have been recognised in turnover on the basis of 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 and for fees for professional work that have been unconditionally earned but not yet invoiced at the balance sheet date.

Foreign currency translation

Transactions of the overseas operations are translated at an average rate for the year. Remittances of surplus funds to the United Kingdom and members' drawings are translated at the actual rate ruling at the date of the transactions. All monetary assets and liabilities are translated at the rate ruling on the balance sheet date.

Finance leases

Leasing agreements which transfer substantially all the benefits and risks of ownership of an asset are treated as if the asset had been purchased outright. The assets are included in fixed assets and the capital element of the leasing commitments is shown as obligations under finance leases. The lease rentals are treated as consisting of capital and interest elements with the interest element being charged against profit over the period of the lease.

Operating lease commitments

Assets held under operating leases are not capitalised. Operating lease rentals are charged to the profit and loss account in the year in which they are incurred.

Provisions

Provisions are recognised when the group has a present legal or constructive obligation as a result of a past event, it is probable that the group will be required to settle the obligation and the amount can be reliably estimated. The best estimate of the amount required to settle the obligation at the reporting date is discounted to present value where the effect is material.

Professional indemnity claims

Provisions on professional indemnity claims are recognised when it is probable that the group will be required to settle claims against it as a result of a past event and the amount of the obligation can be reliably estimated.

Dilapidations

Provisions for dilapidations are recognised where the group is required to perform dilapidation repairs on leased properties being vacated at the end of their lease term under a legal obligation and the liability can be reasonably quantified.

Onerous leases

Provisions on onerous leases are recognised where the cost of meeting the obligations under lease contracts exceeds the economic benefits expected to be received and are measured as the net least cost of exiting the contracts, being the lower of the costs of fulfilling them and any compensation or penalties arising from the failure to fulfil them.

Taxation

Members are personally liable for taxation on their share of the LLP's profits, although payment of such liabilities is administered by the LLP on behalf of the members. Consequently, no reserve for taxation or related deferred taxation is made in these financial statements. Sums set aside in respect of members' tax obligations are included in the balance sheet within loans and other debts due to members.

Members' interests

Members' capital is repayable and is therefore classified as a liability. As members may retire with less than one year's notice, members' capital is shown as being due within one year.

CLUTTONS LLP**NOTES TO THE ACCOUNTS (continued)****YEAR ENDED 31 MARCH 2014****1. ACCOUNTING POLICIES (continued)****Divisible profits**

The SORP recognises that the basis of calculating profits for allocation may differ from the profits reflected through the financial statements prepared in compliance with recommended practice. Consolidation of the results of subsidiary undertakings will generate differences between profits calculated for the purpose of allocation and those reported with the financial statements. Where such differences arise, they have been taken into equity - other interests in the balance sheet.

Members' fixed share of profits (exclusive of discretionary fixed share bonuses) and interest earned on members' capital are automatically allocated and are treated as members' remuneration charged as an expense to the profit and loss account in arriving at profit available for discretionary division among members. The majority of the remainder of the profit share is required by the members' agreement to be allocated and is therefore also shown within members' remuneration charged as an expense. The final amount not automatically allocated at the year-end is treated in these financial statements as unallocated at the balance sheet date and included within other reserves.

2. PROFIT FOR THE FINANCIAL YEAR

Cluttons LLP has taken advantage of section 408 of the Companies Act 2006 and has not included its own profit and loss account in these financial statements. Its own profit for the year before members' remuneration charged as an expense was £10,391,576 (2013: £7,873,141).

