

Company Registration No. 05094078

Baker & McKenzie Global Services (UK) Limited

Annual Report and Financial Statements

For the year ended 30 June 2023



Baker & McKenzie Global Services (UK) Limited

ANNUAL REPORT AND FINANCIAL STATEMENTS
For the year ended 30 June 2023

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Baker & McKenzie Global Services (UK) Limited

ANNUAL REPORT AND FINANCIAL STATEMENTS
For the year ended 30 June 2023

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

A Chadwick
P Engstrom
W Washington III

COMPANY SECRETARY

Abogado Nominees Limited

REGISTERED OFFICE

280 Bishopsgate
London
EC2M 4RB
United Kingdom

BANKERS

HSBC Bank plc
71 Queen Victoria Street
London
EC4V 4AY
United Kingdom

AUDITOR

Deloitte LLP
Statutory Auditor
1 New Street Square
London
EC4A 3HQ
United Kingdom

Baker & McKenzie Global Services (UK) Limited

ANNUAL REPORT AND FINANCIAL STATEMENTS For the year ended 30 June 2023

STRATEGIC REPORT

The directors present their annual report on the affairs of Baker & McKenzie Global Services (UK) Limited ('the Company'), together with the financial statements and auditor's report, for the year ended 30 June 2023.

REVIEW OF THE BUSINESS

The principal activity of the Company is that of the provision of support services to member firms of the Baker & McKenzie global organisation.

The directors consider that the Company has performed satisfactorily in the year under review. The position at the year-end is considered satisfactory.

RESULTS

There was a profit for the year after taxation amounting to £727,204 (2022: £667,835).

KEY PERFORMANCE INDICATORS

The directors consider the key indicator of the Company's performance to be turnover. As shown in the Company's Statement of Comprehensive Income on page 9, the Company's turnover was 14% higher (2022: 6% higher) than the prior year resulting from a higher level of support services provided to member firms of the Baker & McKenzie global organisation with activity levels returning to near pre-pandemic levels.

Given that the Company is engaged solely in the supply of support services, the Company's directors believe that further key performance indicators are not necessary or appropriate for an understanding of the development, performance or position of the business.

PRINCIPAL RISKS AND UNCERTAINTIES

The principal business risk is the going concern of Baker & McKenzie International BV and Baker & McKenzie member firms. In order to assess and mitigate this risk, the directors continually review the financial position of the group, to ensure the staff and services supplied continue to be required.

FUTURE DEVELOPMENTS

The entity will continue with its principal activity for the foreseeable future, being at least 12 months from the date of approval of these financial statements.

Approved by the Board of Directors and signed on their behalf



A Chadwick

Director

26 March 2024

280 Bishopsgate

London

EC2M 4RB

United Kingdom

Baker & McKenzie Global Services (UK) Limited

ANNUAL REPORT AND FINANCIAL STATEMENTS For the year ended 30 June 2023

DIRECTORS' REPORT

DIRECTORS

The directors of the Company who served during the year, and since the year end to the date of signing, were as follows:

A Chadwick
P Engstrom
W Washington III

GOING CONCERN

During the course of the financial year the business environment has been challenging as a result of foreign exchange volatility and inflationary pressures.

The directors have considered the impact of the economic environment on the Company's business. They have considered the underlying strength of Baker & McKenzie International BV, including considering the facilities it has available and the combined forecasts for the Baker & McKenzie Verein members. In addition the Company has received confirmation of Baker & McKenzie International BV's continued support for a period of at least 12 months from the date of signing of these financial statements. The directors therefore have a reasonable expectation that the Company 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 financial statements.

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company is exposed to financial risk through its financial assets and liabilities. The key financial risk is that the proceeds from financial assets are not sufficient to fund the obligations arising from liabilities as they fall due. The most important components of financial risk are interest rate risk, currency risk, credit risk, liquidity risk, cash flow risk and price risk. Due to the nature of the Company's business the only financial risks that the directors consider relevant to the Company are cash flow risks.

The Company addresses cash flow risk carefully, managing its working capital inflows and outflows.

