

Registered number: OC344742

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**CLUTTONS LLP**

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**FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022**



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**CLUTTONS LLP**

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**INFORMATION**

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**Designated Members** J R Gray  
Paisley Newco Limited

**LLP registered number** OC344742

**Registered office** Portman House  
2 Portman Street  
London  
W1H 6DU

**Independent auditors** PKF Smith Cooper Audit Limited  
Statutory Auditors  
158 Edmund Street  
Birmingham  
B3 2HB

**Bankers** HSBC Bank Plc  
8 Canada Square  
London  
E14 5HQ

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**CLUTTONS LLP**

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## CLUTTONS LLP

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### MEMBERS' REPORT FOR THE YEAR ENDED 31 MARCH 2022

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The members present their annual report together with the audited financial statements of Cluttons LLP (the "LLP and the Group") for the year ended 31 March 2022.

#### Principal activities

The principal activities of Cluttons LLP is the provision of chartered surveying and property consultancy services with a network of nine offices in the UK.

#### Designated Members

The designated members during the year were as follows:

J R Gray  
Paisley Newco Limited

#### 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. The LLP pays interest on each member's capital account payable before any allocation of profits.

#### Members' interests

The reconciliation of members' interests, including the amounts transferred from equity to debt during the year, is disclosed in note 30.

#### Review of business

During the year under review the group's results recovered strongly following the impact of the COVID-19 pandemic, which has had an adverse impact on the UK economy as a whole.

The business continues to focus on its growth plans which involves, in part, the development of its national footprint to offer clients around the country a full range of services. Manchester was opened in September 2020 to provide the base for Cluttons in the north of England. Manchester has seen continued growth, offering a multi serviced office which provides further support to the core sector specialism of the group, most notably within infrastructure, funds, and investors. The business continued to focus on key strategic hires into the business' core specialisms to aid the business with its growth plans over the coming years and provide a full spectrum of services across the property lifecycle.

The group is committed to supporting the pillars of ESG through outstanding environmental sustainability performance within the business as well as helping its clients to create sustainable value from their property assets.

We place people at the heart of our business. Our constant aim is to retain and build long-term relationships with our people and the communities we work within. We want to positively impact the local communities within which we work and live.

Our culture reflects our values of drive, fascination, collaboration, community and challenge. Learning from the pandemic as well as taking on board employee feedback, we have introduced hybrid ways of working to enable all our employees to have better work life balance, as well using our office network with purpose; for collaboration, community and fascination to learn and innovate.

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## CLUTTONS LLP

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### MEMBERS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

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#### Results

The consolidated results for the year ended 31 March 2022 are shown in the consolidated statement of comprehensive income on page 8.

For the year ending 31 March 2022 the group delivered consolidated income of £24.8m, a 17% uplift year on year. This income detailed a strong recovery post the 9% reduction of income during the COVID-19 impacted year ending March 2021. Whilst the impact of COVID-19 during the year under review was significantly less than the previous year, the group continued to be affected in pockets by the on-going uncertainty surround the pandemic.

The group delivered operating profit of £4.6m (2021 - £4.5m).

Risks continuing to face the business are the potential headwinds in the economy and the on-going global uncertainties remain, this is arguably a risk which has increased since last year. The September mini-budget created additional short-term financial turmoil in the UK. The group works across diversified sectors and has a spread of real estate services which reduces the exposure of the business to market fluctuations. We are confident that our market knowledge and experience puts us in a good position to continue to retain and attract clients. We also expect to continue to grow our business across the UK to bolster our position.

#### Members' responsibilities statement

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

Company law, (as applied by 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 law). Under company law, (as applied by The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008) 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 and then apply them consistently;
- make judgements 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 LLP and the Group's transactions and disclose with reasonable accuracy at any time the financial position of the Group and to enable them to ensure that the financial statements comply with the Companies Act 2006 (as applied by 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.

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CLUTTONS LLP

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MEMBERS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2022

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**Disclosure of information to auditors**

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

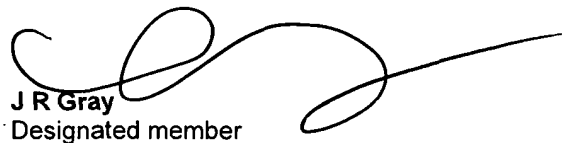
- so far as that member is aware, there is no relevant audit information of which the Group's auditors are unaware, and
- that member has taken all the steps that ought to have been taken as a member in order to be aware of any relevant audit information and to establish that the Group's auditors are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

**Auditors**

The auditors, PKF Smith Cooper Audit Limited, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report has been prepared in accordance with the special provisions relating to limited liability partnerships within Part 15 of the Companies Act 2006 (as applied by The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008).

This report was approved by the members on 21/12/22 and signed on their behalf by:

  
J R Gray  
Designated member

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## CLUTTONS LLP

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### INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CLUTTONS LLP

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#### Opinion

We have audited the financial statements of Cluttons LLP (the 'parent LLP') and its subsidiaries (the 'Group') for the year ended 31 March 2022, which comprise the Group Statement of Comprehensive Income, the Group and LLP Balance Sheets, the Group Statement of Cash Flows, the Group and LLP Statement of Changes in Equity and the related notes, 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 Financial Reporting Standard 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 LLP's affairs as at 31 March 2022 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.

#### 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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

In auditing the financial statements, we have concluded that the members' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's or the parent LLP's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the members with respect to going concern are described in the relevant sections of this report.

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## CLUTTONS LLP

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### INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CLUTTONS LLP (CONTINUED)

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#### Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The members are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 in relation to which 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.

#### Responsibilities of members

As explained more fully in the Members' Responsibilities Statement set out 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, 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 LLP'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 LLP or to cease operations, or have no realistic alternative but to do so.