3. ANALYSIS OF TURNOVER BY MARKET

	2014	2013
	£	£
UK	30,127,018	29,590,042
Middle East	9,892,599	7,424,662
Rest of the World	1,212,877	-
	<u>£41,232,494</u>	<u>£37,014,704</u>

4. OTHER OPERATING INCOME

	2014	2013
	£	£
Insurance agency commission	95,118	154,830
Rent receivable	327,521	321,395
Sundry income	527,043	286,274
	<u>£949,682</u>	<u>£762,499</u>

5. OPERATING PROFIT

	2014	2013
	£	£
Operating profit is stated after charging:		
Depreciation – owned assets	410,168	474,014
– leased assets	33,973	33,973
Amortisation	-	8,120
Loss on disposal of obsolete assets	167,784	123,105
Auditors' remuneration – audit	67,883	45,000
– other services	168,300	22,463
	<u>£1,128,018</u>	<u>£1,217,685</u>

CLUTTONS LLP

NOTES TO THE ACCOUNTS (continued)

YEAR ENDED 31 MARCH 2014

6. STAFF COSTS	2014 £	2013 £
Staff costs comprise:		
Wages and salaries	13,686,263	12,991,672
Social security costs	989,052	971,704
Pension contributions	606,778	792,650
	<u>£15,282,093</u>	<u>£14,756,026</u>

The average monthly number of persons (excluding members) employed by the group during the year was 375 (2013: 401). The average monthly number of members of the group during the year was: 75 (2013: 80).

	£	£
Members' remuneration charged as an expense comprises:		
Remuneration due under the terms of the LLP agreement	10,236,408	7,729,663
Interest on loan capital	155,168	140,478
	<u>£10,391,576</u>	<u>£7,870,141</u>

The profit entitlement to the member with the largest entitlement was £459,563 (2013: £ 236,667).

7. NET INTEREST PAYABLE	2014 £	2013 £
Bank loans and overdraft	82,436	71,478
Interest on finance leases	17,098	9,338
Other finance costs (note 21)	429,000	528,000
	<u>£528,534</u>	<u>£608,816</u>

8. TAXATION	2014 £	2013 £
The tax charge arises within the subsidiary undertakings of the group and represents:		
Corporation tax charge on profit for the year	139,386	31,628
Factors affecting the tax credit		
Profit on ordinary activities before tax	10,934,466	8,057,938
Tax on profit on ordinary activities at the standard rate of 23% (2013: 24%)	2,514,927	1,933,905
Effect of:		
Profits of LLP not chargeable to corporation tax	(2,390,409)	(1,933,905)
Overseas tax	14,868	31,628
Corporation tax charge for the year	<u>£139,386</u>	<u>£31,628</u>

CLUTTONS LLP**NOTES TO THE ACCOUNTS (continued)****YEAR ENDED 31 MARCH 2014**

9. INTANGIBLE FIXED ASSETS	Purchased Goodwill £
GROUP	
COST	
At 1 April 2013 and at 31 March 2014	944,863
AMORTISATION	
At 1 April 2013 and at 31 March 2014	944,863
NET BOOK VALUE	
At 31 March 2013 and at 31 March 2014	£-
LLP	Purchased Goodwill £
COST	
At 1 April 2013 and at 31 March 2014	394,863
AMORTISATION	
At 1 April 2013 and at 31 March 2014	394,863
NET BOOK VALUE	
At 31 March 2013 and at 31 March 2014	£-

The purchased goodwill brought forward represents the consideration paid for two businesses during the year ended 31 March 2008 and a third business acquired during the year ended 31 March 2010.

CLUTTONS LLP

NOTES TO THE ACCOUNTS (continued)