DIVIDENDS

An interim dividend of £650,000 (2022: £700,000) was paid on 21 June 2023. No further dividends have been proposed.

MATTERS COVERED IN THE STRATEGIC REPORT

In accordance with section 414C(11) of the Companies Act 2006 the Company has chosen to include information in relation to future developments in the Company's strategic report.

AUDITOR

Deloitte LLP have indicated their willingness to be reappointed for another term and appropriate arrangements are being made for them to be deemed reappointed as auditor in the absence of an Annual General Meeting.

Baker & McKenzie Global Services (UK) Limited

**ANNUAL REPORT AND FINANCIAL STATEMENTS
For the year ended 30 June 2023**

DIRECTORS' REPORT (continued)


AUDIT INFORMATION

Each of the directors at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Approved by the Board of Directors



A Chadwick

Director

26 March 2024

280 Bishopsgate
London
EC2M 4RB
United Kingdom

Baker & McKenzie Global Services (UK) Limited

ANNUAL REPORT AND FINANCIAL STATEMENTS For the year ended 30 June 2023

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Annual 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 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 and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; and
- 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 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.

Baker & McKenzie Global Services (UK) Limited

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF Baker & McKenzie Global Services (UK) Limited

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OPINION

In our opinion the financial statements of Baker & McKenzie Global Services (UK) Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 30 June 2023 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the statement of comprehensive income;
- the balance sheet;
- the statement of changes in equity;
- the cash flow statement; and
- the related notes 1 to 18.

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).

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 company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (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

In auditing the financial statements, we have concluded that the directors' 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 company'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 directors with respect to going concern are described in the relevant sections of this report.

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 directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Baker & McKenzie Global Services (UK) Limited

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF Baker & McKenzie Global Services (UK) Limited

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.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors 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 directors 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 directors are responsible for assessing the company'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 directors either intend to liquidate the company 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 FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. 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 considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory frameworks that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

Baker & McKenzie Global Services (UK) Limited

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF Baker & McKenzie Global Services (UK) Limited

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and in-house legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

Report on other legal and regulatory requirements

Opinions on other matters 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 strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters 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.

We have nothing to report in respect of these matters.

Use of our report

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 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Jeremy Black, ACA (Senior statutory auditor)

For and on behalf of Deloitte LLP

Statutory Auditor

London, UK

27 March 2024

Baker & McKenzie Global Services (UK) Limited

STATEMENT OF COMPREHENSIVE INCOME For the year ended 30 June 2023

	Notes	2023 £	2022 £
TURNOVER	3	22,708,118	19,939,848
Cost of sales		-	-
Gross profit		22,708,118	19,939,848
Administrative expenses		(21,767,979)	(19,028,269)
OPERATING PROFIT	5	940,139	911,579
Finance income	7	141,201	37,938
PROFIT BEFORE TAXATION	5	1,081,340	949,517
Tax on profit	8	(354,136)	(281,682)
PROFIT FOR THE FINANCIAL YEAR ATTRIBUTABLE TO EQUITY SHAREHOLDERS OF THE COMPANY		727,204	667,835

All activities relate to continuing operations.

There are no items of other comprehensive income in the current or preceding year.

Baker & McKenzie Global Services (UK) Limited

BALANCE SHEET As at 30 June 2023

	Notes	2023 £	2022 £
CURRENT ASSETS			
Debtors	10	4,680,645	4,339,826
Cash at bank and in hand		43,743	143,541
		<hr/> 4,724,388	<hr/> 4,483,367
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	11	(3,929,093)	(3,765,276)
		<hr/> 795,295	<hr/> 718,091
NET CURRENT ASSETS			
TOTAL ASSETS LESS CURRENT LIABILITIES AND NET ASSETS		<hr/> 795,295	<hr/> 718,091
CAPITAL AND RESERVES			
Called up share capital	15	1,000	1,000
Profit and loss account		794,295	717,091
		<hr/> 795,295	<hr/> 718,091
SHAREHOLDERS' FUNDS			
		<hr/> 795,295	<hr/> 718,091

The financial statements of Baker & McKenzie Global Services (UK) Limited (registered number 05094078) were approved by the Board of Directors and authorised for issue on 26 March 2024.