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## CLUTTONS LLP

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### INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CLUTTONS LLP (CONTINUED)

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#### Auditors' 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 Auditors' 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 Group financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. Based on our understanding of the LLP and the industry, key laws and regulations that we have identified included:

- Companies Act 2006, as applied to limited liability partnerships by The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008;
- Tax legislation;
- Health and safety;
- General Data Protection Regulation (GDPR);
- Royal Institute of Chartered Surveyors (RICS);
- ARLA Propertymark;
- Association of Residential Managing Agents (ARMA); and
- Financial Conduct Authority (FCA)

We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We identified that the principal risk of fraud or non-compliance with laws and regulations related to:

- Management bias in respect of accounting estimates and judgements made;
- Management override of control; and
- Posting of unusual journals or transactions.

We focussed on those areas that could give rise to a material misstatement in the LLP financial statements. Our procedures included, but were not limited to:

- Enquiry of management and those charged with governance around actual and potential litigation and claims including instances of non-compliance with laws and regulations and fraud;
- Reviewing minutes of meetings of those charged with governance where available;
- Reviewing legal expenditure in the year to identify instances of non-compliance with laws and regulations and fraud;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations and;
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias, in particular revenue recognition criteria for work in progress and accrued revenue, goodwill useful life and amortisation and the bad debt provision.

It is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

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CLUTTONS LLP

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CLUTTONS LLP (CONTINUED)

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Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulations. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements as we will be less likely to become aware of instances of non compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission and misrepresentation.

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 Auditors' Report.

**Use of our report**

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 Part 12 of The Limited Liability Partnerships (Accounts and Audit) (Applications 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, as a body, for our audit work, for this report, or for the opinions we have formed.



Stephen Newman (Senior Statutory Auditor)

for and on behalf of  
**PKF Smith Cooper Audit Limited**

Statutory Auditors

158 Edmund Street  
Birmingham  
B3 2HB

Date: 22 December 2022.

**CLUTTONS LLP**

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 MARCH 2022**

	Note	2022 £	2021 £
Turnover	4	<b>24,834,579</b>	21,254,697
<b>Gross profit</b>		<b>24,834,579</b>	21,254,697
Administrative expenses		<b>(20,481,806)</b>	(17,580,984)
Other operating income	5	<b>290,017</b>	814,543
<b>Operating profit</b>	6	<b>4,642,790</b>	4,488,256
Interest payable and similar expenses	10	<b>(13,931)</b>	(14,821)
<b>Profit before tax</b>		<b>4,628,859</b>	4,473,435
Tax on profit	11	<b>(52,178)</b>	(90,650)
<b>Profit for the year before members' remuneration and profit shares</b>		<b>4,576,681</b>	4,382,785
Profit for the year before members' remuneration and profit shares		<b>4,576,681</b>	4,382,785
Members' remuneration charged as an expense		<b>(3,740,284)</b>	(3,542,359)
<b>Profit for the financial year available for discretionary division among members</b>		<b>836,397</b>	840,426

There was no other comprehensive income for 2022(2021:£NIL).

The notes on pages 17 to 39 form part of these financial statements.

**CLUTTONS LLP**  
**REGISTERED NUMBER: OC344742**

**CONSOLIDATED BALANCE SHEET**  
**AS AT 31 MARCH 2022**


	Note	2022 £	2021 £
<b>Fixed assets</b>			
Intangible assets	13	1,027,182	1,083,140
Tangible assets	14	882,734	799,516
		<u>1,909,916</u>	<u>1,882,656</u>
<b>Current assets</b>			
Debtors: amounts falling due within one year	16	6,977,591	6,413,986
Cash at bank and in hand	17	511,278	3,624,693
		<u>7,488,869</u>	<u>10,038,679</u>
Creditors: amounts falling due within one year	18	<u>(4,575,066)</u>	<u>(5,119,657)</u>
<b>Net current assets</b>		<u>2,913,803</u>	<u>4,919,022</u>
<b>Total assets less current liabilities</b>		<u>4,823,719</u>	<u>6,801,678</u>
Creditors: amounts falling due after more than one year	19	(364,825)	(1,833,333)
<b>Provisions for liabilities</b>			
Other provisions	21	(464,386)	(309,392)
		<u>(464,386)</u>	<u>(309,392)</u>
<b>Net assets</b>		<u><u>3,994,508</u></u>	<u><u>4,658,953</u></u>

**CLUTTONS LLP**  
**REGISTERED NUMBER: OC344742**

**CONSOLIDATED BALANCE SHEET (CONTINUED)**  
**AS AT 31 MARCH 2022**

	Note	2022 £		2021 £
<b>Capital and reserves</b>				
<b>Loans and other debts due to members within one year</b>				
Members' capital classified as a liability	22	2,175,008		2,300,008
Other amounts	22	1,106,510		387,818
		3,281,518		2,687,826
<b>Members' other interests</b>				
Other reserves classified as equity	30	712,990	1,971,127	
		712,990		1,971,127
		3,994,508		4,658,953
<b>Total members' interests</b>				
Loans and other debts due to members	22	3,281,518		2,687,826
Members' other interests	30	712,990		1,971,127
		3,994,508		4,658,953

The financial statements were approved and authorised for issue by the members and were signed on their behalf on 21/12/22



**J R Gray**  
 Designated member

The notes on pages 17 to 39 form part of these financial statements.

