Registration number: OC336022

BRACHERS LLP

ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2021

Hazlewoods LLP
Windsor House
Bayshill Road
Cheltenham
GL50 3AT

BRACHERS LLP

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BRACHERS LLP

LIMITED LIABILITY PARTNERSHIP INFORMATION

Designated members	J A D Bullock S K Gaines M R Oatham J P Worby
Members	S P Alexander K Baigent A R Cosgrove (appointed 1 May 2021) C L Daw C K G Eriksson-Lee E A Huseyin M A Jilani M L McNab J D P Millis M Simmonds C D Smith
Registered office	Somerfield House 59 London Road Maidstone Kent ME16 8JH
Bankers	HSBC Plc 1-5 Week Street Maidstone Kent ME14 1QW
Auditors	Hazlewoods LLP Windsor House Bayshill Road Cheltenham GL50 3AT

MEMBERS' REPORT FOR THE YEAR ENDED 30 APRIL 2021

The members present their report and the audited consolidated financial statements for the year ended 30 April 2021.

Firm structure
The LLP is a limited liability partnership registered in England and Wales.

Principal activity
The principal activity of the LLP is the provision of legal services.

Review of the business and future developments

For the 2020-21 financial year Brachers LLP reports a decrease in statutory turnover of 7%. The reduction was due to fee income being 4.5% lower then the prior year and a lower FRS102 WIP valuation.

The reduction in fee income was primarily due to lower revenue from B2C Debt Recovery work, with the aggregate fee income from all other Practice Areas achieving a small year on year increase despite the difficult trading conditions due to the pandemic.

For the financial year, total expenditure is 10% lower than the prior year with saved costs as a direct consequence of the pandemic and remote working, the business continued to forge ahead with its investment in its IT infrastructure and digital enablement.

The offset of the reduced revenue and a lower cost base resulted in Members' profit share charged as an expense of the business to be £4.3m, unchanged from the prior financial year.

The firm is continuing to invest in its staff and digital strategy. It has sought to empower staff by adopting a hybrid working with the majority of staff spending a considerable proportion of their week working from home. There is a strong focus on staff wellbeing and improved efficiency through smarter working..

Designated members
The members who held office during the year were as follows:

J A D Bullock

S K Gaines

M R Oatham

J P Worby

Allocation of profits
Any profits shared among the members are governed by the LLP Membership Deed dated 11 January 2021.

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

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

Members' drawings and the subscription and repayment of members' capital
Members are permitted to make drawings in anticipation of profits which will be allocated to them. The amount of such drawings is set at the beginning of each financial year, taking into account the anticipated cash needs of the LLP.

New members are required to subscribe a minimum level of capital and in subsequent years, members are invited to subscribe for further capital, the amount of which is determined by the performance and seniority of those members. On retirement, capital is repaid to members.

Financial instruments

Price risk, credit risk, liquidity risk and cash flow risk

The management of the group and the execution of the group's strategy are subject to a number of risks. The key business risks and uncertainties affecting the group are considered to relate to competition from other legal practices and changes in the legal industry.

The group has sufficient financial resources available and is currently trading profitably and generating cash. The members have prepared forecasts for the next 12 months that indicate that this trend will continue. The members believe that the entity has sufficient resources to continue in operational existence for the forseeable future and have continued to adopt the going concern basis in preparing the financial statements.

Disclosure of information to the auditors

Each member has taken steps that they ought to have taken as a member 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. The members confirm that there is no relevant information that they know of and of which they know the auditors are unaware.

Approved by the LLP Members on 17/12/21 and signed on their behalf by:

....
J P Worby
Designated member

STATEMENT OF MEMBERS' RESPONSIBILITIES FOR THE YEAR ENDED 30 APRIL 2021

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

The Limited Liability Partnerships, Partnerships and Groups (Accounts & Audit) Regulations 2016 require the members to prepare financial statements for each financial year. Under that law the members have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under Company law as applied to LLPs 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 group and limited liability partnership and of the profit or loss of the group and limited liability partnership for that year. 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and partnership will continue in business.

The members are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the limited liability partnership and enable them to ensure that the financial statements comply with 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, and in accordance with the requirements of the Statement of Recommended Practice Accounting by Limited Liability Partnerships (issued July 2014). 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.

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BRACHERS LLP

Opinion
We have audited the financial statements of Brachers LLP (the 'limited liability partnership') and its subsidiaries (the 'group') for the year ended 30 April 2021, which comprise the Consolidated Profit and Loss Account, Consolidated Statement of Comprehensive Income, Consolidated Balance Sheet, Balance Sheet, Consolidated Statement of Changes in Members' Interests, Statement of Changes in Members' Interests, Consolidated Cash Flow Statement, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

Opinion on the financial statements
In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the limited liability partnership's affairs as at 30 April 2021 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.

Basis for opinion
We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

Other information
The members are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance or conclusion thereon.

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

We have nothing to report in this regard.

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 requires us to report to you if, in our opinion:

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

Responsibilities of members
As explained more fully in the Statement of Members' Responsibilities set out on page 4, the members are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the members are responsible for assessing the group's and the limited liability partnership's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the members either intend to liquidate the group or the limited liability partnership or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.
Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the members.
- Conclude on the appropriateness of the members' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's or the limited liability partnership's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or the limited liability partnership to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and event in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements.
  We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BRACHERS LLP (CONTINUED)

Use of this report

This report is made solely to the group and limited liability partnership's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, as applied to limited liability partnerships by the Limited Liability Partnerships, Partnerships and Groups (Accounts & Audit) Regulations 2016. Our audit work has been undertaken so that we might state to the group and limited liability partnership's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the group and limited liability partnership, and the group and limited liability partnership members as a body, for our audit work, for this report, or for the opinions we have formed.

....
Jon Cartwright (Senior Statutory Auditor)
For and on behalf of Hazlewoods LLP, Statutory Auditor

Windsor House
Bayshill Road
Cheltenham
GL50 3AT

21.01.22
Date:..............................

BRACHERS LLP

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 APRIL 2021

	Note	2021 £	2020 £
Turnover	2	15,092,251	16,240,418
Administrative expenses		(10,782,593)	(11,829,679)
Operating profit	4	4,309,658	4,410,739
Other interest receivable and similar income	5	31,541	71,455
Amounts written off investments		-	(65,708)
Interest payable and similar charges	6	(24,919)	(74,218)
Profit for the year before members' remuneration charged as an expense		4,316,280	4,342,268
Members' remuneration charged as an expense		(4,316,280)	(4,342,268)
Profit/(loss) for the year available for discretionary division among members		-	-

Turnover and operating profit derive wholly from continuing operations.

BRACHERS LLP

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 APRIL 2021

	Note	2021 £	2020 £
Profit for the year		4,316,280	4,342,268
Remeasurement of net defined benefit liability		(84,000)	(84,000)
Total comprehensive income for the year available for division among members		4,232,280	4,258,268
Total comprehensive income attributable to:			
Owners of the LLP		4,232,280	4,258,268
		4,232,280	4,258,268

The notes on pages 15 to 28 form an integral part of these financial statements.

BRACHERS LLP

(REGISTRATION NUMBER: OC336022)
CONSOLIDATED BALANCE SHEET AS AT 30 APRIL 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	11	237,888	211,902
Investments	12	123,048	123,048
		360,936	334,950
Current assets			
Debtors	13	5,544,940	5,967,271
Cash and short-term deposits		2,057,593	2,120,783
		7,602,533	8,088,054
Creditors: Amounts falling due within one year	14	(2,333,244)	(2,506,160)
Net current assets		5,269,289	5,581,894
Total assets less current liabilities		5,630,225	5,916,844
Creditors: Amounts falling due after more than one year	15	(277,360)	(554,721)
Provisions			
Other provisions	17	(270,000)	(210,000)
Net assets attributable to members		5,082,865	5,152,123
Represented by:			
Loans and other debts due to members			
Members' capital classified as a liability		5,082,865	5,152,123
		5,082,865	5,152,123
Total members' interests			
Loans and other debts due to members		5,082,865	5,152,123
		5,082,865	5,152,123

The financial statements of Brachers LLP (registered number OC336022) were approved by the Members and authorised for issue on ..17/12/21.... They were signed on behalf of the LLP by:

....
J P Worby
Designated member

(REGISTRATION NUMBER: OC336022)
BALANCE SHEET AS AT 30 APRIL 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	11	237,888	211,902
Investments	12	373,048	373,048
		610,936	584,950
Current assets			
Debtors	13	5,540,963	5,965,200
Cash and short-term deposits		2,037,373	2,071,536
		7,578,336	8,036,736
Creditors: Amounts falling due within one year	14	(2,562,949)	(2,746,001)
Net current assets		5,015,387	5,290,735
Total assets less current liabilities		5,626,323	5,875,685
Creditors: Amounts falling due after more than one year	15	(277,360)	(554,721)
Provisions			
Other provisions	17	(270,000)	(210,000)
Net assets attributable to members		5,078,963	5,110,964
Represented by:			
Loans and other debts due to members			
Members' capital classified as a liability		5,078,963	5,110,964
		5,078,963	5,110,964
Total members' interests			
Loans and other debts due to members		5,078,963	5,110,964
		5,078,963	5,110,964

The financial statements of Brachers LLP (registered number OC336022) were approved by the Members and authorised for issue on ..17/12/21.... They were signed on behalf of the LLP by:

....
J P Worby
Designated member

CONSOLIDATED STATEMENT OF CHANGES IN MEMBERS' INTERESTS
AT 30 APRIL 2021

	Loans and other debts due to/(from) members		
	Members' capital classified as a liability £	Members' other amounts £	Total 2021 £
Members' interest at 1 May 2020	2,331,292	2,820,831	5,152,123
Members' remuneration charged as an expense	-	4,316,280	4,316,280
Remeasurement of net defined benefit liability	-	(84,000)	(84,000)
Members' capital introduced	205,000	-	205,000
Other amounts introduced by members	(186,808)	-	(186,808)
Drawings (including tax payments)	-	(4,289,977)	(4,289,977)
Transfer of capital to former members' balances	-	(29,753)	(29,753)
At 30 April 2021	2,349,484	2,733,381	5,082,865

Loans and other debts due to members would rank pari passu on the event of a winding up.

	Loans and other debts due to/(from) members		
	Members' capital classified as a liability £	Members' other amounts £	Total 2020 £
Members' interest at 1 May 2019	2,229,260	3,194,632	5,423,892
Members' remuneration charged as an expense	-	4,342,268	4,342,268
Remeasurement of net defined benefit liability	-	(84,000)	(84,000)
Members' capital introduced	102,032	-	102,032
Drawings (including tax payments)	-	(4,632,069)	(4,632,069)
At 30 April 2020	2,331,292	2,820,831	5,152,123

Loans and other debts due to members would rank pari passu on the event of a winding up.

The notes on pages 15 to 28 form an integral part of these financial statements.

STATEMENT OF CHANGES IN MEMBERS' INTERESTS (LLP ONLY) AT 30 APRIL 2021

	Loans and other debts due to/(from) members		
	Members' capital classified as a liability £	Members' other amounts £	Total 2021 £
Members' interest at 1 May 2020	2,331,292	2,779,672	5,110,964
Members' remuneration charged as an expense	-	4,307,447	4,307,447
Remeasurement of net defined benefit liability	-	(84,000)	(84,000)
Members' capital introduced	205,000	-	205,000
Capital repaid	(186,808)	-	(186,808)
Drawings (including tax payments)	-	(4,243,887)	(4,243,887)
Transfer of capital to former members' balances	-	(29,753)	(29,753)
At 30 April 2021	2,349,484	2,729,479	5,078,963

	Loans and other debts due to/(from) members		
	Members' capital classified as a liability £	Members' other amounts £	Total 2020 £
Members' interest at 1 May 2019	2,229,260	3,143,378	5,372,638
Members' remuneration charged as an expense	-	4,345,848	4,345,848
Remeasurement of net defined benefit liability	-	(84,000)	(84,000)
Members' capital introduced	102,032	-	102,032
Drawings (including tax payments)	-	(4,625,554)	(4,625,554)
At 30 April 2020	2,331,292	2,779,672	5,110,964

Loans and other debts due to members would rank pari passu on the event of a winding up.