Signed on behalf of the Board of Directors



A Chadwick
Director
280 Bishopsgate
London
EC2M 4RB
United Kingdom

Baker & McKenzie Global Services (UK) Limited

STATEMENT OF CHANGES IN EQUITY **As at 30 June 2023**

	Note	Called-up share capital £	Profit and loss account £	Total £
AT 1 JULY 2021		1,000	749,256	750,256
Profit for the financial year		-	667,835	667,835
Dividends paid on equity shares	9	-	(700,000)	(700,000)
AT 30 JUNE 2022		1,000	717,091	718,091
Profit for the financial year		-	727,204	727,204
Dividends paid on equity shares	9	-	(650,000)	(650,000)
AT 30 JUNE 2023		1,000	794,295	795,295

Baker & McKenzie Global Services (UK) Limited

CASH FLOW STATEMENT For the year ended 30 June 2023

	Notes	2023 £	2022 £
NET CASH GENERATED FROM OPERATING ACTIVITIES	13	409,001	749,540
CASH FLOWS USED IN FINANCING ACTIVITIES			
Dividends paid		(650,000)	(700,000)
Interest received		141,201	37,938
Net cash flows used in financing activities		<u>(508,799)</u>	<u>(662,062)</u>
Net (decrease)/ increase in cash and cash equivalents		<u>(99,798)</u>	<u>87,478</u>
Cash and cash equivalents at beginning of year		<u>143,541</u>	<u>56,063</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR		<u>43,743</u>	<u>143,541</u>
Reconciliation to cash at bank and in hand:			
Cash at bank and in hand		<u>43,743</u>	<u>143,541</u>
CASH AND CASH EQUIVALENTS		<u>43,743</u>	<u>143,541</u>

Baker & McKenzie Global Services (UK) Limited

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2023

1. ACCOUNTING POLICIES

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and to the preceding year.

General information and basis of preparation

Baker & McKenzie Global Services (UK) Limited is a private company limited by shares incorporated in the United Kingdom under the Companies Act 2006 and is registered in England and Wales. The address of the registered office is given on page 1. The nature of the Company's operations and its principal activities are set out in the Strategic Report on page 2.

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

The functional currency of the Company is considered to be pounds sterling because that is the currency of the primary economic environment in which the Company operates.

Going concern

During the course of the financial year the business environment has been challenging as a result of foreign exchange volatility and inflationary pressures.

The directors have considered the impact of the economic environment on the Company's business. They have considered the underlying strength of Baker & McKenzie International BV, including considering the facilities it has available and the combined forecasts for the Baker & McKenzie Verein members. In addition the Company has received confirmation of Baker & McKenzie International BV's continued support for a period of at least 12 months. The directors therefore have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future, being at least 12 months from the date of approval of these financial statements. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Financial instruments

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

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

Financial assets and liabilities

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the Company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Baker & McKenzie Global Services (UK) Limited

NOTES TO THE FINANCIAL STATEMENTS (continued) **For the year ended 30 June 2023**

1. ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Debt instruments that have no stated interest rate (and do not constitute financing transaction) and are classified as payable or receivable within one year are initially measured at an undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

Commitments to make and receive loans which meet the conditions mentioned above are measured at cost (which may be nil) less impairment.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the Company transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the Company, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

Turnover

Turnover is recorded at the fair value of the consideration receivable for services provided in the normal course of business excluding value added tax. All sales are made from within the United Kingdom. Turnover is recognised as per the contractual terms of the recharge to the parent company and is recorded at fair value.

Taxation

Current taxation, including UK corporation tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred taxation is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements.

Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be reversed. Deferred tax assets and liabilities are not discounted.

Foreign currency transactions

Transactions in foreign currencies are recorded at the rate of exchange prevailing at the date of transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date. Exchange differences are included in the statement of comprehensive income.