YEAR ENDED 31 MARCH 2014

10. TANGIBLE FIXED ASSETS

GROUP	Premiums on short leases £	Improvements to leasehold property £	Furniture and equipment £	Computer equipment £	Motor vehicles £	Total £
COST						
At 1 April 2013	300,000	3,515,216	1,970,497	986,878	42,690	6,815,281
Additions	-	457,371	188,393	334,244	28,377	1,008,385
Disposals	-	(1,408,817)	(238,657)	-	-	(1,647,474)
Exchange adjustments	-	(5,750)	(25,502)	(19,036)	(3,919)	(54,207)
At 31 March 2014	300,000	2,558,020	1,894,731	1,302,086	67,148	6,121,985
DEPRECIATION						
At 1 April 2013	103,882	3,029,159	1,581,198	461,211	35,988	5,211,438
Charge for year	27,368	140,224	97,721	172,167	6,661	444,141
Elimination on disposal	-	(1,254,019)	(225,671)	-	-	(1,479,690)
Exchange adjustments	-	(4,547)	(15,443)	(11,890)	(3,326)	(35,206)
At 31 March 2014	131,250	1,910,817	1,437,805	621,488	39,323	4,140,683
NET BOOK VALUE						
At 31 March 2014	£168,750	£647,203	£456,926	£680,598	£27,825	£1,981,302
At 31 March 2013	£196,118	£486,057	£389,299	£525,667	£6,702	£1,603,843
LLP						
LLP	Premiums on short leases £	Improvements to leasehold property £	Furniture and equipment £	Computer equipment £	Motor vehicles £	Total £
COST						
At 1 April 2013	300,000	3,489,361	1,848,756	909,698	42,691	6,590,506
Additions	-	456,043	145,876	323,140	28,377	953,436
Disposals	-	(1,382,962)	(211,657)	-	-	(1,594,619)
Exchange rate movement	-	(5,750)	(16,621)	(11,800)	(3,920)	(38,091)
At 31 March 2014	300,000	2,556,692	1,766,354	1,221,038	67,148	5,911,232
DEPRECIATION						
At 1 April 2013	103,882	3,003,304	1,500,872	422,671	35,989	5,066,718
Charge for year	27,368	140,224	79,993	163,830	6,661	418,076
Eliminated on disposal	-	(1,228,164)	(196,385)	-	-	(1,424,549)
Exchange rate movement	-	(4,547)	(10,444)	(8,277)	(3,327)	(26,595)
At 31 March 2014	131,250	1,910,817	1,374,036	578,224	39,323	4,033,650
NET BOOK VALUE						
At 31 March 2014	£168,750	£645,875	£392,318	£642,814	£27,825	£1,877,582
At 31 March 2013	£196,118	£486,057	£347,884	£487,027	£6,702	£1,523,788

The net book value of computer equipment includes £65,584 (2013: £99,557) in respect of assets held under finance leases.

CLUTTONS LLP

NOTES TO THE ACCOUNTS (continued)

YEAR ENDED 31 MARCH 2014

11. INVESTMENTS	£
GROUP	
Trade investments at cost	
At 1 April 2013	12,140
Adjustment	(10,889)
	<hr/>
At 31 March 2014	1,251
	<hr/> <hr/>
LLP	
Cost	
At 1 April 2013	537,691
Disposals	(46,573)
	<hr/>
At 31 March 2014	491,118
	<hr/> <hr/>
Provisions for impairment	
At 1 April 2013	325,283
Impairment	-
	<hr/>
At 31 March 2014	325,283
	<hr/> <hr/>
Net book value	
At 31 March 2014	£165,835
	<hr/> <hr/>
At 31 March 2013	£212,408
	<hr/> <hr/>

The LLP has investments in the following subsidiary undertakings:

Company	Main activity	Country of Registration	Holding
Cluttons Capital Partners LLP	Provision of investment advice and arranging deals in investments	England	100%
Cluttons SC Limited	Chartered Surveying	England	100%
Cluttons Flexible Space LLP	Chartered Surveying	England	100%
Cluttons Holdings Limited	Non trading	England	100%
Cluttons Services Limited	Provision of services	England	100%
Cluttons LLC	Chartered Surveying	United Arab Emirates	100%
Cluttons Bahrain Limited S.P.C.	Chartered Surveying	Kingdom of Bahrain	100%
Cluttons and Partners LLC	Chartered Surveying	Sultanate of Oman	65%
Cluttons KSA Limited *	Chartered Surveying	England	100%
Cluttons GFM DMCC *	Chartered Surveying	United Arab Emirates	100%
Cluttons (Egypt) L.L.C. *	Chartered Surveying	Egypt	100%
Cluttons (FE) Limited *	Chartered Surveying	Hong Kong	100%
Cluttons Pte Limited *	Chartered Surveying	Singapore	100%
Cluttons K.K. *	Chartered Surveying	Japan	100%
Cluttons Korea Limited *	Chartered Surveying	South Korea	100%
Cluttons NZ Limited *	Chartered Surveying	New Zealand	100%
Cluttons Australia Pty Limited *	Chartered Surveying	Australia	100%

Note * sub-subsidiaries

CLUTTONS LLP

NOTES TO THE ACCOUNTS (continued)

YEAR ENDED 31 MARCH 2014

12. DEBTORS	Group 2014 £	LLP 2014 £	Group 2013 £	LLP 2013 £
Trade debtors	8,414,463	7,317,316	8,645,989	8,250,133
Amounts recoverable on contracts	466,315	466,315	442,396	442,396
Amounts due from members (Note 16)	96,269	96,269	30,359	30,359
Amounts owed by subsidiaries	-	10,000	-	10,000
Other debtors	355,442	277,337	373,469	370,022
Prepayments and accrued income	2,009,511	1,788,149	1,392,126	1,318,507
	<u>£11,342,000</u>	<u>£9,955,386</u>	<u>£10,884,339</u>	<u>£10,421,417</u>

13. CREDITORS: amounts falling due within one year	Group 2014 £	LLP 2014 £	Group 2013 £	LLP 2013 £
Bank loans and overdraft	1,206,432	1,206,432	1,545,647	1,662,667
Trade creditors	1,004,941	668,876	1,166,324	1,113,746
Amounts owed to subsidiaries	-	154,313	-	322,985
Other taxes and social security	999,721	542,710	947,553	939,840
Finance lease obligations	13,523	13,523	60,110	60,110
Other loans	-	-	116,856	116,856
Other creditors	1,653,846	1,642,590	1,758,215	1,553,050
Accruals and deferred income	1,806,937	1,543,534	2,103,946	1,871,521
	<u>£6,685,400</u>	<u>£5,771,978</u>	<u>£7,698,651</u>	<u>£7,640,775</u>

The bank loan, included in both creditors falling due within one year and amounts falling due after one year, is unsecured. Interest is payable on the bank loan at a rate of 3.1%. The loan is repayable through quarterly repayments, the last of which is in March 2018.

The finance lease contracts are secured against the assets to which they relate.

14. CREDITORS: amounts falling due after one year	Group 2014 £	LLP 2014 £	Group 2013 £	LLP 2013 £
Finance lease obligations	20,287	20,287	33,811	33,811
Bank loans	900,000	900,000	1,200,000	1,200,000
	<u>£920,287</u>	<u>£920,287</u>	<u>£1,233,811</u>	<u>£1,233,811</u>

CLUTTONS LLP

NOTES TO THE ACCOUNTS (continued)

YEAR ENDED 31 MARCH 2014

14. CREDITORS: amounts falling due after one year (continued)

	Group 2014	LLP 2014	Group 2013	LLP 2013
	£	£	£	£
Bank loan maturity analysis:				
Within one year	300,000	300,000	300,000	300,000
Between one and two years	300,000	300,000	300,000	300,000
Between two and five years	600,000	600,000	900,000	900,000
	<u>300,000</u>	<u>300,000</u>	<u>300,000</u>	<u>300,000</u>
Net obligations under finance leases				
Repayable within one year	13,523	13,523	60,110	60,110
Repayable between one and five years	20,287	20,287	33,811	33,811
	<u>33,810</u>	<u>33,810</u>	<u>93,921</u>	<u>93,921</u>
Included in liabilities due within one year	(13,523)	(13,523)	(60,110)	(60,110)
	<u>£20,287</u>	<u>£20,287</u>	<u>£33,811</u>	<u>£33,811</u>

