

Registration number: OC336022

**BRACHERS LLP**  
**ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 APRIL 2023**



## **BRACHERS LLP**

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**BRACHERS LLP**

**LIMITED LIABILITY PARTNERSHIP INFORMATION**

<b>Designated members</b>	J A D Bullock S K Gaines J P Worby
<b>Members</b>	M R Oatham A R Cosgrove 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
<b>Registered office</b>	Somerfield House 59 London Road Maidstone Kent ME16 8JH
<b>Bankers</b>	HSBC Plc 1-5 Week Street Maidstone Kent ME14 1QW
<b>Auditors</b>	Hazlewoods LLP Windsor House Bayshill Road Cheltenham GL50 3AT

## **BRACHERS LLP**

### **MEMBERS' REPORT FOR THE YEAR ENDED 30 APRIL 2023**

The members present their report and the consolidated financial statements for the year ended 30 April 2023.

#### **Firm structure**

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

#### **Principal activity**

The principal activity of the limited liability partnership is the provision of legal services.

#### ***Review of the business and future developments***

For the 2022-23 financial year the group reports a strong year with an increase in statutory turnover of 15.3%. The majority of practice areas across both commercial and private client services contributed well to the year-on-year increase in fee income.

As the business grows there has been an increase in staff costs as well higher professional expenses and financial costs and a significant investment in the refurbishment of retained establishment. These have contributed to an increase in total expenditure of 12.2%.

The net impact has led to an increase in profit for the year on ordinary activities and before members remuneration and profit shares by 43.6%.

The firm remains focused on growth, staff development and improving productivity to meet the increased demands of workloads and in particular larger and more complex national and international transactions.

The firm has also extended its focus on their Environmental, Social and Governance policies complemented by their ISO114001 accreditation.

#### **Designated members**

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

J A D Bullock

S K Gaines

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.

**BRACHERS LLP**

**MEMBERS' REPORT FOR THE YEAR ENDED 30 APRIL 2023 (CONTINUED)**

**Financial instruments**

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

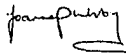
The management of the group and the execution of the group's strategy are subject to a number of risks. The key business risks and uncertainties affecting the group are considered to relate to competition from other legal practices and changes in the legal industry,

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 foreseeable 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 Board on ...3/1/2024... and signed on its behalf by:



.....  
J P Worby  
Designated member

## **BRACHERS LLP**

### **STATEMENT OF MEMBERS' RESPONSIBILITIES FOR THE YEAR ENDED 30 APRIL 2023**

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 January 2017). 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.

## **BRACHERS LLP**

### **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 2023, 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).

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 2023 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, to the extent otherwise explicitly stated in our report, we do not express any form of assurance 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.

## **BRACHERS LLP**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BRACHERS LLP (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 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:



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

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.

A further description of our responsibilities is available on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

**Use of our report**

This report is made solely to the 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

Date: 26 January 2024...

**BRACHERS LLP****CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 APRIL 2023**

	Note	2023 £	2022 £
Turnover	2	16,791,898	14,558,544
Administrative expenses		<u>(12,539,598)</u>	<u>(11,160,905)</u>
Operating profit	3	4,252,300	3,397,639
Other interest receivable and similar income		890,909	42,908
Interest payable and similar expenses		<u>(223,370)</u>	<u>(15,147)</u>
Profit for the year before members' remuneration and profit shares		4,919,839	3,425,400
Members' remuneration charged as an expense		<u>(4,919,839)</u>	<u>(3,425,400)</u>
Profit/(loss) for the year available for discretionary division among members		<u>-</u>	<u>-</u>

Turnover and operating profit derive wholly from continuing operations.

**BRACHERS LLP****CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 APRIL 2023**

	Note	2023 £	2022 £
Profit for the year available for discretionary division among members		4,919,839	3,425,400
Remeasurement of net defined benefit liability		<u>21,000</u>	<u>(14,000)</u>
Total comprehensive income for the year available for discretionary division among members		<u>4,940,839</u>	<u>3,411,400</u>
<b>Total comprehensive income attributable to:</b>			
Owners of the LLP		<u>4,940,839</u>	<u>3,411,400</u>
		<u>4,940,839</u>	<u>3,411,400</u>

**BRACHERS LLP**

(REGISTRATION NUMBER: OC336022)  
CONSOLIDATED BALANCE SHEET AS AT 30 APRIL 2023

	Note	2023 £	2022 £
<b>Fixed assets</b>			
Tangible assets	7	1,553,053	211,353
Investments	8	<u>123,048</u>	<u>123,048</u>
		<u>1,676,101</u>	<u>334,401</u>
<b>Current assets</b>			
Debtors	9	5,284,138	5,228,794
Cash and short-term deposits		<u>2,492,230</u>	<u>1,609,129</u>
		7,776,368	6,837,923
Creditors: Amounts falling due within one year	10	<u>(2,629,757)</u>	<u>(2,285,993)</u>
Net current assets		<u>5,146,611</u>	<u>4,551,930</u>
Total assets less current liabilities		6,822,712	4,886,331
Creditors: Amounts falling due after more than one year	11	(1,124,831)	-
<b>Provisions for liabilities</b>			
Other provisions	13	<u>(583,852)</u>	<u>(300,000)</u>
Net assets attributable to members		<u>5,114,029</u>	<u>4,586,331</u>
<b>Represented by:</b>			
<b>Loans and other debts due to members</b>			
Members' capital classified as a liability		<u>5,114,029</u>	<u>4,586,331</u>
		<u>5,114,029</u>	<u>4,586,331</u>
<b>Total members' interests</b>			
Loans and other debts due to members		<u>5,114,029</u>	<u>4,586,331</u>
		<u>5,114,029</u>	<u>4,586,331</u>

The financial statements of Brachers LLP (registered number OC336022) were approved by the Board and authorised for issue on 3/1/2024. They were signed on behalf of the limited liability partnership by:



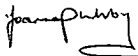
J P Worby  
Designated member

**BRACHERS LLP**

(REGISTRATION NUMBER: OC336022)  
BALANCE SHEET AS AT 30 APRIL 2023

	Note	2023 £	2022 £
<b>Fixed assets</b>			
Tangible assets	7	1,553,053	211,353
Investments	8	<u>373,048</u>	<u>373,048</u>
		<u>1,926,101</u>	<u>584,401</u>
<b>Current assets</b>			
Debtors	9	5,221,909	5,184,426
Cash and short-term deposits		<u>2,420,090</u>	<u>1,570,387</u>
		7,641,999	6,754,813
Creditors: Amounts falling due within one year	10	<u>(2,833,328)</u>	<u>(2,495,053)</u>
Net current assets		<u>4,808,671</u>	<u>4,259,760</u>
Total assets less current liabilities		6,734,772	4,844,161
Creditors: Amounts falling due after more than one year	11	(1,124,831)	-
<b>Provisions for liabilities</b>			
Other provisions	13	<u>(583,852)</u>	<u>(300,000)</u>
Net assets attributable to members		<u>5,026,089</u>	<u>4,544,161</u>
<b>Represented by:</b>			
<b>Loans and other debts due to members</b>			
Members' capital classified as a liability		<u>5,026,089</u>	<u>4,544,161</u>
		<u>5,026,089</u>	<u>4,544,161</u>
<b>Total members' interests</b>			
Loans and other debts due to members		<u>5,026,089</u>	<u>4,544,161</u>
		<u>5,026,089</u>	<u>4,544,161</u>

The financial statements of Brachers LLP (registered number OC336022) were approved by the Board and authorised for issue on 3/1/2024. They were signed on behalf of the limited liability partnership by:



J P Worby  
Designated member

**BRACHERS LLP**

**CONSOLIDATED STATEMENT OF CHANGES IN MEMBERS' INTERESTS  
AT 30 APRIL 2023**

	<b>Loans and other debts due to/(from) members</b>		
	<b>Members' capital classified as a liability</b>	<b>Members' other amounts</b>	<b>Total 2023</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Members' interest at 1 May 2022	2,394,484	2,191,847	4,586,331
Members' remuneration charged as an expense	-	4,919,839	4,919,839
Members' interests after profit for the year	2,394,484	7,111,686	9,506,170
Remeasurement of net defined benefit liability	-	21,000	21,000
Members' interests after total comprehensive income	2,394,484	7,132,686	9,527,170
Members' capital introduced	237,000	-	237,000
Capital repaid	(387,840)	-	(387,840)
Drawings (including tax payments)	-	(4,248,046)	(4,248,046)
Transfer of capital to former members' balances	-	(14,255)	(14,255)
At 30 April 2023	<u>2,243,644</u>	<u>2,870,385</u>	<u>5,114,029</u>
	<b>Loans and other debts due to/(from) members</b>		
	<b>Members' capital classified as a liability</b>	<b>Members' other amounts</b>	<b>Total 2022</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Members' interest at 1 May 2021	2,349,484	2,733,381	5,082,865
Members' remuneration charged as an expense	-	3,425,400	3,425,400
Members' interests after profit for the year	2,349,484	6,158,781	8,508,265
Remeasurement of net defined benefit liability	-	(14,000)	(14,000)
Members' interests after total comprehensive income	2,349,484	6,144,781	8,494,265
Members' capital introduced	45,000	-	45,000
Drawings (including tax payments)	-	(3,952,934)	(3,952,934)
At 30 April 2022	<u>2,394,484</u>	<u>2,191,847</u>	<u>4,586,331</u>

Loans and other debts due to members are unsecured and would rank pari passu with other unsecured creditors in the event of a winding up.

**BRACHERS LLP**

**STATEMENT OF CHANGES IN MEMBERS' INTERESTS (LLP ONLY)  
AT 30 APRIL 2023**

	<b>Loans and other debts due to/(from) members</b>		
	<b>Members' capital classified as a liability</b>	<b>Members' other amounts</b>	<b>Total 2023</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Members' interest at 1 May 2022	2,394,484	2,149,677	4,544,161
Members' remuneration charged as an expense	-	4,831,899	4,831,899
Members' interests after profit for the year	2,394,484	6,981,576	9,376,060
Remeasurement of net defined benefit liability	-	21,000	21,000
Members' interests after total comprehensive income	2,394,484	7,002,576	9,397,060
Members' capital introduced	237,000	-	237,000
Capital repaid	(387,840)	-	(387,840)
Drawings (including tax payments)	-	(4,205,876)	(4,205,876)
Transfer of capital to former members' balances	-	(14,255)	(14,255)
At 30 April 2023	<u>2,243,644</u>	<u>2,782,445</u>	<u>5,026,089</u>
	<b>Loans and other debts due to/(from) members</b>		
	<b>Members' capital classified as a liability</b>	<b>Members' other amounts</b>	<b>Total 2022</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Members' interest at 1 May 2021	2,349,484	2,729,479	5,078,963
Members' remuneration charged as an expense	-	3,387,132	3,387,132
Members' interests after profit for the year	2,349,484	6,116,611	8,466,095
Remeasurement of net defined benefit liability	-	(14,000)	(14,000)
Members' interests after total comprehensive income	2,349,484	6,102,611	8,452,095
Members' capital introduced	45,000	-	45,000
Drawings (including tax payments)	-	(3,952,934)	(3,952,934)
At 30 April 2022	<u>2,394,484</u>	<u>2,149,677</u>	<u>4,544,161</u>

Loans and other debts due to members are unsecured and would rank pari passu with other unsecured creditors in the event of a winding up.

**BRACHERS LLP**
**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 30 APRIL 2023**

	Note	2023 £	2022 £
Net cash inflow from operating activities	15	<u>4,892,458</u>	<u>3,740,017</u>
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets		(1,492,125)	(50,605)
Interest received		890,909	42,908
Interest paid		<u>(223,370)</u>	<u>(15,147)</u>
Net cash flows from investing activities		<u>(824,586)</u>	<u>(22,844)</u>
<b>Cash flows from financing activities</b>			
Repayment of loans and borrowings		(271,630)	(257,703)
Value of new loans obtained during the period		1,500,000	-
Payments to or on behalf of members		(4,635,886)	(3,952,934)
Capital contributions by members		237,000	45,000
Repayments to former members		<u>(14,255)</u>	<u>-</u>
Net cash flows from financing activities		<u>(3,184,771)</u>	<u>(4,165,637)</u>
Net increase/(decrease) in cash and cash equivalents		883,101	(448,464)
Cash and cash equivalents at 1 May		<u>1,609,129</u>	<u>2,057,593</u>
Cash and cash equivalents at 30 April		<u><u>2,492,230</u></u>	<u><u>1,609,129</u></u>
		<b>2023 £</b>	<b>2022 £</b>
<b>Reconciliation to cash at bank and in hand:</b>			
Cash on hand		1,510	1,510
Cash at bank		<u>2,490,720</u>	<u>1,607,619</u>
		<u><u>2,492,230</u></u>	<u><u>1,609,129</u></u>

The notes on pages 15 to 26 form an integral part of these financial statements.



## **BRACHERS LLP**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2023**

#### **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 the 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.

##### **Basis of consolidation**

The consolidated financial statements consolidate the financial statements of the LLP and its subsidiary undertakings drawn up to 30 April 2023.

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.

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

##### **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.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2023 (CONTINUED)**

**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 £82,708 (2022 -£152,770).

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 £1,597,009 (2022 -£1,293,086).

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 £330,000 (2022 -£300,000).

**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.

**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.

**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:

## BRACHERS LLP

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2023 (CONTINUED)

#### 1 Accounting policies (continued)

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	Over the length of the lease

#### 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.

#### 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.

#### 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.

#### Hire purchase and leasing

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.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2023 (CONTINUED)**

**1 Accounting policies (continued)**

**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 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.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2023 (CONTINUED)**

**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.

## BRACHERS LLP

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2023 (CONTINUED)

#### 2 Turnover

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

#### 3 Operating profit

Operating profit is stated after charging:

	2023	2022
	£	£
Depreciation of owned assets	150,425	77,140
Auditors remuneration	49,160	29,920

#### 4 Particulars of employees

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

	2023	2022
	No.	No.
Solicitors / fee earners	111	112
Administration and support	82	82
	193	194

The aggregate payroll costs were as follows:

	2023	2022
	£	£
Wages and salaries	7,523,225	6,952,440
Other pension schemes	346,481	371,242
	7,869,706	7,323,682

#### 5 Members' remuneration

	2023	2022
Average number of members during the year	14	15

The profit attributable to the member with the largest entitlement was £419,345 (2022 - £286,906).

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

#### 6 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 £4,831,899 (2022 - £3,387,132) and the total comprehensive income for the year available for division among members was £4,852,899 (2022 - £3,373,132).

**BRACHERS LLP**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2023 (CONTINUED)**

**7 Tangible fixed assets**

**Group and LLP**

	<b>Leasehold Improvements £</b>	<b>IT equipment £</b>	<b>Fixtures and fittings £</b>	<b>Motor vehicles £</b>	<b>Total £</b>
<b>Cost</b>					
At 1 May 2022	77,681	1,751,015	759,611	9,500	2,597,807
Additions	1,162,307	76,403	253,415	-	1,492,125
Disposals	-	-	(33,025)	-	(33,025)
At 30 April 2023	<u>1,239,988</u>	<u>1,827,418</u>	<u>980,001</u>	<u>9,500</u>	<u>4,056,907</u>
<b>Depreciation</b>					
At 1 May 2022	26,920	1,689,201	660,833	9,500	2,386,454
Charge for the year	41,891	47,572	60,962	-	150,425
Eliminated on disposals	-	-	(33,025)	-	(33,025)
At 30 April 2023	<u>68,811</u>	<u>1,736,773</u>	<u>688,770</u>	<u>9,500</u>	<u>2,503,854</u>
<b>Net book value</b>					
At 30 April 2023	<u>1,171,177</u>	<u>90,645</u>	<u>291,231</u>	<u>-</u>	<u>1,553,053</u>
At 30 April 2022	<u>50,761</u>	<u>61,814</u>	<u>98,778</u>	<u>-</u>	<u>211,353</u>