Baker & McKenzie Global Services (UK) Limited

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 30 June 2023

1. ACCOUNTING POLICIES (continued)

Pension costs

Baker & McKenzie Global Services (UK) Limited operates a defined contribution pension scheme for staff. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting. Dividends on shares recognised as liabilities are recognised as expenses.

Employee benefits

The firm makes provision for holiday entitlement accrued by staff but not yet taken at the balance sheet date based on the relevant salaries at that date.

A liability for redundancy costs is recognised when the Company has committed to the termination of the employment of employees before normal retirement date. The liability is recognised based on the best estimate of the ex-gratia amounts payable as at the balance sheet date.

2. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company's accounting policies, which are described in note 1, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The directors do not consider there are any key sources of estimation uncertainty or critical accounting judgements affecting the amounts recognised in the financial statements.

3. TURNOVER

Turnover represents fee income earned from the provision of support services to member firms of the Baker & McKenzie global organisation in the United Kingdom and is stated net of value added tax.

	2023 £	2022 £
Rendering of services	22,708,118	19,939,848
	<u>22,708,118</u>	<u>19,939,848</u>

Baker & McKenzie Global Services (UK) Limited

NOTES TO THE FINANCIAL STATEMENTS (continued) For the year ended 30 June 2023

4. DIRECTORS AND EMPLOYEES

	2023 £	2022 £
Staff costs during the year were as follows:		
Wages and salaries	13,968,851	12,493,289
Redundancy costs	365,263	17,084
Social security costs	1,835,089	1,736,698
Pension costs (note 14)	601,476	491,439
	<u>16,770,679</u>	<u>14,738,510</u>
	No.	No.
The average monthly number of employees (excluding directors) was as follows:		
Administration	78	78
	<u>78</u>	<u>78</u>

The directors received no remuneration in respect of their services to the Company during the year (2022: £nil).

5. OPERATING PROFIT AND PROFIT BEFORE TAXATION

	2023 £	2022 £
The operating profit and profit before taxation is stated after charging:		
Foreign exchange loss	<u>7,518</u>	<u>3,265</u>

6. AUDITOR'S REMUNERATION

Fees payable to Deloitte LLP and their associates for the audit of the Company's annual financial statements were £35,300 (2022: £28,550).

Fees payable to Deloitte LLP and their associates for non-audit services to the Company comprised tax compliance fees of £12,200 (2022: £10,300).

7. FINANCE INCOME

	2023 £	2022 £
Interest receivable from group undertakings	<u>141,201</u>	<u>37,938</u>

Baker & McKenzie Global Services (UK) Limited

NOTES TO THE FINANCIAL STATEMENTS (continued) **For the year ended 30 June 2023**

8. TAX ON PROFIT

a) Tax on profit

The tax charge comprises:

	2023	2022
	£	£
Current tax		
UK corporation tax	338,053	282,335
Adjustment in respect of prior years	16,083	(653)
Total tax on profit (note 8 b)	<u>354,136</u>	<u>281,682</u>

b) Factors affecting total tax charge

The differences between the total current tax shown above and the amount calculated by applying the standard rates of UK corporation tax to the profit before tax is as follows:

	2023	2022
	£	£
Profit before tax	1,081,340	949,517
Tax at 20.50% (2022: 19%)	221,630	180,408
Adjustment for non-deductible items	116,423	101,927
Adjustment in respect of prior years	16,083	(653)
Total tax charge for year (note 8 a)	<u>354,136</u>	<u>281,682</u>

The standard rate of tax applied to reported profit is 20.5% (2022: 19%). As per the Finance (No.2) Act 2021, the UK Corporation Tax increased from 19% to 25% effective from 1 April 2023.

9. DIVIDEND

	2023	2022
	£	£
Dividend paid on equity shares	650,000	700,000
	<u>650,000</u>	<u>700,000</u>

Baker & McKenzie Global Services (UK) Limited

NOTES TO THE FINANCIAL STATEMENTS (continued) **For the year ended 30 June 2023**

10. DEBTORS

	2023	2022
	£	£
Amounts due from parent company	4,357,310	3,638,917
Amounts due from Baker & McKenzie firms	125,372	214,146
VAT	30,813	102,666
Other debtors	287	288
Prepayments and accrued income	166,863	383,809
	<hr/>	<hr/>
	4,680,645	4,339,826

The amounts due from Baker & McKenzie firms and the parent company are unsecured and repayable on demand.