15. PROVISIONS FOR LIABILITIES

£

Group and LLP**Professional indemnity claims**

At 1 April 2013	685,000
Settlement of obligations during year	(587,800)
Provided during year in profit and loss account	357,500
	<u>654,700</u>
At 31 March 2014	<u>£454,700</u>

Dilapidations

At 1 April 2013	223,224
Provided during year in profit and loss account	94,416
Released to the profit and loss account	(98,165)
	<u>219,475</u>
At 31 March 2014	<u>£219,475</u>

Onerous leases

At 1 April 2013	306,490
Released to the profit and loss account	(306,490)
	<u>-</u>
At 31 March 2014	<u>-</u>

Total provisions

At 1 April 2013	1,214,714
Settlement of obligations during year	(587,800)
Provided during year in profit and loss account	451,916
Released to the profit and loss account	(404,655)
	<u>674,175</u>
At 31 March 2014	<u>£674,175</u>

CLUTTONS LLP

NOTES TO THE ACCOUNTS (continued)

YEAR ENDED 31 MARCH 2014

16. MEMBERS' INTERESTS

	Capital	Other reserves	Loans and other debts due to/(from) members	Total
	£	£	£	£
GROUP				
At 1 April 2013				
Amounts due to members	2,923,002	(22,085,272)	956,789	(18,205,481)
Amounts due from members	-	-	(30,359)	(30,359)
At 1 April 2013	2,923,002	(22,085,272)	926,430	(18,235,840)
Members' remuneration charged as an expense	-	-	10,391,576	10,391,576
Profit for the year available for discretionary division among members	-	334,442	-	334,442
Members' interests after profit for the year	2,923,002	(21,750,830)	11,318,006	(7,509,822)
Other allocation of profits	-	426,564	(426,564)	-
Actuarial loss	-	(4,862,000)	-	(4,862,000)
Other movements	-	(19,427)	-	(19,427)
Drawings (including tax payments)	-	-	(7,178,895)	(7,178,895)
Introduced by members in year	637,000	-	(106,000)	531,000
Repayments of capital in year	(320,000)	-	-	(320,000)
At 31 March 2014	£3,240,002	£(26,205,693)	£3,606,547	£(19,359,144)
Amounts due to members	3,240,002	(26,205,693)	3,702,816	(19,262,875)
Amounts due from members	-	-	(96,269)	(96,269)
At 31 March 2014	£3,240,002	£(26,205,693)	£3,606,547	£(19,359,144)
LLP				
At 1 April 2013				
Amounts due to members	2,923,002	(22,336,952)	956,789	(18,457,161)
Amounts due from members	-	-	(30,359)	(30,359)
At 1 April 2013	2,923,002	(22,336,952)	926,430	(18,487,520)
Members' remuneration charged as an expense	-	-	10,391,576	10,391,576
Members' interests after profit for the year	2,923,002	(22,336,952)	11,318,006	(8,095,944)
Other allocation of profits	-	426,564	(426,564)	-
Actuarial loss	-	(4,862,000)	-	(4,862,000)
Drawings (including tax payments)	-	-	(7,178,895)	(7,178,895)
Introduced by members in year	637,000	-	(106,000)	531,000
Repayments of capital in year	(320,000)	-	-	(320,000)
At 31 March 2014	£3,240,002	£(26,772,388)	£3,606,547	£(19,925,839)
Amounts due to members	3,240,002	(26,772,388)	3,702,816	(19,829,570)
Amounts due from members	-	-	(96,269)	(96,269)
At 31 March 2014	£3,240,002	£(26,772,388)	£3,606,547	£(19,925,839)

CLUTTONS LLP

NOTES TO THE ACCOUNTS (continued)

YEAR ENDED 31 MARCH 2014

16. MEMBERS' INTERESTS (continued)

Loans and other debts due to members rank pari passu with unsecured creditors and the full amount is due within one year. The legal opinion given in an appendix to the SORP is that members' other interests, represented by the other reserves, rank after unsecured creditors.

17. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES	2014	2013
	£	£
Operating profit	11,463,000	8,666,754
Depreciation charge and loss on fixed asset disposals	611,925	624,532
Amortisation	-	8,120
Pension contributions	(1,114,000)	(1,194,000)
(Increase)/decrease in debtors	(391,751)	1,415,420
Decrease in creditors and provisions	(1,143,551)	(165,971)
	<u>£9,425,623</u>	<u>£9,354,855</u>
Net cash inflow from operating activities	<u>£9,425,623</u>	<u>£9,354,855</u>

18. ANALYSIS OF CHANGES IN NET DEBT

	2013	Cash flows	Non-cash	2014
	£	£	movements	£
			£	
Cash at bank and in hand	1,106,519	368,799	-	1,475,318
Bank overdraft	(1,245,647)	339,215	-	(906,432)
	<u>(139,128)</u>	<u>708,014</u>	<u>-</u>	<u>568,886</u>
Debts due within one year	(416,856)	116,856	-	(300,000)
Debts due in greater than one year	(1,200,000)	300,000	-	(900,000)
Finance leases	(93,921)	60,111	-	(33,810)
	<u>£(1,849,905)</u>	<u>£1,184,981</u>	<u>£-</u>	<u>£(664,924)</u>

19. OPERATING LEASES

	2014		2013	
	Land and buildings	Other	Land and buildings	Other
	£	£	£	£
The annual commitments under non-cancellable operating leases are:	<u>£1,788,870</u>	<u>£264,000</u>	<u>£1,850,000</u>	<u>£410,000</u>

20. ULTIMATE CONTROLLING PARTY

In the opinion of the members, there is no one controlling party of the LLP with the members in aggregate being the controlling party.

21. PENSIONS

The LLP operates a defined benefits pension scheme for certain employees of Cluttons LLP. The scheme's assets are held in a separate Trustee-administered fund to meet long-term pension liabilities for past and present employees. The appointment of Trustees to the Scheme is determined by the Scheme's trust documentation.

With effect from 30 June 2006, the Scheme was closed to future accrual and member contributions ceased.

CLUTTONS LLP

NOTES TO THE ACCOUNTS (continued)

YEAR ENDED 31 MARCH 2014

21. PENSIONS (continued)

The LLP contributed £1,114,000 (2013: £1,194,000) to the Scheme during the year. Payments relating to the Scheme expenses and levies (including the PPF levy) were made in addition and are not included in this disclosure. The contributions expected to be made in the year commencing 1 April 2014 are £1,140,000 plus an additional sum based on the performance of the LLP. Payments relating to expenses and levies will be made in addition.

An Actuarial Valuation was carried out with an effective date of 1 August 2012. The results of this valuation have been updated to 31 March 2014 by a qualified independent actuary as set out below.

(a) Assumptions	2014	2013	2012
The principal actuarial assumptions at the balance sheet date were:			
Discount rate	4.60%	4.90%	5.35%
Rate of increase in salaries	n/a	n/a	n/a
Rate of increase in pensions in payment (RPI with maximum of 5%)	3.25%	3.25%	3.40%
Inflation assumption	3.40%	3.40%	3.50%
Mortality assumptions - Pre retirement	AXC00	AXC00	PCXA00
	CMI_2011 year of birth basis with a 1% pa long term trend rate	CMI_2011 year of birth basis with a 0.5% pa long term trend rate	Medium Cohort year of birth basis with 0.5% pa min underpin
- Post retirement	75% of SIPXA CMI_2011 year of birth basis with a 1% pa long term trend rate, rebased to 2008	75% of SIPXA CMI_2011 year of birth basis with a 0.5% pa long term trend rate, rebased to 2008	PCXA00 Medium Cohort year of birth basis with 0.5% pa min underpin