**BRACHERS LLP****NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2023 (CONTINUED)****8 Investments held as fixed assets****Group**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Unlisted investments	<u>123,048</u>	<u>123,048</u>

**Other investments**

	<b>Unlisted investments £</b>
<b>Cost</b>	
At 1 May 2022 and at 30 April 2023	<u>123,048</u>
<b>Net book value</b>	
At 30 April 2022 and at 30 April 2023	<u>123,048</u>

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

**LLP**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Unlisted investments	<u>373,048</u>	<u>373,048</u>

**Other investments**

	<b>Unlisted investments £</b>
<b>Cost</b>	
At 1 May 2022 and at 30 April 2023	<u>373,048</u>
<b>Net book value</b>	
At 30 April 2022 and at 30 April 2023	<u>373,048</u>



# BRACHERS LLP

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2023 (CONTINUED)

### 8 Investments held as fixed assets (continued)

#### Details of undertakings

Details of the investments in which the limited liability partnership 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
<b>Subsidiary undertakings</b>				
Kent HR LLP	England and Wales	N/A	100%	Provision of employment related advice
Brachers Trust Corporation Ltd	England and Wales	Ordinary	100%	Dormant

### 9 Debtors

	Group		LLP	
	2023	2022	2023	2022
	£	£	£	£
Trade debtors	3,182,734	2,922,326	3,120,876	2,869,811
Amounts owed by group undertakings	-	-	1,058	9,576
Amounts recoverable on long term contracts	1,597,009	1,293,086	1,597,009	1,293,086
Other debtors	10,456	391,429	9,027	390,000
Prepayments and accrued income	493,939	621,953	493,939	621,953
	<u>5,284,138</u>	<u>5,228,794</u>	<u>5,221,909</u>	<u>5,184,426</u>

### 10 Creditors: Amounts falling due within one year

	Group		LLP	
	2023	2022	2023	2022
	£	£	£	£
Bank loans and overdrafts	345,836	242,297	345,836	242,297
Payments received on account	7,569	8,576	-	-
Trade creditors	501,690	629,332	478,061	624,340
Amounts owed to group undertakings	694	1,200	100,694	101,200
Amounts due to former members	-	50,753	-	50,753
Other taxes and social security	644,393	616,810	637,552	604,991
Other creditors	74,416	51,585	224,416	201,585
Accruals and deferred income	1,055,159	685,440	1,046,769	669,887
	<u>2,629,757</u>	<u>2,285,993</u>	<u>2,833,328</u>	<u>2,495,053</u>

### 11 Creditors: Amounts falling due after more than one year

	Group		LLP	
	2023	2022	2023	2022
	£	£	£	£
Bank loans and overdrafts	<u>1,124,831</u>	<u>-</u>	<u>1,124,831</u>	<u>-</u>

**BRACHERS LLP****NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2023 (CONTINUED)****12 Obligations under leases****Operating leases**

The total of future minimum lease payments is as follows:

	2023 £	Group 2022 £	2023 £	Partnership 2022 £
Not later than one year	296,038	384,038	296,038	384,038
Later than one year and not later than five years	803,829	1,059,927	803,829	1,059,927
	<u>1,099,867</u>	<u>1,443,965</u>	<u>1,099,867</u>	<u>1,443,965</u>

The amount of non-cancellable operating lease payments recognised as an expense in the group and LLP during the year was £344,098 (2022 - £387,602).

**13 Provisions****Group and LLP**

	Client claims provision £	Dilapidations provision £	Total £
At 1 May, 2022	-	300,000	300,000
Additional provisions	253,852	-	253,852
Increase in existing provisions	-	30,000	30,000
At 30 April 2023	<u>253,852</u>	<u>330,000</u>	<u>583,852</u>

**14 Pension and other schemes****Defined benefit pension schemes****Group and LLP**

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.

The date of the most recent comprehensive actuarial valuation was 30 April 2021. The valuation was updated to 30 April 2023 by a qualified actuary, independent of the scheme's sponsoring employer.

