

Brachers LLP

Annual Report

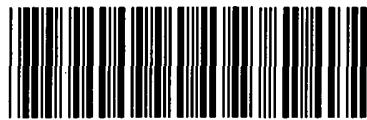
Year Ended

30 April 2017

Registered No: OC336022

Registered in England

SATURDAY



A6YHTPGQ

A17

27/01/2018

#158

COMPANIES HOUSE

Brachers LLP

Report and financial statements for the year ended 30 April 2017

Contents

Page:

1	Members' report
4	Independent auditors' report
6	Consolidated profit and loss account
7	Consolidated statement of comprehensive income
8	Balance sheets
10	Consolidated reconciliation of members' interests
11	Partnership reconciliation of members' interests
12	Consolidated statement of cash flows
13	Notes to the financial statements

Members

J C Sheath
A H G Wilson (Retired 30 April 2017)
K Baigent
J P Worby
S P Alexander
N P Rennie
S K Gaines
A Jilani
S J Smith (Resigned 18 September 2017)
C L Daw
M R Oatham
J A D Bullock
M Simmonds (Appointed 1 November 2017)

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 2017

The members present their report together with the audited financial statements for the year ended 30 April 2017.

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 2016-17 year there was only a 1% increase in Group turnover. There was a mixed performance across the practice areas which resulted in a year on year drop in fee income but incorporating the uplift in our WIP valuation, overall turnover did increase. Expenditure is very similar to the previous year which meant the modest rise in income resulted in a small increase in profitability.

Designated members

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

J C Sheath
A H G Wilson (Retired 30 April 2017)
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 (Resigned 18 September 2017)
C L Daw
M R Oatham
J Bullock
M Simmonds (Appointed 1 November 2017)

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.

Brachers LLP

Members' report for the year ended 30 April 2017 (continued)

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.

Brachers LLP

Members' report for the year ended 30 April 2017 (*continued*)

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



P Worby

Designated member

Date: 23.1.18

Brachers LLP

Independent auditors' report

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 2017 set out on pages 6 to 32. 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 2017 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 statement, and the Members' Report has been prepared in accordance with applicable legal requirements.

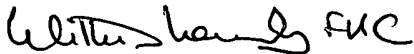
Brachers LLP

Independent auditors' report (*continued*)

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.



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

25 January 2018

Chartered Accountants
Statutory Auditor

Stourside Place
Station Road
Ashford
Kent

Brachers LLP

Consolidated profit and loss account for the year ended 30 April 2017

	Note	2017 £'000	2016 £'000
Turnover	3	12,582	12,338
Administrative and establishment expenses		(9,425)	(9,426)
Operating profit	4	3,157	2,912
Interest receivable	8	105	90
Interest payable	9	(112)	(172)
Profit for the financial period before members' remuneration and profit shares		3,150	2,830
Profit for the financial period before members' remuneration and profit shares		3,150	2,830
Members' profit share charged as an expense	6	(3,150)	(2,830)
Result for the financial period available for discretionary division among the members		-	-

All amounts relate to continuing activities.

The notes on pages 13 to 29 form part of these financial statements

Brachers LLP

Consolidated statement of total comprehensive income for the year ended 30 April 2017

	Note	2017 £'000	2016 £'000
Profit for the financial period available for discretionary division among members		3,150	2,830
Other comprehensive income:			
Movement in unrecognised defined benefit pension scheme asset	19	(92)	(89)
Total comprehensive income for the year		3,058	2,741

The notes on pages 13 to 29 form part of these financial statements

Brachers LLP

Balance sheets at 30 April 2017

<i>Company number: OC336022</i>		Group		Limited Liability Partnership	
	Note	2017 £'000	2016 £'000	2017 £'000	2016 £'000
Fixed assets					
Intangible assets	10	38	51	38	51
Tangible assets	11	64	3,208	64	3,208
Investments	12	102	102	352	352
		<hr/>	<hr/>	<hr/>	<hr/>
		204	3,361	454	3,611
		<hr/>	<hr/>	<hr/>	<hr/>
Current assets					
Debtors	15	5,824	5,076	5,801	5,070
Cash at bank and in hand		1,197	301	1,050	174
		<hr/>	<hr/>	<hr/>	<hr/>
		7,021	5,377	6,851	5,244
		<hr/>	<hr/>	<hr/>	<hr/>
Creditors: amounts falling due within one year	17	(2,948)	(3,031)	(3,084)	(3,170)
		<hr/>	<hr/>	<hr/>	<hr/>
Net current assets		4,073	2,346	3,767	2,074
		<hr/>	<hr/>	<hr/>	<hr/>
Total assets less current liabilities		4,277	5,707	4,221	5,685
		<hr/>	<hr/>	<hr/>	<hr/>
Creditors: amounts falling due after more than one year	18	(232)	(2,335)	(232)	(2,335)
		<hr/>	<hr/>	<hr/>	<hr/>
Net assets excluding pension surplus/ (deficit) attributable to members		4,045	3,372	3,989	3,350
		<hr/>	<hr/>	<hr/>	<hr/>
Defined benefit pension surplus/ (deficit)	19	-	-	-	-
		<hr/>	<hr/>	<hr/>	<hr/>
Net assets attributable to members		4,045	3,372	3,989	3,350
		<hr/>	<hr/>	<hr/>	<hr/>

The notes on pages 13 to 29 form part of these financial statements

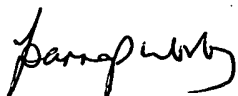
Brachers LLP

Balance sheets at 30 April 2017 (continued)

Company number: OC336022

Company number: OC336022		Group		Limited Liability Partnership	
	Note	2017 £'000	2016 £'000	2017 £'000	2016 £'000
Represented by:					
Loans and other debts due to members within one year					
Members' capital classified as a liability		2,078	2,093	2,078	2,104
Members' current accounts		1,967	1,279	1,911	1,246
Other reserves		-	-	-	-
Total members' interests		4,045	3,372	3,989	3,350
Total members' interests					
Loans and other debts due to members	20	4,045	3,372	3,989	3,350
		4,045	3,372	3,989	3,350

The financial statements were approved by the members of the Limited Liability Partnership and authorised for issue on 23.1.18



J P Worby
Designated member

The notes on pages 13 to 29 form part of these financial statements

Brachers LLP

Consolidated reconciliation of members' interests for the year ended 30 April 2017

	DEBT			Total members' interests
	Loans and other debts due to members less any amounts due from members in debtors			
	Members' capital (classified as debt) £'000	Current accounts £'000	Other amounts £'000	Total £'000
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
Capital amounts introduced by members	-	-	-	-
Repayment of capital	-	-	-	-
Drawings	-	(2,308)	-	(2,308)
Reserves transfers made	263	(77)	(186)	-
Revaluation adjustment	398	-	-	398
Transfer amounts due to former members	-	-	-	-
Amounts due to members	2,093	1,279	-	3,372
Balance at 1 May 2016	2,093	1,279	-	3,372
Members' remuneration charged as an expense including employment and retirement benefit costs	35	3,115	-	3,150
Other comprehensive income	-	(92)	-	(92)
Members' interests after profit for the year	2,128	4,302	-	6,430
Drawings	-	(2,153)	-	(2,153)
Capital repaid	(161)	(105)	-	(266)
Capital amounts introduced by members	34	-	-	34
Reserve transfers made	77	(77)	-	-
Amounts due to members	2,078	1,967	-	4,045
Balance at 30 April 2017	2,078	1,967	-	4,045

The notes on pages 13 to 29 form part of these financial statements

Brachers LLP

Partnership reconciliation of members' interests for the year ended 30 April 2017

	DEBT			Total members' interests
	Loans and other debts due to members less any amounts due from members in debtors			
	Members' capital (classified as debt) £'000	Current accounts £'000	Other amounts £'000	Total £'000
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
Capital amounts introduced by members	-	-	-	-
Repayment of capital	-	-	-	-
Drawings	-	(2,308)	-	(2,308)
Reserves transfers made	263	(77)	(186)	-
Other reserve paid	-	-	-	-
Revaluation adjustment	398	-	-	398
Transfer amounts due to former members	-	-	-	-
Amounts due to members	2,104	1,246	-	3,350
Balance at 1 May 2016	2,104	1,246	-	3,350
Members' remuneration charged as an expense including employment and retirement benefit costs	-	3,092	-	3,092
Other comprehensive income	-	(92)	-	(92)
Members' interests after profit for the year	2,104	4,246	-	6,350
Drawings	-	(2,153)	-	(2,153)
Capital repaid	(137)	(105)	-	(242)
Capital amounts introduced by members	34	-	-	34
Reserves transfers made	77	(77)	-	-
Amounts due to members	2,078	1,911	-	3,989
Balance at 30 April 2017	2,078	1,911	-	3,989

The notes on pages 13 to 29 form part of these financial statements

Brachers LLP

Consolidated statement of cash flows for the year ended 30 April 2017

	Note	2017 £'000	2017 £'000	2016 £'000	2016 £'000
Cash flows from operating activities					
Cash generated from operations	23		3,733		2,825
Interest paid			(112)		(172)
Pension contributions paid			(84)		(84)
Net cash inflow from operating activities			3,537		2,569
Investing activities					
Purchase of intangible fixed assets		-		(64)	
Purchase of tangible fixed assets		(10)		(17)	
Interest received		97		85	
Net cash generated from investing activities			87		4
Financing activities					
Transactions with members:					
Capital introduced by members		34		-	
Capital repaid to members		(24)		-	
Other payments to members		(2,153)		(2,308)	
Transactions with non-members:					
Repaid to former partners		(242)		-	
Repayment of borrowings		(1,002)		(890)	
Additional borrowings during the year		757		1,125	
Repayment of bank loans		(98)		(102)	
Net cash generated from financing activities			(2,728)		(2,175)
Net increase/(decrease) in cash and cash equivalents			896		398
Cash and cash equivalents at beginning of year			301		(97)
Cash and cash equivalents at end of year			1,197		301
Relating to:					
Cash at bank and in hand			1,197		301
Bank overdrafts included in creditors payable within one year			-		-

The notes on pages 13 to 29 form part of these financial statements

Brachers LLP

Notes forming part of the financial statements for the year ended 30 April 2017

1 Accounting policies

Limited liability partnership information

Brachers LLP is a limited liability partnership domiciled and incorporated in England and Wales. The registered office and principal place of business 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 January 2017, 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 certain financial instruments at fair value. The principal accounting policies adopted are set out below:

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.

1.5 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.

Brachers LLP

Notes forming part of the financial statements for the year ended 30 April 2017 (continued)

1 Accounting policies

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 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.

1.7 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 5 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.

Brachers LLP

Notes forming part of the financial statements for the year ended 30 April 2017 (continued)

1 Accounting policies

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.

Under the revaluation model, an 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.

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.

1.10 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.

Brachers LLP

Notes forming part of the financial statements for the year ended 30 April 2017 (*continued*)

1 Accounting policies

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.

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.

Brachers LLP

Notes forming part of the financial statements for the year ended 30 April 2017 (*continued*)

1 Accounting policies

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.

1.14 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.

Brachers LLP

Notes forming part of the financial statements for the year ended 30 April 2017 (continued)

1 Accounting policies

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	2017	2016
Interest income	97	90

4 Operating profit

	2017 £'000	2016 £'000
Operating profit for the year is stated after charging:		
Auditors remuneration – As auditor	21	20
Auditors remuneration – For other services	16	15
Amortisation of intangible fixed assets	13	113
Depreciation of owned tangible fixed assets	94	121
Operating lease rentals - Plant and machinery	58	102
Operating leases rentals – Other	29	71

Brachers LLP

Notes forming part of the financial statements
for the year ended 30 April 2017 (*continued*)

5 Employees

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

	2017 Number	2016 Number
Solicitors/fee earners	88	85
Administrative and support staff	86	87
	<hr/>	<hr/>
Total	180	172
	<hr/>	<hr/>

Staff costs for the above persons:

	2017 £'000	2016 £'000
Wages and salaries	6,045	5,714
Social security costs	572	635
Pension costs	237	248
	<hr/>	<hr/>
	6,854	6,597
	<hr/>	<hr/>

6 Members' remuneration

	2017 Number	2016 Number
The average number of members during the year was	11	12
	<hr/>	<hr/>

	2017 £'000	2016 £'000
Profit attributable to the member with the highest entitlement	289	242
	<hr/>	<hr/>

	2017 £'000	2016 £'000
Remuneration charged as an expense	3,150	2,830
	<hr/>	<hr/>

	2017 £'000	2016 £'000
The average member remuneration was	286	236
	<hr/>	<hr/>

Brachers LLP

Notes forming part of the financial statements for the year ended 30 April 2017 (*continued*)

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:

	2017 £'000	2016 £'000
Holding entity's profit for the financial year	3,092	2,806

8 Interest receivable and similar income

	2017 £'000	2016 £'000
Interest income		
Interest on bank deposits	97	85
Other interest income (see note 19)	8	5
	<u>105</u>	<u>90</u>

9 Interest payable and similar charges

	2017 £'000	2016 £'000
Interest payable		
Interest on bank overdrafts and loans	112	172
	<u>112</u>	<u>172</u>

Brachers LLP

Notes forming part of the financial statements
for the year ended 30 April 2017 (*continued*)

10 Intangible fixed assets

Group and Limited Liability Partnership

	Goodwill £'000	Total £'000
<i>Cost</i>		
At 1 May 2016	64	64
Additions	-	-
	<hr/>	<hr/>
At 30 April 2017	64	64
<i>Amortisation and impairment</i>		
At 1 May 2016	13	13
Amortisation charged for the year	13	13
	<hr/>	<hr/>
At 30 April 2017	26	26
<i>Carrying amount</i>		
At 30 April 2017	38	38
	<hr/>	<hr/>
At 30 April 2016	51	51
	<hr/>	<hr/>

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

Brachers LLP

Notes forming part of the financial statements
for the year ended 30 April 2017 (*continued*)

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
<i>Cost or valuation</i>					
At 1 May 2016	3,060	1,580	581	10	5,231
Additions	-	7	3	-	10
Transfer to Brachers Property LLP	(3,060)				
At 30 April 2017	-	1,587	584	10	2,181
<i>Depreciation and impairment</i>					
At 1 May 2016	-	1,528	489	6	2,023
Provided for in the period	-	50	42	2	94
At 30 April 2017	-	1,578	531	8	2,117
<i>Net book value</i>					
At 30 April 2017	-	9	53	2	64
At 30 April 2016	3,060	52	92	4	3,208

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

Brachers LLP

Notes forming part of the financial statements
for the year ended 30 April 2017 (*continued*)

12 Fixed asset investments

	Note	Group		Limited Liability Partnership	As restated
		2017 £'000	2016 £'000	2017 £'000	2016 £'000
Investments in subsidiaries	13	-	-	250	250
Unlisted investments		102	102	102	102
		<u>102</u>	<u>102</u>	<u>352</u>	<u>352</u>

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
Subsidiary undertakings				Direct
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 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.

Brachers LLP

Notes forming part of the financial statements
for the year ended 30 April 2017 *(continued)*

14 Financial instruments

	Group		Limited Liability Partnership	
	2017	2016	2017	2016
	£'000	£'000	£'000	£'000
Carrying amount of financial assets				
Debt instruments measured at amortised cost	4,202	3,740	4,179	3,733
Equity instruments measured at cost less impairment	102	102	352	352
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Carrying amount of financial liabilities				
Measured at amortised cost	2,484	5,367	2,620	4,779
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

15 Debtors

	Group		Limited Liability Partnership	
	2017	2016	2017	2016
	£'000	£'000	£'000	£'000
Trade debtors	3,324	3,740	3,292	3,729
Amounts recoverable on contracts	1,145	907	1,145	907
Other debtors	1,355	429	1,355	429
Amounts due from fellow group undertakings	-	-	9	45
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	5,824	5,076	5,801	5,070
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

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

Brachers LLP

Notes forming part of the financial statements
for the year ended 30 April 2017 (*continued*)

16 Loans and overdrafts

Group and Limited Liability Partnership	2017 £'000	2016 £'000
Bank loans	62	2,280
Bank overdrafts	-	-
Other loans	188	464
	<u>250</u>	<u>2,744</u>
Payable within one year	202	541
Payable between two and five years	48	2,203
	<u>250</u>	<u>2,744</u>

The bank loan is secured on the assets owned by the partnership.

17 Creditors: amounts falling due within one year

	Group		Limited Liability Partnership	
	2017 £'000	2016 £'000	2017 £'000	As restated 2016 £'000
Bank loans (secured)	14	94	-	94
Bank overdrafts	-	-	-	-
Amounts due to group undertaking	-	-	2	2
Amounts due to former members	65	37	65	37
Other loans	188	447	202	447
Trade creditors	776	795	776	795
Taxation and social security	696	727	696	726
Other creditors	708	525	858	675
Deferred Income (Advance Fee Billing)	501	407	485	394
	<u>2,948</u>	<u>3,032</u>	<u>3,084</u>	<u>3,170</u>

Brachers LLP

Notes forming part of the financial statements for the year ended 30 April 2017 *(continued)*

18 Creditors: amounts falling due after more than one year

Group and Limited Liability Partnership	2017 £'000	2016 £'000
Bank loans (secured)	48	2,186
Amounts due to former members	184	132
Other loans	-	17
	<u>232</u>	<u>2,335</u>

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 2017 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 had 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, which the group achieved. 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.

<i>Key assumptions</i>	2017 %	2016 %
Discount rates	2.6	3.50
CPI Inflation	2.7	2.10
Revaluation of deferred pensions	2.7	2.10
	<u> </u>	<u> </u>

Mortality assumptions

Assumed life expectations on retirement at age 65:

Retiring today:

- Males

- Females

Retiring in 20 years:

- Males

- Females

	2017 %	2016 %
	22.2	22.7
	24.1	24.5
	<u> </u>	<u> </u>
	23.9	24.6
	25.9	26.8
	<u> </u>	<u> </u>

Amounts recognised in the profit and loss account:

	2017 £'000	2016 £'000
Net interest on defined liability/(asset)	(8)	(5)
	<u> </u>	<u> </u>

Brachers LLP

Notes forming part of the financial statements for the year ended 30 April 2017 *(continued)*

19 Retirement benefit schemes *(continued)*

Amounts taken to other comprehensive income:

	2017 £'000	2016 £'000
Actuarial gain/(loss) on defined benefit obligation	(349)	66
Return on plan assets (excluding amounts in net interest)	56	(41)
Movement in unrecognised plan surplus	201	(114)
	<hr/>	<hr/>
Total cost	(92)	(89)
	<hr/>	<hr/>

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

	2017 £'000	2016 £'000
Present value of defined benefit obligations	2,632	2,282
Fair value of plan assets	(2,635)	(2,486)
	<hr/>	<hr/>
Surplus in scheme	(3)	(204)
Asset not recognised due to asset ceiling	3	204
	<hr/>	<hr/>
Total (asset)/liability recognised	-	-
	<hr/>	<hr/>

Movements in the present value of defined benefit obligations:

	2017 £'000
Liabilities at 1 May 2016	2,282
Benefits paid	(78)
Interest cost	79
Actuarial loss on liabilities	349
	<hr/>
Liabilities at 30 April 2017	2,632
	<hr/>

The defined benefit obligations arise from plans funded as follows:

	2017 £'000
Wholly unfunded obligations	2,365
Wholly or partly funded obligations	(3)
	<hr/>
	2,362
	<hr/>

Brachers LLP

Notes forming part of the financial statements for the year ended 30 April 2017 (continued)

20 Loans and other debts due to members

	Group		Limited Liability Partnership	
	2017 £'000	2016 £'000	2017 £'000	2015 £'000
Analysis of loans				
Amounts falling due within one year	4,045	3,372	3,989	3,350

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:

	2017 £'000	2016 £'000
Operating leases which expire:		
Within one year	346	90
Between two and five years	1,019	199
Total	1,365	289

22 Related party transactions

In the opinion of the members, at 30 April 2017 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 £3,092,000 (2016: £2,806,000).

During the year, freehold property at a value of £3,060k, and the associated bank loan of £2,189k were transferred from Brachers LLP to Brachers Property LLP, a partnership with the same members. As at 30 April 2017, Brachers Property LLP owed Brachers LLP £878k.

Brachers LLP

Notes forming part of the financial statements
for the year ended 30 April 2017 (continued)

23 Cash generated from operations

	2017 £'000	2016 £'000
Profit for the year	3,150	2,830
Adjustments for:		
Finance costs recognised in profit or loss	112	172
Investment income recognised in profit or loss	(105)	(90)
Depreciation and impairment of tangible fixed assets	94	121
Amortisation and impairment of intangible fixed assets	13	13
Movements in working capital:		
(Increase) in debtors	130	39
(Decrease) / increase in creditors	339	(260)
Cash generated from operations	3,733	2,825