

**MALCOLM HOLLIS LIMITED LIABILITY PARTNERSHIP**

**ANNUAL REPORT  
FOR THE YEAR ENDED  
30 APRIL 2018**

**Registered Number OC314362**



**REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2018**

<b>CONTENTS</b>	<b>Page</b>
Designated members and advisers	3
Members' report	4
Statement of members' responsibilities in respect of the financial statements	5
Auditor's report	6 - 7
Consolidated statement of comprehensive income	8
Consolidated statement of financial position	9
LLP statement of financial position	10
Consolidated reconciliation of members' interests including consolidated statement of changes in equity	11
Reconciliation of members' interests including statement of changes in equity	12
Consolidated cash flow statement	13
Notes to the financial statements	14 - 22

**DESIGNATED MEMBERS AND ADVISERS**

**Designated members**

J G Woodman  
I M Thompson  
P A Brown

**Registered office**

Battersea Studios  
80-82 Silverthorne Road  
London  
SW8 3HE

**Principal banker**

National Westminster Bank PLC  
PO Box 281  
156 Fleet Street  
London  
EC4A 2DX

**Auditor**

Nexia Smith & Williamson  
25 Moorgate  
London  
EC2R 6AY

**Solicitors**

Thrings  
Kinnaird House  
1 Pall Mall East  
London  
SW1Y 5AU

**Registered number**

OC314362

## MEMBERS' REPORT

The members present their report for the year ended 30 April 2018.

## PRINCIPAL ACTIVITIES

The principal activity of the Group continues to be that of the provision of commercial building surveying services.

## REVIEW OF BUSINESS

We are delighted to report that Malcolm Hollis has delivered a solid financial performance in the year. We achieved another record annual turnover, which grew by 16.9% on the previous year, and we realised a net profit margin before tax of 17.8% (2017: 21.8%). Profits are lower than the previous year owing mainly to the extra costs of investment in our growth and new systems. Our dedication to our staff throughout the year has enabled us to continue to focus intently on our clients' needs, providing an ideal match between staff development and client care. Despite the challenging and uncertain market conditions that lie ahead the partners firmly believe that Malcolm Hollis can continue to build on its success to date.

## DESIGNATED MEMBERS

The following were designated members during the year:

J G Woodman  
I M Thompson  
P A Brown

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

During the year members receive monthly drawings representing payments on account of profits allocated to them. The amount of such drawings is set at the beginning of each financial year, taking into account the anticipated cash needs of the LLP.

Capital requirements are determined by the designated members and are reviewed at least annually. All members are required to subscribe a proportion of that capital, with the amounts being determined by reference to status.

No member can withdraw capital without the consent of the relevant majority of members.

## AUDITORS

A resolution to reappoint Nexia Smith & Williamson as auditors will be proposed at the next members' meeting.

Approved by the members on 16 January 2019 and signed on their behalf

J G Woodman  
Designated member



## STATEMENT OF MEMBERS' RESPONSIBILITIES IN RESPECT OF FINANCIAL STATEMENTS

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

Company law as applicable to limited liability partnerships (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 Generally Accepted Accounting Practice (United Kingdom Accounting standards and applicable law including FRS102 "The Financial Reporting Standard applicable in UK and Republic of Ireland"). Under company law as applied to LLPs the members must not approve 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 of the Group for that period. In preparing these financial statements, the members are required to:

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

The members are responsible for keeping adequate accounting records that are sufficient to show and explain the LLP'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 Companies Act 2006 as applied to LLPs. 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.

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

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MALCOLM HOLLIS LLP****Opinion**

We have audited the financial statements of Malcolm Hollis LLP (the 'parent limited liability partnership') and its subsidiaries (the 'group') for the year ended 30 April 2018 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Financial Position, the LLP Statement of Financial Position, the Consolidated Reconciliation of Members' Interests including Statement of Changes in Equity, the Reconciliation of Members' Interests including Statement of Changes in Equity, the Consolidated Cash Flow Statement and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

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 30 April 2018 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
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006 as applied to limited liability partnerships.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent limited liability partnership in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the members' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the members have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent limited liability partnership's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

**Other information**

The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. The members are responsible for the other information. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

**Responsibilities of members**

As explained more fully in the members' responsibilities statement set out on page 5, the members are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the members are responsible for assessing the group's and the parent limited liability partnership's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the members either intend to liquidate the group or the parent limited liability partnership or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### **Use of our report**

This report is made solely to the parent limited liability partnership's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 as applied to limited liability partnerships. Our audit work has been undertaken so that we might state to the parent limited liability partnership's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the parent limited liability partnership and the parent limited liability partnership's members as a body, for our audit work, for this report, or for the opinions we have formed.

