

BDO LLP Limited

Report and Financial statements for the

52 weeks ended

03 July 2020

Registered number: 5177887

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BDO LLP Limited

Report and financial statements for the 52 weeks ended 03 July 2020

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Directors

A Butterworth
S Knight
D I Lowson
A L Sayers
J A Randall
S C Collins (Appointed 3 July 2020)

Company secretary

M A Hutchinson

Registered office

55 Baker Street, London, W1U 7EU

Registered number

5177887

Independent auditors

PricewaterhouseCoopers LLP, Chartered Accountants and Statutory Auditors, 1 Embankment Place, London, WC2N 6RH

Company type

Private company limited by shares

BDO LLP Limited

Directors' report for the 52 weeks ended 03 July 2020

The directors present their report and the audited financial statements for the year ended 03 July 2020.

Principal activities and business review

The principal activity of the company is to act as a holding company.

The profit for the financial year amounted to £9.7m (2019 – loss of £19.7m). The balance sheet shows a net liability position of £23.9m (2019 – net liabilities of £33.6m). Turnover has decreased since last year (2020 - £nil, 2019 - £8.6m) as the company has now ceased trading.

Dividends of £10.5m were received during the year (2019 - £20.4m) from BDO Services Limited. The directors did not recommend a payment of a dividend (2019 - £16.6m).

Directors

The directors of the company who were in office during the year and up to the date of signing the financial statements were:

A Butterworth
M A Sherfield (Resigned 3 July 2020)
S Knight
D I Lowson
A L Sayers
J A Randall
S C Collins (Appointed 3 July 2020)

Directors' indemnity statement

As permitted by the Articles of Association, the Directors have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force. The Company maintained throughout the financial year Directors' and Officers' liability insurance in respect of itself and its Directors which is provided for by the ultimate parent undertaking.

Going concern

The company acts as a holding company for its ultimate parent entity, BDO LLP. The appropriateness of the directors' use of the going concern assumption in preparing these financial statements is therefore dependent upon the company's relationship with, and continuing trade with, its ultimate parent entity.

BDO LLP has seen its business impacted by the emergence of the COVID-19 coronavirus and the actions taken by governments in order to reduce its spread however overall performance remains satisfactory and the directors are confident the company will maintain adequate resources to allow settlement of all liabilities as they fall due for the foreseeable future. Additionally, a letter of support from BDO LLP to BDO LLP Limited is currently in place, assuring financial support for a minimum period of no less than 12 months from the date of signing these accounts, if deemed necessary. Therefore, the going concern basis has been adopted in preparing the financial statements.

BDO LLP Limited

Directors' report (continued) for the 52 weeks ended 03 July 2020

Provision 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 that director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- That director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditors in connection with preparing their report and to establish that the company's auditors are aware of that information.

Statement of directors' responsibilities in respect of the financial statements

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

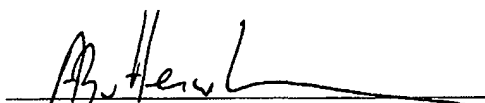
Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law). 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 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.

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.

On behalf of the Board



A Butterworth
Director
1 December 2020

BDO LLP Limited

Independent auditors' report to the members of BDO LLP Limited

Report on the audit of the financial statements

Opinion

In our opinion, BDO LLP Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 3 July 2020 and of its profit for the 52 week period (the "period") then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Report and Financial statements (the "Annual Report"), which comprise: the balance sheet as at 3 July 2020; the profit and loss account, the statement of changes in equity for the 52 week period then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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

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

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion on, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent

BDO LLP Limited

Independent auditors' report to the members of BDO LLP Limited (*continued*)

Reporting on other information (*continued*)

material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities. With respect to the Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' Report for the period ended 3 July 2020 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of directors' responsibilities in respect of the financial statements set out on page 2, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they 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.

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 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 auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

BDO LLP Limited

Independent auditors' report to the members of BDO LLP Limited (*continued*)

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.
-

We have no exceptions to report arising from this responsibility.

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.



Nigel Reynolds (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
1 December 2020

BDO LLP Limited

Profit and loss account for the 52 weeks ended 03 July 2020

	Note	52 weeks Ended 03 July 2020 £'m	53 weeks Ended 05 July 2019 £'m
Turnover	3	-	8.6
Cost of sales		-	(5.3)
		<u>-</u>	<u>(5.3)</u>
Gross profit		-	3.3
Administrative expenses	4	(0.1)	(1.9)
Other operating expenses		-	(41.2)
		<u>(0.1)</u>	<u>(41.2)</u>
Operating (loss)		(0.1)	(39.8)
Finance expenses	5	(0.7)	-
Income from shares in group undertakings		10.5	20.4
		<u>9.7</u>	<u>(19.4)</u>
Profit/(loss) before taxation		9.7	(19.4)
Tax on profit/(loss)	6	-	(0.3)
		<u>-</u>	<u>(0.3)</u>
Profit/(loss) for the financial year		<u>9.7</u>	<u>(19.7)</u>

The notes on pages 9 to 15 form part of these financial statements.

