

Company Registration No. 07466427

Taylor Wessing Services Limited

Annual report and financial statements

for the year ended 30 April 2018

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Taylor Wessing Services Limited

Report and financial statements 2018

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Taylor Wessing Services Limited

Report and financial statements 2018

Officers and professional advisers

Directors

T G Eyles

D J Findlay

A C Robertson (resigned on 4 June 2018)

R Reid (appointed on 4 June 2018)

Registered Office

5 New Street Square

London

EC4A 3TW

Bankers

National Westminster Bank PLC

Fleet Street Branch

PO Box 281

156 Fleet Street

London

EC4A 2DX

Solicitors

Taylor Wessing LLP

Auditor

Deloitte LLP

Statutory Auditor

London

Taylor Wessing Services Limited

Strategic report

Principal activity and review of the business

The company employs and provides staff and other services to Taylor Wessing LLP.

The Directors are pleased to report that the company has traded satisfactorily in the year under review. The directors consider the key indicator of the company's performance to be turnover. As shown in the company's profit and loss account on page 9, the company's turnover was 6% more than in the prior year.

The company's balance sheet on page 10 shows that the company's financial position remains satisfactory with shareholder funds of £1,794,272.

The directors consider the company's current level of business activity and the year-end financial position to be satisfactory, and that this level of activity will be sustained for the foreseeable future.

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

Business Risks

The key business risk is the need to maintain a good customer relationship with Taylor Wessing LLP and so be able to continue to supply staff and services to that business. The relationship with Taylor Wessing LLP remains good.

Prospects

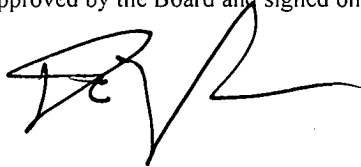
The Directors consider that the company will continue to trade in a similar manner in the foreseeable future.

Financial Risk Management

The company is exposed to financial risk through its financial assets and liabilities. 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 and the assets and liabilities contained within the company's balance sheet, the only financial risks the directors consider relevant to this company are liquidity risk and credit risk. These risks are mitigated by careful monitoring during the year and, in particular, ensuring that charges to Taylor Wessing LLP are paid on a timely basis. The company does not manage financial risk by the use of derivative financial instruments.

Approved by the Board and signed on behalf of the Board



T G Eyles
Director

4 September 2018

Taylor Wessing Services Limited

Directors' report

The directors present their annual report and the audited financial statements for the year ended 30 April 2018.

Results and dividends

The result for the year is set out on page 9 in the profit and loss account. An interim dividend of £2,167,386 (2017: £1,596,499) was announced and paid in the year.

Financial risk management

The financial position of the company is shown in the balance sheet on page 10. The company has no third party debt and has access to financial resources from its parent undertaking. Consequently, the directors believe that the company is well placed to manage its business risks successfully.

The Strategic report on page 2 provides further information on financial risk management.

Going concern

The directors have considered the going concern assumption given the current economic climate and have formed the conclusion that there is a reasonable expectation that the company will continue to operate for the foreseeable future.

After making enquiries and considering the above facts, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements as per the accounting policy on page 13.

Employees

The company has a number of processes for communicating to employees and ensuring that they are aware of developments in the business.

The company gives full and fair consideration to all applications for employment irrespective of age, gender, ethnicity, religion or disability and decisions are made having regard to an individual's ability to meet the requirements of the role.

Disabled employees

Applications for employment by disabled persons are always fully considered, bearing in mind the abilities of the applicant concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment with the Company continues and that appropriate training is arranged. It is the policy of the Company that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Employee consultation

The Group places considerable value on the involvement of its employees and has continued to keep them informed on matters affecting them as employees and on the various factors affecting the performance of the Group and the Company. This is achieved through formal and informal meetings, employee participation in the Annual Employee Engagement Survey, monthly Managing Partner Newsletter and Firmwide Strategy update meetings run by senior management. Employee representatives through various forums e.g. Business Services Forum, Senior Counsel Council and Associates Council are consulted regularly on a wide range of matters affecting their current and future interests.

Directors

The directors of the company, who served during the year and at the date of this report, were as follows:

T G Eyles

D J Findlay

A C Robertson (resigned on 4 June 2018)

R Reid (appointed on 4 June 2018)

Taylor Wessing Services Limited

Directors' report (continued)

Prospects

Details of future prospects can be found in the Strategic Report on page 2.

