Registered number: OC309501

Brabners LLP

Annual report and consolidated financial statements

for the year ended 30 April 2022

Brabners LLP

Contents

Brabners LLP

Members' report

The members present their annual report on the affairs of the Group, together with the financial statements and auditor's report, for the year ended 30 April 2022.

Firm structure

The LLP is a Limited Liability Partnership under the Limited Liability Partnership Act 2000 and is registered in England and Wales. A list of all members' names is available for inspection at the LLP's registered office at Horton House, Exchange Flags, Liverpool, L2 3YL.

Principal activity

Brabners LLP (the "Partnership") and its subsidiary entities (together the "Group") are principally engaged in the provision of legal services in the United Kingdom. The subsidiary undertakings are set out in note 11.

Review of the business and future developments

The firm's strategic vision is to be the UK's leading independent law firm, and 2021-22 marked the year that it was recognised as such at the 2021 British Legal Awards. The firm seeks to continually achieve this vision by leading as a sustainable, innovative and diverse business. Consistent with its purpose, "to demonstrate that business can bring about positive change".

Also in 2021-22, the firm was recognised as the UK's third best law firm to work for by Best Companies, with its colleagues being acknowledged for world class engagement. This achievement recognises the firm's focus on remaining true to its culture and values, both of which remain cornerstones of its strategy for the future, of 'purpose-led growth, value-driven efficiency'.

It is through this strategy that the partners believe the firm can achieve its strategic ambitions: by continuing to invest in developing its client relationships; by building a strong market position in key sectors; by continuing to focus on delivering a high performing, innovative and sustainable business; and by continuing to invest in, and engage positively, with its people. Recognising the importance of proactively promoting, supporting and developing diversity in all aspects of the firm, its clients and the communities it serves.

The results for the year are set out on page 9. Turnover increased in the year by £3,581,000 to £40,519,000 (2021: £36,938,000) reflecting the outcomes of an investment led approach, as well as the diversity of the firm's practice: offering a full range of legal services to commercial businesses; charities and social enterprises; and private individuals.

The benefit of the diversity of the firm's practice, along with its concerted efforts to drive greater efficiency and control overheads, has resulted in profit before members' remuneration and profit shares increasing by £1,401,000 to £13,999,000 (2021: £12,598,000).

The members regard these results to be satisfactory and believe that they provide a strong foundation for the future. The firm is committed to making the difference for its clients, its people and the communities it serves, by continuously investing in the future of the business. Evident in the three major real estate investments made during the course of 2021-22. After relocating the Lancashire office to Walton Summit in November, and recently opening its new 20,000 sq. ft. office at Manchester's Barbirolli Square, the firm is also opening a fourth office in Leeds city centre in the Autumn of 2022. Its entry into the Leeds market marks a major milestone in the firm's development and provides the opportunity for an important step-change for the business in the years to come, after five years of consecutive growth. Following its investment in its real estate during the year, the firm's offices now provide an agile, collaborative and best-in-class environment to support clients, colleagues and the broader business community from across the region.

The key business risk identified in the past year was liquidity risk, and the firm has adequately managed this risk. In discussion with our lenders, no matters have been brought to the firm's attention to suggest that the renewal of any existing borrowing or financing facilities would not be forthcoming on acceptable terms in the year to come.

Review of the business and future developments (continued)

Moreover, since the end of the year the firm has increased its overdraft and financing facilities to provide additional headroom in support of its strategic growth plans, while also further mitigating the risk of possible economic headwinds in the immediate future.

Refer to note 1(d) for detail on the adoption of the going concern basis.

The firm took the decision to liquidate its captive insurance company Artex Insurance (B1) IC Limited during the year. The liquidation was confirmed in March 2022. The firm has also taken the decision to liquidate its subsidiary company Brabners Services Ltd, with the liquidation likely to take place during the 2022-23 financial year.

Designated members

The designated members, who served throughout the year and thereafter, were as follows:

N D Campbell
S G Mabon
H J Marriott
N G White
J Lewis
M E Rathbone

Members' drawings and the subscription and repayment of members' capital

During the year members receive monthly drawings and profit distributions. The policy for the level and timing of the drawings and profit distributions is determined by the Board having regard to the financial requirements of the Group. Tax retentions are paid directly to the authorities on behalf of the members.

Members' fixed shares of profits, and interest earned on members' balances are automatically allocated as drawn and, are treated as members' remuneration charged as an expense to the profit and loss account. Remaining profits are allocated on an agreed points basis, as such these are also accounted for as an expense and are shown in members remuneration.

The capital requirements of the Limited Liability Partnership are determined by the Board and reviewed from time to time. Each member is required to subscribe a proportion of this capital. An allocation of profit that is equal to an interest rate of 3% over base rate is paid on this capital. On leaving the Limited Liability Partnership a member's capital is normally repaid (in the case of a senior equity partner) in 36 monthly instalments commencing 6 months after the date of retirement or (in the case of an equity partner) within 14 days after the date of retirement.

Annual Greenhouse Gas (GHG) Emissions Statement

We present our Greenhouse Gas (GHG) Emissions Statement in line with the Companies Act 2006 and Streamlined Energy and Carbon Reporting (SECR) requirement. The table below discloses our emissions for the last four years, separated into the following scopes as defined by the Environmental Reporting Guidelines. The items within each scope that are relevant to us are:

Scope 1: Emissions from the combustion of fuel, namely gas consumption

Scope 2: Indirect emissions from electricity purchased and used at our office sites

Scope 3: All other indirect emissions from our firm's activities, which for us relates to business travel. Business travel covers employee travel for business purposes where we do not own the vehicles, inclusive of car, taxi, train and air travel. Note we are voluntarily disclosing these emissions.

We have used 2021 UK Government's Conversion Factors for Company Reporting and have used the financial control approach. We have chosen the intensity metric of Full Time Equivalent (FTE) employees as an output, as this is a common business metric for our industry sector and most relevant to our business energy consumption.

Note that we have received an independent external assurance statement from an accredited energy management consultancy regarding this statement.

Annual Greenhouse Gas (GHG) Emissions Statement (continued)

Carbon Emissions	Year Ended 30 April 2022 (Tonnes)	Year Ended 30 April 2021 (Tonnes)	Year Ended 30 April 2020 (Tonnes)	Year Ended 30 April 2019 (Tonnes)
Scope 1	73.6	133.6	146.9	144.6
Scope 2	102.4	125.5	164.1	187.5
Scope 3	18.8	3.5	82.6	114.7
Total	**194.9**	**262.6**	**393.6**	**446.8**

Energy Consumed	Year Ended 30 April 2022 (mWh)	Year Ended 30 April 2021 (mWh)	Year Ended 30 April 2020 (mWh)	Year Ended 30 April 2019 (mWh)
Total	884	1,262	1,441	1,448

Intensity ratio	Year Ended 30 April 2022 (tCO2e/FTE)	Year Ended 30 April 2021 (tCO2e/FTE)	Year Ended 30 April 2020 (tCO2e/FTE)	Year Ended 30 April 2019 (tCO2e/FTE)
Total	0.50	0.67	1.08	1.23

The table above shows that we have reduced carbon emissions in the year by 68 Tonnes (25.8%) against our 2020/21 emissions. Our intensity measurement has also shown a reduction of 25.4%, meaning that a greater reduction in emissions has been recognised for each full-time employee. The reason for the reduction during the current year is largely due to a reduction in power usage. A significant proportion of this comes from our Lancashire office move in the year, whereby we have moved to newer more energy efficient premises that have yielded lower carbon emissions. Our further office move in Manchester that is taking place during 2022/23 is expected to yield further reductions due to the environmental credentials that the firm necessitated as part of any relocation. Other drivers for the year-on-year movement are a reduction in the carbon intensity of UK grid electricity, which is somewhat offset by increased travel in the year. Following COVID-19 related restrictions largely being lifted travel has expectedly increased, albeit not to pre-pandemic levels, and the largest increase in terms of mileage has been seen within the more carbon efficient train travel category.

The table above highlights the extent to which the firm has come in terms of actively reducing carbon emissions over the past 4 years. Overall emissions have more than halved since 2019, with the intensity ratio tracking at a 59.3% reduction. Various measures have been implemented in order to achieve this over the past few years, spearheaded by the firms Sustainability and Environmental Green Group (SEGG). One such measure is the insistence on using renewable electricity at all of our sites. The fact that the firm commits to this means that under the market-based approach our scope two emissions would actually reduce to nil, hence giving total carbon emissions of 92.5 tonnes (PY – 137.1 tonnes) and an intensity ratio of 0.24 tCO2e/FTE (PY – 0.35 tCO2e/FTE). The location-based approach as presented in the table above treats all electricity usage as though it was brown electricity, whereas the market-based approach takes into account our renewable energy contracts. As well as striving to minimise its carbon emissions, the firm's carbon emissions are also offset through Gold Standard offsetting schemes via Forest Carbon Limited.

Sustainability

The firm's purpose is to demonstrate that business can bring about positive change. Ensuring the firm plays its part in building a sustainable future is a key pillar in demonstrating the firm's commitment to this purpose, along with driving innovations and supporting diversity.

The firm's sustainability goals were developed by its Sustainability and Environmental Green Group (SEGG) in March 2021 to demonstrate how we will drive positive change in the area of sustainability and play our part in helping to tackle the climate emergency. These goals are based on the most relevant UN Sustainable Development Goals, being those where the firm believes it is best placed to make a positive impact.

Annual Greenhouse Gas (GHG) Emissions Statement (continued)

Strong progress has been made against these goals, achieving impressive reductions in waste and paper usage in the 2021 calendar year, with a 25% year on year reduction in waste generated, the proportion of waste sent for recycling increasing from 58% to 69%, and paper consumption dropping a further 10% against already reduced 2020 levels.

As borne out in the carbon emissions data above we have seen a similarly impressive reduction in our carbon emissions, which means that as part of the future Net Zero scheme we have managed to achieve the future Net Zero Platinum Standard.

The firm offsets emissions by purchasing carbon credits (via Forest Carbon Ltd) but does not believe this is sufficient. The firm has therefore entered into a partnership with the Kingsdale Head peatland restoration project to provide significant investment over the next 3 years to unlock funding sufficient to restore more than 400 hectares of peatland, with a conservative estimated carbon reduction of more than 450 tCO_2e each year by the end of the project.

In order to achieve the goal of reducing the number of non-electric car journeys by staff (commuting and business related), a formal policy is now in place that enables colleagues to split time between home and office with an assumption that at least some days are spent working from home; thus reducing the commuter miles of the firm dramatically. The firm has also installed electric car charging points at its Liverpool and Lancashire offices as well as its recently opened Manchester office.

As part of its broader sustainability goals, how the firm contributes to taking care of the environment will play an important role in its future strategy and in how the firm measures its success.

Auditor
A resolution to reappoint RSM UK Audit LLP will be proposed at the forthcoming Board meeting.

Approved by the Board and signed on its behalf by:

N G White
Designated Member
Horton House
Exchange Flags
Liverpool
L2 3YL

3rd October 2022

Members' responsibilities statement

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

Limited Liability Partnerships (Accounts & Audit) (Application of Companies Act 2006) Regulations 2008 require the members to prepare financial statements for each financial year. Under that law the members have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under the 2008 Regulations, the members must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of the affairs of the partnership and of the profit or loss of the partnership for that period. In preparing these financial statements, the members are required to:

i) select suitable accounting policies and then apply them consistently;

ii) make judgments and accounting estimates that are reasonable and prudent;

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

iv) prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Partnership will continue in business.

Under the 2008 Regulations the members are responsible for keeping adequate accounting records that are sufficient to show and explain the partnership's transactions and disclose with reasonable accuracy at any time the financial position of the Partnership and enable them to ensure that the financial statements comply with those regulations. They are also responsible for safeguarding the assets of the Partnership and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

These responsibilities are exercised by the Board on behalf of the members.

Independent auditor's report to the members of Brabners LLP

Opinion

We have audited the financial statements of Brabners LLP (the 'parent limited liability partnership') and its subsidiaries (the 'group') for the year ended 30 April 2022 which comprise Consolidated Profit and Loss Account, Consolidated Balance Sheet, Partnership Balance Sheet, Consolidated Statement of Changes in Members Interests, Partnership Statement of Changes in Members Interests, Consolidated Cashflow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and parent limited liability partnership's affairs as at 30 April 2022 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006 as applied to limited liability partnerships.

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 group and parent limited liability partnership in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including 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 members' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

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

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 members are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Independent auditor's report to the members of Brabners LLP

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 applied to limited liability partnerships requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent limited liability partnership, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent limited liability partnership financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of members

As explained more fully in the Members' Responsibilities Statement set out on page 5, the members are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the members are responsible for assessing the group's and parent limited liability partnership's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the members either intend to liquidate the group or parent limited liability partnership 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.

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

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

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

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, and the group audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory frameworks that the group and parent limited liability partnership operate[s] in and how the group and parent limited liability partnership is complying with the legal and regulatory frameworks;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, the Companies Act 2006 and the LLP SORP 2018. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures.

Independent auditor's report to the members of Brabners LLP

The most significant laws and regulations that have an indirect impact on the financial statements are those in relation to compliance the Solicitors Accounts Rules. We performed audit procedures to inquire of management and those charged with governance whether the group is in compliance with these law and regulations. We also reviewed the output of the Solicitors Accounts Rules reporting for any non compliance.

The group audit engagement team identified the risk of management override of controls and valuation of amounts recoverable on contracts and provisions as the areas where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments and evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business. In respect of the valuation of amounts recoverable on contracts and the provisions we agreed on a sample basis to supporting documentation and challenging judgments and estimates applied by management.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: http://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 limited liability partnership's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 as applied to limited liability partnerships. Our audit work has been undertaken so that we might state to the limited liability partnership'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 limited liability partnership and the limited liability partnership's members as a body, for our audit work, for this report, or for the opinions we have formed.

Ian Taylor

Ian Taylor (Senior Statutory Auditor)
For and on behalf of RSM UK AUDIT LLP, Statutory Auditor
Chartered Accountants
14th Floor, 20 Chapel Street
Liverpool
L3 9AG

3 October 2022

Brabners LLP

Consolidated profit and loss account
For the year ended 30 April 2022

	Note	2022 £'000	2021 £'000
Turnover	3	40,519	36,938
Staff costs	4	(15,069)	(14,119)
Amortisation	5	(324)	(183)
Depreciation	5	(1,299)	(918)
Other operating expenses		(9,677)	(9,037)
Operating profit		14,150	12,681
Interest receivable and similar income	7	81	76
Interest payable and similar expenses	7	(232)	(159)
Profit before taxation and members' remuneration and profit shares	5	13,999	12,598
Tax on profit of the subsidiaries	8	-	-
Profit before members' remuneration and profit shares		13,999	12,598
Members' remuneration charged as an expense		(14,016)	(12,448)
Profit/(Loss)for the financial year available for discretionary division among members		(17)	150

All results relate to continuing activities.

There have been no recognised income or expenses other than the profit for the year and prior year, as shown above. Therefore, no consolidated statement of other comprehensive income has been presented.

Brabners LLP

Consolidated balance sheet
At 30 April 2022

	Note	2022 £'000	2021 £'000
Fixed assets			
Intangible assets	9	1,876	2,024
Tangible assets	10	3,345	2,252
		5,221	4,276
Current assets			
Investments	12	-	-
Debtors	13	18,572	18,239
Cash at bank and in hand		1,503	6,633
		20,075	24,872
Creditors: amounts falling due within one year	14	(9,660)	(11,293)
Net current assets		10,415	13,579
Total assets less current liabilities		15,636	17,855
Creditors: amounts falling due after more than one year	15	(1,080)	(2,844)
Provisions for liabilities	16	(2,099)	(1,937)
Net assets attributable to members		12,457	13,074
Represented by:			
Loans and other debts due to members			
Members' capital classified as a liability		5,513	6,154
Other amounts		6,944	6,787
		12,457	12,941
Equity			
Members' other interests classified as equity		-	133
Total members' interests		12,457	13,074

The financial statements of Brabners LLP (registered number OC309501) were approved by the members and authorised for issue on 3rd October 2022. They were signed on behalf of the Partnership by:

N G White
Designated member

Brabners LLP

Partnership balance sheet
At 30 April 2022

	Note	2022 £'000	2021 £'000
Fixed assets			
Intangible assets	9	1,876	2,024
Tangible assets	10	3,345	2,252
		5,221	4,276
Current assets			
Debtors	13	18,572	18,657
Cash at bank and in hand		1,503	6,070
		20,075	24,727
Creditors: amounts falling due within one year	14	(9,660)	(11,283)
Net current assets		10,415	13,444
Total assets less current liabilities		15,636	17,720
Creditors: amounts falling due after more than one year	15	(1,080)	(2,844)
Provisions for liabilities	16	(2,099)	(1,937)
Net assets attributable to members		12,457	12,939
Represented by:			
Loans and other debts due to members			
Members' capital classified as a liability		5,513	6,154
Other amounts		6,944	6,785
		12,457	12,939
Equity			
Members' other interests classified as equity		-	-
Total members' interests		12,457	12,939

The profit before members' remuneration charged as an expense for the financial year attributable to the parent limited liability partnership, Brabners LLP, was £14,016,000 (2021: £12,846,000).

The financial statements of Brabners LLP (registered number OC309501) were approved by the members and authorised for issue on 3rd October 2022. They were signed on behalf of the Partnership by:

N G White
Designated member

Brabners LLP

Consolidated statement of changes in members' interests
At 30 April 2022

	Loans and other debts due to/(from) members				
	Members' capital classified as a liability £'000	Members' other amounts £'000	Total debt £'000	Members' other interests classified as equity £'000	Total members' interest £'000
At 30 April 2020	6,192	5,050	11,242	983	12,225
Members remuneration charged as an expense	-	12,448	12,448	-	12,448
Profit for the financial year available for discretionary division among the members	-	-	-	150	150
Members interests after profit for the year	-	12,448	12,448	150	12,598
Members' capital introduced	375	-	375	-	375
Members' capital repaid	(413)	-	(413)	-	(413)
Drawings (including tax payments)	-	(11,711)	(11,711)	-	(11,711)
Other movement	-	1,000	1,000	(1,000)	-
At 30 April 2021	6,154	6,787	12,941	133	13,074
Members remuneration charged as an expense	-	14,016	14,016	-	14,016
Profit for the financial year available for discretionary division among the members	-	-	-	(17)	(17)
Members interests after profit for the year	-	14,016	14,016	(17)	13,999
Members' capital introduced	313	-	313	-	313
Members' capital repaid	(954)	-	(954)	-	(954)
Drawings (including tax payments)	-	(13,561)	(13,561)	-	(13,561)
Other movement	-	(298)	(298)	(116)	(414)
At 30 April 2022	5,513	6,944	12,457	-	12,457

Brabners LLP

Partnership statement of changes in members' interests
At 30 April 2022

	Loans and other debts due to/(from) members			
	Members' capital classified as a liability £'000	Members' other amounts £'000	Total debt £'000	Total members' interest £'000
At 30 April 2020	6,192	5,650	11,842	11,842
Members remuneration charged as an expense	-	12,846	12,846	12,846
Members interests after profit for the year	-	12,846	12,846	12,846
Members' capital introduced	375	-	375	375
Members' capital repaid	(413)	-	(413)	(413)
Drawings (including tax payments)	-	(11,711)	(11,711)	(11,711)
At 30 April 2021	6,154	6,785	12,939	12,939
Members remuneration charged as an expense	-	14,016	14,016	14,016
Members interests after profit for the year	-	14,016	14,016	14,016
Members' capital introduced	313	-	313	313
Members' capital repaid	(954)	-	(954)	(954)
Drawings (including tax payments)	-	(13,560)	(13,560)	(13,560)
Other movement	-	(298)	(298)	(298)
At 30 April 2022	5,513	6,944	12,457	12,457

Consolidated cash flow statement

For the year ended 30 April 2022

	Note	2022 £'000	2021 £'000
Net cash flows from operating activities	17	14,204	15,624
Cash flows from investing activities			
Purchase of tangible & intangible fixed assets		(2,544)	(708)
Interest received		81	76
Net cash flows from investing activities		(2,463)	(632)
Cash flows from financing activities			
Net cash inflow from new loans & finance leases		1,246	4,820
Repayments of obligations under loans & finance leases		(3,268)	(3,660)
Payments to or on behalf of the members		(13,976)	(11,711)
Capital introduced by members		313	375
Capital repaid to members		(954)	(413)
Interest paid		(232)	(159)
Net cash flows from financing activities		(16,871)	(10,748)
Net (decrease)/increase in cash and cash equivalents		(5,130)	4,244
Cash and cash equivalents at beginning of year		6,633	2,389
Cash and cash equivalents at end of year		1,503	6,633
Reconciliation to cash at bank and cash equivalents:			
Investments		-	-
Cash at bank and in hand		1,503	6,633
Overdraft		-	-
Total		1,503	6,633

Notes to the financial statements
For the year ended 30 April 2022

1. Accounting policies

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

a. General information and basis of accounting

Brabners LLP ("the Partnership") is incorporated in the United Kingdom and registered in England and Wales under the Limited Liability Partnership Act 2000. The address of the registered office is given on page 1. The nature of the Group's operations and its principal activities are set out in the members' report on page 1.

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 and the requirements of the Statement of Recommended Practice Accounting by Limited Liability Partnerships (published December 2018).

The functional currency of Brabners LLP is considered to be pounds sterling because that is the currency of the primary economic environment in which the Partnership operates. The consolidated financial statements are also presented in pounds sterling rounded to the nearest thousand pounds.

Brabners LLP meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements, which are presented alongside the consolidated financial statements. Exemptions have been taken in relation to financial instruments, presentation of a cash flow statement, intra-Group transactions and remuneration of key management personnel.

b. LLP statement of comprehensive income

As permitted by s408 of the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulation 2018, the LLP has not presented its own statement of comprehensive income as it prepares group accounts and the LLP's individual statement of financial position shows the LLP's profit or loss for the financial year.

c. Basis of consolidation

The Brabners LLP financial statements consolidate the financial statements of the Partnership and its subsidiary undertakings drawn up to 30 April each year.

d. Going concern

The financial performance, position and cash flows are set out on pages 9 to 14.

The firm meets its day to day working capital requirements through an overdraft facility, which is due for annual review 3rd November 2022. The firm has performed well in the past year by way of revenue, profit and cash collection, which have all continued the growth witnessed over the past few years. Current results demonstrate that demand for legal services remains robust and the firm is well diversified to mitigate the risk of any potential recession.

Taking account of reasonably possible changes in trading performance, the firm's forecasts and projections show that the Group should be able to operate within the level of its current facility. The Group will open renewal negotiations with the bank in due course and at this stage had not sought any written confirmation that the facility will be renewed. However, the Group has held discussion with its bankers about its future borrowing needs which have resulted in increases in facilities in August 2022, with no matters drawn to its attention to suggest that renewal may not be forthcoming on acceptable terms.

The members have a reasonable expectation that the Group and the Partnership have 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 annual financial statements.

e. Intangible fixed assets

Intangible fixed assets are recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably. Intangible assets are initially recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Notes to the financial statements (continued)
For the year ended 30 April 2022

1. **Accounting policies (continued)**

e. **Intangible fixed assets (continued)**

Intangible assets are amortised on a straight-line basis over their estimated useful lives, as follows:
Computer software – 5-10 years

f. **Tangible fixed assets**

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost, less estimated residual value, of each asset over its expected useful life, as follows:

Fixtures and fittings - 7-year straight line
Leasehold improvements & dilapidations – the remainder of the lease
Computer equipment – 2-10 years straight line basis

Assets are only depreciated once brought into use.

Residual value represents the estimated amount which would currently be obtained from disposal of an asset, after deducting estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life.

g. **Financial instruments**

Financial assets and financial liabilities are recognised when the Group 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 Group after deducting all of its 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 finance 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 balance sheet 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.

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 significant risks and rewards of ownership, has transferred control of the asset to another party and the other party has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer.

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

(i) **Investments**

Investments are held at fair value through profit or loss.

(ii) **Investments in subsidiaries**

In the Partnership balance sheet, investments in subsidiaries are measured as cost less impairment.

Notes to the financial statements (continued)
For the year ended 30 April 2022

1. **Accounting policies (continued)**

g. **Financial instruments (continued)**

(iii) **Fair value measurement**

The best evidence of fair value is a quoted price for an identical asset in an active market. When quoted prices are unavailable, the price of a recent transaction for an identical asset provides evidence of fair value as long as there has not been a significant change in economic circumstances or a significant lapse of time since the transaction took place. If the market is not active and recent transactions of an identical asset on their own are not a good estimate of fair value, the fair value is estimated by using a valuation technique.

h. **Impairment of assets**

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss as described below.

Non-financial assets

An asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

Financial assets

For financial assets carried at amortised cost, the amount of an impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate, where this effect is deemed material.

For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

i. **Taxation**

The taxation payable on the Partnership profits is the personal liability of the members, although payment of such liabilities is administered by the Partnership on behalf of the members. Consequently, neither Partnership taxation nor related deferred taxation are accounted for in the financial statements. Sums set aside in respect of members' tax obligations are included in the balance sheet within loans and other debts due to members or set against amounts due from members as appropriate.

The tax expense represents the sum of the current and deferred tax relating to the corporate subsidiaries. The current tax expense is based on taxable profits of these companies.

Current tax, including UK corporation tax and foreign 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 tax relating to corporate subsidiaries is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Group's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Notes to the financial statements (continued)
For the year ended 30 April 2022

1. **Accounting policies (continued)**

i. **Taxation (continued)**

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

When the amount that can be deducted for tax for an asset (other than goodwill) that is recognised in a business combination is less (more) than the value at which it is recognised, a deferred tax liability (asset) is recognised for the additional tax that will be paid (avoided) in respect of that difference. Similarly, a deferred tax asset (liability) is recognised for the additional tax that will be avoided (paid) because of a difference between the value at which a liability is recognised and the amount that will be assessed for tax. The amount attributed to goodwill is adjusted by the amount of deferred tax recognised.

Deferred tax liabilities are recognised for timing differences arising from investments in subsidiaries and joint ventures and associates, except where the Group is able to control the reversal of the timing difference and it is probable that it will not reverse in the foreseeable future.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of the timing difference.

Current tax assets and liabilities are offset only when there is a legally enforceable right to set off the amounts and the Group intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Deferred tax assets and liabilities are offset only if: a) the Group has a legally enforceable right to set off current tax assets against current tax liabilities; and b) the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

j. **Members' interests**

Members' capital is repayable on retirement of the member and is therefore classified as a liability. On leaving the Partnership a member's capital is normally repaid (in the case of a senior equity partner) in 36 monthly instalments commencing 6 months after the date of retirement, provided it exceeds a minimum threshold or (in the case of an equity partner) within 14 days after the date of retirement.

Amounts due to former members after more than one year comprise balances due under the above-mentioned retirement provisions which are not repayable within twelve months of the balance sheet date.

k. **Divisible profits and members' remuneration**

Members' fixed shares of profits, and interest earned on members' balances are automatically allocated as drawn and, are treated as members' remuneration charged as an expense to the profit and loss account. Remaining profits are allocated on an agreed points basis, as such these are also accounted for as an expense and are shown in members remuneration.

Notes to the financial statements (continued)

For the year ended 30 April 2022

1. Accounting policies (continued)

l. Turnover

Revenue for services represents the fair value of legal services provided during the year on client assignments. Fair value reflects the amount expected to be recoverable from clients and is based on time spent, expertise and skills provided, and expenses incurred. Fee income is stated net of Value Added Tax.

Legal services provided to clients during the year which, at the balance sheet date, have not been invoiced to clients, have been recognised as fee income in accordance with Section 23 Revenue of Financial Reporting Standard 102. Fee income recognised in this manner is based on an assessment of the fair value of the services provided by the balance sheet date as a proportion of the total value of the engagement.

Unbilled fee income is included as amounts recoverable on contracts within debtors. Amounts recoverable on contracts are stated at fair value where the right to consideration has been obtained. Provision is made against unbilled amounts on those engagements where the right to receive payments is contingent on factors outside the control of the Group. Contingent fee income (over and above any agreed minimum fee which is recognised as above) is recognised in the period when the contingent event occurs.

m. 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 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.

Other long-term employee benefits are measured at the present value of the benefit obligation at the reporting date.

n. Leases

The Group as lessee

Assets held under finance leases, hire purchase contracts and other similar arrangements, which confer rights and obligations similar to those attached to owned assets, are capitalised as tangible fixed assets at the fair value of the leased asset (or, if lower, the present value of the minimum lease payments as determined at the inception of the lease) and are depreciated over the shorter of the lease terms and their useful lives. The capital elements of future lease obligations are recorded as liabilities, while the interest elements are charged to the profit and loss account over the period of the leases to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term.

o. Provisions

Provision is made for dilapidations in respect of property leases which contain requirements for the premises to be returned to their original state prior to the conclusion of the lease term.

The provision for claims represents the estimated cost to the Group of defending and settling claims where a liability is considered by the members to be probable, after allowing for recoveries under insurance policies.

p. Interest receivable and similar income

Interest receivable and similar income is recognised as gross value received throughout the year.

q. Bank and cash in hand

Bank and cash in hand excludes any overdrawn bank balances at the financial year end.

Notes to the financial statements (continued)
For the year ended 30 April 2022

1. **Accounting policies (continued)**

r. **Government Grants**

The company received funding from the UK Government in the prior year in relation to Covid-19. Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and grants will be received.

2. **Critical accounting judgements and key sources of estimation uncertainty**

In the application of the LLP's accounting policies, which are described in note 1, the members 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 current economic conditions create uncertainty; however, the company's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the company should be able to operate as a going concern for the foreseeable future.

Estimates made in applying the Group's accounting policies

The following are the significant estimates that the members have made in the process of applying the Group's accounting policies and that have the most effect on the amounts recognised in the financial statements.

i) **Work in progress**

Management reviews the valuation of unbilled revenue to identify any significant areas of risk in relation to recoverability and makes any additional provision accordingly. The valuation excludes any transactions which are considered contingent in nature. Management also provide in full against any work in progress that is considered to be static.

ii) **Bad debt**

Management evaluates the recoverability of each unpaid fee note on an ongoing basis so as to determine whether a provision against bad debt is required. When performing this evaluation management takes the financial stability and payment history of the client into account.

Management also review all clients to identify those which may be in financial difficulty and make an additional provision accordingly.

iii) **Professional indemnity insurance**

Professional indemnity insurance premiums are charged as incurred and expensed to the profit and loss account over the period of the insurance cover. Costs are accrued in respect of any uninsured excess that the Group considers likely to be payable.

iv) **Bonus accrual**

Management reviews bonus accruals at the start of each financial year and periodically on a monthly basis to ensure any significant movements are provided for. There are a number of bonus schemes within the firm which are linked to overall financial performance.

Notes to the financial statements (continued)
For the year ended 30 April 2022

2. Critical accounting judgements and key sources of estimation uncertainty (continued)

v) Dilapidations provision

The dilapidations provision is based on internal estimates of the schedule of works included in the lease. Management will make use of external expert valuations to assess the level of provision required.

There are not considered to be any key judgements.

3. Turnover

The turnover of the Group is principally derived from the provision of legal services in the UK and is stated net of Value Added Tax.

4. Staff numbers and costs

Staff numbers and costs are the same in both the Group and the Partnership.

The average monthly number of employees (excluding members) was:

	2022 Number	2021 Number
Legal advisers	178	169
Administration and support staff	154	144
	332	313

Their aggregate remuneration comprised:

	2022 £'000	2021 £'000
Wages and salaries	12,719	11,860
Social security costs	1,480	1,288
Other pension costs (see note 19)	735	454
Other costs	135	517
	15,069	14,119

Notes to the financial statements (continued)
For the year ended 30 April 2022

5. Profit before taxation and members' remuneration and profit shares

Profit before taxation is stated after charging/(crediting):

	2022 £'000	2021 £'000
Operating lease rentals	1,363	1,192
Amortisation	324	183
Depreciation on owned assets	669	219
Depreciation on right-of-use assets	630	699
(Profit)/loss on disposal of fixed assets	-	-

The analysis of the auditor's remuneration is as follows:

	2022 £'000	2021 £'000
Fees payable to the LLP's auditor and its associates for the audit of the Limited Liability Partnership's annual accounts	62	55
Fees payable to the LLP's auditor and its associates for other services to the Group		
The audit of the Group's subsidiaries	-	4
Total audit fees	62	59
Audit-related assurance services	17	15
Taxation compliance services	101	92
Total non-audit fees	118	107

Fees payable to RSM and its associates for non-audit services to the Partnership are not required to be disclosed because the consolidated financial statements are required to disclose such fees on a consolidated basis.

No services were provided pursuant to contingent fee arrangements.

Notes to the financial statements (continued)
For the year ended 30 April 2022

6. Members' remuneration and transactions

Profits are shared among the members in accordance with agreed profit-sharing arrangements and include interest on members' funds. Members are required to make their own provision for pension from their profit shares.

The profit attributable to the member with the largest entitlement was £430,000 (2021: £359,000).

The average number of members during the year was 74 (2021: 76).

The average profit per member for the year was £189,000 (2021: £166,000). This is calculated by dividing the profit for the year before members' remuneration by the average number of members.

7. Finance costs (net)

Interest receivable and similar income

	2022 £'000	2021 £'000
Bank interest receivable	81	76

Interest payable and similar expenses

	2022 £'000	2021 £'000
Bank loans and overdrafts	(93)	(64)
Finance leases and hire purchase contracts	(139)	(95)
	(232)	(159)

Notes to the financial statements (continued)
For the year ended 30 April 2022

8. Tax on profit of subsidiaries

Taxation arises within the subsidiary undertakings of the Group and represents:

	2022 £'000	2021 £'000
Current tax on profit		
UK corporation tax	-	-
Adjustments in respect of prior years	-	-
Total current tax	-	-
Deferred tax		
Total deferred tax	-	-
Total tax on profit	-	-

The differences between the total tax charge shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax are as follows:

	2022 £'000	2021 £'000
Profit before tax	13,732	12,598
Tax on Group profit at standard UK corporation tax rate of 19 per cent (2021: 19 per cent)	2,609	2,394
Effects of:		
- Income not chargeable to income tax	(2,609)	(2,394)
-Adjustments to tax charge in respect of previous periods	-	-
- Rate differences	-	-
Group total tax (credit)/charge for year	-	-

The Finance Act 2020, which was substantively enacted in July 2020, maintains the rate of corporation tax at 19% with effect from 1 April 2022. The Finance Act 2021, which was substantively enacted in June 2021, also maintains the rate of corporation tax at 19% from 1 April 2022, but this is increased to 25% from 1 April 2023. The Finance Act 2022, which was substantively enacted in February 2022, maintains the increase to a rate of corporation tax of 25% from 1 April 2023.

Notes to the financial statements (continued)
For the year ended 30 April 2022

9. Intangible fixed assets

Group & Partnership	Computer Software £'000	Total £'000
Cost		
At 1 May 2021	2,652	2,652
Additions	175	175
At 30 April 2022	2,827	2,827
Amortisation		
At 1 May 2021	627	627
Charge for the year	324	324
At 30 April 2022	951	951
Net book value		
At 30 April 2022	1,876	1,876
At 30 April 2021	2,024	2,024

Leased assets included above:

Net book value		
At 30 April 2022	1,142	1,142
At 30 April 2021	1,308	1,308

Notes to the financial statements (continued)
For the year ended 30 April 2022

10. Tangible fixed assets

Group & Partnership	Computer equipment £'000	Fixtures & Fittings £'000	Leasehold improvements £'000	Total £'000
Cost				
At 1 May 2021	5,193	1,857	2,782	9,832
Additions	82	271	2,039	2,392
At 30 April 2022	5,275	2,128	4,821	12,224
Depreciation				
At 1 May 2021	3,535	1,732	2,313	7,580
Charge for the year	575	51	673	1,299
At 30 April 2022	4,110	1,783	2,986	8,879
Net book value				
At 30 April 2022	1,165	345	1,835	3,345
At 30 April 2021	1,658	125	469	2,252
Leased assets included above:				
Net book value				
At 30 April 2022	1,112	49	59	1,220
At 30 April 2021	1,624	60	142	1,826

All leasehold improvements are in respect of properties subject to short-term leases.

Assets held under finance leases

The Group has leases in respect of computer equipment which are considered to meet the definition of finance leases and are accounted for accordingly. Specific leasing arrangements include provisions that preclude early termination, subletting or sale of the computer equipment but allow for the payment of a reduced annual fee for continued use.

Notes to the financial statements (continued)
For the year ended 30 April 2022

11. Fixed asset investments

	Group		Partnership	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Subsidiary undertakings	-	-	-	-

Group investments

The parent Partnership and the Group held investments in the following subsidiary undertakings during the year:

	Country of incorporation or principal business address	Principal activity	Holding	%
Subsidiary undertakings:				
Brabners Services Limited+	England	Holding company	Ordinary	100

The registered office of Brabners Services Limited (registered number 08903654) is at Horton House, Exchange Flags, Liverpool, L2 3YL.

Artex Insurance (B1) IC Limited	Guernsey	Captive insurance company	Ordinary	100

The registered office of Artex Insurance (B1) IC Limited (registered number GG58127) at Heritage Hall, Le Marchant Street, St Peter Port, Guernsey, GY1 4JH.

Artex Insurance (B1) IC Limited was active during the financial year but was dissolved by voluntary liquidation on 2nd March 2022.

Brabners Nominees Limited+	England	Dormant	Ordinary	100

The registered office of Brabners Nominees Limited (registered number 04147148) is at Horton House, Exchange Flags, Liverpool, L2 3YL.

+ Held directly by Brabners LLP.

Notes to the financial statements (continued)
For the year ended 30 April 2022

12. Investments

	Group		Partnership	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Investments	-	-	-	-

13. Debtors

	Group		Partnership	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Amounts falling due within one year:				
Trade debtors	9,240	9,793	9,240	9,793
Amounts recoverable on contracts	7,074	6,302	7,074	6,302
Amounts owed by Group undertakings	-	-	-	432
Other debtors	31	27	31	27
Prepayments	2,227	2,117	2,227	2,103
	18,572	18,239	18,572	18,657

Amounts owed by Group Undertakings are interest free and repayable on demand.

14. Creditors: amounts falling due within one year

	Group		Partnership	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Bank overdrafts	-	-	-	-
Bank loans (note 15)	1,567	1,567	1,567	1,567
Obligations under finance leases and hire purchase contracts (see note 15)	996	1,051	996	1,051
Trade creditors	1,447	1,443	1,447	1,433
Amounts due to former members (note 15)	637	156	637	156
Corporation tax	-	-	-	-
Other taxation and social security	2,138	3,694	2,138	3,694
Other creditors	125	128	125	128
Accruals	2,750	3,254	2,750	3,254
	9,660	11,293	9,660	11,283

The bank loans and overdrafts are secured against assets of the Group and Partnership.

The bank loans are repayable as follows:

Loan payable over the period until October 2022. The interest rate on the loan is 0.99%.
Loan payable over the period until May 2023. The interest rate on the loan is 0.00% for the first 12 months and 2.2% over base thereafter.

Notes to the financial statements (continued)
For the year ended 30 April 2022

15. Creditors: amounts falling due after more than one year

	Group		Partnership	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Bank loans	85	1,069	85	1,069
Obligations under finance leases and hire purchase contracts	721	1,680	721	1,680
Amounts due to former members	274	95	274	95
	1,080	2,844	1,080	2,844

Borrowings are repayable as follows:

Notes to the financial statements (continued)
For the year ended 30 April 2022

15. **Creditors: amounts falling due after more than one year (continued)**

	Group		Partnership	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Bank loans				
Between one and two years	85	986	85	986
Between two and five years	-	83	-	83
After five years	-	-	-	-
	85	1,069	85	1,069
On demand or within one year	1,567	1,567	1,567	1,567
	1,652	2,636	1,652	2,636
Finance leases				
Between one and two years	570	973	570	973
Between two and five years	151	707	151	707
After five years	-	-	-	-
	721	1,680	721	1,680
On demand or within one year	996	1,051	996	1,051
	1,717	2,731	1,717	2,731
Amounts due to former members				
Between one and two years	195	72	195	72
Between two and five years	79	23	79	23
After five years	-	-	-	-
	274	95	274	95
On demand or within one year	637	156	637	156
	912	251	912	251
Total borrowings including finance leases				
Between one and two years	850	2,030	850	2,030
Between two and five years	230	814	230	814
After five years	-	-	-	-
	1,080	2,844	1,080	2,844
On demand or within one year	3,200	2,774	3,200	2,774
	4,280	5,618	4,280	5,618

Notes to the financial statements (continued)
For the year ended 30 April 2022

15. Creditors: amounts falling due after more than one year (continued)

Finance lease and hire purchase contracts

Obligations under finance leases and hire purchase contracts are secured by the related assets and bear finance charges at rates ranging from 0.00% to 2.99% per annum (2021: 0.00% to 2.99% per annum).

Finance lease payments represent rentals payable by the Group for items of computer equipment and plant & machinery. Specific leasing arrangements include provisions that preclude early termination, subletting or sale of the computer equipment but allow for the payment of a reduced annual fee for continued use. The average lease term is 4 years (2021: 4 years). All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

The Group's obligations under finance leases are secured by the lessor's charge over the leased assets. The net book value of secured assets is disclosed in notes 9 and 10.

16. Provisions for liabilities

Group	Property £'000	Legal claims £'000	Total £'000
At 1 May 2021	814	1,123	1,937
Utilisation	(233)	(33)	(266)
Charge / (Release)	289	(571)	(282)
New claims	375	334	709
At 30 April 2022	1,246	853	2,099

Partnership	Property £'000	Legal claims £'000	Total £'000
At 1 May 2021	814	1,123	1,937
Utilisation	(233)	(33)	(266)
Charge / (Release)	289	(571)	(282)
New claims	375	334	709
At 30 April 2022	1,246	853	2,099

Property

The provision for property is in respect of dilapidations. It is expected that the majority of this expenditure will be incurred within one to fifteen years of the balance sheet date.

Legal claims

The provision for legal claims relates primarily to claims for alleged professional negligence. It is expected that the majority of this expenditure will be incurred in the next financial year and that all will be incurred within three years of the balance sheet date.

Brabners LLP

Notes to the financial statements (continued)
For the year ended 30 April 2022

17. **Cash flow statement**

Reconciliation of operating profit to cash generated by operations:

	2022 £'000	2021 £'000
Operating profit	14,150	12,681
Adjustment for:		
(Profit) / Loss on disposal	-	-
Depreciation & amortisation	1,623	1,101
Operating cash flow before movement in working capital	15,773	13,782
(Increase)/decrease in debtors	(331)	66
(Decrease)/increase in creditors	(2,061)	1,849
Increase/(decrease) in amounts due to former partners	661	(100)
Increase/(decrease) in provisions	162	30
Cash generated by operations	14,204	15,627
Income taxes paid	-	(3)
Net cash from operating activities	14,204	15,624

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Notes to the financial statements (continued)
For the year ended 30 April 2022

17. Cash flow statement (continued)

Consolidated analysis of changes in net debt:

	30 April 2021	Cash flow	New finance leases	30 April 2022
	£'000	£'000	£'000	£'000
Cash at bank and in hand	**6,633**	**(5,130)**	-	**1,503**
Overdrafts	-	-	-	-
Bank loans	(1,567)	-	-	(1,567)
Amounts due to former members	(156)	(481)	-	(637)
Debt due within 1 year	**(1,723)**	**(481)**	-	**(2,203)**
Bank loans	(1,069)	984	-	(85)
Amounts due to former members	(95)	(179)	-	(274)
Debt due after 1 year	**(1,164)**	**805**	-	**(359)**
Obligations under finance leases	(2,731)	1,039	(25)	(1,717)
Total net debt (before members' debt)	**1,015**	**(3,767)**	**(25)**	**(2,777)**
Loans & other debts due to members				
Members' capital	(6,154)	641	-	(5,513)
Other amounts due to members	(6,787)	(157)	-	(6,944)
Total net debt	**(11,926)**	**(3,283)**	**(25)**	**(15,234)**

The principal non-cash transactions are assets purchased under new finance leases.

Notes to the financial statements (continued)
For the year ended 30 April 2022

18. Financial commitments

At 30 April 2022 had capital commitments as follows:

	Group		Partnership	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Capital commitments of fixed assets	-	-	-	-

Total future minimum lease payments under non-cancellable operating leases are as follows:

	2022		2021	
	Land and buildings £'000	Other £'000	Land and buildings £'000	Other £'000
Group				
- within one year	1,440	104	700	97
- between one and five years	5,763	129	2,771	219
- after five years	7,817	-	1,511	-
	15,020	233	4,982	316
Partnership				
- within one year	1,440	104	700	97
- between one and five years	5,763	129	2,771	219
- after five years	7,817	-	1,511	-
	15,020	233	4,982	316

19. Employee benefits

Defined contribution schemes

The Group operates defined contribution retirement benefit schemes for all qualifying employees. The total expense charged to P&L account in the year ended 30 April 2022 was £735,000 (2021: £454,000).
Other payables include outstanding pension costs of £106,000 (2021: £73,000).

20. Related party transactions

The total remuneration for key management personnel in the year was £3,444,000 (2021 restated: £2,712,000 – restated for consistency with current year).

21. Controlling party

The LLP is controlled by its members and as such there is no one controlling party.