*Nexia Smith & Williamson*

Keith Jackman  
Senior Statutory Auditor, for and on behalf of  
**Nexia Smith & Williamson**  
Statutory Auditor  
Chartered Accountants

25 Moorgate  
London  
EC2R 6AY

Date: *17 January 2019*

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 APRIL 2018

	Notes	2018 £'000	2017 £'000
Turnover	3	35,342	30,235
Cost of sales		(17,296)	(14,004)
<b>Gross profit</b>		<b>18,046</b>	<b>16,231</b>
Depreciation and other amounts written off fixed assets		(762)	(722)
Other operating charges		(10,757)	(8,751)
<b>Operating profit</b>		<b>6,527</b>	<b>6,758</b>
Interest payable	6	(227)	(164)
<b>Profit on ordinary activities before taxation</b>		<b>6,300</b>	<b>6,594</b>
Tax on profit on ordinary activities	8	6	-
<b>Profit for the financial year before members' remuneration and profit shares</b>		<b>6,306</b>	<b>6,594</b>
<b>Members' remuneration charged as an expense</b>		<b>(2,543)</b>	<b>(2,491)</b>
<b>Retained profit for the financial year available for discretionary division among members</b>		<b>3,763</b>	<b>4,103</b>
Other comprehensive income		-	(8)
<b>Total comprehensive income</b>		<b>3,763</b>	<b>4,095</b>

The notes on pages 14 to 22 form part of the financial statements.



## CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 APRIL 2018

	Notes	2018 £'000	2017 £'000
<b>Fixed assets</b>			
Intangible assets	9	887	492
Tangible assets	10	1,943	1,726
Investments	11	38	27
		<u>2,868</u>	<u>2,245</u>
<b>Current assets</b>			
Debtors - due within one year	12	12,999	12,117
Cash at bank and in hand	13	(162)	1,270
		<u>12,837</u>	<u>13,387</u>
<b>Current liabilities</b>			
<b>Creditors:</b> amounts falling due within one year	14	(8,321)	(9,221)
<b>Net current assets</b>		<u>4,516</u>	<u>4,166</u>
<b>Total assets less current liabilities</b>		<u>7,384</u>	<u>6,411</u>
<b>Creditors:</b> amounts falling due after more than one year	15	(695)	(623)
<b>Provisions for liabilities</b>	17	(198)	(152)
<b>Net assets attributable to members</b>		<u>6,491</u>	<u>5,636</u>
<b>Represented by</b>			
<b>Equity</b>			
Members' capital classified as equity		1,768	1,312
Other amounts		3,372	4,046
		<u>5,140</u>	<u>5,358</u>
<b>Loans and other debts due to members within one year</b>			
Other amounts		1,351	278
		<u>6,491</u>	<u>5,636</u>
<b>Total members' interests</b>			
Loans and other debts due to members		1,351	278
Members' other interests		5,140	5,358
		<u>6,491</u>	<u>5,636</u>

The financial statements were approved by the members on 16 January 2019 and were signed on its behalf by:



I M Thompson  
Designated member

Registered number: OC314362

The notes on pages 14 to 22 form part of the financial statements.

## LLP STATEMENT OF FINANCIAL POSITION AS AT 30 APRIL 2018

	Notes	2018 £'000	2017 £'000
<b>Fixed assets</b>			
Intangible assets	9	887	492
Tangible assets	10	1,926	1,712
Investments	11	38	27
		<u>2,851</u>	<u>2,231</u>
<b>Current assets</b>			
Debtors - due within one year	12	14,729	12,528
Cash at bank and in hand	13	(420)	1,184
		<u>14,309</u>	<u>13,712</u>
<b>Current liabilities</b>			
<b>Creditors:</b> amounts falling due within one year	14	(9,429)	(9,141)
<b>Net current assets</b>		<u>4,880</u>	<u>4,571</u>
<b>Total assets less current liabilities</b>		<u>7,731</u>	<u>6,802</u>
<b>Creditors:</b> amounts falling due after more than one year	15	(695)	(623)
<b>Provisions for liabilities</b>	17	(198)	(152)
<b>Net assets attributable to members</b>		<u>6,838</u>	<u>6,027</u>
<b>Represented by</b>			
<b>Equity</b>			
Members' capital classified as equity		1,768	1,312
Other amounts		3,694	4,437
		<u>5,462</u>	<u>5,749</u>
<b>Loans and other debts due to members within one year</b>			
Other reserves		1,376	278
		<u>6,838</u>	<u>6,027</u>
<b>Total members' interests</b>			
Loans and other debts due to members		1,376	278
Members' other interests		5,462	5,749
		<u>6,838</u>	<u>6,027</u>

The financial statements were approved by the members on 16 January 2019 and were signed on its behalf by:



I M Thompson  
Designated member

Registered number: OC314362

As permitted by section 408 of the Companies Act 2006 as applied to LLPs, the LLP is exempt from presenting its profit and loss account. The profit of the LLP for the financial year amounted to £6,166k (2017: £6,928k).

