

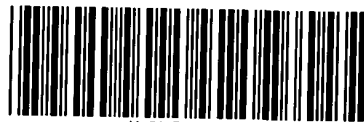
Registered number: 03851920

## **BAR SERVICES COMPANY LIMITED**

### **DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2017**

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**BAR SERVICES COMPANY LIMITED**

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**COMPANY INFORMATION**

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<b>Directors</b>	David Botha Michael Todd QC Paul Mosson (resigned 31 May 2017) Mark Hatcher
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<b>Company secretary</b>	Carol Harris
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<b>Registered number</b>	03851920
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<b>Registered office</b>	289-293 High Holborn London WC1V 7HZ
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**BAR SERVICES COMPANY LIMITED**

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## **BAR SERVICES COMPANY LIMITED**

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### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2017**

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The directors present their report and the financial statements for the year ended 31 March 2017.

#### **Directors' responsibilities statement**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors 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 Company and of the profit or loss of the Company for that period.

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

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### **Business review**

First launched to the Bar in April 2013, BARCO is the result of two years of exhaustive research and planning. Based on the French Carpa model, it was established to provide a unique solution for handling client money that allows the Bar Standards Board to uphold its prohibition on barristers and Bar Standards Board (BSB) regulated entities holding client money themselves. It was developed in partnership with the Bar, the Bar's clients, the regulatory community and in consultation with City insurers and the banking community to ensure that it was, and remains, transparent, trustworthy and cost effective.

As with any new business, the initial take up of the service was slow. However, the last financial year has seen a steady increase in the number of new cases opened each month with a 117% increase over the previous year. In February there was a record 95 new cases.

After much discussion and engagement with the Solicitors' Regulation Authority (SRA), last year saw them start to issue waivers to firms who wished to use the BARCO service. Furthermore, as part of the review into their Accounts Rules, the SRA launched a consultation in June which included a proposal to allow the use of Third Party Managed Accounts (TPMAs) as an alternative to client accounts. The findings from this consultation have recently been announced and this proposal will be implemented, along with the rest of the revisions to the Accounts Rules, at the end of 2018. This is excellent news for BARCO and opens up an exciting new market place.

BARCO has now been used to hold the funds in over 1,320 cases, including a high profile Class Action against a major financial institution, the costs for which were funded by 244 mortgagees. Although the majority of the cases are Public Access, there has been an increasing demand to hold funds in arbitration cases as well as international work.

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**BAR SERVICES COMPANY LIMITED**

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**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2017**

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**Directors**

The directors who served during the year were:

David Botha  
Michael Todd QC  
Paul Mosson (resigned 31 May 2017)  
Mark Hatcher

**Disclosure of information to auditors**

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

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

**Auditors**

The auditors, haysmacintyre, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

**Small companies note**

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 4 December 2017 and signed on its behalf.



Michael Todd QC  
Director

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**BAR SERVICES COMPANY LIMITED**

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**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF BAR SERVICES COMPANY LIMITED**

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We have audited the financial statements of Bar Services Company Limited for the year ended 31 March 2017, set out on pages 5 to 11. The relevant financial reporting framework that has been applied in their preparation is applicable law and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company'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 Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of Directors and Auditors**

As explained more fully in the Directors' Responsibilities Statement on page 1, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's Ethical Standards for Auditors.

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

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/apb/scope/UKNP](http://www.frc.org.uk/apb/scope/UKNP).

**Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2017 and of its 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.

**Opinion on other matter prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with those financial statements and this report has been prepared in accordance with applicable legal requirements.

In the light of our knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

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**BAR SERVICES COMPANY LIMITED**

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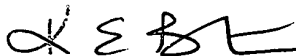
**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF BAR SERVICES COMPANY LIMITED  
(CONTINUED)**

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemption in preparing the Directors' Report and take advantage of the small companies' exemption from the requirement to prepare a Strategic Report.



Kathryn Burton (Senior Statutory Auditor)

for and on behalf of  
**haysmacintyre**

Statutory Auditors

26 Red Lion Square  
London  
WC1R 4AG

Date: 4 DECEMBER 2017

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**BAR SERVICES COMPANY LIMITED**

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**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 MARCH 2017**

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	Note	2017 £	2016 £
Turnover	3	21,302	10,513
<b>Gross profit</b>		21,302	10,513
Administrative expenses		(14,911)	(7,359)
<b>Operating profit</b>	4	6,391	3,154
<b>Profit for the year</b>		6,391	3,154

There was no other comprehensive income for 2017 (2016:£NIL).