The interest rate is agreed annually with the relevant member firms that the balances are due from.

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023	2022
	£	£
Other taxation and social security	678,082	499,696
Corporation tax	51,112	98,977
Trade creditors	98,609	377,656
Accruals (including bonus accruals)	2,805,293	2,514,002
Other creditors	202,426	108,549
Amounts due to Baker & McKenzie firms	93,571	166,396
	<hr/>	<hr/>
	3,929,093	3,765,276

The amounts due to Baker & McKenzie firms are unsecured and repayable on demand.

The interest rate is agreed annually with the relevant member firms that the balances are due to.

Baker & McKenzie Global Services (UK) Limited

NOTES TO THE FINANCIAL STATEMENTS (continued) For the year ended 30 June 2023

12. FINANCIAL INSTRUMENTS

	2023 £	2022 £
Financial assets		
Financial assets that are debt instruments measured at amortised cost	4,526,712	3,996,892
	<u>4,526,712</u>	<u>3,996,892</u>
Financial liabilities		
Financial liabilities measured at amortised cost	3,199,899	3,166,603
	<u>3,199,899</u>	<u>3,166,603</u>

Financial assets measured at amortised cost comprise cash at bank, amounts owed by Baker & McKenzie firms and the parent undertaking and other debtors.

Financial liabilities measured at amortised cost comprise amounts owed to Baker & McKenzie firms, other creditors, trade creditors and accruals.

13. CASH FLOW STATEMENT

Reconciliation of operating profit to cash generated by operations:

	2023 £	2022 £
Operating profit	940,139	911,579
Adjustment for:		
Increase in debtors	(340,819)	(410,846)
Increase in creditors	211,682	363,307
	<u>811,002</u>	<u>864,040</u>
Cash generated by operations		
Corporation tax	(402,001)	(114,500)
	<u>409,001</u>	<u>749,540</u>
Net cash from operating activities		

14. PENSIONS

The Company operates a defined contribution pension scheme.

The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £601,476 (2022: £491,439).

Amounts due as at 30 June 2023: £123,547 (2022: £38,657).

Baker & McKenzie Global Services (UK) Limited

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 30 June 2023

15. CALLED UP SHARE CAPITAL

	2023 £	2022 £
Allotted, called up and fully paid 1,000 ordinary shares of £1 each	1,000	1,000

The Company has one class of ordinary shares which carry no right to fixed income.

16. RESERVES

Profit and loss account

Includes all current and prior period retained profits and losses, less dividend paid.

17. RELATED PARTY TRANSACTIONS

Transactions with related parties are made at normal market prices. Outstanding balances with entities are unsecured and repayable on demand. The interest rate is agreed annually with the relevant related party that the balances are due from or due to.

	2023 £	2022 £
Sales to entities with control, joint control and significant influence over the Company	22,708,118	19,939,848
Other amounts received from entities with control, joint control and significant influence over the Company	533,356	558,148
Interest receivable from entities with control, joint control and significant influence over the Company	141,201	37,938
Amount due from entities with control, joint control and significant influence over the Company	4,357,310	3,638,917

Key management personnel compensation

Key management personnel includes those persons having authority and responsibility for planning, directing and controlling the activities of the Company. Total amounts paid to key personnel during the year was £3,740,000 (2022: £2,922,000).

18. ULTIMATE CONTROLLING PARTY

The immediate and ultimate parent company and ultimate controlling party of Baker & McKenzie Global Services (UK) Limited is Baker & McKenzie International B.V., a company incorporated in the Netherlands.

The only entity which prepares group financial statements which include the Company is Baker & McKenzie International B.V. Copies of Baker & McKenzie International B.V.'s consolidated accounts are available at Claude Debussylaan 54, 1082MD, Amsterdam, The Netherlands, the parent company's registered office.