MALCOLM HOLLIS LIMITED LIABILITY PARTNERSHIP

CONSOLIDATED RECONCILIATION OF MEMBERS' INTERESTS INCLUDING STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR END 30 APRIL 2018

	Equity		Liabilities			
	Members' capital classed as equity £'000	Other reserves classed as equity £'000	Subtotal £'000	Loans & other debts due to/from members £'000	Subtotal £'000	Total £'000
<b>Members' interests at 30 April 2016</b>						
Members' remuneration charged as an expense	1,075	3,197	4,272	1,385	1,385	5,657
Profit for the year available for distribution among members	-	-	-	2,491	2,491	2,491
<b>Members' interests after profit for the year</b>	<b>1,075</b>	<b>4,103</b>	<b>4,103</b>	<b>-</b>	<b>-</b>	<b>4,103</b>
<b>Members' interests at 30 April 2017</b>						
Members' remuneration charged as an expense	-	-	-	2,543	2,543	2,543
Profit for the year available for distribution among members	-	3,763	3,763	-	-	3,763
<b>Members' interests after profit for the year</b>	<b>1,312</b>	<b>7,809</b>	<b>9,121</b>	<b>2,821</b>	<b>2,821</b>	<b>11,942</b>
Transfer of capital	-	-	-	-	-	-
Allocation of profit	-	(4,437)	(4,437)	4,437	4,437	-
Drawings	-	-	-	(5,907)	(5,907)	(5,907)
Other movements	-	-	-	-	-	-
Capital introduced	456	-	456	-	-	456
<b>Members' interests at 30 April 2018</b>	<b>1,768</b>	<b>3,372</b>	<b>5,140</b>	<b>1,351</b>	<b>1,351</b>	<b>6,491</b>

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

**MALCOLM HOLLIS LIMITED LIABILITY PARTNERSHIP**

**RECONCILIATION OF MEMBERS INTERESTS INCLUDING STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR END 30 APRIL 2018**

	Equity		Liabilities		
	Members' capital classed as equity £'000	Other reserves classed as equity £'000	Subtotal £'000	Loans & other debts due to/from members £'000	Subtotal £'000
<b>Members' interests at 30 April 2016</b>	1,075	3,246	4,321	1,385	5,706
Members' remuneration charged as an expense	-	-	-	2,491	2,491
Profit for the year available for distribution among members	-	4,437	4,437	-	4,437
<b>Members' interests after profit for the year</b>	<b>1,075</b>	<b>7,683</b>	<b>8,758</b>	<b>3,876</b>	<b>12,634</b>
Transfer of capital	12	-	12	(12)	-
Allocation of profit / (losses)	-	(3,246)	(3,246)	3,246	-
Drawings	-	-	-	(6,832)	(6,832)
Capital introduced	225	-	225	-	225
<b>Members' interests at 30 April 2017</b>	<b>1,312</b>	<b>4,437</b>	<b>5,749</b>	<b>278</b>	<b>6,027</b>
Members' remuneration charged as an expense	-	-	-	2,543	2,543
Profit for the year available for distribution among members	-	3,694	3,694	-	3,694
<b>Members' interests after profit for the year</b>	<b>1,312</b>	<b>8,131</b>	<b>9,443</b>	<b>2,821</b>	<b>12,264</b>
Allocation of profit	-	(4,437)	(4,437)	4,437	-
Drawings	-	-	-	(5,907)	(5,907)
Other movements	-	-	-	25	25
Capital introduced	456	-	456	-	456
<b>Members' interests at 30 April 2018</b>	<b>1,768</b>	<b>3,694</b>	<b>5,462</b>	<b>1,376</b>	<b>6,838</b>

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

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 30 APRIL 2018

	Notes	2018 £'000	2017 £'000
<b>Cash flows from operating activities</b>			
Operating profit for the financial year		6,527	6,758
<b>Adjustments for:</b>			
Depreciation of tangible assets		656	722
Increase in debtors		(882)	(1,359)
Increase in creditors		427	767
Drawings		(5,907)	(6,832)
<b>Net cash generated from operating activities</b>		<b>821</b>	<b>56</b>
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets		(216)	(296)
Purchase of intangible fixed assets		(395)	(242)
Purchase of investments		(38)	-
Disposal of investments		27	-
<b>Net cash used in investing activities</b>		<b>(622)</b>	<b>(538)</b>
<b>Cash flows from financing activities</b>			
Interest paid		(49)	(32)
Interest element of finance lease rental		(126)	(132)
New loans		2,309	3,221
Repayment of loans		(3,475)	(1,979)
Repayment of capital element of finance lease rentals		(746)	(421)
Capital introduced		456	225
<b>Net cash used in financing activities</b>		<b>(1,631)</b>	<b>882</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>		<b>(1,432)</b>	<b>400</b>
Cash and cash equivalents at beginning of year		1,270	870
<b>Cash and cash equivalents at the end of year</b>	13	<b>(162)</b>	<b>1,270</b>

**Notes to the financial statements for the year ended 30 April 2018**

**1 ACCOUNTING POLICIES**

Malcolm Hollis LLP is an LLP incorporated in England and Wales. The address of the registered office is 80-82 Silverthorne Road, Battersea Studios, London SW8 3HE.

The financial statements have been prepared in accordance with applicable accounting standards, FRS 102 and the requirements of the Statement of Recommended Practice 'Accounting by limited liability partnerships'. A summary of the more important accounting policies adopted is described below.

The following accounting policies have been applied.

**Exemptions**

The parent LLP has taken advantage of the following exemptions available under FRS 102:

- the exemption from presenting a statement of cash flows; and
- the exemption from disclosing key management personnel compensation.

**Basis of accounting**

The financial statements have been prepared under the historical cost convention.

**Basis of consolidation**

The financial statements consolidate the results and the assets and liabilities of the LLP and its subsidiaries. All intra-group transactions, balances, income and expenses are eliminated on consolidation. As permitted by S408 Companies Act (as modified for application of LLPs), the LLP is exempt from presenting its own income statement and related notes.

**Going concern**

The members have a reasonable expectation that the LLP has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

**Fixed assets**

Depreciation is provided on cost in equal annual instalments over the estimated useful lives of the assets concerned. The following annual rates are used:

Leasehold improvements	20% straight line basis
Office fixtures and fittings	20-33% straight line basis
Computer equipment	33% straight line basis

**Investments in subsidiaries**

Investments in subsidiaries are included at cost less any provision for impairment.

**Investments**

Other investments are measured at transaction price and subsequently measured at fair value, with changes in fair value being recognised in profit or loss. Fair value is determined using the quoted bid price at the balance sheet date.

**Employee benefits**

Short term employee benefits including holiday pay and annual bonuses are accrued as services rendered. Contributions to defined contribution pension schemes are charged to profit or loss as they become payable in accordance with the rules of the scheme. Differences between contributions payable in the year and those actually paid are shown as either accruals or prepayments in the balance sheet.

**Notes to the financial statements for the year ended 30 April 2018 (continued)**

**Taxation**

The taxation payable on the profits of the LLP is the liability of the individual members. An amount is retained from each member to cover the members' estimated liability for income tax and social security contributions on their profit share. The amounts retained from allocated profits are included within 'loans and other debts due to members'.

Corporate subsidiaries of the LLP within the consolidated financial statements are subject to UK corporation tax based on the profits of the accounting period and remain a liability of the company to which it relates (as opposed to the members). This tax charge is recorded in the consolidated statement of comprehensive income under the heading 'tax on profit on ordinary activities' and any related liability is included as a creditor in the statement of financial position.

Deferred tax in respect of corporate subsidiaries of the LLP is recognised in respect of all timing differences between taxable profits and total comprehensive income that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Deferred tax assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for timing differences arising on investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised. Deferred tax is charged or credited to statement of comprehensive income, except when it relates to items charged or credited directly to other comprehensive income, in which case the deferred tax is also dealt with in other comprehensive income.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities, when they related to income taxes levied by the same taxation authority and the Group intends to settle on a net basis.

**Members' remuneration and capital**

Members are entitled to receive drawings throughout the year and these are deemed to be allocations of profit. As such, these are accounted for in the profit and loss account as members' remuneration charged as an expense.

Any profits earned over and above the amounts allocated to members in the year are credited to other reserves.

As any withdrawal of members' capital requires the approval of the relevant majority of members, members' capital is accounted for as equity.

**Retirement benefits**

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

**Leases**

Assets held under finance leases are included in fixed assets and the capital element of the related lease commitment is shown as obligations under finance leases. The lease rentals are treated as consisting of capital and interest elements. The capital element is applied to reduce the outstanding obligations and the interest element is charged against profit over the period of the lease.

Rental costs under operating leases are charged to the profit and loss account on a straight-line basis over the lease term.

**Foreign currencies**

Transactions denominated in a foreign currency are translated into sterling at the rate of exchange ruling at the date of the transaction. At the balance sheet date, monetary assets and liabilities denominated in foreign currency are translated at the rate ruling at that date. All exchange differences are dealt with in the income statement.

The LLP's functional and presentational currency is GBP.

**Notes to the financial statements for the year ended 30 April 2018 (continued)****Financial instruments**

Financial assets and financial liabilities are recognised in the Balance sheet when the LLP becomes a party to the contractual provisions of the instrument.