Auditor

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

- so far as the directors are aware, there is no relevant audit information of which the company's auditor is unaware; and
- the directors have taken all the steps that they ought to have taken as directors in order to make themselves 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.

Deloitte LLP has indicated its willingness to be reappointed for another term and appropriate arrangements for it to be deemed reappointed as auditor will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors and signed on behalf of the Board



T G Eyles
Director

4 September 2018

Taylor Wessing Services Limited

Directors' responsibilities statement

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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, 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.

Independent auditor's report to the members of Taylor Wessing Services Limited

Opinion

In our opinion the financial statements of Taylor Wessing Services Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 30 April 2018 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 of Taylor Wessing Services Limited (the 'company') which comprise:

- the profit and loss account;
- the balance sheet;
- the statement of changes in equity;
- the statement of accounting policies; and
- the related notes 1 to 11.

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 FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are required by ISAs (UK) to report in respect of the following matters where:

- the directors' use of the going concern basis of accounting in 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.

We have nothing to report in respect of these matters.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

Independent auditor's report to the members of Taylor Wessing Services Limited (continued)

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

We have nothing to report in respect of these matters.

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 Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the 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.

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.

Independent auditor's report to the members of Taylor Wessing Services Limited (continued)

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.



Peter Saunders (Senior statutory auditor)

For and on behalf of Deloitte LLP

Statutory Auditor

London, United Kingdom

4 September 2018

Taylor Wessing Services Limited

Profit and loss account For the year ended 30 April 2018

	Notes	2018 £	2017 £
Turnover		50,099,309	47,119,600
Administrative expenses	3, 4	(47,884,159)	(44,417,287)
Profit before tax	5	2,215,150	2,702,313
Tax on profit	6	(420,879)	(534,927)
Profit after taxation		<u>1,794,271</u>	<u>2,167,386</u>

All results are derived from continuing operations.

There are no other items of comprehensive income or expense in the current or prior year. Therefore no statement of other comprehensive income is presented.

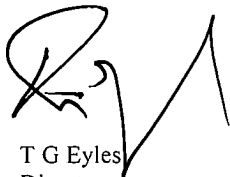
Taylor Wessing Services Limited

Balance sheet as at 30 April 2018

	Notes	2018 £	2017 £
Current assets			
Debtors	7	5,986,840	6,054,336
Cash at bank and in hand		1,810,481	1,252,553
		<u>7,797,321</u>	<u>7,306,889</u>
Creditors: amounts falling due within one year	8	<u>(6,003,049)</u>	<u>(5,139,502)</u>
Net assets and total assets less current liabilities		<u>1,794,272</u>	<u>2,167,387</u>
Capital and reserves			
Profit and loss account		1,794,271	2,167,386
Called up share capital	9	1	1
Total shareholders' funds		<u>1,794,272</u>	<u>2,167,387</u>

The financial statements of Taylor Wessing Services Limited (registered number 07466427) were approved by the Board of Directors on 4 September 2018.

Signed on behalf of the Board of Directors


T G Eyles
Director

Taylor Wessing Services Limited

Statement of changes in equity for the year ended 30 April 2018

	Called up share capital (Note 9) £	Profit and loss account £	Total £
Balance at 1 May 2016	1	1,596,499	1,596,500
Profit and total comprehensive income	-	2,167,386	2,167,386
Dividends paid	-	(1,596,499)	(1,596,499)
Balance at 30 April 2017	1	2,167,386	2,167,387
Profit and total comprehensive income	-	1,794,271	1,794,271
Dividends paid	-	(2,167,386)	(2,167,386)
Balance at 30 April 2018	1	1,794,271	1,794,272

Taylor Wessing Services Limited

Notes to the financial statements Year ended 30 April 2018

1. Accounting policies

The principal accounting policies are summarised below. They have been applied consistently throughout the current and previous year.

Basis of accounting

Taylor Wessing Services Limited is a private company limited by shares, incorporated in Great Britain and registered in England and Wales under the Companies Act. 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.

Taylor Wessing Services Limited has taken advantage of the disclosure exemptions available to it as a qualifying entity under FRS 102 in relation to the presentation of a cash-flow statement, financial instruments, related party transactions and remuneration of key management personnel. These disclosure exemptions are available to Taylor Wessing Services Limited as the relevant disclosures are made in its parent's consolidated financial statements.