**CLUTTONS LLP**  
**REGISTERED NUMBER: OC344742**

**LLP BALANCE SHEET**  
**AS AT 31 MARCH 2022**

			2022 £	<i>(As restated)</i> 2021 £
<b>Fixed assets</b>				
Intangible assets	13		1,028,866	1,084,543
Tangible assets	14		881,051	797,833
Investments	15		50,316	47,316
			1,960,233	1,929,692
<b>Current assets</b>				
Debtors: amounts falling due within one year	16	6,616,077	5,974,146	
Cash at bank and in hand	17	451,639	3,506,622	
		7,067,716	9,480,768	
Creditors: amounts falling due within one year	18	(4,585,954)	(5,146,126)	
<b>Net current assets</b>			2,481,762	4,334,642
<b>Total assets less current liabilities</b>			4,441,995	6,264,334
Creditors: amounts falling due after more than one year	19		(364,825)	(1,833,333)
<b>Provisions for liabilities</b>				
Other provisions	21	(333,971)	(178,977)	
		(333,971)	(178,977)	
<b>Net assets</b>			3,743,199	4,252,024

**CLUTTONS LLP**  
**REGISTERED NUMBER: OC344742**

**LLP BALANCE SHEET (CONTINUED)**  
**AS AT 31 MARCH 2022**

	Note	2022 £	(As restated) 2021 £
<b>Represented by:</b>			
<b>Loans and other debts due to members within one year</b>	22		
Members' capital classified as a liability		2,175,008	2,300,008
Other amounts		1,106,513	435,229
		3,281,521	2,735,237
<b>Members' other interests</b>			
Other reserves classified as equity brought forward	30	1,516,787	2,276,039
Profit for the year available for discretionary division among members	30	1,039,425	436,362
Other movements in other reserves	30	(2,094,534)	(1,195,614)
		461,678	1,516,787
Other reserves classified as equity carried forward	30	461,678	1,516,787
		3,743,199	4,252,024
<b>Total members' interests</b>			
Loans and other debts due to members	22	3,281,521	2,735,237
Members' other interests	30	461,678	1,516,787
		3,743,199	4,252,024

The financial statements were approved and authorised for issue by the members and were signed on their behalf on 21/12/22.



**J R Gray**  
Designated member

The notes on pages 17 to 39 form part of these financial statements.

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CLUTTONS LLP

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MARCH 2022

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	Other reserves £	Total equity £
<b>At 1 April 2020</b>	2,326,315	2,326,315
<b>Comprehensive income for the year</b>		
Profit for year for discretionary division among members	840,426	840,426
Profit allocated to members	(1,195,614)	(1,195,614)
<b>At 1 April 2021</b>	<u>1,971,127</u>	<u>1,971,127</u>
<b>Comprehensive income for the year</b>		
Profit for year for discretionary division among members	836,397	836,397
Profit allocated to members	(2,094,534)	(2,094,534)
<b>At 31 March 2022</b>	<u><u>712,990</u></u>	<u><u>712,990</u></u>

The notes on pages 17 to 39 form part of these financial statements.

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**CLUTTONS LLP**

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**LLP STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MARCH 2022**

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	Other reserves £	Total equity £
<b>At 1 April 2020</b>	2,276,039	2,276,039
<b>Comprehensive income for the year</b>		
Profit for year for discretionary division among members	436,362	436,362
Profit allocated to members	(1,195,614)	(1,195,614)
	<hr/>	<hr/>
<b>At 1 April 2021</b>	1,516,787	1,516,787
<b>Comprehensive income for the year</b>		
Profit for year for discretionary division among members	1,039,425	1,039,425
Profit allocated to members	(2,094,534)	(2,094,534)
	<hr/>	<hr/>
<b>At 31 March 2022</b>	<u>461,678</u>	<u>461,678</u>

The notes on pages 17 to 39 form part of these financial statements.

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CLUTTONS LLP

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CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 MARCH 2022

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	2022 £	2021 £
<b>Cash flows from operating activities</b>		
Profit for the financial year	836,397	840,426
<b>Adjustments for:</b>		
Members' remuneration charged as an expense	3,740,284	3,542,359
Amortisation of intangible assets	200,464	187,648
Depreciation of tangible assets	424,699	385,985
Government grants	(219,020)	(814,543)
Interest paid	13,931	14,821
Taxation charge	52,178	90,650
(Increase)/decrease in debtors	(1,713,605)	1,110,847
(Decrease) in creditors	(428,999)	(85,662)
Increase in provisions	154,994	42,103
Corporation tax paid	(102,915)	(3,371)
<b>Net cash generated from operating activities before transactions with members</b>	<b>2,958,408</b>	<b>5,311,263</b>
<b>Cash flows from investing activities</b>		
Purchase of intangible fixed assets	(144,506)	(223,735)
Purchase of tangible fixed assets	(507,917)	(67,846)
Deferred consideration payment	-	(150,000)
Deferred consideration received	1,000,000	1,000,000
<b>Net cash from investing activities</b>	<b>347,577</b>	<b>558,419</b>

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CLUTTONS LLP

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CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2022

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	2022 £	2021 £
<b>Cash flows from financing activities</b>		
Cash received from bank loans	-	2,000,000
Repayment of loans	(1,533,363)	-
Interest paid	(13,931)	(14,821)
Capital introduced by members	325,000	275,000
Members drawings	(5,116,126)	(5,417,705)
Capital repaid to members	(300,000)	(1,150,000)
Government grants received	219,020	814,543
<b>Net cash used in financing activities</b>	<b>(6,419,400)</b>	<b>(3,492,983)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(3,113,415)</b>	<b>2,376,699</b>
Cash and cash equivalents at beginning of year	3,624,693	1,247,994
<b>Cash and cash equivalents at the end of year</b>	<b>511,278</b>	<b>3,624,693</b>
<b>Cash and cash equivalents at the end of year comprise:</b>		
Cash at bank and in hand	511,278	3,624,693
	<b>511,278</b>	<b>3,624,693</b>

The notes on pages 17 to 39 form part of these financial statements.

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## CLUTTONS LLP

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

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#### 1. General information

Cluttons LLP is a private limited liability partnership and is incorporated and domiciled in England. The address of its registered office is Portman House, 2 Portman Street, London, W1H 6DU. The principal activities of the Group are given in the Members' Report.

#### 2. Accounting policies

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

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006 and the requirements of the Statement of Recommended Practice "Accounting by Limited Liability Partnerships".

The financial statements are prepared in sterling which is the functional currency of the LLP. The financial statements level of rounding is to the nearest £1.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgement in applying the Group's accounting policies (see note 3).

The LLP has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements.

The following principal accounting policies have been applied:

##### 2.2 Basis of consolidation

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

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Balance Sheet, the acquirees identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Statement of Comprehensive Income from the date on which control is obtained. They are deconsolidated from the date control ceases.

##### 2.3 Investment in subsidiaries

The consolidated financial statements incorporate the financial statements of the LLP and entities controlled by the group (its subsidiaries). Control is achieved where the group has the power to govern the financial and operating policies of an entity to obtain benefits from its activities.

The results of the subsidiaries acquired or disposed of during the year are included in total comprehensive income from the effective date of acquisition and up to the effective date of disposal, as appropriate using accounting policies consistent with those of the parent. All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

Investment in subsidiaries are accounted for at cost less any accumulated impairment losses in the individual financial statements.

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## CLUTTONS LLP

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

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#### 2. Accounting policies (continued)

##### 2.4 Business combinations

Acquisitions of subsidiaries and businesses are accounted for using the purchase method. The cost of the business combination is measured at the aggregate of the fair values (at the date of exchange) of assets given, liabilities incurred or assumed and equity instruments issues by the group in exchange for control of the acquiree plus costs directly attributable to the business combination.

Any excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets and liabilities is recognised as goodwill. If the net fair value of the identifiable assets and liabilities exceeds the cost of the business combination, the excess is recognised separately.

##### 2.5 Intangible assets

Intangible assets are measured at cost less accumulated amortisation and any accumulated impairment losses.

Software development costs are recognised as an intangible asset when all of the following criteria are demonstrated:

- it is technically feasible to complete the software so that it will be available for use or sale;
- the intention of the LLP is to complete the software and use or sell it;
- the LLP will have the ability to use the software or to sell it;
- the software will generate probable future economic benefits;
- adequate technical, financial and other resources are available to complete the development;
- the LLP is able to measure reliably the expenditure attributable to the software during its development.

Amortisation is charged so as to allocate the cost of intangibles less their residual values over their useful economic lives, using the straight line method. The intangible fixed assets are amortised over the following economic lives:

Software licences	up to 5 years
Goodwill	10 years

If there is an indication that there has been a significant change in amortisation rate or residual value of an asset, the amortisation of that asset is revised prospectively to reflect the new expectations.

##### 2.6 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 provided on the following basis, using the straight line method:

Improvements to leasehold	- 3 to 5 years
Furniture and equipment	- 5 years
Computer equipment	- 3 years
IT platform	- 3 years

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## CLUTTONS LLP

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

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#### 2. Accounting policies (continued)

##### 2.7 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants of a revenue nature are recognised in the Consolidated Statement of Comprehensive Income in the same period as the related expenditure

##### 2.8 Division and distribution of profits

A division of profits is the mechanism by which the profits of the Group become a debt due to members. A division may be automatic or discretionary, may relate to some or all of the profits for a financial period and may take place during or after the end of a financial period.

An automatic division of profits is one where the Group does not have an unconditional right to avoid making a division of an amount of profits based on the members' agreement in force at the time, whereas a discretionary division of profits requires a decision to be made by the Group, which it has the unconditional right to avoid making.

The Group divides profits both automatically and discretionarily. Automatic divisions of profits are recognised as 'Members' remuneration charged as an expense' in the Consolidated Statement of Comprehensive Income. Discretionary divisions of profits are recognised as amounts due to members, although may be used to offset amounts which have been drawn by members, which are recognised as loan assets repayable.

Profits of the Group which are not yet divided among the members are shown under 'Other reserves' on the Balance Sheet, pending a discretionary decision to divide the profits.

##### 2.9 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.

Current tax arising within corporate subsidiaries is recognised for the amount of corporation tax payable for the current or past reporting periods using the tax rates and laws that have been enacted or substantively enacted in those territories by the balance sheet date.

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## CLUTTONS LLP

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

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#### 2. Accounting policies (continued)

##### 2.10 Revenue

Group revenue is the total amount estimated to be receivable by the group for services rendered during the year, excluding VAT. Revenue is recognised when a right to consideration has been obtained through performance under each contract. It reflects the contract activity during the year having regard to the stage of completion and the relative uncertainty of predicting ultimate profitability on long term assignments.

Revenues from agency transactions are recognised at the time contracts are exchanged where completion is anticipated within the next 60 days.

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.

##### 2.11 Financial instruments

The LLP only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors and loans from banks and to/from related parties.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured as present value of future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are 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 Consolidated Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a 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.

For financing assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the LLP would received for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

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## CLUTTONS LLP

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

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#### 2. Accounting policies (continued)

##### 2.12 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 revenue based on 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.

##### 2.13 Operating lease commitments

Assets held under operating leases are not capitalised. Operating lease rentals are charged to the Consolidated Statement of Comprehensive Income in the year in which they are incurred.

##### 2.14 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.

##### 2.15 Professional indemnity claims

Provisions for potential or actual professional indemnity claims are recognised when it is probable that the Group will be required to settle part or all of valid claims against it as a result of a past event and the amount of the obligation can be reliably estimated.

##### 2.16 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.

##### 2.17 Foreign currency translation

Transactions of the overseas operations are translated at an average rate for the year. Remittances of 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.

##### 2.18 Annual leave

The group recognises a provision for annual leave accrued by employees as a result of services rendered in the current year and which employees are entitled to carry forward and use within the next 12 months. The provision is measured at the salary cost payable for the period of absence.

##### 2.19 Employee benefits

Short-term employee benefits and contributions to defined contribution plans are recognised as an expense in the period in which they are incurred.

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CLUTTONS LLP

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022

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2. Accounting policies (continued)

2.20 Members interests'

Subject to compliance with certain provisions of the LLP Deed Members' capital is ordinarily repayable within a defined period following the departure of a member and is therefore classified as a liability.

2.21 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Consolidated Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

2.22 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised using the effective interest method.

2.23 Debtors

Short-term debtors are measured at transaction price, less any impairment.

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CLUTTONS LLP

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022

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3. Significant judgements and estimates

**Impairment of trade debtors**

The provision for impairment of trade debtors is based on the ongoing evaluation of the collectability, aged analysis of the outstanding amounts due from trade debtors and management's judgement which includes assessing the credit worthiness and the past collection history of each trade debtor.

**Useful life of goodwill**

Management have reviewed the acquired assets and their potential to deliver economic benefit over a period of time and, as at this time, consider that they believe they will deliver benefit for at least a ten-year period. While management has high hopes that the assets will deliver the benefit beyond that period, it is not possible to accurately estimate what this benefit may be beyond ten years, and therefore they consider it inappropriate to extend the useful economic life beyond that.

**Impairment of goodwill**

FRS102 requires the directors to assess the current and future financial performance of the underlying assets to determine whether the carrying value of assets has been impaired.

**Revenue recognition**

Management consider the various revenue streams separately and make judgements where the nature of the service is such that it is required. The main judgements being:

Where work is in progress at the end of the year and the right to consideration is being accrued as the work is performed, management assess their expectation of the amount they have earned as at the end of the year end and, if not yet invoiced, accrue that revenue.

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**CLUTTONS LLP**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022**

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**4. Turnover**

Analysis of turnover by country of destination:

	2022 £	2021 £
United Kingdom	24,834,579	21,254,697
	<u>24,834,579</u>	<u>21,254,697</u>

The whole of turnover arose from the principal activity of the Group.

**5. Other operating income**

	2022 £	2021 £
Rent receivable	70,997	-
Government grants receivable	219,020	814,543
	<u>290,017</u>	<u>814,543</u>

**6. Operating profit**

The operating profit is stated after charging:

	2022 £	2021 £
Amortisation of intangible fixed assets	200,464	187,648
Depreciation of tangible fixed assets	424,699	385,985
Operating lease expenditure - property	1,118,625	1,072,104
Differences on foreign exchange	187	164
	<u>1,743,975</u>	<u>1,645,901</u>

**7. Auditors' remuneration**

During the year, the Group obtained the following services from the Group's and LLP's auditors:

	2022 £	2021 £
Fees payable to the auditors for the audit of the Group's and LLP's annual financial statements	32,500	32,500

**CLUTTONS LLP**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022**

**8. Employees**

Staff costs were as follows:

	<b>Group 2022 £</b>	<i>Group 2021 £</i>
Wages and salaries	9,811,023	7,880,667
Social security costs	1,037,994	844,807
Cost of defined contribution scheme	335,675	280,045
	<u>11,184,692</u>	<u>9,005,519</u>

The average monthly number of persons (excluding members) employed during the year was as follows:

	<b>2022 No.</b>	<i>2021 No.</i>
Management	4	4
Operations	207	199
	<u>211</u>	<u>203</u>

**9. Information in relation to members**

	<b>2022 Number</b>	<i>2021 Number</i>
The average number of members during the year was	<u>29</u>	<u>27</u>
	<b>2022 £</b>	<i>2021 £</i>
Remuneration due under the terms of the LLP agreement	3,679,597	3,465,771
Interest on loan capital	60,687	76,588
	<u>3,740,284</u>	<u>3,542,359</u>
The amount of profit attributable to the member with the largest entitlement was	<u>306,388</u>	<u>238,700</u>

In addition to the amount disclosed above, the highest paid member also received an additional allocation of profits of £107,064 (2021: £475,561), in relation to profits made during the year to 31 March 2021.

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**CLUTTONS LLP**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022**

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**10. Interest payable and similar expenses**

	2022 £	2021 £
Bank loan interest payable	13,931	-
Other finance costs	-	14,821
	13,931	14,821

**11. Taxation**

	2022 £	2021 £
<b>Corporation tax</b>		
Current tax on profits for the year	44,718	90,650
Adjustments in respect of previous periods	7,460	-
<b>Total current tax</b>	<b>52,178</b>	<b>90,650</b>

**Factors affecting tax charge for the year**

The tax assessed for the year is higher than (2021 - lower than) the standard rate of corporation tax in the UK of 19% (2021 - 19%). The differences are explained below:

	2022 £	2021 £
Profit on ordinary activities before tax	4,628,859	4,473,435
Less: profits not chargeable to UK corporation tax	(4,399,709)	(3,987,262)
Profits chargeable to UK corporation tax	229,150	486,173
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%)	43,539	92,373
<b>Effects of:</b>		
Adjustments to tax charge in respect of prior periods	7,460	-
Other differences leading to a decrease in the tax charge	1,179	(1,723)
<b>Total tax charge for the year</b>	<b>52,178</b>	<b>90,650</b>

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**CLUTTONS LLP**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022**

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**11. Taxation (continued)**

**Factors that may affect future tax charges**

From 1 April 2023 the rate of corporation tax will increase from 19% to 25%. This change in corporation tax rate is expected to impact on the future tax charges for the Group's corporate subsidiaries.

**12. Parent LLP profit for the year**

The LLP has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements. The profit after tax of the parent LLP for the year was £1,039,425 (2021 - £436,362).