Trade and other debtors and creditors are classified as basic financial instruments and measured at initial recognition at transaction price. Debtors and creditors are subsequently measured at amortised cost using the effective interest rate method. A provision is established when there is objective evidence that the LLP will not be able to collect all amounts due.

Cash and cash equivalents are classified as basic financial instruments and comprise cash in hand and at bank, short-term bank deposits with an original maturity of three months or less and bank overdrafts which are an integral part of the LLP's cash management.

Financial liabilities and equity instruments issued by the LLP are classified in accordance with the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the LLP after deducting all of its liabilities. Equity instruments issued by the LLP are recorded at the proceeds received, net of direct issue costs.

Interest bearing bank loans, overdrafts and other loans which meet the criteria to be classified as basic financial instruments are initially recorded at the present value of cash payable to the bank, which is ordinarily equal to the proceeds received net of direct issue costs. These liabilities are subsequently measured at amortised cost, using the effective interest rate method.

**2 KEY SOURCES OF ESTIMATION UNCERTAINTY**

The preparation of financial statements in conformity with generally accepted accounting practice requires management to make estimates and judgements that affect the reported amounts of assets and liabilities as well as the disclosure of contingent assets and liabilities at the balance sheet date and the reported amounts of revenues and expenses during the reporting period.

**Judgements**

The following are critical judgements, apart from those involving estimations (which are dealt with separately below), that the members have made in the process of applying the LLP's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

*Financial instruments classification*

The classification of financial instruments as "basic" or "other" requires judgement as to whether all the applicable conditions for classification as basic are met. This includes consideration of the form of the instrument and its return.

*Bad debt provision*

The trade debtor balance of £7,974k which includes a provision of £100k (2017: £7,283k, including provision of £162k) recorded in the consolidated statement of financial position comprises a relatively large number of small balances. A full line by line review of trade debtors is carried out at the end of each month. Whilst every attempt is made to ensure that the bad debt provisions are as accurate as possible, there remains a risk that the provision do not match the level of debts which ultimately prove to be irrecoverable.

*Dilapidations provision*

The provision relates to a dilapidation charge made to recognise the estimated cost of returning the leased property to its original condition in future years. The dilapidations provision is reassessed annually (see note 17).

*Accrued Income*

The accrued income balance of £3,875k (2017: £3,831k) recorded in the consolidated statement of financial position comprises a relatively large number of small balances. A full line by line review of these balances is carried out at the end of each month. Whilst every attempt is made to ensure that the accrued income provisions are as accurate as possible, there remains a risk that the provisions



## Notes to the financial statements for the year ended 30 April 2018 (continued)

**3 TURNOVER**

Fee income represents amounts receivable, both billed and unbilled, for services performed in the ordinary course of business net of VAT and disbursements.

The value of revenue recognised but not billed at the year end is shown in the statement of financial position under debtors as accrued income.

Revenue is recognised once work is undertaken.

	2018	2017
Turnover:	£'000	£'000
United Kingdom	33,391	29,987
Europe	1,951	248
	<u>35,342</u>	<u>30,235</u>

**4 INFORMATION IN RELATION TO MEMBERS**

	2018	2017
	Number	Number
The average number of members during the year was:	24	24
	2018	2017
	£'000	£'000
Paid under the terms of the LLP agreement	2,543	2,491
The amount of profit for the year attributable to the member with the largest entitlement was	<u>1,504</u>	<u>1,686</u>

The amount of profit for the year attributable to the member with the largest entitlement is based upon their expected share of the profit for the year.

**5 EMPLOYEE INFORMATION**

	2018	2017
	Number	Number
The average number of persons employed by the Company during the year was:		
Surveyors	246	214
Administration and operators	<u>93</u>	<u>72</u>
	339	286
Staff costs for the above persons were:	2018	2017
	£'000	£'000
Wages and salaries	14,162	13,177
Social security costs	1,577	485
Pension costs	533	-
Holiday pay accrual	207	196
PMI	<u>49</u>	<u>43</u>
	<u>16,528</u>	<u>13,901</u>

**6 INTEREST PAYABLE**

	2018	2017
	£'000	£'000
Interest payable and similar charges		
Bank loans and overdrafts	(69)	(32)
Other interest payable	(32)	-
On finance leases	<u>(126)</u>	<u>(132)</u>
Interest payable	<u>(227)</u>	<u>(164)</u>

**7 OPERATING PROFIT**

	2018	2017
	£'000	£'000
Profit on ordinary activities before taxation is stated after charging:		
Depreciation		
- owned assets	386	47
- assets held under finance leases	<u>375</u>	<u>675</u>
Auditor's remuneration		
audit	45	38
other services	218	115
Operating lease charge	<u>927</u>	<u>871</u>
The analysis of auditor's remuneration is as follows:		
Fees payable to the LLP's auditors for the audit of the LLP's annual financial statements	32	25
Fees payable to the LLP's auditors and their associates for audit of subsidiaries of the LLP	<u>13</u>	<u>13</u>
Total audit fees	<u>45</u>	<u>38</u>
Tax services	81	90
Other services	<u>137</u>	<u>25</u>
Total non-audit fees	<u>218</u>	<u>115</u>

## Notes to the financial statements for the year ended 30 April 2018 (continued)

## 8 TAX ON PROFIT ON ORDINARY ACTIVITIES

	2018 £'000	2017 £'000
UK corporation tax at 20% (2017: 20%)	-	-
<b>Tax charge for the year</b>	-	-
<b>Deferred tax</b>		
Origination and reversal of timing differences	6	-
<b>Total deferred tax</b>	6	-
<b>Total tax credit on profit on ordinary activities</b>	6	-

*Factors affecting tax credit for the current year*

The standard rate of tax for the year, based on the UK standard rate of corporation tax is 20% (2017: 20%). The actual tax charge for the current and previous year is less than the standard rate for the reasons set out in the following reconciliation:

	2018 £'000	2017 £'000
Profit on ordinary activities before taxation	6,306	6,594
Tax on profit on ordinary activities at standard rate 20% (2017: 20%)	1,261	1,318
<b>Factors affecting charge for the period:</b>		
Profits of LLP not chargeable to corporation tax	(1,261)	(1,384)
Deferred tax not recognised	-	66
Timing differences	6	-
<b>Total current tax credit for the year</b>	6	-

## 9 INTANGIBLE FIXED ASSETS (GROUP AND LLP)

	Practise management system £'000
<b>Cost</b>	
At 1 May 2017	492
Additions	395
At 30 April 2018	887
<b>Amortisation</b>	
At 1 May 2017 and 30 April 2018	-
<b>Net book value</b>	
At 1 May 2017	492
At 30 April 2018	887

## Notes to the financial statements for the year ended 30 April 2018 (continued)

## 10 TANGIBLE FIXED ASSETS - GROUP

	Leasehold Improvements £'000	Office Fixtures & Fittings £'000	Computer Equipment £'000	Total £'000
<b>Cost</b>				
At 1 May 2017	1,400	1,271	1,574	4,245
Additions	222	337	419	978
Disposals	(44)	(41)	(20)	(105)
At 30 April 2018	<u>1,578</u>	<u>1,567</u>	<u>1,973</u>	<u>5,118</u>
<b>Depreciation</b>				
At 1 May 2017	595	879	1,045	2,519
Charge for the year	243	166	352	761
Released on disposals	(44)	(41)	(20)	(105)
At 30 April 2018	<u>794</u>	<u>1,004</u>	<u>1,377</u>	<u>3,175</u>
<b>Net book value</b>				
At 30 April 2018	<u>784</u>	<u>563</u>	<u>596</u>	<u>1,943</u>
At 30 April 2017	<u>805</u>	<u>392</u>	<u>529</u>	<u>1,726</u>
<b>Fixed assets funded by finance leases</b>				
Cost as at 30 April 2018	424	523	373	1,320
Accumulated depreciation as at 30 April 2018	(233)	(175)	(7)	(415)
Net book value At 30 April 2018	<u>191</u>	<u>348</u>	<u>366</u>	<u>905</u>
At 30 April 2017	<u>334</u>	<u>291</u>	<u>537</u>	<u>1,162</u>

## TANGIBLE FIXED ASSETS - LLP

	Leasehold Improvements £'000	Office Fixtures & Fittings £'000	Computer Equipment £'000	Total £'000
<b>Cost</b>				
At 1 May 2017	1,391	1,266	1,574	4,231
Additions	220	334	419	973
Disposals	(44)	(41)	(20)	(105)
At 30 April 2018	<u>1,567</u>	<u>1,559</u>	<u>1,973</u>	<u>5,099</u>
<b>Depreciation</b>				
At 1 May 2017	595	879	1,045	2,519
Charge for the year	242	165	352	759
Disposals	(44)	(41)	(20)	(105)
At 30 April 2018	<u>793</u>	<u>1,003</u>	<u>1,377</u>	<u>3,173</u>
<b>Net book value</b>				
At 1 May 2018	<u>774</u>	<u>556</u>	<u>596</u>	<u>1,926</u>
At 30 April 2017	<u>796</u>	<u>387</u>	<u>529</u>	<u>1,712</u>
<b>Fixed assets funded by finance leases</b>				
Cost as at 30 April 2018	424	523	373	1,320
Accumulated depreciation as at 30 April 2018	(233)	(175)	(7)	(415)
Net book value At 30 April 2018	<u>191</u>	<u>348</u>	<u>366</u>	<u>905</u>
At 30 April 2017	<u>334</u>	<u>291</u>	<u>537</u>	<u>1,162</u>

