

Limited Liability Partnership Registration No. OC372975 (England and Wales)

BRECHER LLP

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

BRECHER LLP

LIMITED LIABILITY PARTNERSHIP INFORMATION

Designated members	A J Brecher J A Abram
Limited liability partnership number	OC372975
Registered office	4th Floor 64 North Row London W1K 7DA
Auditor	HW Fisher LLP Acre House 11-15 William Road London NW1 3ER United Kingdom

BRECHER LLP

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BRECHER LLP

MEMBERS' REPORT

FOR THE YEAR ENDED 31 MARCH 2021

The members present their annual report and financial statements for the year ended 31 March 2021.

Principal activities

The principal activity of the limited liability partnership continued to be that of the provision of legal services.

Designated members

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

A J Brecher

J A Abram

N H Richmond

(Resigned 31 January 2021)

On 31 January 2021, N H Richmond stepped down as a designated member and resigned from Brecher LLP.

It is with great sorrow that the members report that Valerie Zara Brecher passed away during the year.

Members' drawings, contributions and repayments

The members' drawing policy allows each member to draw a proportion of their profit share, subject to the cash requirements of the business.

A member's capital requirement is linked to their share of profit and the financing requirement of the limited liability partnership. There is no opportunity for appreciation of the capital subscribed. Just as incoming members introduce their capital at "par", so the retiring members are repaid their capital at "par".

On behalf of the members approved on

A J Brecher

Designated Member

BRECHER LLP

MEMBERS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 MARCH 2021

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

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the limited liability partnership will continue in business.

The members are responsible for keeping adequate accounting records that are sufficient to show and explain the limited liability partnership's transactions and 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 by The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008). They are also responsible for safeguarding the assets of the limited liability partnership and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BRECHER LLP

Opinion

We have audited the financial statements of Brecher LLP (the 'limited liability partnership') for the year ended 31 March 2021 which comprise the statement of comprehensive income, the balance sheet, the reconciliation of members' interests, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the limited liability partnership's affairs as at 31 March 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 as applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008.

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 limited liability partnership 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

In auditing the financial statements, we have concluded that the members' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

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

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The members are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

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

BRECHER LLP

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF BRECHER LLP

Responsibilities of members

As explained more fully in the members' responsibilities statement, 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 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 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.

As part of our planning process:

- We enquired of management the systems and controls the entity has in place, the areas of the financial statements that are most susceptible to the risk of irregularities and fraud, and whether there was any known, suspected or alleged fraud. The entity did not inform us of any known, suspected or alleged fraud.
- We obtained an understanding of the legal and regulatory frameworks applicable to the entity. We determined that the following were most relevant: FRS 102, Companies Act 2006, Anti-Money Laundering regulations and Solicitors Accounts Rules.
- We considered the incentives and opportunities that exist in the entity, including the extent of management bias, which present a potential for irregularities and fraud to be perpetuated, and tailored our risk assessment accordingly.
- Using our knowledge of the entity, together with the discussions held with the entity at the planning stage, we formed a conclusion on the risk of misstatement due to irregularities including fraud and tailored our procedures according to this risk assessment.

The key procedures we undertook to detect irregularities including fraud during the course of the audit included:

- Identifying and testing journal entries and the overall accounting records, in particular those that were significant and unusual.
- Reviewing the financial statement disclosures and determining whether accounting policies have been appropriately applied.
- Reviewing and challenging the assumptions and judgements used by management in their significant accounting estimates, in particular in relation to the recoverability of debtors and accrued income.
- Assessing the extent of compliance, or lack of, with the relevant laws and regulations.
- Testing key revenue lines, in particular cut-off, for evidence of management bias.
- Performing a physical verification of key assets.
- Obtaining third-party confirmation of material bank and loan balances.
- Documenting and verifying all significant related party balances and transactions.
- Performing sample tests on the Coronavirus Job Retention Scheme claims submissions.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

BRECHER LLP

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF BRECHER LLP

Use of our report

This report is made solely to the limited liability partnership's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 as applied by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008. Our audit work has been undertaken so that we might state to the limited liability partnership's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the limited liability partnership and the limited liability partnership's members as a body, for our audit work, for this report, or for the opinions we have formed.