(b) Scheme assets

The major categories of the Scheme's assets as a percentage of total Scheme assets at the balance sheet date were as follows:

	2014	2013	2012	2011
Equities/Property/Diversified Growth Fund	81.2%	80.4%	77.2%	77.1%
Bonds	18.8%	19.6%	22.3%	21.9%
Cash	0.0%	0.0%	0.5%	1.0%
	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>

The actual return on Scheme assets for the year ended 31 March 2014 was a gain of £1,046,000 (2013: £3,567,000)

	2014 £	2013 £
(c) Analysis of amounts charged to operating profit		
Current service cost	-	-
Total operating charge	<u>£ -</u>	<u>£ -</u>

CLUTTONS LLP

NOTES TO THE ACCOUNTS (continued)

YEAR ENDED 31 MARCH 2014

21. PENSIONS (continued)

(d) Analysis of amounts charged to other finance costs	2014	2013
	£	£
Interest on Scheme's liabilities	(2,499,000)	(2,498,000)
Expected return on Scheme's assets	2,070,000	1,970,000
	<u>£(429,000)</u>	<u>£(528,000)</u>
	2014	2013
	£	£
(e) Analysis of amounts recognised in the Statement of Recognised Gains and Losses		
Actual less expected return on Scheme's assets	(1,024,000)	1,597,000
Experience gains / (losses) arising on the Scheme liabilities	17,000	(798,000)
Change in assumptions underlying the present value of Scheme's liabilities	(3,855,000)	(2,261,000)
Actuarial loss recognised in the year	<u>£(4,862,000)</u>	<u>£(1,462,000)</u>
(f) Changes in the present value of the defined benefits obligation		
	2014	2013
	£	£
Opening defined benefit obligation	51,570,000	47,357,000
Interest cost	2,499,000	2,498,000
Actuarial losses	3,838,000	3,059,000
Benefits paid	(1,167,000)	(1,344,000)
Closing defined benefit obligation	<u>£56,740,000</u>	<u>£51,570,000</u>
(g) Changes in the fair value of Scheme assets		
	2014	2013
	£	£
Opening fair value of Scheme assets	30,107,000	26,690,000
Expected return	2,070,000	1,970,000
Actuarial (losses)/gains	(1,024,000)	1,597,000
Contributions by employer	1,114,000	1,194,000
Benefits paid	(1,167,000)	(1,344,000)
Closing fair value of Scheme assets	<u>£31,100,000</u>	<u>£30,107,000</u>

CLUTTONS LLP

NOTES TO THE ACCOUNTS (continued)

YEAR ENDED 31 MARCH 2014

21. PENSIONS (continued)

(h) Five year history	2014 £	2013 £	2012 £	2011 £	2010 £
Defined benefit obligation	(56,740,000)	(51,570,000)	(47,357,000)	(43,927,000)	(42,614,000)
Scheme assets	31,100,000	30,107,000	26,690,000	25,014,000	22,886,000
Deficit	<u>(25,640,000)</u>	<u>(21,463,000)</u>	<u>(20,667,000)</u>	<u>(18,913,000)</u>	<u>(19,728,000)</u>
Experience gain/(loss) on Scheme liabilities	<u>17,000</u>	<u>(798,000)</u>	<u>-</u>	<u>154,000</u>	<u>410,000</u>
(Loss)/gain from changes in the assumptions for value of Scheme liabilities	<u>(3,855,000)</u>	<u>(2,261,000)</u>	<u>(2,054,000)</u>	<u>208,000</u>	<u>(10,050,000)</u>
Experience (loss)/gain on Scheme assets	<u>(1,024,000)</u>	<u>1,597,000</u>	<u>(22,000)</u>	<u>377,000</u>	<u>4,483,000</u>