**MALCOLM HOLLIS LIMITED LIABILITY PARTNERSHIP**

**Notes to the financial statements for the year ended 30 April 2018 (continued)**

**11 INVESTMENTS**

**Group – other investments**

	<b>2018</b>	2017
	<b>£'000</b>	£'000
At 1 May 2017	27	27
Additions	38	-
Disposals	(27)	-
At 30 April 2018	<u>38</u>	<u>27</u>

**LLP**

	<b>Other investments</b>	<b>Investment in subsidiary undertakings</b>	<b>Total</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
At 1 May 2017	27	-	27
Additions	38	-	38
Disposals	(27)	-	(27)
At 30 April 2018	<u>38</u>	<u>-</u>	<u>38</u>

The principal undertakings in which the LLP's interest in the ordinary share capital at the year end is more than 20% are as follows:

<b>Subsidiary undertakings</b>	<b>Country of registration</b>	<b>Activity</b>	<b>Portion of ordinary shares held</b>
Malcolm Hollis (Services) Limited	Great Britain <sup>1</sup>	Provision of services	100%
Malcolm Hollis Holdings Limited	Great Britain <sup>1</sup>	Holding company	100%
Malcolm Hollis S.L.U	Spain <sup>2</sup>	Provision of services	100%*
Malcolm Hollis Limited	Rep. of Ireland <sup>3</sup>	Provision of services	100%*
Malcolm Hollis B.V.	Netherlands <sup>4</sup>	Provision of services	100%*
Malcolm Hollis GmbH	Germany <sup>5</sup>	Provision of services	100%*

\* share held indirectly through Malcolm Hollis Holdings Limited

*Registered office:*

- 1 Battersea Studios, 80-82 Silverthorne Road, London, SW8 3HE
- 2 Calle Arrieta, 7, 4a, 28013, Madrid
- 3 115 Lower Baggot Street, Dublin, D02 FN88
- 4 Spaces Zuidas, Barbara Strozziilaan 101-201, Amsterdam, 1083 HN
- 5 Kurfürstendamm 195, 10707 Berlin, Germany

**12 DEBTORS**

	<b>GROUP</b>		<b>LLP</b>	
	<b>2018</b>	2017	<b>2018</b>	2017
	<b>£'000</b>	£'000	<b>£'000</b>	£'000
<b>Due within one year</b>				
Trade debtors	7,974	7,283	7,511	7,098
Other debtors	134	103	107	85
Prepayments and accrued income	4,891	4,731	4,511	4,693
Amounts due from subsidiary undertaking	-	-	2,600	652
	<u>12,999</u>	<u>12,117</u>	<u>14,729</u>	<u>12,528</u>

**13 CASH AT BANK AND IN HAND**

	<b>GROUP</b>		<b>LLP</b>	
	<b>2018</b>	2017	<b>2018</b>	2017
	<b>£'000</b>	£'000	<b>£'000</b>	£'000
Cash at bank	576	1,270	318	1,184
Less: overdraft	(738)	-	(738)	-
	<u>(162)</u>	<u>1,270</u>	<u>(420)</u>	<u>1,184</u>

**MALCOLM HOLLIS LIMITED LIABILITY PARTNERSHIP**

Notes to the financial statements for the year ended 30 April 2018 (continued)

**14 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>GROUP</b>		<b>LLP</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Amounts falling due within one year</b>				
Bank loans and overdrafts	1,483	2,597	1,483	2,597
Obligations under finance leases	481	649	481	649
Trade creditors	1,605	1,256	1,565	1,235
Amounts owed to subsidiary undertakings	-	-	1,327	61
Other taxation and social security	1,454	1,294	1,381	1,252
Other creditors	938	774	932	773
Accruals and deferred income	2,360	2,651	2,260	2,574
	<b>8,321</b>	<b>9,221</b>	<b>9,429</b>	<b>9,141</b>

**15 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	<b>GROUP</b>		<b>LLP</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Amounts falling due after more than one year</b>				
Obligations under finance leases	695	623	695	623
	<b>695</b>	<b>623</b>	<b>695</b>	<b>623</b>

**16 BORROWINGS**

	<b>GROUP</b>		<b>LLP</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Loans	1,483	2,597	1,483	2,597
Obligations under finance leases	1,176	1,272	1,176	1,272
	<b>2,659</b>	<b>3,869</b>	<b>2,659</b>	<b>3,869</b>
Due within one year	1,964	3,246	1,964	3,246
Due after one year	695	623	695	623
	<b>2,659</b>	<b>3,869</b>	<b>2,659</b>	<b>3,869</b>
Within one year or on demand	1,964	3,246	1,964	3,246
Due within 1 to 5 years	695	623	695	623
	<b>2,659</b>	<b>3,869</b>	<b>2,659</b>	<b>3,869</b>

Bank loans are secured by fixed and floating charges over the assets of the LLP and its subsidiary undertakings. Interest accrues at 2% above the Bank of England base rate on the loan.