BRACHERS LLP

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 30 APRIL 2021

	Note	2021 £	2020 £
Net cash inflow from operating activities	19	4,340,631	4,814,402
Cash flows from investing activities			
Purchase of tangible fixed assets		(94,118)	(147,537)
Interest received		31,541	71,455
Interest paid		(24,919)	(74,218)
Purchase of trading investments		-	(86,683)
Net cash flows from investing activities		(87,496)	(236,983)
Cash flows from financing activities			
Repayment of loans and borrowings		(14,787)	(15,577)
Value of new loans obtained during the year		-	500,000
Payments to or on behalf of members		(4,289,977)	(4,632,069)
Capital contributions by members		205,000	102,032
Repayments to former members		(29,753)	-
Capital repaid		(186,808)	-
Net cash flows from financing activities		(4,316,325)	(4,045,614)
Net (decrease)/increase in cash and cash equivalents		(63,190)	531,805
Cash and cash equivalents at 1 May 2019		2,120,783	1,588,978
Cash and cash equivalents at 30 April 2020		2,057,593	2,120,783

	2021 £	2020 £
Reconciliation to cash at bank and in hand:		
Cash on hand	1,510	843
Cash at bank	2,056,083	2,119,940
	2,057,593	2,120,783

1 Accounting policies

Summary of significant accounting policies and key accounting estimates
The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance
These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

General information and basis of accounting
The LLP is incorporated in England and Wales under the Limited Liability Partnership Act 2000. The address of the registered office is given on the limited liability partnership information page. The nature of the LLP's operations and its principal activities are given in the members' report.

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

The functional currency of Brachers LLP is considered to be pounds sterling because that is the currency of the primary economic environment in which the LLP operates. Monetary amounts in these financial statements are rounded to the nearest pound. Foreign operations are included in accordance with the policies set out below.

Basis of consolidation
The consolidated financial statements consolidate the financial statements of the LLP and its subsidiary undertakings drawn up to 30 April 2021.

A subsidiary is an entity controlled by the LLP. Control is achieved where the LLP has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the profit and loss account from the effective date of acquisition or up to the effective date of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the group.

The purchase method of accounting is used to account for business combinations that result in the acquisition of subsidiaries by the group. The cost of a business combination is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the business combination. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Any excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised is recorded as goodwill.

Inter-company transactions, balances and unrealised gains on transactions between the LLP and its subsidiaries, which are related parties, are eliminated in full.

Intra-group losses are also eliminated but may indicate an impairment that requires recognition in the consolidated financial statements.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group. Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the group's equity therein. Non-controlling interests consist of the amount of those interests at the date of the original business combination and the non-controlling shareholder's share of changes in equity since the date of the combination. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Going concern
At the time of approving the financial statements, the members have a reasonable expectation that the LLP 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 (continued)

Judgements

In the application of the LLP's accounting policies, management is required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Key sources of estimation uncertainty

Bad debt provision - due to the nature of the business, there are high levels of trade debtors at the year end, and therefore a risk that some of these balances may be irrecoverable. A bad debt review is carried out, where debts are assessed and provided against when the recoverability of these balances is considered to be uncertain. The carrying amount is £165,682 (2020 - £402,566).

Amounts recoverable on contracts - The process of assessing amounts recoverable on contracts requires various estimates and judgements to be made. Fee earners are required to record time spent on client assignments and this is used as the basis for the amounts recoverable on contracts estimate. A year end report of time on all assignments is circulated to fee earners to identify likely recoverable amounts. The carrying amount is £1,251,895 (2020 - £1,654,509).

Dilapidations provision - a provision for dilapidations on the offices is being built up each year based on the amount expected to be payable on termination of the relevant leases. The carrying amount is £225,000 (2020 - £210,000).

Revenue recognition

Fee income represents the amounts recoverable for the services provided to clients, excluding VAT, 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. 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 collectability of the fee is assured.

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

Government grants

Government grants are recognised based on the accrual model and are measured at the fair value of the asset received or receivable. Grants are classified as relating either to revenue or to assets. Grants relating to revenue are recognised in income over the period in which the related costs are recognised. Grants relating to assets are recognised over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income.

Members' remuneration and division of profits

The profits of the LLP are automatically divided among the members in accordance with the agreed profit share arrangements.

A member's share of the profit or loss for the year is accounted for as an allocation of profits.

Taxation

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

1 Accounting policies (continued)

Goodwill
Positive goodwill is capitalised, classified as an asset on the balance sheet and amortised on a straight line basis over its useful economic life, which is considered to be five years. It is reviewed for impairment at the end of the first full financial year following the acquisition and in other periods if events or changes in circumstances indicate that the carrying value may not be recoverable.

Amortisation
Amortisation is provided on intangible fixed assets so as to write off the cost, less any estimated residual value, over their expected useful economic life as follows:

Asset class	Amortisation method and rate
Goodwill	5 years straight line

Tangible fixed assets
Tangible fixed assets are stated at cost or valuation, net of depreciation and any provision for impairment.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation
Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Asset class	Depreciation method and rate
IT Equipment	33.3% of cost per annum
Fixtures and fittings	20% of cost per annum
Motor vehicles	20% of cost per annum
Leasehold improvements	20% of cost per annum

Fixed asset investments
Investments in equity shares which are publicly traded or where the fair value can be measured reliably are initially measured at fair value, with changes in fair value recognised in profit or loss. Investments in equity shares which are not publicly traded and where fair value cannot be measured reliably are measured at cost less impairment.

Interest income on debt securities, where applicable, is recognised in income using the effective interest method. Dividends on equity securities are recognised in income when receivable.

Trade debtors
Trade debtors are amounts due from clients for services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. All trade debtors are repayable within one year and hence are included at the undiscounted cost of cash expected to be received. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the debtors.

Cash and cash equivalents
Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade creditors
Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the LLP does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and all are repayable within one year and hence are included at the undiscounted amount of cash expected to be paid.

1 Accounting policies (continued)

Borrowings
Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the profit and loss account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the LLP has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Borrowing costs which are directly attributable to the construction of tangible fixed assets are capitalised as part of the cost of those assets. The commencement of capitalisation begins when both finance costs and expenditures for the asset are being incurred and activities that are necessary to get the asset ready for use are in progress. Capitalisation ceases when substantially all the activities that are necessary to get the asset ready for use are complete.

Provisions
Provisions are recognised when the LLP has an obligation at the reporting date as a result of a past event, it is probable that the LLP will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

Operating leases
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.

Members' interests
On retirement a member's capital and current account are paid in accordance with an agreed payment schedule.

Pensions and other post retirement obligations
Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

The cost of providing benefits under defined benefit plans is determined separately for each plan using the projected 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 the 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 secuities 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.

1 Accounting policies (continued)

Employee benefits
The cost 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 LLP is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

Financial Instruments

Classification
Financial instruments are classified and accounted for according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the LLP after deducting all of its liabilities. Where shares are issued, any component that creates a financial liability of the LLP is presented as a liability on the balance sheet. The corresponding dividends relating to the liability component are charged as interest expenses in the profit and loss account.

Recognition and Measurement
All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

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

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

The recoverable amount of goodwill is derived from measurement of the present value of the future cash flows of the cash-generating units ('CGUs') of which the goodwill is a part. Any impairment loss in respect of a CGU is allocated first to the goodwill attached to that CGU, and then to other assets within that CGU on a pro-rata basis.

Where indicators exist for a decrease in impairment loss, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised. Where a reversal of impairment occurs in respect of a CGU, the reversal is applied first to the assets (other than goodwill) of the CGU on a pro-rata basis and then to any goodwill allocated to that CGU.

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

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

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

2 Turnover

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

3 Government grants

During the year, the LLP made use of the Coronavirus Job Retention Scheme (CJRS) which allowed it to furlough a number of employees and apply for a grant to cover a portion of their usual monthly wage costs.
The amount of grants recognised in the financial statements was £220,871 (2020 - £32,293).

4 Operating profit

Operating profit is stated after charging:

	2021 £	2020 £
Depreciation of owned assets	68,132	35,629
Amortisation	-	11,800
Audit of the group's annual accounts	27,635	32,100

5 Other interest receivable and similar income

	2021 £	2020 £
Other interest receivable and similar income	31,541	71,455

6 Interest payable and similar charges

	2021 £	2020 £
Interest on other loans	19,842	74,586
Other interest payable	5,077	(368)
	24,919	74,218

7 Particulars of employees

The average number of persons employed by the LLP (including members) during the year, analysed by category was as follows:

	2021 No.	2020 No.
Solicitors / fee earners	121	117
Administrative and support staff	91	87
	212	204

The aggregate payroll costs were as follows:

	2021 £	2020 £
Wages and salaries	7,133,368	7,065,293
Other pension schemes	245,746	341,640
	7,379,114	7,406,933

8 Members' remuneration

Average number of members during the year	14	15

The average profit allocation per member in respect of the year's results amounted to £302,306 (2020: £283,652).

Profits are shared among members in accordance with agreed profit sharing arrangements. The average profit per member is calculated in accordance with the requirements of the SORP by dividing the profit for the financial year before members' remuneration and profit shares by the average number of all members.

The profit attributable to the member with the largest entitlement was £377,876 (2020 - £361,366).

Allocated profits take in to account pension and annuity payments and include sums allocated as interest, members' motor expenses and capital profits.

9 Profit of the LLP

The LLP has taken advantage of Section 408 of the Companies Act 2006 as applied by the Limited Liability Partnerships, Partnerships and Groups (Accounts & Audit) Regulations 2016 and has not included its own profit and loss account in these financial statements. Its own profit for the year available for discretionary division among members was £4,307,447 (2020 - £4,349,333) and the total comprehensive income for the year available for division among members was £4,223,447 (2020 - £4,265,333).

10 Intangible fixed assets

Group and LLP

	Goodwill £
Cost	
At 1 May 2020 and at 30 April 2021	64,000
Amortisation	
At 1 May 2020 and at 30 April 2021	64,000
Net book value	
At 30 April 2020 and at 30 April 2021	-

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

11 Tangible fixed assets

Group and LLP

	Leasehold Improvements £	IT equipment £	Fixtures and fittings £	Motor vehicles £	Total £
Cost					
At 1 May 2020	61,989	1,651,783	729,812	9,500	2,453,084
Additions	247	81,908	11,963	-	94,118
At 30 April 2021	62,236	1,733,691	741,775	9,500	2,547,202
Depreciation					
At 1 May 2020	2,029	1,622,921	606,732	9,500	2,241,182
Charge for the year	12,443	21,682	34,007	-	68,132
At 30 April 2021	14,472	1,644,603	640,739	9,500	2,309,314
Net book value					
At 30 April 2021	47,764	89,088	101,036	-	237,888
At 30 April 2020	59,960	28,862	123,080	-	211,902

12 Investments held as fixed assets

Group

	2021	2020
	£	£
Other investments	123,048	123,048

Other investments

	Unlisted Investments
	£
Cost	
At 1 May 2020 and at 30 April 2021	123,048
Net book value	
At 30 April 2020 and at 30 April 2021	123,048

LLP

	2021	2020
	£	£
Other investments	373,048	373,048

Other investments

	Unlisted investments
	£
Cost	
At 1 May 2020 and at 30 April 2021	373,048
Net book value	
At 30 April 2020 and at 30 April 2021	373,048

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

12 Investments held as fixed assets (continued)

Details of undertakings

Details of the investments in which the LLP holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Country of incorporation	Holding	Proportion of voting rights and shares held	Principal activity
Subsidiary undertakings				
Kent HR LLP	England and Wales	N/A	100%	Provision of professional services and advice
Brachers Trust Corporation Ltd	England and Wales	Ordinary	100%	Provision of professional services and advice

13 Debtors

	Group 2021	2020	LLP 2021	2019
	£	£	£	£
Trade debtors	2,953,216	2,968,925	2,941,664	2,958,390
Amounts owed by group undertakings	-	-	9,004	8,464
Amounts recoverable on long term contracts	1,251,895	1,654,509	1,251,895	1,654,509
Other debtors	501,429	770,736	500,000	770,736
Prepayments and accrued income	838,400	573,101	838,400	573,101
	5,544,940	5,967,271	5,540,963	5,965,200

14 Creditors: Amounts falling due within one year

	Group		LLP	
	2021	2020	2021	2020
	£	£	£	£
Bank loans and overdrafts	250,000	14,787	250,000	14,787
Payments received on account	1,150	1,872	-	-
Trade creditors	510,299	767,003	510,299	764,681
Amounts owed to group undertakings	1,200	200	101,200	100,200
Amounts due to former members	53,543	53,714	53,543	53,714
Other taxes and social security	601,394	730,728	599,334	728,501
Other creditors	57,023	54,825	207,023	201,087
Accruals and deferred income	858,635	883,031	841,550	883,031
	2,333,244	2,506,160	2,562,949	2,746,001