**13. Intangible assets**

**Group**

	<b>Software licences £</b>	<b>Goodwill £</b>	<b>Total £</b>
<b>Cost</b>			
At 1 April 2021	729,124	6,339,819	7,068,943
Additions	144,506	-	144,506
At 31 March 2022	<u>873,630</u>	<u>6,339,819</u>	<u>7,213,449</u>
<b>Amortisation</b>			
At 1 April 2021	211,566	5,774,237	5,985,803
Charge for the year	129,764	70,700	200,464
At 31 March 2022	<u>341,330</u>	<u>5,844,937</u>	<u>6,186,267</u>
<b>Net book value</b>			
At 31 March 2022	<u>532,300</u>	<u>494,882</u>	<u>1,027,182</u>
At 31 March 2021	<u>517,558</u>	<u>565,582</u>	<u>1,083,140</u>

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CLUTTONS LLP

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022

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13. Intangible assets (continued)

LLP

	Software licences £	Goodwill £	Total £
<b>Cost</b>			
At 1 April 2021	729,124	6,339,819	7,068,943
Additions	144,506	-	144,506
At 31 March 2022	<u>873,630</u>	<u>6,339,819</u>	<u>7,213,449</u>
<b>Amortisation</b>			
At 1 April 2021	210,163	5,774,237	5,984,400
Charge for the year	129,483	70,700	200,183
At 31 March 2022	<u>339,646</u>	<u>5,844,937</u>	<u>6,184,583</u>
<b>Net book value</b>			
At 31 March 2022	<u>533,984</u>	<u>494,882</u>	<u>1,028,866</u>
At 31 March 2021	<u>518,961</u>	<u>565,582</u>	<u>1,084,543</u>

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**CLUTTONS LLP**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022**

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**14. Tangible fixed assets**

**Group**

	Improvements to leasehold property £	Furniture and equipment £	Computer equipment £	IT Platform £	Total £
<b>Cost</b>					
At 1 April 2021	1,155,661	233,164	426,180	42,390	1,857,395
Additions	364,750	-	143,167	-	507,917
At 31 March 2022	<u>1,520,411</u>	<u>233,164</u>	<u>569,347</u>	<u>42,390</u>	<u>2,365,312</u>
<b>Depreciation</b>					
At 1 April 2021	573,451	145,652	302,765	36,011	1,057,879
Charge for the year	300,830	40,958	79,640	3,271	424,699
At 31 March 2022	<u>874,281</u>	<u>186,610</u>	<u>382,405</u>	<u>39,282</u>	<u>1,482,578</u>
<b>Net book value</b>					
At 31 March 2022	<u>646,130</u>	<u>46,554</u>	<u>186,942</u>	<u>3,108</u>	<u>882,734</u>
At 31 March 2021	<u>582,210</u>	<u>87,512</u>	<u>123,415</u>	<u>6,379</u>	<u>799,516</u>

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**CLUTTONS LLP**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022**

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**14. Tangible fixed assets (continued)**

**LLP**

	Improvements to leasehold property £	Furniture and equipment £	Computer equipment £	IT platform £	Total £
<b>Cost</b>					
At 1 April 2021	1,155,661	233,164	421,971	42,391	1,853,187
Additions	364,750	-	143,167	-	507,917
At 31 March 2022	<u>1,520,411</u>	<u>233,164</u>	<u>565,138</u>	<u>42,391</u>	<u>2,361,104</u>
<b>Depreciation</b>					
At 1 April 2021	573,451	145,652	300,240	36,011	1,055,354
Charge for the year	300,830	40,958	79,640	3,271	424,699
At 31 March 2022	<u>874,281</u>	<u>186,610</u>	<u>379,880</u>	<u>39,282</u>	<u>1,480,053</u>
<b>Net book value</b>					
At 31 March 2022	<u>646,130</u>	<u>46,554</u>	<u>185,258</u>	<u>3,109</u>	<u>881,051</u>
At 31 March 2021	<u>582,210</u>	<u>87,512</u>	<u>121,731</u>	<u>6,380</u>	<u>797,833</u>

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CLUTTONS LLP

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022

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15. Fixed asset investments

LLP

	Investments in subsidiary undertakings £
<b>Cost</b>	
At 1 April 2021 (as restated)	47,316
Additions	3,000
At 31 March 2022	<u>50,316</u>

**Subsidiary undertakings**

The following were subsidiary undertakings of the LLP:

Name	Principal activity	Investment type	Holding
Cluttons Investment Management (UK) LLP	Provision of investment advice and arranging deals in investments	Designated member	100%
Cluttons Employees Limited	Provision of management services	Ordinary shares	100%
Cluttons Residential Limited	Residential sales and lettings	Ordinary shares	100%
Cluttons Nominees Limited	Dormant	Ordinary shares	100%

The registered office address of all subsidiaries is Portman House, 2 Portman Street, London, W1H 6DU.

As detailed in note 24, the carrying value of investments at 31 March 2021 has been restated.

**CLUTTONS LLP**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022**

**16. Debtors**

	<b>Group 2022 £</b>	<i>Group 2021 £</i>	<b>LLP 2022 £</b>	<i>LLP 2021 £</i>
Trade debtors	4,755,213	3,716,533	3,986,322	3,395,469
Amounts owed by group undertakings	-	-	614,687	36,612
Other debtors	214,680	433,453	141,545	278,064
Prepayments and accrued income	1,606,911	863,213	1,472,736	863,214
Amounts recoverable on long term contracts	400,787	400,787	400,787	400,787
Deferred consideration	-	1,000,000	-	1,000,000
	<u>6,977,591</u>	<u>6,413,986</u>	<u>6,616,077</u>	<u>5,974,146</u>

The Group trade debtors are stated net of an impairment amount £100,631 (2021: £78,656) and the LLP trade debtors are stated net of an impairment amount of £42,656 (2021: £42,656).

**17. Cash and cash equivalents**

	<b>Group 2022 £</b>	<i>Group 2021 £</i>	<b>LLP 2022 £</b>	<i>LLP 2021 £</i>
Cash at bank and in hand	511,278	3,624,693	451,639	3,506,622
	<u>511,278</u>	<u>3,624,693</u>	<u>451,639</u>	<u>3,506,622</u>

**18. Creditors: Amounts falling due within one year**

	<b>Group 2022 £</b>	<i>Group 2021 £</i>	<b>LLP 2022 £</b>	<i>LLP 2021 £</i>
Bank loans	101,812	166,667	101,812	166,667
Trade creditors	1,975,655	1,128,409	1,955,663	1,124,428
Amounts owed to group undertakings	-	-	775,974	1,289,261
Corporation tax	44,500	95,237	-	-
Other taxation and social security	1,267,618	2,310,830	625,903	1,210,647
Other creditors	119,044	123,073	47,094	56,718
Accruals and deferred income	1,066,437	1,295,441	1,079,508	1,298,405
	<u>4,575,066</u>	<u>5,119,657</u>	<u>4,585,954</u>	<u>5,146,126</u>

Bank loans are secured by fixed and floating charges over the assets of the Group.