Turnover

Turnover comprises amounts billed and receivable in respect of the supply of services to Taylor Wessing LLP. Fee income is recognised when services are delivered.

All turnover is recognised in relation to the principal activity of the company, and all arises within the United Kingdom.

Employee benefits

For defined contribution schemes the amount charged to the profit and loss account in respect of pension costs and other retirement benefits is the total of contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

Taxation

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

Financial instruments and equity

All financial assets and liabilities are initially measured at transaction price (including transaction costs). The business holds no financial assets classified as at fair value through profit or loss.

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 Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

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.

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 Group transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the Group, 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.

Taylor Wessing Services Limited

Notes to the financial statements (continued)

Year ended 30 April 2018

1. Accounting policies (continued)

Going concern

The going concern basis has been adopted in preparing the financial statements. Having considered the company's forecasts and projections, the members are satisfied that the company has adequate resources to continue in operational existence for the foreseeable future.

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. We have considered and concluded that there are no key sources of estimation uncertainty.

Critical judgements in applying the company's accounting policies

There are no key assumptions made by the management concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

3. Information regarding directors and employees

The average number of full time equivalent employees was as follows:

	2018 Number	2017 Number
Fee-earners	276	292
Non fee earning professionals	18	16
Business services	269	257
	<u>563</u>	<u>565</u>
	2018 £	2017 £
Staff costs during the year:		
Wages and salaries	38,388,130	36,558,759
Social security costs	4,324,099	3,925,125
Pension costs	1,999,731	1,852,511
Consultants and other costs	2,465,426	1,928,055
	<u>47,177,386</u>	<u>44,264,450</u>

Taylor Wessing Services Limited

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

4. Directors' remuneration

	2018 £	2017 £
Emoluments	173,976	171,796
Company contributions to money purchase pension schemes	3,878	3,900
	<u>177,854</u>	<u>175,696</u>

Two directors are members of a money purchase pension scheme (2017: two).

5. Operating profit

	2018 £	2017 £
Operating profit is stated after charging:		
Auditors' remuneration		
- Amounts payable for the audit of the company's annual financial statements	3,000	3,000
	<u>3,000</u>	<u>3,000</u>

6. Tax on profit

	2018 £	2017 £
The total tax charge comprises:		
Current corporation tax charge on profits	420,879	534,927
	<u>420,879</u>	<u>534,927</u>

There is no difference between the total tax shown above and the amount calculated by applying the rate of UK corporation tax for small companies to the profit before tax. The tax charge comprises:

	2018 £	2017 £
Tax on profit at UK corporation tax rate of 19% (2017: 19.92%)	420,879	534,927
	<u>420,879</u>	<u>534,927</u>

Factors that may affect future tax charges

The standard rate of tax applied to reported profit on ordinary activities is 19% (2017: 20%). Reductions in the UK corporation tax rate from 20% to 19% (effective from 1 April 2017 and 18% (effective from 1 April 2020) were substantively enacted on 26 October 2015, and an additional reduction to 17% (effective from 1 April 2020) was substantively enacted on 6 September 2016.

Taylor Wessing Services Limited

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

7. Debtors

	2018 £	2017 £
Amounts due from group undertakings	5,555,651	5,343,711
Other debtors	165,045	590,936
Prepayments and accrued income	266,144	119,689
	<u>5,986,840</u>	<u>6,054,336</u>

All amounts are due within one year.

Amounts due from group undertakings includes amount which is interest free and is repayable on demand.

8. Creditors: amounts falling due within one year

	2018 £	2017 £
Trade creditors	38,922	59,010
Other taxation and social security	1,607,269	1,509,867
Other creditors	283,921	259,667
Accruals and deferred income	4,072,937	3,310,958
	<u>6,003,049</u>	<u>5,139,502</u>

9. Called up share capital

	2018 £	2017 £
Called up, allotted and fully paid:		
- 1 ordinary share of £1	<u>1</u>	<u>1</u>

10. Employee benefits

The total expense charged to the profit and loss in the year ended 30 April 2018 in respect of defined contribution pension schemes was £1,980,000 (2017: £1,837,000). No contributions were outstanding at either year end.

11. Ultimate parent entity and controlling party

The immediate and ultimate parent entity and ultimate controlling party of the company is Taylor Wessing LLP, which is the only group of which the company is a member and for which group financial statements are drawn up. Copies of the financial statements of Taylor Wessing LLP, which include the results of Taylor Wessing Services Limited, are available from Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ.