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Brachers LLP

Annual Report

Year Ended

30 April 2016

Registered No: OC336022

Registered in England

Brachers LLP

Report and financial statements
for the year ended 30 April 2016

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Members

J C Sheath
A H G Wilson
K Baigent
J P Worby
S P Alexander
N P Rennie
S K Gaines
A Jilani
S J Smith
C L Daw
M R Oatham
J A D Bullock

Registered office

Somerfield House, 59 London Road, Maidstone, Kent, ME16 8JH

Auditors

Wilkins Kennedy FKC, Stourside Place, Station Road, Ashford, Kent TN23 1PP

Brachers LLP

Members' report
for the year ended 30 April 2016

The members present their report together with the audited financial statements for the year ended 30 April 2016.

Principal activity

The principal activity of Brachers LLP continued to be that of the provision of legal services.

Branches outside the United Kingdom

No branches exist outside the United Kingdom.

Trading review

For the 2015-16 year, fee income increased by 3.7% but including the year on year WIP valuation adjustment, total group turnover increased by 3.4%.

The Group's expenditure was 2.9% lower than the prior year, which has contributed to an increase in year on year operating profit of £681,000 (31%).

Designated members

The members who held office during the year end up to the date of signature of the financial statements were as follows:

J C Sheath
A H G Wilson
K Baigent
A S Palmer (Resigned 2 August 2016)
J P Worby
S P Alexander
N P Rennie
S K Gaines
A Jilani
S J Smith
C L Daw
M R Oatham
J Bullock

Auditors

Wilkins Kennedy FKC have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

Allocation of profits

Any profits are shared among the members as governed by the Limited Liability Membership Deed dated 1 May 2009.

Members are remunerated solely out of the profits of the partnership and the final allocation of profits to members is made in accordance with the Membership Deed.

Capital

The members may only contribute to the partnership's capital in accordance with the Membership Deed.

Policy for drawings, subscriptions and repayment of members' capital

The Membership Deed governs policies for members' drawings, subscriptions and repayment of members' capital.

No drawings or other payments can be made to or on behalf of any members, other than by distribution of profits, without the consent of the members. The firm will reserve, out of profits before distribution, sufficient funds to provide for the working capital requirements of the business.

Statement of members' responsibilities

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

Company law (as applied by The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008) requires the members to prepare the 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. Under company law (as applied by The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008) the members 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 limited liability partnership and of the profit and loss of the limited liability partnership for that period. In preparing these financial statements, the members are required to:

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

The members are responsible for keeping adequate accounting records that are sufficient to show and explain the limited liability partnerships' transactions and disclose with reasonable accuracy at any time the financial position of the limited liability partnership and to enable them to ensure that the financial statements comply with the Companies Act 2006 (as applied by The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008). They are also responsible for safeguarding the assets of the limited liability partnership and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure to auditors

Each of the current members in office at the date of approval of this annual report confirms that:

- so far as the members are aware, there is no relevant audit information of which the limited liability partnership's auditors are unaware, and
- the members have taken all the steps that they ought to have taken as members in order to make themselves aware of any relevant audit information and to establish that the limited liability partnership's auditors are aware of that information.

On behalf of the members

J P Worby
Designated member

Date: 28 November 2016

To the Members of Brachers LLP

We have audited the group and parent limited liability partnership financial statements (the "financial statements") of Brachers LLP for the year ended 30 April 2016 set out on pages 6 to 33. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102.

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 by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008. 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 auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the 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.

Respective responsibilities of the members and auditors
As explained more fully in the Members' Responsibilities Statement set out on page 2, the members are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements
An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the limited liability partnership's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the designated members; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements
In our opinion the financial statements:

- give a true and fair view of the state of the group's and the limited liability partnership's affairs as at 30 April 2016 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 as applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008.