15 Creditors: Amounts falling due after more than one year

	Group		LLP	
	2021	2020	2021	2020
	£	£	£	£
Bank loans and overdrafts	250,000	500,000	250,000	500,000
Amounts due to former members	27,360	54,721	27,360	54,721
	277,360	554,721	277,360	554,721

16 Obligations under leases and hire purchase contracts

Operating leases

The total of future minimum lease payments is as follows:

	Group		LLP	
	2021	2020	2021	2020
	£	£	£	£
Not later than one year	384,038	381,186	384,038	381,186
Later than one year and not later than five years	1,398,965	1,498,417	1,398,965	1,498,417
Later than five years	45,000	315,000	45,000	315,000
	1,828,003	2,194,603	1,828,003	2,194,603

The amount of non-cancellable operating lease payments recognised as an expense in the group during the year was £377,835 (2020 - £338,925).

The amount of non-cancellable operating lease payments recognised as an expense in the LLP during the year was £377,835 (2020 - £338,925).

17 Provisions

Group

	Dilapidations provision
	£
At 1 May 2020	210,000
Additional provisions	60,000
At 30 April 2021	270,000

LLP

	Dilapidations provision
	£
At 1 May 2020	210,000
Additional provisions	60,000
At 30 April 2021	270,000

18 Pension and other schemes

Defined benefit pension 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 2018 and updated to 30 April 2021 by a qualified actuary, independent of the scheme's sponsoring employer.

18 Pension and other schemes (continued)

Principal actuarial assumptions

The principal actuarial assumptions at the balance sheet date are as follows:

	2021 %	2020 %
Discount rates	2.00	1.60
CPI Inflation	2.85	2.05
Revaluation of deferred pensions	2.80	2.05

Post retirement mortality assumptions

Assumed life expectations on retirement at age 65:

	2021 %	2020 %
Retiring today - Males	22.10	22.00
Retiring today - Females	24.50	24.40
Retiring in 20 years - Males	23.80	23.70
Retiring in 20 years - Females	26.20	26.20

Amounts taken to other comprehensive income:

	2021 £	2020 £
Actuarial gain/(loss) on defined benefit obligation	56,000	(355,000)
Return on plan assets (excluding amounts in net interest)	25,000	281,000
Movement in unrecognised plan surplus	(95,000)	(10,000)
Total cost	(14,000)	(84,000)

Reconciliation of scheme assets and liabilities to assets and liabilities recognised

The amounts recognised in the balance sheet are as follows:

	2021 £	2020 £
Present value of defined benefit obligation	2,712,000	2,809,000
Fair value of scheme assets	(3,029,000)	(3,027,000)
Surplus in scheme	(317,000)	(218,000)
Unrecognised past service cost	317,000	218,000
Total (asset) / liability recognised	-	-

Defined benefit obligation

Changes in the defined benefit obligation are as follows:

	2021 £
Present value at start of year	2,809,000
Interest cost	44,000
Actuarial gains and losses	(56,000)
Benefits paid	(85,000)
Present value at end of year	2,712,000

19 Cash flow statement

Group

	2021 £	2020 £
Operating profit	4,309,658	4,410,739
Depreciation, amortisation and impairment charges	68,132	47,429
Decrease in debtors	422,331	22,987
(Decrease)/increase in creditors	(435,490)	207,247
Increase in provisions	60,000	210,000
Difference between defined benefit pension charge and cash contributions	(84,000)	(84,000)
Cash generated by operations	4,340,631	4,814,402
Net cash inflow from operating activities	4,340,631	4,814,402

20 Related party transactions

The key management remuneration, being the members of the LLP, payable for the year, was £4,307,447 (2020 - £4,349,333).

During the year ended 30 April 2021 rent of £270,000 (2020 - £270,000) was charged to Brachers LLP by Brachers Property LLP, a partnership which has some designated members in common. As at 30 April 2021 Brachers LLP owed Brachers Property LLP £167,500 (2020 - £135,000) in respect of the rent and Brachers Property LLP owed Brachers LLP £500,000 (2020 - £770,000) with regard to a previous loan.

21 Control

In the opinion of the members, at 30 April 2021 there is no ultimate controlling party of Brachers LLP, with the members controlling Brachers LLP in accordance with their capital contribution to the business.