Gary Miller (Senior Statutory Auditor)

for and on behalf of HW Fisher LLP

Chartered Accountants

Statutory Auditor

Acre House
11-15 William Road
London
NW1 3ER
United Kingdom

14 December 2021

BRECHER LLP

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2021

	Notes	2021 £	2020 £
Turnover	3	13,571,570	12,874,112
Administrative expenses		(7,788,245)	(7,583,509)
Other operating income		490,730	21,755
Operating profit	4	6,274,055	5,312,358
Interest receivable and similar income	8	42,373	106,228
Interest payable and similar expenses	9	(20,263)	(54,167)
Profit for the financial year before members' remuneration and profit shares available for discretionary division among members		6,296,165	5,364,419

The Profit And Loss Account has been prepared on the basis that all operations are continuing operations.

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BALANCE SHEET

AS AT 31 MARCH 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Tangible assets	10		108,685		124,989
Current assets					
Debtors	11	9,344,344		7,487,900	
Cash at bank and in hand		1,891,334		701,334	
		<u>11,235,678</u>		<u>8,189,234</u>	
Creditors: amounts falling due within one year	12	<u>(4,343,889)</u>		<u>(2,632,925)</u>	
Net current assets			6,891,789		5,556,309
Total assets less current liabilities			<u>7,000,474</u>		<u>5,681,298</u>
Creditors: amounts falling due after more than one year	13		(1,358,333)		-
Net assets attributable to members			<u>5,642,141</u>		<u>5,681,298</u>
Represented by:					
Loans and other debts due to members					
Capital accounts			2,600,000		3,075,000
Other amounts due within one year			3,042,141		2,606,298
			<u>5,642,141</u>		<u>5,681,298</u>

The financial statements were approved by the members and authorised for issue on 9 December 2021 and are signed on their behalf by:

A J Brecher
Designated member

Limited Liability Partnership Registration No. OC372975

BRECHER LLP

RECONCILIATION OF MEMBERS' INTERESTS

FOR THE YEAR ENDED 31 MARCH 2021

Current financial year	EQUITY		DEBT		TOTAL
	Members' other interests	Loans and other debts due to/(from) members	Members' capital (classified as debt)	Other amounts	MEMBERS' INTERESTS
	Other reserves			Total	Total 2021
	£	£	£	£	£
Amounts due to members			2,606,298		
Members' interests at 1 April 2020	-	3,075,000	2,606,298	5,681,298	5,681,298
Allocation of profit for the financial year	6,296,165	-	-	-	6,296,165
Members' interests after profit for the year	6,296,165	3,075,000	2,606,298	5,681,298	11,977,463
Allocation of profit for the financial year	(6,296,165)	-	6,296,165	6,296,165	-
Introduced by members	-	325,000	-	325,000	325,000
Repayment of debt (including members' capital classified as a liability)	-	(800,000)	-	(800,000)	(800,000)
Drawings	-	-	(5,860,322)	(5,860,322)	(5,860,322)
Members' interests at 31 March 2021	-	2,600,000	3,042,141	5,642,141	5,642,141
Amounts due to members			3,042,141		

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RECONCILIATION OF MEMBERS' INTERESTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

Prior financial year	EQUITY		DEBT		TOTAL
	Members' other interests	Loans and other debts due to/(from) members	Total	Total	MEMBERS' INTERESTS
	Other reserves	Members' capital (classified as debt)	Other amounts		Total 2020
	£	£	£	£	£
Amounts due to members			2,688,824		
Members' interests at 1 April 2019	-	2,950,000	2,688,824	5,638,824	5,638,824
Allocation of profit for the financial year	5,364,419	-	-	-	5,364,419
Members' interests after profit for the year	5,364,419	2,950,000	2,688,824	5,638,824	11,003,243
Allocation of profit for the financial year	(5,364,419)	-	5,364,419	5,364,419	-
Introduced by members	-	200,000	-	200,000	200,000
Repayment of debt (including members' capital classified as a liability)	-	(75,000)	-	(75,000)	(75,000)
Drawings	-	-	(5,446,945)	(5,446,945)	(5,446,945)
Members' interests at 31 March 2020	-	3,075,000	2,606,298	5,681,298	5,681,298
Amounts due to members			2,606,298		

BRECHER LLP**STATEMENT OF CASH FLOWS****FOR THE YEAR ENDED 31 MARCH 2021**

	Notes	2021 £	£	2020 £	£
Cash flows from operating activities					
Cash generated from operations	18		371,412		318,978
Interest paid			(20,263)		(54,167)
Net cash inflow from operating activities			<u>351,149</u>		<u>264,811</u>
Investing activities					
Purchase of tangible fixed assets		(39,280)		(40,990)	
Interest received		42,373		106,228	
Net cash generated from investing activities			<u>3,093</u>		<u>65,238</u>
Financing activities					
Capital introduced by members (classified as debt or equity)		325,000		200,000	
Repayment of capital or debt to members		(300,000)		(75,000)	
Proceeds of new bank loans		1,486,170		-	
Repayment of bank loans		(675,412)		(322,591)	
Net cash generated from/(used in) financing activities			<u>835,758</u>		<u>(197,591)</u>
Net increase in cash and cash equivalents			<u>1,190,000</u>		<u>132,458</u>
Cash and cash equivalents at beginning of year			<u>701,334</u>		<u>568,876</u>
Cash and cash equivalents at end of year			<u><u>1,891,334</u></u>		<u><u>701,334</u></u>

BRECHER LLP

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

Limited liability partnership information

Brecher LLP is a limited liability partnership incorporated in England and Wales. The registered office is 4th Floor, 64 North Row, London, W1K 7DA.

The limited liability partnership's principal activities are disclosed in the Members' Report.

1.1 Accounting convention

These financial statements have been prepared in accordance with the Statement of Recommended Practice "Accounting by Limited Liability Partnerships" issued in December 2018, together with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 (as applied by The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008).

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

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

As stated in note 18, the directors have considered the effect of the Covid-19 outbreak. The designated members consider that the outbreak is unlikely to cause significant disruption to the Partnership and are confident that the Partnership can continue as a going concern for a period of at least twelve months from the date of approval of these financial statements. The designated members have a reasonable expectation that the company has adequate resources to continue in operation for the foreseeable future.

1.3 Turnover

Turnover represents the amounts recoverable for the services provided to clients, excluding value added tax, under contractual obligations which are performed gradually over time.

If, at the Balance sheet date, completion of contractual obligations is dependent on external factors (and thus outside the control of the Limited Liability Partnership), then revenue is recognised only when the event occurs. In such cases, costs incurred up to the Balance sheet date are carried forward as work in progress.

1.4 Members' participating interests

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

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

All amounts due to members that are classified as liabilities are presented within 'Loans and other debts due to members'. Undivided amounts that are classified as debt are shown within 'Members' other interests'. Amounts recoverable from members are presented as debtors and shown as amounts due from members within members' interests.

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

BRECHER LLP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies (Continued)

1.5 Tangible fixed assets

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

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

Leasehold land and buildings	Over the period of the lease
Fixtures and fittings	20% on cost or over period of lease

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

1.6 Cash and cash equivalents

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

1.7 Financial instruments

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

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

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

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

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

Impairment of financial assets

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

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

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised.

BRECHER LLP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

Derecognition of financial assets

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

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the limited liability partnership after deducting all of its liabilities.

Basic financial liabilities, including creditors and bank loans, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

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

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

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

1.8 Employee benefits

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

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

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

1.9 Retirement benefits and post retirement payments to members

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

The Limited Liability Partnership operates a defined contribution pension scheme. Contributions payable are charged to the profit and loss account in the year that they are payable.

BRECHER LLP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies (Continued)

1.10 Leases

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

1.11 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

Grant income recognised in the current year relates to amounts receivable from the UK government for claims made on the Coronavirus job retention scheme.

2 Judgements and key sources of estimation uncertainty

In the application of the limited liability partnership's accounting policies, the members are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

Trade Debtors – are valued based on amounts billed to clients less an estimated provision for bad or irrecoverable debts. The provision estimate is calculated based on actual collection data, historical realisation rates and management judgement regarding other relevant factors. The carrying value of trade debtors is £5,220,595 (2020: £3,989,367) as at 31 March 2021.

Work In Progress – is recognised as an estimate of amounts recoverable on time costs recorded the financial statements. Billing and collection data, historical realisation rates and management judgement, regarding other factors, are all used to determine the amounts recoverable. The carrying value of work in progress is £3,373,895 (2020: £2,900,338) at at 31 March 2021.

3 Turnover

An analysis of the limited liability partnership's turnover is as follows:

	2021	2020
	£	£
Turnover analysed by class of business		
Fee income	13,571,570	12,874,112
	<u> </u>	<u> </u>
	2021	2020
	£	£
Other significant revenue		
Interest income	42,373	106,228
Grants received	490,730	-
	<u> </u>	<u> </u>

BRECHER LLP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

		(Continued)	
3	Turnover	2021	2020
		£	£
	Turnover analysed by geographical market		
	United Kingdom	13,571,570	12,874,112
4	Operating profit	2021	2020
		£	£
	Operating profit for the year is stated after charging/(crediting):		
	Government grants	(490,730)	-
	Depreciation of owned tangible fixed assets	55,584	68,973
	Operating lease charges	571,900	602,000
5	Auditor's remuneration	2021	2020
		£	£
	Fees payable to the LLP's auditor and associates:		
	For audit services		
	Audit of the financial statements of the LLP	30,000	30,000
	For other services		
	Other taxation services	6,500	7,500
	All other non-audit services	4,891	4,307
		11,391	11,807
6	Employees	2021	2020
		Number	Number
	The average number of persons (excluding members) employed by the limited liability partnership during the year was:		
	Fee earners	39	35
	Admin	33	36
	Total	72	71

BRECHER LLP**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 MARCH 2021**

		(Continued)	
6	Employees		
	Their aggregate remuneration comprised:		
		2021	2020
		£	£
	Wages and salaries	4,300,039	4,218,918
	Social security costs	583,593	499,767
	Pension costs	203,650	194,030
		<u>5,087,282</u>	<u>4,912,715</u>
7	Information in relation to members		
		2021	2020
		Number	Number
	Average number of members during the year	26	23
		<u>26</u>	<u>23</u>
		2021	2020
		£	£
	Profit attributable to the member with the highest entitlement	871,982	546,723
		<u>871,982</u>	<u>546,723</u>
8	Interest receivable and similar income		
		2021	2020
		£	£
	Interest income		
	Interest on bank deposits	42,373	106,228
		<u>42,373</u>	<u>106,228</u>
	Investment income includes the following:		
	Interest on financial assets not measured at fair value through profit or loss	42,373	106,228
		<u>42,373</u>	<u>106,228</u>
9	Interest payable and similar expenses		
		2021	2020
		£	£
	Interest on financial liabilities measured at amortised cost:		
	Interest on bank overdrafts and loans	20,263	54,167
		<u>20,263</u>	<u>54,167</u>

BRECHER LLP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

10 Tangible fixed assets			
	Leasehold land and buildings	Fixtures and fittings	Total
	£	£	£
Cost			
At 1 April 2020	285,929	840,320	1,126,249
Additions	-	39,280	39,280
	<hr/>	<hr/>	<hr/>
At 31 March 2021	285,929	879,600	1,165,529
	<hr/>	<hr/>	<hr/>
Depreciation and impairment			
At 1 April 2020	233,815	767,445	1,001,260
Depreciation charged in the year	18,815	36,769	55,584
	<hr/>	<hr/>	<hr/>
At 31 March 2021	252,630	804,214	1,056,844
	<hr/>	<hr/>	<hr/>
Carrying amount			
At 31 March 2021	33,299	75,386	108,685
	<hr/>	<hr/>	<hr/>
At 31 March 2020	52,114	72,875	124,989
	<hr/>	<hr/>	<hr/>
11 Debtors			
		2021	2020
		£	£
Amounts falling due within one year:			
Trade debtors		5,475,583	4,233,007
Other debtors		-	26,123
Prepayments and accrued income		3,868,761	3,228,770
		<hr/>	<hr/>
		9,344,344	7,487,900
		<hr/>	<hr/>
12 Creditors: amounts falling due within one year			
		2021	2020
	Notes	£	£
Bank loans	14	777,616	950,191
Trade creditors		1,005,059	337,167
Other taxation and social security		736,247	717,206
Other creditors		1,053,994	78
Accruals and deferred income		770,973	628,283
		<hr/>	<hr/>
		4,343,889	2,632,925
		<hr/>	<hr/>