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**CLUTTONS LLP**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022**

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**19. Creditors: Amounts falling due after more than one year**

	<b>Group 2022 £</b>	<i>Group 2021 £</i>	<b>LLP 2022 £</b>	<i>LLP 2021 £</i>
Bank loans	<b>364,825</b>	1,833,333	<b>364,825</b>	1,833,333
	<u><b>364,825</b></u>	<u>1,833,333</u>	<u><b>364,825</b></u>	<u>1,833,333</u>

Bank loans are secured by fixed and floating charges over the assets of the Group.

**20. Loans**

	<b>Group 2022 £</b>	<i>Group 2021 £</i>	<b>LLP 2022 £</b>	<i>LLP 2021 £</i>
<b>Amounts falling due within one year</b>				
Bank loans	<b>101,812</b>	166,667	<b>101,812</b>	166,667
<b>Amounts falling due 1-2 years</b>				
Bank loans	<b>101,812</b>	400,000	<b>101,812</b>	400,000
<b>Amounts falling due 2-5 years</b>				
Bank loans	<b>263,013</b>	1,433,333	<b>263,013</b>	1,433,333
	<u><b>466,637</b></u>	<u>2,000,000</u>	<u><b>466,637</b></u>	<u>2,000,000</u>

Bank loans are secured by fixed and floating charges over the assets of the Group.

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**CLUTTONS LLP**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022**

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**21. Provisions**

**Group**

	Holiday pay provision £	Dilapidations provision £	Professional indemnity provision £	Total £
At 1 April 2021	130,415	178,977	-	309,392
Charged to profit or loss	-	79,994	75,000	154,994
<b>At 31 March 2022</b>	<b>130,415</b>	<b>258,971</b>	<b>75,000</b>	<b>464,386</b>

**LLP**

	Dilapidations provision £	Professional indemnity provision £	Total £
At 1 April 2021	178,977	-	178,977
Charged to profit or loss	79,994	75,000	154,994
<b>At 31 March 2022</b>	<b>258,971</b>	<b>75,000</b>	<b>333,971</b>

**Holiday pay provision**

The holiday pay provision is a leave pay provision which represents annual leave balances accrued as a result of services rendered in the current year and which employees are entitled to carry forward. The provision is measured as the salary cost payable for the year of absence.

**Dilapidations provision**

The dilapidations provision is in respect of costs which would be incurred by the Group to return its leasehold premises' back to their original condition upon termination of the leasehold agreement with the landlord and is a contractual obligation under the terms of the lease.

**Professional indemnity provision**

Cluttons alongside a partnering supplier agreed to settle a potential long running historic claim. The cost to Cluttons as agreed was £75,000 which was settled in November 2022.

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22. Loans and other debts due to members

	<b>Group</b> <b>2022</b> £	<i>Group</i> <i>2021</i> £	<b>LLP</b> <b>2022</b> £	<i>LLP</i> <i>2021</i> £
Members' capital treated as debt	<b>2,175,008</b>	2,300,008	<b>2,175,008</b>	2,300,008
Other amounts due to members	<b>1,106,510</b>	387,818	<b>1,106,513</b>	435,229
	<b><u>3,281,518</u></b>	<u>2,687,826</u>	<b><u>3,281,521</u></b>	<u>2,735,237</u>

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

23. Reserves

**Other reserves**

This reserve records all unallocated profits which are available for discretionary division amongst the LLP's members.

24. Prior year adjustment

The carrying value of the LLP's investments in subsidiaries as at 31 March 2022 has been restated to £47,316 from £7 to reflect the value of the investment held in Cluttons Investment Management (UK) LLP as at the balance sheet date. This prior year adjustment has impacted the carrying value of investments as disclosed above and the value of amounts due to members in the LLP which increased to £435,229 from £387,821 as previously stated.

25. Contingent liabilities

The LLP has given a guarantee of up to £3.1m (2021: £3.1m) supported by a debenture to HSBC bank. This secured guarantee is to cover any shortfall in the repayment of loans made by HSBC to certain members of the LLP for the purpose of funding a portion of their capital contributions. This is a contingent liability of the LLP.

26. Pension commitments

The Group contributes to defined contributions pension schemes on behalf of its employees. The assets of the pension scheme are held separately from those of the Group in independently administered funds. The pension cost charge represents contributions payable by the Group to the fund and amounted to £335,675 (2021: £280,045). Contributions totalling £69,685 (2021: £59,901) were payable to the fund at the Balance Sheet date and are included in other creditors.

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**NOTES TO THE FINANCIAL STATEMENTS  
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**27. Commitments under operating leases**

At 31 March 2022 the Group had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	<b>Group 2022</b>	<i>Group 2021</i>
	£	£
Not later than 1 year	<b>1,081,526</b>	1,067,904
Later than 1 year and not later than 5 years	<b>921,484</b>	1,753,464
Later than 5 years	<b>372,506</b>	506,130
	<b><u>2,375,516</u></b>	<u>3,327,498</u>

**28. Parent undertakings**

The immediate parent undertaking of this entity is Paisley Newco Limited, an entity which has no overall controlling party.

**29. Related party transactions**

The entity has taken advantage of the disclosure exemptions provided by Section 33.1A of FRS102 to not disclose transactions with subsidiaries that are wholly owned.

The Group incurred consultancy services during the year of £271,086 (2021: £225,000) from a company under the same ultimate controlling party. At the year end, the Group owed an amount of £589 (2021: £nil) to this company. The Group also incurred taxation services during the year of £62,319 (2021: £60,102) from a company under the same ultimate controlling party. At the year end, the Group owed an amount of £8,718 (2021: £5,415) to this company.

**Key management personnel**

The members of the management board are considered to be key management personnel. Total remuneration in respect of these individuals totalled £306,388 (2021: £238,700).

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022

30. Reconciliation of members' interests (Group)

	EQUITY		Loans and other debts due to		Total members' interests
	Members' other interests	Members' capital (classified as a liability)	Members' capital (classified as a liability)	Other amounts	
	Other reserves	Members' capital	Members' capital	Other amounts	Total
	£	£	£	£	£
Amounts due to members		2,975,008	1,067,550	4,042,558	
<b>Balance at 1 April 2020</b>	<b>2,326,315</b>	<b>2,975,008</b>	<b>1,067,550</b>	<b>4,042,558</b>	<b>6,368,873</b>
Members' remuneration charged as an expense	-	-	3,542,359	3,542,359	3,542,359
Profit for the year available for discretionary division among members	840,427	-	-	-	840,427
<b>Members' interests after profit for the year</b>	<b>3,166,742</b>	<b>2,975,008</b>	<b>4,609,909</b>	<b>7,584,917</b>	<b>10,751,659</b>
Allocation of profits	(1,195,614)	-	1,195,614	1,195,614	-
Capital introduced by members during the year	-	475,000	-	475,000	475,000
Repayments of capital during the year	-	(1,150,000)	-	(1,150,000)	(1,150,000)
Drawings (including tax payments)	-	-	(5,417,705)	(5,417,705)	(5,417,705)
Amounts due to members		2,300,008	387,818	2,687,826	
<b>Balance at 31 March 2021</b>	<b>1,971,127</b>	<b>2,300,008</b>	<b>387,818</b>	<b>2,687,826</b>	<b>4,658,953</b>
Members' remuneration charged as an expense	-	-	3,740,284	3,740,284	3,740,284
Profit for the year available for discretionary division among members	836,397	-	-	-	836,397
<b>Members' interests after profit for the year</b>	<b>2,807,524</b>	<b>2,300,008</b>	<b>4,128,102</b>	<b>6,428,110</b>	<b>9,235,634</b>
Allocation of profits	(2,094,534)	-	2,094,534	2,094,534	-
Capital introduced by members during the year	-	175,000	-	175,000	175,000
Repayments of capital during the year	-	(300,000)	-	(300,000)	(300,000)
Drawings (including tax payments)	-	-	(5,116,126)	(5,116,126)	(5,116,126)
Amounts due to members		2,175,008	1,106,510	3,281,518	
<b>Balance at 31 March 2022</b>	<b>712,990</b>	<b>2,175,008</b>	<b>1,106,510</b>	<b>3,281,518</b>	<b>3,994,508</b>

**CLUTTONS LLP**

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**30. Reconciliation of members' interests (LLP)**

	EQUITY Members' other interests	Loans and other debts due to members less any amounts due from members in debtors			Total members' interests
	Other reserves £	Members' capital (classified as a liability) £	Other amounts £	Total £	Total £
Amounts due to members		2,975,008	1,067,552	4,042,560	
<b>Balance at 1 April 2020</b>	2,276,039	2,975,008	1,067,552	4,042,560	6,318,599
Members' remuneration charged as an expense	-	-	3,542,359	3,542,359	3,542,359
Profit for the year available for discretionary division among members	436,362	-	-	-	436,362
<b>Members' interests after profit for the year</b>	2,712,401	2,975,008	4,609,911	7,584,919	10,297,320
Allocation of profits	(1,195,614)	-	1,195,614	1,195,614	-
Capital introduced by members in the year	-	475,000	-	475,000	475,000
Repayments of capital in the year	-	(1,150,000)	-	(1,150,000)	(1,150,000)
Drawings (including tax payments)	-	-	(5,417,705)	(5,417,705)	(5,417,705)
Other movements (as restated)	-	-	47,408	47,408	47,408
Amounts due to members (as restated)		2,300,008	435,229	2,735,237	
<b>Balance at 31 March 2021</b>	1,516,787	2,300,008	435,229	2,735,237	4,252,024
Members' remuneration charged as an expense	-	-	3,740,284	3,740,284	3,740,284
Profit for the year available for discretionary division among members	1,039,425	-	-	-	1,039,425
<b>Members' interests after profit for the year</b>	2,556,212	2,300,008	4,175,513	6,475,521	9,031,733
Allocation of profits	(2,094,534)	-	2,094,534	2,094,534	-
Capital introduced by members during the year	-	175,000	-	175,000	175,000
Repayments of capital during the year	-	(300,000)	-	(300,000)	(300,000)
Drawings (including tax payments)	-	-	(5,116,126)	(5,116,126)	(5,116,126)
Other movements	-	-	(47,408)	(47,408)	(47,408)
Amounts due to members		2,175,008	1,106,513	3,281,521	
<b>Balance at 31 March 2022</b>	461,678	2,175,008	1,106,513	3,281,521	3,743,199

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**NOTES TO THE FINANCIAL STATEMENTS  
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**31. Analysis of Net Debt (Group)**

	At 1 April 2021 £	Arising from cash flows £	Other non- cash changes £	At 31 March 2022 £
Cash at bank and in hand	3,624,693	(3,113,415)	-	511,278
Borrowings due within 1 year	(166,667)	64,855	-	(101,812)
Borrowings due after 1 year	(1,833,333)	1,468,508	-	(364,825)
<b>Net debt (before members' debt)</b>	<b>1,624,693</b>	<b>(1,580,052)</b>	<b>-</b>	<b>44,641</b>
<i>Loans and other debts due to members</i>				
Members' capital	(2,300,008)	125,000	-	(2,175,008)
Other amounts due to members	(387,818)	5,116,126	(5,834,818)	(1,106,510)
<b>Net debt</b>	<b>(1,063,133)</b>	<b>3,661,074</b>	<b>(5,834,818)</b>	<b>(3,236,877)</b>