Opinion on other matter prescribed by the Companies Act 2006
In our opinion the information given in the Members' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

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

Wilkins Kennedy FKC
Robert Reynolds (Senior Statutory Auditor)
for and on behalf of Wilkins Kennedy FKC

5 December 2016

Chartered Accountants
Statutory Auditor

Stourside Place
Station Road
Ashford
Kent

Brachers LLP

Consolidated profit and loss account
for the year ended 30 April 2016

	Note	2016 £'000	2015 £'000
Turnover	3	12,338	11,938
Administrative and establishment expenses		(9,426)	(9,707)
Operating profit	4	2,912	2,231
Interest receivable	8	90	101
Interest payable	9	(172)	(245)
Profit for the financial period before members' remuneration and profit shares		2,830	2,087
Profit for the financial period before members' remuneration and profit shares		2,830	2,087
Members' profit share charged as an expense	6	(2,830)	(2,087)
Result for the financial period available for discretionary division among the members		-	-

All amounts relate to continuing activities.

The notes on pages 13 to 32 form part of these financial statements

Brachers LLP

Consolidated statement of total comprehensive income for the year ended 30 April 2016

	Note	2016 £'000	2015 £'000
Profit for the financial period available for discretionary division among members		2,830	2,087
Other comprehensive income:			
Movement in unrecognised defined benefit pension scheme asset	19	(89)	(92)
Total comprehensive income for the year		2,741	1,995

The notes on pages 13 to 32 form part of these financial statements

Brachers LLP

Balance sheets at 30 April 2016

Company number: OC336022		Group		Limited Liability Partnership	
	Note	2016 £'000	2015 £'000	2016 £'000	2015 £'000
Fixed assets					
Intangible assets	10	51	-	51	-
Tangible assets	11	3,208	2,914	3,208	2,914
Investments	12	102	102	352	352
		3,361	3,016	3,611	3,266
Current assets					
Debtors	15	5,076	5,115	5,070	5,098
Cash at bank and in hand		301	9	174	-
		5,377	5,124	5,244	5,098
Creditors: amounts falling due within one year	17	(3,031)	(3,121)	(3,170)	(3,343)
Net current assets		2,346	2,003	2,074	1,755
Total assets less current liabilities		5,707	5,019	5,685	5,021
Creditors: amounts falling due after more than one year	18	(2,335)	(2,478)	(2,335)	(2,478)
Net assets excluding pension surplus/ (deficit) attributable to members		3,372	2,541	3,350	2,543
Defined benefit pension surplus/ (deficit)	19	-	-	-	-
Net assets attributable to members		3,372	2,541	3,350	2,543

The notes on pages 13 to 32 form part of these financial statements

Brachers LLP

Balance sheets at 30 April 2016 *(continued)*

Company number: OC336022		Group		Limited Liability Partnership	
	Note	2016 £'000	2015 £'000	2016 £'000	2015 £'000
Represented by:					
Loans and other debts due to members within one year					
Members' capital classified as a liability		2,093	1,432	2,104	1,443
Members' current accounts		1,279	923	1,246	914
Other reserves		-	186	-	186
Total members' interests		3,372	2,541	3,350	2,543
Total members' interests					
Loans and other debts due to members	20	3,372	2,541	3,350	2,543
		3,372	2,541	3,350	2,543

The financial statements were approved by the members of the Limited Liability Partnership and authorised for issue on 29 November 2016.

J P Worby
Designated member

The notes on pages 13 to 32 form part of these financial statements

Brachers LLP

Consolidated reconciliation of members' interests for the year ended 30 April 2016

	DEBT			
	Loans and other debts due to members less any amounts due from members in debtors			Total members' interests
	Members' capital (classified as debt) £'000	Current accounts £'000	Other amounts £'000	Total £'000
Balance at 1 May 2014	**1,304**	**989**	**262**	**2,555**
Members' remuneration charged as an expense including employment and retirement benefit costs	-	2,087	-	2,087
Other comprehensive income	-	(92)	-	(92)
Members' interests after profit for the year	**1,304**	**2,984**	**262**	**4,550**
Capital amounts introduced by members	485	-	-	485
Repayment of capital	(220)	-	(42)	(262)
Drawings	-	(1,965)	-	(1,965)
Transfer amounts due to former members	(137)	(96)	(34)	(267)
Amounts due to members	**1,432**	**923**	**186**	**2,541**
Balance at 1 May 2015	**1,432**	**923**	**186**	**2,541**
Members' remuneration charged as an expense including employment and *retirement benefit costs*	-	2,830	-	2,830
Other comprehensive income	-	(89)	-	(89)
Members' interests after profit for the year	**1,432**	**3,664**	**186**	**5,282**
Drawings	-	(2,308)	-	(2,308)
Reserves transfers made	263	(77)	(186)	-
Other reserve paid	-	-	-	-
Revaluation adjustment	398	-		398
Amounts due to members	**2,093**	**1,279**	**-**	**3,372**
Balance at 30 April 2016	**2,093**	**1,279**	**-**	**3,372**