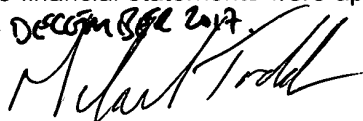
**BAR SERVICES COMPANY LIMITED**  
**REGISTERED NUMBER:03851920**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 MARCH 2017**

	Note	2017 £	2016 £
<b>Current assets</b>			
Cash at bank and in hand	7	56,692	37,325
		<u>56,692</u>	<u>37,325</u>
Creditors: amounts falling due within one year	8	(30,652)	(17,676)
		<u>(30,652)</u>	<u>(17,676)</u>
<b>Net current assets</b>		26,040	19,649
<b>Total assets less current liabilities</b>		<u>26,040</u>	<u>19,649</u>
Creditors: amounts falling due after more than one year	9	(316,000)	(316,000)
		<u>(316,000)</u>	<u>(316,000)</u>
<b>Net liabilities</b>		<u>(289,960)</u>	<u>(296,351)</u>
<b>Capital and reserves</b>			
Called up share capital	10	1	1
Profit and loss account	11	(289,961)	(296,352)
		<u>(289,960)</u>	<u>(296,351)</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on

4 December 2017.  


**Michael Todd QC**

Director

The notes on pages 7 to 11 form part of these financial statements.

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## **BAR SERVICES COMPANY LIMITED**

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### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017**

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#### **1. General information**

Bar Services Company Limited is an incorporated company registered in England and Wales. The registered office is 289-293 High Holborn, London, WC1V 7HZ.

The principle activities of Bar Services Company Limited is to develop a new escrow service to members of the Bar which enables them to deal directly with clients without holding clients' money themselves.

#### **2. Accounting policies**

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

The financial statements have been prepared under the historical cost convention and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006.

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

The following principal accounting policies have been applied:

##### **2.2 Financial reporting standard 102 - reduced disclosure exemptions**

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of The General Council of the Bar as at 31 March 2016 and these financial statements may be obtained from The Bar Council website..

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2017**

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**2. Accounting policies (continued)**

**2.3 Revenue**

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

**Rendering of services**

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

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

**2.4 Tangible fixed assets**

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Computer equipment	- 33% on cost
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The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

**2.5 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.

**2.6 Creditors**

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

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**BAR SERVICES COMPANY LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2017**

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**3. Turnover**

0.0% of the Company's turnover (2016: NIL) is attributable to geographical markets outside the United Kingdom.

**4. Operating profit**

The operating profit is stated after charging:

	2017 £	2016 £
Depreciation of tangible fixed assets	-	690
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	4,000	3,900
	<u>4,000</u>	<u>3,900</u>

**5. Auditors' remuneration**

	2017 £	2016 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual accounts	4,000	3,900
	<u>4,000</u>	<u>3,900</u>

**Fees payable to the Company's auditor and its associates in respect of:**

The auditing of accounts of associates of the Company pursuant to legislation	4,000	3,900
	<u>4,000</u>	<u>3,900</u>

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**BAR SERVICES COMPANY LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2017**

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**6. Tangible fixed assets**

	Computer equipment £
<b>Cost or valuation</b>	
At 1 April 2016	2,070
At 31 March 2017	<u>2,070</u>
<b>Depreciation</b>	
At 1 April 2016	2,070
At 31 March 2017	<u>2,070</u>
<b>Net book value</b>	
At 31 March 2017	<u>-</u>
At 31 March 2016	<u>-</u>

**7. Cash and cash equivalents**

	2017 £	2016 £
Cash at bank and in hand	56,692	37,325
	<u>56,692</u>	<u>37,325</u>

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

	2017 £	2016 £
Other creditors	15,603	2,727
Accruals and deferred income	15,049	14,949
	<u>30,652</u>	<u>17,676</u>

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**BAR SERVICES COMPANY LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2017**

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

	2017 £	2016 £
Amounts owed to group undertakings	316,000	316,000
	<u>316,000</u>	<u>316,000</u>

**10. Share capital**

	2017 £	2016 £
<b>Shares classified as equity</b>		
<b>Allotted, called up and fully paid</b>		
1 Ordinary share of £1	1	1
	<u>1</u>	<u>1</u>

**11. Reserves****Profit and loss account**

The profit and loss account represents the balance of retained profits or losses earned or incurred by the company.

**12. Controlling party**

The General Council of the Bar is the ultimate parent undertaking of the Bar Services Company. The General Council of the Bar's Special Advisor to the Chairman of the Bar, Director of Finance and Director of Services are Directors of the company.

The company has taken advantage of exemptions under FRS102 from disclosing transactions with the General Council of the Bar.