***Reconciliation of scheme assets and liabilities to assets and liabilities recognised***

The amounts recognised in the balance sheet are as follows:

	2023 £	2022 £
Fair value of scheme assets	(1,969,000)	(2,779,000)
Present value of defined benefit obligation	<u>1,810,000</u>	<u>2,329,000</u>
	(159,000)	(450,000)
Unrecognised past service cost	<u>159,000</u>	<u>450,000</u>
Defined benefit pension scheme surplus/(deficit)	<u>-</u>	<u>-</u>

***Defined benefit obligation***

Changes in the defined benefit obligation are as follows:

# BRACHERS LLP

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2023 (CONTINUED)

### 14 Pension and other schemes (continued)

	2023 £
Present value at start of year	2,329,000
Interest cost	70,000
Actuarial gains and losses	(497,000)
Benefits paid	(92,000)
Present value at end of year	<u>1,810,000</u>

#### **Fair value of scheme assets**

Changes in the fair value of scheme assets are as follows:

	2023 £
Fair value at start of year	(2,779,000)
Interest income	(83,000)
Actuarial gains and losses	801,000
Benefits paid	92,000
Fair value at end of year	<u>(1,969,000)</u>

#### **Analysis of assets**

The major categories of scheme assets are as follows:

	2023 %	2022 %
Liability Driven Duration Investments	30	28
Property	14	12
Corporate Bonds	32	29
Diversified Growth Fund	11	23
Cash and cash equivalents	13	8
	<u>100</u>	<u>100</u>

#### **Return on scheme assets**

	2023 £	2022 £
Return on scheme assets	<u>(801,000)</u>	<u>(275,000)</u>

The pension scheme has not invested in any of the group's own financial instruments or in properties or other assets used by the group.

#### **Principal actuarial assumptions**

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

	2023 %	2022 %
Discount rates	4.80	3.05
Revaluation of deferred pensions	2.70	3.65
CPI Inflation	<u>2.85</u>	<u>3.40</u>

# BRACHERS LLP

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2023 (CONTINUED)

### 14 Pension and other schemes (continued)

#### Post retirement mortality assumptions

	2023 Years	2022 Years
Current UK pensioners at retirement age - male	21.00	22.00
Current UK pensioners at retirement age - female	24.00	25.00
Future UK pensioners at retirement age - male	23.00	24.00
Future UK pensioners at retirement age - female	26.00	26.00

### 15 Cash flow statement

#### Group

	2023 £	2022 £
Operating profit	4,252,300	3,397,639
Depreciation, amortisation and impairment charges	150,425	77,140
(Increase)/decrease in debtors	(55,344)	316,146
Increase/(decrease) in creditors	240,225	(66,908)
Increase in provisions	283,852	30,000
Difference between defined benefit pension charge and cash contributions	21,000	(14,000)
Cash generated by operations	4,892,458	3,740,017
Net cash inflow from operating activities	4,892,458	3,740,017

### 16 Analysis of changes in net debt

#### Group

	At 1 May 2022 £	Financing cash flows £	Other non-cash changes £	At 30 April 2023 £
Cash at bank	1,609,129	883,101	-	2,492,230
Bank borrowings (less than one year)	(242,297)	(94,512)	-	(336,809)
Bank borrowings (more than one year)	-	(1,124,831)	-	(1,124,831)
Net debt (before members' debt)	1,366,832	(336,242)	-	1,030,590
<b>Loans and other debts due to members</b>				
Members' capital	(2,394,484)	150,840	-	(2,243,644)
Other amounts due to members	(2,191,847)	4,251,647	(4,947,584)	(2,887,784)
Net debt	(3,219,499)	4,066,245	(4,947,584)	(4,100,838)

### 17 Related party transactions

During the year ended 30 April 2023 rent of £212,445 (2022 - £270,000) was charged to Brachers LLP by Brachers Property LLP, a partnership which has some designated members in common. As at 30 April 2023 Brachers LLP owed Brachers Property LLP £Nil (2022 - £67,500) in respect of the rent and Brachers Property LLP owed Brachers LLP £Nil (2022 - £390,000) with regard to a previous loan.

### 18 Control

In the opinion of the members, at 30 April 2023 there is no ultimate controlling party of Brachers LLP, with the members controlling Brachers LLP in accordance with their capital contribution to the business.