The notes on pages 13 to 32 form part of these financial statements

Brachers LLP

Partnership reconciliation of members' interests for the year ended 30 April 2016

	DEBT			
	Loans and other debts due to members less any amounts due from members in debtors			Total members' interests
	Members' capital (classified as debt) £'000	Current accounts £'000	Other amounts £'000	Total £'000
Balance at 1 May 2014	**1,315**	**989**	**262**	**2,566**
Members' remuneration charged as an expense including employment and retirement benefit costs	-	2,078	-	2,078
Other comprehensive income	-	(92)	-	(92)
Members' interests after profit for the year	**1,315**	**2,975**	**262**	**4,552**
Capital amounts introduced by members	485	-	-	**485**
Repayment of capital	(220)	-	(42)	(262)
Drawings	-	(1,965)	-	(1,965)
Transfer amounts due to former members	(137)	(96)	(34)	(267)
Amounts due to members	**1,443**	**914**	**186**	**2,543**
Balance at 1 May 2015	**1,443**	**914**	**186**	**2,543**
Members' remuneration charged as an expense including employment and retirement benefit costs	-	2,806	-	2,806
Other comprehensive income	-	(89)	-	(89)
Members' interests after profit for the year	**1,443**	**3,631**	**186**	**5,260**
Drawings	-	(2,308)	-	(2,308)
Reserves transfers made	263	(77)	(186)	-
Other reserve paid	-	-	-	-
Revaluation adjustment	398	-		398
Amounts due to members	**2,104**	**1,246**	**-**	**3,350**
Balance at 30 April 2016	**2,104**	**1,246**	**-**	**3,350**

The notes on pages 13 to 32 form part of these financial statements

Brachers LLP

Consolidated statement of cash flows
for the year ended 30 April 2016

	Note	2016 £'000	2016 £'000	2015 £'000	2015 £'000
Cash flows from operating activities					
Cash generated from operations	23		2,825		2,442
Interest paid			(172)		(192)
Pension contributions paid			(84)		(84)
Net cash inflow from operating activities			2,569		2,166
Investing activities					
Purchase of intangible fixed assets		(64)		-	
Purchase of tangible fixed assets		(17)		(176)	
Interest received		85		93	
Net cash generated from investing activities			4		(83)
Financing activities					
Transactions with members:					
Capital introduced by members		-		485	
Capital repaid to members		-		(262)	
Other payments to members		(2,308)		(2,018)	
Transactions with non-members:					
Repaid to former partners		-		(267)	
Repayment of borrowings		(890)		(1,163)	
Additional borrowings during the year		1,125		1,018	
Repayment of bank loans		(102)		(113)	
Net cash generated from financing activities			(2,175)		(2,320)
Net increase/(decrease) in cash and cash equivalents			398		(237)
Cash and cash equivalents at beginning of year			(97)		140
Cash and cash equivalents at end of year			301		(97)
Relating to:					
Cash at bank and in hand			301		9
Bank overdrafts included in creditors payable within one year			-		(106)

The notes on pages 13 to 32 form part of these financial statements

1 Accounting policies

Limited liability partnership information
Brachers LLP is a limited liability partnership domiciled and incorporated in England and Wales. The registered office is Somerfield House, 59 London Road, Maidstone, Kent, ME16 8JH.

1.1 Accounting convention

The financial statements have been prepared in accordance with the Statement of Recommended Practice 'Accounting by Limited Liability Partnerships' issued in July 2014, together with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the limited liability partnership. Monetary amounts in these financial statements are rounded to the nearest £000.

The financial statements have been prepared on the historical cost convention, modified to include the revaluation of freehold properties and to include certain financial instruments at fair value. The principal accounting policies adopted are set out below:

1.2 Transition to FRS 102

These financial statements are the first financial statements of Brachers LLP prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting standard applicable in the UK and Republic of Ireland" (FRS 102). The financial statements of Brachers LLP for the year ended 30 April 2015 were prepared in accordance with previous UK GAAP and the Statement of Recommended Practice "Accounting by Limited Liability partnerships" 2010.

Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from previous UK GAAP. Consequently, the members have amended certain accounting policies to comply with FRS 102. The members have also taken advantage of certain exemptions from the requirements of FRS 102 permitted by FRS 102 Chapter 35 'Transition to this FRS'.

Comparative figures have been restated to reflect the adjustments made, except to the extent that the members have taken advantage of exemptions to retrospective application of FRS 102 permitted by FRS 102 Chapter 35 'Transition to this FRS'. Adjustments are recognised directly in members' interests at the transition date and are detailed in note 24.

1.3 Basis of consolidation

The consolidated financial statements incorporate those of the LLP and all of its active subsidiary undertakings. The financial statements of the trading subsidiary are made up to 30 April each year. The subsidiary is fully consolidated using acquisition accounting from the effective date of acquisition and up to the effective date of disposal, as appropriate.

1.4 Going concern

At the time of approving the financial statements, the members have a reasonable expectation that the limited liability partnership has adequate resources to continue in operational existence for the foreseeable future. Thus the members continue to adopt the going concern basis of accounting in preparing the financial statements.

1 Accounting policies

1.5 Turnover, revenue recognition and amounts recoverable on contracts

Fee income represents the amounts recoverable for the services provided to clients, excluding value added tax, under contractual obligations which are performed gradually over time. Turnover is recognised by reference to an assessment of the fair value of services performed at the balance sheet date as a proportion of the total value of the engagement, and services provided during the year to clients, that at the balance sheet date have not yet been billed, are recognised as turnover.

Payments received on account of work done are deducted from gross unbilled debtors. Payments received on account in excess of the carrying value of the relevant work in progress are included in creditors.

Fee income in respect of contingent fee assignments is recognised in the period when the contingent event occurs and the collectability of the fee is assured.

Unbilled fee income on individual assignments is included as amounts recoverable on contracts within debtors.

1.6 Members' participating interests

Members' participation rights are the rights of a member against the LLP that arise under the members' agreement (for example, in respect of amounts subscribed or otherwise contributed remuneration and profits).

Salaries agreed to be paid to members, through an employment contract, are treated as an expense in in the profit and loss account to reflect the right the members have to this remuneration because the LLP has no right to refuse payment.

Profits and losses are shared by the members at the end of the period in accordance with agreed profit and loss sharing arrangements governed by the Membership Deed. Members are required to make their own provision for pensions and other benefits from their profit shares.

Members are permitted to make drawings in anticipation of profits which will be allocated to them. The policy for the level and timing of the drawings is determined by the Management Committee and takes into account the LLP's cash requirements for operating and investment activities. The drawings represent payments on account of current year profits and may be reclaimable from members until profits have been allocated.

Members' participation rights in the earnings or assets of the LLP are analysed between those that are, from the LLP's perspective, either a financial liability or equity, in accordance with section 22 of FRS 102. A member's participation rights including amounts subscribed or otherwise contributed by members, for example members' capital, are classed as liabilities unless the LLP has an unconditional right to refuse payment to members, in which case they are classified as equity.

All amounts due to members that are classified as liabilities are presented within 'Loans and other debts due to members' and, where such an amount relates to current year profits, they are recognised within 'Members' remuneration charged as an expense' in arriving at the relevant year's result. Undivided amounts that are classified as equity are shown within 'Members' other interests'. Amounts recoverable from members are presented as debtors and shown as amounts due from members within members' interests.

Once an unavoidable obligation has been created in favour of members through allocation of profits or other means, any undrawn profits remaining at the reporting date are shown as 'Loans and other debts due to members' to the extent they exceed debts due from a specific member.

1 Accounting policies

1.7 Intangible fixed assets

Goodwill represents the excess of the cost of acquisition of unincorporated businesses over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is up to 6 years.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

1.8 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

IT equipment	-	33.3%
Furniture and fittings	-	20.0%
Motor vehicles	-	20.0%

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the profit and loss account.

No depreciation is provided in respect of freehold land or buildings, because in the opinion of the members, the cost of freehold land and buildings, as shown in the accounts, is not less than their expected residual value at the end of the assets useful lives. This is a departure from the general requirement of the Companies Act 2006 for all tangible assets to be depreciated. In the opinion of the members this policy is necessary for the financial statements to give a true and fair view.

Under the revaluation model, and item of property, plant and equipment whose fair value can be measured reliably shall be carried at a revalued amount, being its fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations shall be made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period. Brachers LLP will continue its policy of obtaining a valuation on freehold land and buildings on an annual basis.

1.9 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the limited liability partnership. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1 Accounting policies

1.10 Impairment of fixed assets

At each reporting end date, the limited liability partnership reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the limited liability partnership estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried in at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.11 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within creditors in current liabilities.

1.12 Financial instruments

The limited liability partnership has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the limited liability partnership's statement of financial position when the limited liability partnership becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publically traded and whose fair values cannot be measured reliably are measured at cost less impairment.

1 Accounting policies

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the limited liability partnership transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial assets

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 limited liability partnership after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including trade and other payables, bank loans, loans from fellow limited liability partnership companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the limited liability partnership's obligations expire or are discharged or cancelled.

1.13 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the limited liability partnership is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1 Accounting policies

1.14 Retirement benefits and post retirement payments to members

The cost of providing benefits under defined benefit plans is determined separately for each plan using the projected unit credit method, and is based on actuarial advice.

The change in the net defined benefit liability arising from employee service during the year is recognised as an employee cost. The cost of plan introductions, benefit changes, settlements and curtailments are recognised as an expense in measuring profit or loss in the period in which they arise.

The net interest element is determined by multiplying the net defined benefit liability by the discount rate, taking into account any changes in the net defined benefit liability during the period as a result of contribution and benefit payments. The net interest is recognised in profit or loss as other finance revenue or cost.

Remeasurement changes comprise actuarial gains and losses, the effect of the asset ceiling and the return on the net defined benefit liability excluding amounts included in net interest. These are recognised immediately in other comprehensive income in the period in which they occur and are not reclassified to profit and loss in subsequent periods.

The defined net benefit pension asset or liability in the balance sheet comprises the total for each plan of the present value of the defined benefit obligation (using a discount rate based on high quality corporate bonds), less the fair value of plan assets out of which the obligations are to be settled directly. Fair value is based on market price information, and in the case of quoted securities is the published bid price. The value of a net pension benefit asset is limited to the amount that may be recovered either through reduced contributions or agreed refunds from the scheme.

The post retirement payments due to members are charged to the profit and loss account in the period to which they are paid. No provision is made in the accounts for future payments for current or past members.

1.15 Operating leases: lessee

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

1.16 Taxation

The taxation payable on the limited liability partnership profits is the personal liability of the members during the year and consequently neither taxation nor related deferred taxation are accounted for in the financial statements. Amounts retained for members" personal tax liabilities are treated in the same way as other profits of the partnership and so are included in “Members interests” or in “Loans and other debts due to members” depending on whether an allocation of profits has occurred.

2 Judgements and key sources of estimation uncertainty

In the application of the limited liability partnership's accounting policies, the members are required to make judgements, estimates and assumptions about the carrying amount 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 where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

The group makes an assessment of the recoverable value of trade and other debtors. When assessing impairment the group considers factors such as historical experience and credit rating.

The group makes an assessment of valuation of amounts recoverable on contracts. When assessing the valuation the group considers the work type, historical recoverability levels and the credit risk associated with the client.

3 Turnover

Fee income is wholly attributable to the principal activity of the limited liability partnership and arises solely within the United Kingdom.

Other significant revenue		
Interest income	90	101

4 Operating profit

Operating profit for the year is stated after charging:	**2016 £'000**	**2015 £'000**
Auditors remuneration – As auditor	20	16
Auditors remuneration – For other services	15	22
Amortisation of intangible fixed assets	113	-
Depreciation of owned tangible fixed assets	121	146
Operating lease rentals - Plant and machinery	102	102
Operating leases rentals - Other	71	66

5 Employees

The average number of persons employed by the group during the year was:

	2016 Number	2015 Number
Solicitors/fee earners	85	88
Administrative and support staff	87	91
Total	172	179

Staff costs for the above persons:

	2016 £'000	2015 £'000
Wages and salaries	5,714	6,081
Social security costs	635	639
Pension costs	248	255
	6,597	6,975

6 Members' remuneration

	2016 Number	2015 Number
The average number of members during the year was	12	12

	2016 £'000	2015 £'000
Profit attributable to the member with the highest entitlement	140	161

	2016 £'000	2015 £'000
Remuneration charged as an expense	2,830	2,087

	2016 £'000	2015 £'000
The average member remuneration was	236	174

7 Profit for the financial year

As permitted by section 408 Companies Act 2006, the holding entity's profit and loss accounts has not been included in these financial statements. The profit for the financial year dealt with in the accounts of the holding entity, Brachers LLP, is as follows:

	2016 £'000	2015 £'000
Holding entity's profit for the financial year	2,806	2,078

8 Interest receivable and similar income

	2016 £'000	2015 £'000
Interest income		
Interest on bank deposits	85	93
Other interest income (see note 19)	5	8
	90	101

9 Interest payable and similar charges

	2016 £'000	2015 £'000
Interest payable		
Interest on bank overdrafts and loans	172	245
	172	245

10 Intangible fixed assets

Group and Limited Liability Partnership

	Goodwill £'000	Total £'000
Cost		
At 1 May 2015	-	-
Additions	64	64
At 30 April 2016	**64**	**64**
Amortisation and impairment		
At 1 May 2015	-	-
Amortisation charged for the year	13	13
At 30 April 2016	**13**	**13**
Carrying amount		
At 30 April 2016	**51**	**51**
At 30 April 2015	-	-

Goodwill arose on the acquisition of Watson Nevill in May 2015.

11 Tangible fixed assets

Group and Limited Liability Partnership

	Freehold land and buildings £'000	IT equipment £'000	Furniture and fittings £'000	Motor vehicles £'000	Total £'000
Cost or valuation					
At 1 May 2015	2,662	1,567	577	10	4,816
Additions	-	13	4	-	17
Revaluation for the period	398	-	-	-	398
At 30 April 2016	**3,060**	**1,580**	**581**	**10**	**5,231**
Depreciation and impairment					
At 1 May 2015	-	1,452	446	4	1,902
Provided for in the period	-	76	43	2	121
At 30 April 2016	**-**	**1,528**	**489**	**6**	**2,023**
Net book value					
At 30 April 2016	**3,060**	**52**	**92**	**4**	**3,208**
At 30 April 2015	2,662	115	131	6	2,914

The partnerships freehold land and buildings were re-valued at 30 April 2016 by the members having taken advice of independent Chartered Surveyors. The valuations were undertaken in accordance with the Royal Institute of Chartered Surveyors Appraisal and Valuation Manual (The Red Book).

On a historical cost basis this would have been included at an original cost of £3,542,000 (2015 - £3,542,000).

In July 2016, the properties included in freehold land and buildings above were transferred in full to Brachers Property LLP.

12 Fixed asset investments

		Group		Limited Liability Partnership	
					As restated
	Note	2016 £'000	2015 £'000	2016 £'000	2015 £'000
Investments in subsidiaries	13	-	-	250	250
Unlisted investments		102	102	102	102
		102	102	352	352

The unlisted investment represents an 8% interest in the ordinary share capital of Meridies Insurance Company Limited.

13 Subsidiaries

Brachers LLP controls more than 20% of the following undertakings which are all engaged in the business of providing professional services and advice:

Name of undertaking and country of incorporation or residency		Nature of business	Class of shareholding	% held Direct
Subsidiary undertakings				
Kent HR LLP	England and Wales	Provision of professional services and advice	N/A	100
Brachers Trust Corporation Ltd	England and Wales	Provision of professional services and advice	Ordinary	100
Associated undertakings				
Brachers Wealth Management LLP	England and Wales	Provision of professional/ financial services and advice	N/A	50

In the opinion of the members the aggregate value of the investment in subsidiary undertakings is not less than the amount included in the balance sheet.

The results of the subsidiary undertakings are included in the consolidated financial statements prepared by Brachers LLP. The results of the associated undertaking are not disclosed above on the grounds of materiality.

The principal place of business of Brachers Wealth Management LLP is Somerfield House, 59 London Road, Maidstone, Kent.

14 *Financial instruments*

	Group		Limited Liability Partnership	
	2016	2015	2016	2015
	£'000	£'000	£'000	£'000
Carrying amount of financial assets				
Debt instruments measured at amortised cost	3,740	3,405	3,733	3,393
Equity instruments measured at cost less impairment	102	102	352	352
Carrying amount of financial liabilities				
Measured at amortised cost	5,367	5,599	4,779	5,174

15 Debtors

	Group		Limited Liability Partnership	
	2016	2015	2016	2015
	£'000	£'000	£'000	£'000
Trade debtors	3,740	3,405	3,729	3,389
Amounts recoverable on contracts	907	1,232	907	1,229
Other debtors	429	478	429	476
Amounts due from fellow group undertakings	-	-	5	4
	5,076	5,115	5,070	5,098

All amounts shown under debtors fall due for payment within one year.

16 Loans and overdrafts

Group and Limited Liability Partnership	2016 £'000	2015 £'000
Bank loans	2,280	2,382
Bank overdrafts	-	106
Other loans	464	229
	2,744	2,717
Payable within one year	541	389
Payable between two and five years	2,2034	2,328

The bank loan is secured on properties owned by the partnership. The total loan for which security has been given amounted to £2,280,000, at 30 April 2015 the amount was £2,308,000.

The bank loan is on standard commercial terms and interest is payable at 3% over Base Rate.

17 Creditors: amounts falling due within one year

	Group		Limited Liability Partnership	
				As restated
	2016 £'000	2015 £'000	2016 £'000	2015 £'000
Bank loans (secured)	94	93	94	93
Bank overdrafts	-	106	-	106
Amounts due to group undertaking	-	-	2	100
Amounts due to former members	37	62	37	62
Other loans	447	190	447	190
Trade creditors	795	903	795	903
Taxation and social security	727	648	726	648
Other creditors	525	577	675	704
Deferred Income (Advance Fee Billing)	407	542	394	537
	3,032	3,121	3,170	3,343

18 Creditors: amounts falling due after more than one year

Group and Limited Liability Partnership	2016 £'000	2015 £'000
Bank loans (secured)	2,186	2,289
Amounts due to former members	132	150
Other loans	17	39
	2,335	2,478

19 Retirement benefit schemes

Defined benefit schemes

Group and Limited Liability Partnership

The group operates a defined benefit scheme in the UK. This is a separate trustee administered fund holding the pension scheme assets to meet long term pension liabilities. A full actuarial valuation was carried out at 30 April 2015 and updated to 30 April 2016 by a qualified actuary, independent of the scheme's sponsoring employer. The major assumptions used by the actuary are shown below.

This most recent actuarial valuation showed a deficit of £24,000. The group has agreed with the trustees that it will aim to eliminate the deficit over a period of 4 months from 30 April 2015 by the payment of monthly contributions of £7,000 in respect of the deficit. In addition and in accordance with the actuarial valuation, the group has agreed with the trustees that it will meet expenses of the scheme and levies to the Pension Protection Fund.

Key assumptions	**2016** %	**2015** %
Discount rates	3.50	3.45
CPI Inflation	2.10	2.35
Revaluation of deferred pensions	2.10	2.35

Mortality assumptions	**2016**	**2015**
Assumed life expectations on retirement at age 65:	%	%
Retiring today:		
- Males	22.7	22.6
- Females	24.5	24.7
Retiring in 20 years:		
- Males	24.6	24.7
- Females	26.8	27.0

Amounts recognised in the profit and loss account:

	2016 £'000	**2015** £'000
Net interest on defined liability/(asset)	(5)	(8)

Amounts taken to other comprehensive income:

	2016 £'000	**2015** £'000
Actuarial gain/(loss) on defined benefit obligation	66	(274)
Return on plan assets (excluding amounts in net interest)	(41)	113
Movement in unrecognised plan surplus	(114)	69
Total cost	(89)	(92)

19 Retirement benefit schemes *(continued)*

The amounts included in the balance sheet arising from the group's obligations in respect of defined benefit plans are as follows:

	2016 £'000	2015 £'000
Present value of defined benefit obligations	2,282	2,438
Fair value of plan assets	(2,486)	(2,528)
Surplus in scheme	(204)	(90)
Asset not recognised due to asset ceiling	204	90
Total (asset)/liability recognised	-	-

Movements in the present value of defined benefit obligations:

	2016 £'000
Liabilities at 1 May 2015	2,438
Benefits paid	(171)
Interest cost	81
Actuarial loss on liabilities	(66)
Liabilities at 30 April 2016	2,282

The defined benefit obligations arise from plans funded as follows:

	2016 £'000
Wholly unfunded obligations	2,486
Wholly or partly funded obligations	(204)
	2,282

20 Loans and other debts due to members

	Group		Limited Liability Partnership	
	2016	**2015**	**2016**	**2015**
	£'000	**£'000**	**£'000**	**£'000**
Analysis of loans				
Amounts falling due within one year	3,372	2,541	3,350	2,543

Capital is repayable in accordance with the terms set out in the Membership Deed.

In the event of a winding up the amounts included in "Loans and other debts due to members" will rank after unsecured creditors.

21 Operating lease commitments
Lessee

At the reporting date the group and limited liability partnership had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2016	**2015**
	£'000	**£'000**
Operating leases which expire:		
Within one year	90	153
Between two and five years	199	126
Total	289	279

22 Related party transactions

In the opinion of the members, at 30 April 2016 there is no ultimate controlling party of Brachers LLP, with the members controlling Brachers LLP in accordance with their capital contribution to the business.

The limited liability partnership has taken advantage of the exemption available under FRS 102, section 33, not to disclose related party transactions with the wholly owned members of the group.

The key management remuneration, being the members of the LLP, payable for the year, was £2,830,000 (2015: £2,087,000).

23 Cash generated from operations

	2016 £'000	2015 £'000
Profit for the year	2,830	2,087
Adjustments for:		
Finance costs recognised in profit or loss	172	245
Investment income recognised in profit or loss	(90)	(101)
Depreciation and impairment of tangible fixed assets	121	146
Amortisation and impairment of intangible fixed assets	13	-
Movements in working capital:		
(Increase) in debtors	39	(218)
(Decrease) / increase in creditors	(260)	283
Cash generated from operations	2,825	2,442

24 Reconciliations on adoption of FRS 102

Group - Reconciliation of members' interests

	Note	1 May 2014 £'000	30 April 2015 £'000
Members' interests as reported under previous UK GAAP		2,555	2,651
Adjustments arising from transition to FRS 102:			
Holiday pay accrual	A	-	(110)
		2,555	2,541

Group - Reconciliation of profit

	Note	2015 £'000
Profit as reported under previous UK GAAP		2,189
Adjustments arising from transition to FRS 102:		
Holiday pay accrual	A	(110)
Net interest income on defined benefit pension plan	B	8
		2,087

LLP - Reconciliation of members' interests

	Note	1 May 2014 £'000	30 April 2015 £'000
Members' interests as reported under previous UK GAAP		2,566	2,653
Adjustments arising from transition to FRS 102:			
Holiday pay accrual	A	-	(110)
		2,566	2,543

LLP - Reconciliation of profit

	Note	2015 £'000
Profit as reported under previous UK GAAP		2,180
Adjustments arising from transition to FRS 102:		
Holiday pay accrual	A	(110)
Net interest income on defined benefit pension plan	B	8
		2,078

24 Reconciliations on adoption of FRS 102 *(continued)*

Notes to reconciliations on adoption of FRS 102

A. Holiday pay accrual

In line with Section 28 of FRS 102, the group and limited liability partnership have accrued for the outstanding employee holiday pay due as at the prior year end 30 April 2015.

B. Net interest income on defined benefit pension plan

In line with Section 28 of FRS 102, the group and limited liability partnership have recognised net interest income of £8,000 on net plan assets as at 30 April 2015.

25 Prior period adjustment

A prior period adjustment has been reflected in the comparative figures of limited liability partnership in order to recognise an investment made in the year ended 30 April 2015 in the sum of £150,000. A corresponding additional sum of £150,000 has also been reflected within other creditors.

The above adjustment has no effect upon reported operating profit for the limited liability partnership for the year ended 30 April 2015.