The obligations under the finance leases are secured by the assets under the various finance leases.

**17 PROVISIONS FOR LIABILITIES**

Group and LLP

	<b>Provisions for dilapidations £'000</b>
At 1 May 2017	152
Charged in the year	46
<b>At 30 April 2018</b>	<b>198</b>

The above provision relates to the contractual obligations of the Group on surrender of certain operating leases in respect of land and buildings to reinstate the premises to the same state and condition as before occupancy.

**18 OPERATING LEASE COMMITMENTS**

At 30 April 2018 the Group and LLP had annual commitments under operating leases as follows:

	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
	<b>Land &amp; Buildings</b>		<b>Plant &amp; Machinery</b>		<b>Total</b>	
For leases expiring:						
Not later than 1 year	1,039	844	65	180	1,104	1,024
Later than 1 year and not later than 5 years	1,467	1,814	47	135	1,514	1,949
Due after 5 years	515	1,286	-	-	515	1,286
	<b>3,021</b>	<b>3,944</b>	<b>112</b>	<b>315</b>	<b>3,133</b>	<b>4,259</b>

## Notes to the financial statements for the year ended 30 April 2018 (continued)

**19 FINANCE LEASE COMMITMENTS**

At 30 April 2018 the Group and LLP had annual commitments under finance leases as follows:

	2018 £'000	2017 £'000	2018 £'000	2017 £'000
	Plant & Machinery		Total	
For leases expiring:				
Not later than 1 year	481	649	481	649
Later than 1 year and not later than 5 years	695	623	695	623
	<u>1,176</u>	<u>1,272</u>	<u>1,176</u>	<u>1,272</u>

**20 CONTINGENT LIABILITIES**

The LLP has guaranteed the borrowings of individual members taken out in order to fund their capital interests in the LLP. At 30 April 2018 the total amount guaranteed was £1,080,000 (2017: £555,000).

**21 FINANCIAL INSTRUMENTS - GROUP AND LLP**

The Group's financial instruments, cash and cash equivalents, bank borrowings and items such as trade creditors and trade debtors which arise directly from its operations. The main purpose of these financial instruments is to provide finance for the Group's operations.

The Group's operations expose it to a variety of financial risks including credit risk, liquidity risk, interest rate risk, and foreign currency exchange rate risk.

**Credit risk**

The Group's credit risk is primarily attributable to its trade debtors. The Group has implemented policies that require appropriate credit checks on potential customers before sales are made. The amount of exposure to any individual counterparty is subject to a limit, which is reassessed annually by the board.

The carrying amount of financial assets represents the maximum credit exposure.

**Liquidity risk**

The Group actively maintains a mixture of long-term and short-term debt finance that is designed to ensure it has sufficient available funds for operations and planned expansions. The Group monitors its levels of working capital to ensure that it can meet its debt repayments as they fall due. The company's financial instruments comprise trade debtors and creditors, intercompany balances, cash and cash equivalents and listed equity securities.

**Foreign currency exchange rate risk**

The Group is exposed to foreign currency exchange rate risk as a result of trade creditors and trade debtors which will be settled in euros. The Group has no material financial exposure to foreign exchange gains and losses on financial assets or liabilities at the year-end and does not hedge any of its trading activities.

**Interest rate risk**

The Group is exposed to interest rate risk through the impact of rate changes on interest bearing borrowings.

**22 RELATED PARTY TRANSACTIONS**

The LLP has taken advantage of the exemption in FRS 102 from reporting related party transactions with its wholly owned subsidiaries.

During the year the following related party transactions were undertaken.

The Group was charged rent of £nil (2017: £nil) in the year from Kirtling Properties Limited, a company controlled by designated member, J G Woodman. In the year, the Group also advanced Kirtling Properties Limited £nil (2017: £1,827). The balance due from Kirtling Properties Limited at 30 April 2018 was £nil (2017: £1,827).

Malcolm Hollis LLP made sales to A & J Mucklow & Co Limited, a company owned by close family members of one of the members, in the year ended 30 April 2018 of £5,789 (2017: £20,980). The balance due from A & J Mucklow at 30 April 2018 was £nil (2017: £1,464).

Key management are those persons having authority and responsibility for planning, controlling and directing the activities of the LLP. In the opinion of the partnership board, the key management are the designated members.

Information regarding their compensation is given below in aggregate for each of the categories specified in FRS 102.

	2018 £'000	2017 £'000
Members' remuneration charged as an expense	500	500
Share of division of profits	2,996	2,167
Remuneration of key management personnel	<u>3,496</u>	<u>2,667</u>

**23 CONTROLLING PARTY**

In the opinion of the members, there is no controlling party.