BRECHER LLP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

13 Creditors: amounts falling due after more than one year

	Notes	2021 £	2020 £
Bank loans and overdrafts	14	983,333	-
Other creditors		375,000	-
		<u>1,358,333</u>	<u>-</u>

Creditors which fall due after five years are as follows:

	2021 £	2020 £
Payable by instalments	168,179	-
	<u>168,179</u>	<u>-</u>

14 Bank loans and overdrafts

	2021 £	2020 £
Bank loans and overdrafts	1,760,949	950,191
	<u>1,760,949</u>	<u>950,191</u>
Repayable within one year	777,616	950,191
Payable after one year	983,333	-
	<u>1,760,949</u>	<u>950,191</u>

Bank loans are secured by a fixed and floating charge over the assets of the LLP.

Bank loans of £219,210 are due for repayment by July 2021. Interest is charged at a rate of 4.26% per annum.

Bank loans of £266,960 are due for repayment by October 2021. Interest is charged at a rate of 4.37% per annum.

Bank loans of £1,000,000 are repayable monthly, being repaid in full by January 2027. Interest is charged at a rate of 2% per annum.

15 Retirement benefit schemes

Defined contribution schemes

The limited liability partnership operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the limited liability partnership.

The charge to profit or loss in respect of defined contribution schemes was £203,650 (2020 - £194,030).

BRECHER LLP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

16 Loans and other debts due to members

	2021 £	2020 £
Loans advanced by members	2,600,000	3,075,000
Amounts due to members in respect of profits	3,042,141	2,606,298
	<u>5,642,141</u>	<u>5,681,298</u>
Analysis of loans and other debts due to members		
Amounts falling due within one year	<u>5,642,141</u>	<u>5,681,298</u>

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

The policies for Members' capital contributions, drawings, and repayments agreed by the members are as follows:

- a) Members' capital contributions are set at a level to ensure the long term financial stability of the partnership.
- b) Members' drawings policy allows each member to draw their profit shares, subject to the cash requirements of the partnership's business.
- c) Repayment of capital accounts and other amounts due to individual members is made on their retirement from the partnership, over a period of up to three years.

17 Operating lease commitments

Lessee

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

	2021 £	2020 £
Within one year	421,895	602,000
Between two and five years	1,856,337	1,063,808
In over five years	934,700	-
	<u>3,212,932</u>	<u>1,665,808</u>

BRECHER LLP**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 MARCH 2021**

18	Cash generated from operations	2021 £	2020 £	
	Profit for the year	6,296,165	5,364,419	
	Adjustments for:			
	Finance costs recognised in profit or loss	20,263	54,167	
	Investment income recognised in profit or loss	(42,373)	(106,228)	
	Depreciation and impairment of tangible fixed assets	55,584	68,973	
	Movements in working capital:			
	(Increase)/decrease in debtors	(1,856,444)	308,693	
	Increase in creditors	1,758,539	75,899	
	Transactions with members classified as operating activities:			
	Members' drawings	(5,860,322)	(5,446,945)	
	Cash generated from operations	371,412	318,978	
19	Analysis of changes in net funds/(debt)	1 April 2020 £	Cash flows £	31 March 2021 £
	Cash at bank and in hand	701,334	1,190,000	1,891,334
	Borrowings excluding overdrafts	(950,191)	(810,758)	(1,760,949)
	Balances before members' debt	(248,857)	379,242	130,385
	Loans and other debts due to members:			
	- Members' capital	(3,075,000)	475,000	(2,600,000)
	- Other amounts due to members	(2,606,298)	(435,843)	(3,042,141)
	Balances including members' debt	(5,930,155)	418,399	(5,511,756)

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.