BDO LLP Limited

Balance sheet as at 03 July 2020

Registered number: 5177887	Note	03 July 2020 £'m	03 July 2020 £'m	05 July 2019 £'m	05 July 2019 £'m
Fixed assets					
Investments	7		-		-
Current assets					
Debtors	8	-		1.8	
Cash at bank and in hand		0.2		34.3	
Creditors: amounts falling due within one year	9	(24.1)		(35.7)	
Net current (liabilities)/assets			(23.9)		0.4
Total assets less current liabilities			(23.9)		0.4
Creditors: amounts falling due after more than one year	10		-		(34.0)
Net (liabilities)			(23.9)		(33.6)
Capital and reserves					
Called up share capital	12		-		-
Profit and loss account			(23.9)		(33.6)
Total deficit			(23.9)		(33.6)

The financial statements on pages 6 to 15 were approved by the Board of directors on 1 December 2020 and signed on its behalf by:



S C Collins
Director

The notes on pages 9 to 15 form part of these financial statements.

BDO LLP Limited

Statement of changes in equity for the 52 weeks ended 03 July 2020

	Called up share capital £'m	Profit and loss account £'m	Total deficit £'m
30 June 2018	-	2.7	2.7
(Loss) and total comprehensive expense for the financial year	-	(19.7)	(19.7)
Contributions by and distributions to owners:			
Dividends and distributions	-	(16.6)	(16.6)
05 July 2019	-	(33.6)	(33.6)
06 July 2019	-	(33.6)	(33.6)
Profit and total comprehensive income for the financial year	-	9.7	9.7
Contributions by and distributions to owners:			
Dividends and distributions	-	-	-
03 July 2020	-	(23.9)	(23.9)

The notes on pages 9 to 15 form part of these financial statements.

BDO LLP Limited

Notes to the financial statements for the 52 weeks ended 03 July 2020

1 Accounting policies

The financial statements have been prepared in accordance with FRS 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland. In respect of the recognition and measurement of financial instruments, section 11 and 12 of FRS 102 have been applied accordingly. The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 2006.

BDO LLP Limited is a Private UK limited company registered in England and Wales under number 05177887. The registered office is 55 Baker Street, London, W1U 7EU

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies. Further details are given in note 2.

FRS 102 reduced disclosure exemptions

As a member of a group where the parent of that group prepares publicly available consolidated financial statements intended to give a true and fair view and by virtue of being included in that consolidation, the company meets the definition of a qualifying entity for the purposes of applying the reduced disclosure exemptions in FRS 102. Accordingly, in preparing these financial statements advantage has been taken of the following disclosure exemptions:

- No cash flow statement has been presented; and
- No disclosure has been given for the aggregate remuneration of the key management personnel of the company as their remuneration is included in the consolidated financial statements for the group of which it is a member.

Going concern

The company acts as a holding company for its ultimate parent entity, BDO LLP. The appropriateness of the directors' use of the going concern assumption in preparing these financial statements is therefore dependent upon the company's relationship with, and continuing trade with, its ultimate parent entity.

BDO LLP has seen its business impacted by the emergence of the COVID-19 coronavirus and the actions taken by governments in order to reduce its spread however overall performance remains satisfactory and the directors are confident the company will maintain adequate resources to allow settlement of all liabilities as they fall due for the foreseeable future. Additionally, a letter of support from BDO LLP to BDO LLP Limited is currently in place, assuring financial support for a minimum period of no less than 12 months from the date of signing these accounts, if deemed necessary. Therefore, the going concern basis has been adopted in preparing the financial statements.

Consolidated financial statements

The financial statements contain information about BDO LLP Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company has taken advantage of the exemption conferred by section 400 of the Companies Act 2006 not to produce consolidated financial statements as it is included in EEA group financial statements of a larger group, headed up by BDO LLP, which are publicly available.

BDO LLP Limited

Notes to the financial statements for the 52 weeks ended 03 July 2020 (*continued*)

1 Accounting policies (*continued*)

The following principal accounting policies have, except where stated, been applied consistently during the year:

Turnover

Turnover in prior year represented the fair value of services provided during the period to clients. Turnover was recognised as contract activity progressed and the right to consideration is earned. Fair value reflected the amount expected to be recoverable from clients and was based on time spent, skills and expertise provided and expenses incurred, but excludes VAT.

Turnover in respect of contingent fee assignments (over and above any agreed minimum fee which was recognised as above) was recognised in the period when the contingent event occurs and the fee was assured.

Fixed asset investments

Investments in subsidiary undertakings are stated at cost less provision for any impairment.

Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest rate method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

Financial assets

Financial assets, other than investments and derivatives, are initially measured at transaction price (including transaction costs) and subsequently held at amortised cost, less any impairment.

Financial liabilities and equity

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form. Financial liabilities, excluding derivatives, are initially measured at transaction price (including transaction costs) and subsequently held at amortised cost using the effective interest rate.

Current and deferred taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a charge attributable to an item of income or expense recognised as other comprehensive income or to an item recognised directly in equity is recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.

Deferred balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except:

BDO LLP Limited

Notes to the financial statements for the 52 weeks ended 03 July 2020 (continued)

Current and deferred taxation (continued)

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where timing differences relate to interests in subsidiaries, associates, branches and joint ventures and the group can control their reversal and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax.

Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

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 shareholders at an annual general meeting.

2 Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the directors have not made any judgements or estimates. The directors do not believe there is any risk over the recoverability of intercompany balances.

3 Turnover

Turnover for the period was nil, all trading activities have ceased.

4 Administrative expenses

The company has no employees other than the directors (2019 – nil). The monthly average number of directors in the year is 6 (2019 - 6) and the directors received £71,745 remuneration from the company (2019 - £105,817). Directors' remuneration was reduced to nil from January 2020 onwards.

Auditors' remuneration of £2,500 solely refers to audit fees.

5 Finance expenses

	52 weeks ended 03 July 2020 £'m	53 weeks ended 05 July 2019 £'m
Interest on Intercompany loan	(0.7)	-

BDO LLP Limited

Notes to the financial statements for the 52 weeks ended 03 July 2020 (*continued*)

6 Tax on profit/(loss)

	52 weeks ended 03 July 2020 £'m	53 weeks ended 05 July 2019 £'m
<i>Current tax</i>		
UK corporation tax	-	0.3

The tax assessed for the year is lower than (2019: higher) the standard rate of corporation tax in the UK of 19% (2019 – 19%). The differences are explained below:

	52 weeks ended 03 July 2020 £'m	53 weeks ended 05 July 2019 £'m
Profit/(loss) before taxation	9.7	(19.4)
Profit/(loss) before taxation at the standard rate of corporation tax in the UK of 19% (2019 - 19%)	1.8	(3.7)
Effect of:		
Expenses/(income) not subject to taxation:		
Disallowable expenses	0.2	7.9
Non-taxable income	(2.0)	(3.9)
Total tax charge	-	0.3

BDO LLP Limited

Notes to the financial statements for the 52 weeks ended 03 July 2020 (continued)

7 Investments

**Subsidiary
Undertakings
£'000**

Cost and net book value - ordinary shares

At 05 July 2019 and 03 July 2020

10

The undertakings in which the company has an interest at the year end are as follows:

Subsidiary Undertakings	Country of incorporation, registration and operation	Proportion of voting rights, ordinary share capital held	Nature of business
Direct interests:			
Registered at: 55 Baker St, London, W1U 7EU			
BDO Services Limited	England & Wales	100%	Professional services
Chiltern tax support for professionals Ltd	England & Wales	100%	Professional services
Indirect interests:			
Registered at: 55 Baker St, London, W1U 7EU			
BDO Employment Services Ltd	England & Wales	100% (£2)	Professional services
BDO Holdings Ltd	England & Wales	100% (£1)	Holding company

The directors believe that the carrying value of the investments is supported by their underlying net assets.
Post year end dividends have been received.

8 Debtors

**03 July
2020
£'m**

**05 July
2019
£'m**

Amounts owed by group undertakings

-

1.8

The amounts owed by group undertakings are interest free and unsecured and repayable on demand.

BDO LLP Limited

Notes to the financial statements for the 52 weeks ended 03 July 2020 (continued)

9	Creditors: amounts falling due within one year	03 July 2020 £'m	05 July 2019 £'m
	Amounts owed to group undertakings	24.1	35.5
	Corporation Tax	-	0.2
		<u>24.1</u>	<u>35.7</u>

The amounts owed to group undertakings are interest free and unsecured and repayable on demand.

10	Creditors: amounts falling due after more than one year	03 July 2020 £'m	05 July 2019 £'m
	Amounts owed to group undertakings - loan	-	34.0

The amounts owed to group undertakings – loan, are interest bearing at 1.8% above LIBOR and are repayable by June 2022.

11 Financial instruments

The company's financial instruments may be analysed as follows:

	03 July 2020 £'m	05 July 2019 £'m
Financial assets measured at amortised cost	0.2	36.1
Financial liabilities measured at amortised cost	24.1	69.5

Financial assets measured at amortised cost comprise of cash at bank and in hand.

Financial liabilities measured at amortised cost comprise amounts owed to group undertakings.

12	Called up share capital	03 July 2020 £'000	05 July 2019 £'000
	<i>Allotted and fully paid</i>		
	10,001 ordinary shares of £1 each	10	10

BDO LLP Limited

Notes to the financial statements for the 52 weeks ended 03 July 2020 (*continued*)

13 Dividends and distributions	03 July 2020 £'m	05 July 2019 £'m
Dividends and distributions paid on equity capital £nil (2019: £1,664 per ordinary share)	-	16.6

In prior year, dividends and distributions were paid during the course of the year, the directors having prepared interim financial statements as required by section 836 of the Companies Act 2006.

14 Ultimate parent undertaking and controlling party

The ultimate parent undertaking and controlling party is BDO LLP, a limited liability partnership incorporated in the UK and registered in England. Consolidated financial statements are only prepared in respect of BDO LLP which is the parent undertaking of the largest and smallest group of undertakings. Copies of the consolidated financial statements of BDO LLP are available from Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ.