Burges Salmon

Burges Salmon LLP
Annual Report and Financial Statements
for the year ended 30 April 2021

COMPANY REGISTRATION NUMBER: OC307212

MEMBERS' REPORT AND FINANCIAL STATEMENTS
For the year ended 30 April 2021

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Burges Salmon

DESIGNATED MEMBERS AND ADVISERS

Designated Members

The following were designated members at the date of signing this report:

John Barnett
Paul Browne
Ross Fairley
Ian Salter
Chris Seaton
Elizabeth Dunn
Jeremy Dickerson
Roger Bull
David Hall
Euan Bremner
Richard Spink

Registered Office

One Glass Wharf
Bristol
BS2 0ZX

Primary Bankers

Lloyds Bank plc
44-45 George White Street
Bristol
BS1 3BA

Independent Auditor

Deloitte LLP
Statutory Auditor
London, United Kingdom

THE REPORT OF THE MEMBERS

For the year ended 30 April 2021

The members present their annual report on the affairs of the Group, together with the consolidated financial statements and auditor's report for the year ended 30 April 2021.

Firm structure

Burges Salmon LLP ("the LLP" and together with its subsidiaries "the Group") is a Limited Liability Partnership registered under the Limited Liability Partnerships Act 2000 in England and Wales.

Branches outside the United Kingdom

The LLP has branches operating in London and Edinburgh as defined in Section 1046 (3) of the Companies Act 2006. The results of these branches are consolidated in these financial statements.

Business review and principal activities

The principal activity of Burges Salmon LLP during the year was the provision of legal services. The LLP operates throughout the United Kingdom from its offices in Bristol, London and Edinburgh. In addition, a subsidiary of the LLP operates from offices in Dublin, Ireland. The LLP also works with a network of preferred independent law firms in other jurisdictions to provide international legal services to its United Kingdom and international client base.

The financial statements consolidate the accounts of Burges Salmon Group LLP and all its subsidiary undertakings (the 'Group'), drawn up to 30 April each year.

The members are satisfied with the performance for the financial year. The results for the year show an operating profit of £40,714,000 (2020: £35,097,000) and turnover of £108,774,000 (2020: £104,937,000).

As a result of the ongoing COVID-19 pandemic, the Group has conducted an assessment on the potential financial and operational risks to the business. The Group has not experienced any significant impact from the virus and the Group considers the risks to supply to be minimal as its people are engaged directly with the group company and the cost of key suppliers, such as landlords and insurers, have been budgeted and paid as and when the liability has arisen. The Group continues to monitor the potential impact on demand and how this compares to the budget for the 2021/22 financial year. The Group monitors the activity levels across the practice and the recoverability of the time recorded. In addition, the Group's working capital cycle is constantly monitored and reported through to management together with a regular cash flow report as part of the Group's regular management information. The Group has put measures in place at each of its offices that are aimed at making them COVID-19 safe and has provided equipment to its people to allow remote working in accordance with Government guidelines. Further information on Going Concern can be found in Note 1.

The Group monitors the Government advice and it responds to any changes to that advice through a dedicated operational team that is planning ahead in order to both protect the interests of the Group's people and maintain a high quality service delivery to our clients.

Future developments

Brexit and the continuing COVID-19 situation have introduced an increased level of uncertainty in the short term. However, the members are satisfied that the Group is well positioned to respond to possible changes in demand and has appropriate resources and expertise to adapt to the changing requirements of its clients and its people. The Group opened an office in Dublin in December 2020 in response to Brexit and the impact on the Group's European trade marks business so that the provision of services in trademarks can continue for the benefit of the Group.

Burges Salmon

THE REPORT OF THE MEMBERS (continued)

For the year ended 30 April 2021

Designated members

The designated members who served during the year and up to the date of signing the financial statements are:

John Barnett	
Paul Browne	
Ross Fairley	
Chris Godfrey	Resigned 30 April 2021
Ian Salter	
Chris Seaton	
Elizabeth Dunn	
Jeremy Dickerson	
Roger Bull	
David Hall	
Euan Bremner	
Richard Spink	Appointed 1 May 2021

Members' drawings

During the year members receive, net of retention of tax, monthly drawings and from time to time additional profit distributions on account of their share of profit, with the balance paid within 12 months of the financial year-end, subject to the LLP's cash requirements. Tax retentions are paid directly to HM Revenue & Customs on the members' behalf.

Members' profit shares

The profits of the LLP are allocated to members on a discretionary basis from time to time in accordance with the members' agreement. Final distributions are made after completion of the annual financial statements and at a time determined by the Partnership Committee. When the profit is allocated, it is transferred from equity of the LLP to debts due to members.

Members' capital

The total of members' capital is agreed by the members collectively and contributed in profit-sharing ratios. On leaving, capital is repaid to members in accordance with the members' agreement.

Employees

The LLP is committed to promoting equality and diversity in its own policies, practices and procedures and in those areas in which it has influence. This applies to the LLP's professional dealings with members and staff as well as clients, suppliers and other third parties.

Policy and practice on payment of creditors

The LLP seeks to agree commercial payment terms with its suppliers and, provided performance is in accordance with the agreed terms, to make payment accordingly.

Donations

During the year the Group made charitable donations of £48,000 (2020: £82,000), of which £33,000 (2020: £67,000) was to support projects in the local community, and £15,000 (2020: £15,000) was donations in support of client and staff charitable fundraising activities.

The members also fund the Burges Salmon Charitable Trust and are proud of the LLP's corporate responsibility programme. A significant pro-bono contribution is made to local charitable and community organisations and support is provided to many Third Sector (Non-profit organisations each with a specific social goal) and community-related initiatives in the form of financial contributions, time commitment, use of assets, gifts and other assistance.

Burges Salmon

THE REPORT OF THE MEMBERS (continued)
For the year ended 30 April 2021

Statement of disclosure of information to auditor

Each of the persons who is a member at the date of approval of this report confirms that:

- so far as the member is aware, there is no relevant audit information of which the LLP's auditor is unaware; and
- the member has taken all the steps that he/she ought to have taken as a member in order to make himself/herself aware of any relevant audit information and to establish that the LLP's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006 as applicable to limited liability partnerships.

Independent auditor

Deloitte LLP have indicated their willingness to be reappointed for another term and appropriate arrangements are being made for them to be reappointed as auditor.

Approved by the members on 16 September 2021 and signed on their behalf by:

Roger Bull	**Euan Bremner**
Designated member	Designated member

Burges Salmon

ENERGY AND CARBON REPORT

For the year ended 30 April 2021

We have reported on all sources of GHG emissions and energy usage as required under the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 as amended.

Annual Reporting Figures

The total emissions from combustion of GHG's for the Group are as follows:

GHG emissions and energy usage data for the period 1 May 2020 to 30 April 2021 based on usage of 3,892,842 KWh (2020: 4,073,282 KWh)		
	2021 tonnes of CO2e	**2020 tonnes of CO2e**
Emissions from combustion of gas (Scope 1 - tonnes of CO2e)	312	230
Emissions from combustion of fuel for transport purposes (Scope 1 - tonnes of CO2e)	5	334
Emissions from electricity purchased for own use, including for the purposes of transport (Scope 2 - tonnes of CO2e)	573	780
Emissions from business travel in rental cars or employee-owned vehicles where Group is responsible for purchasing the fuel (Scope 3 - tonnes of CO2e)	-	-
Total gross tonnes CO2e based on above / KWh	**890**	**1,343**
Intensity metrics based on 3,892,842 KWh (2020: 4,073,282 KWh)		
Financial emissions intensity - tonnes of CO_2 per £m turnover	8.56	14.44
Headcount intensity metric - tonnes of CO_2 per head	1.16	1.81

The prior year comparatives have been restated as KWh & emission data from electricity was found to have been misstated. While total KWh were understated total emissions of CO_2 were overstated. In addition the headcount intensity metric for both years now incorporates partners and staff to give a more accurate measure.

Intensity Metrics

Intensity metrics of CO_2e per £m turnover and CO_2e per head have been applied for the annual total emissions of the Group.

Reporting Methodology

Scope 1 and 2 consumption and CO_2e emission data has been calculated in-line with the 2019 UK Government environmental reporting guidance.

Estimations undertaken to cover missing billing periods were calculated on a kWh/day pro-rata basis at meter level. Where data was not available for the entirety of the reporting period, an average of similar meter classes were taken and applied to the properties with no available data. This was then converted to tonnes of CO_2 for the purposes of this report.

Intensity metrics have been calculated utilising headcount (partners plus staff members) of 765 (2020: 743) and applying this to the whole Group's carbon emissions.

ENERGY AND CARBON REPORT (continued)

For the year ended 30 April 2021

Energy Efficiency Measures

The Group has an Environmental Management System (EMS) and is certified against ISO 14001:2015. This requires that executive management review the Group's EMS at planned intervals to ensure its continuing suitability, adequacy and effectiveness. The responsibility for the EMS review is delegated to the Group's Environment Committee. Management Reviews are periodic, with planned reviews to consider the long-term objectives as well as the importance of environmental initiatives for continual improvement. These reviews consider the results of internal and external audits, the ongoing environmental performance of the organisation, the extent to which targets and objectives have been met and the status of preventative and corrective actions.

The current policy includes the following:

1 Executive management commitment to environmental matters
2 Demonstration of compliance with applicable legislation and guidelines
3 Operation of our mature EMS to measure, manage and reduce the impact of our operations
4 Commitment to work with external stakeholders to reduce our indirect impact
5 Commitment to integrate awareness of environmental impact across the business
6 Report on our progress and be accountable

There is a continuing focus on reducing emissions and impact in the following areas: Travel, Electricity and Gas, Paper and Water.

Environmental targets for 2021			
Target	**Goal**	**Achievement**	**Assessment**
Submit a 'letter of commitment' to SBTi (Science Based Target initiative) by end of 2020 confirming Burges Salmon will have science based targets by December 2022	Not specific	A letter of commitment was submitted to SBTi, and we are working with a consultancy firm to develop the targets	Success
Develop and adopt a sustainable Business Travel Policy by March 2021	Not specific	The development of the long term Sustainable Business Travel Policy has been delayed due to the ongoing Covid-19 travel restrictions, to take account of changing travel behaviour	A draft policy will be presented to the firm's Executive Committee in September 2021
Deliver a firm wide green travel communications campaign	Not specific	A number of green travel communications were delivered through various channels, including directly to staff by our BSustainable representatives and in the firm's internal magazine	Success
Investigate paper usage, storage & electronic alternatives across the firm by March 2021	Not specific	A Paper Reduction working group completed this task including Assessment of paper use across the firm Identification of electronic alternatives and relevant training available to encourage their use Introducing a project to reduce the long term storage of paper across the firm	Success
Investigate the green commuting options to employees through the business and produce advice by November 2020	Not specific	Commuting options for all Group sites outlined and shared by the BSustainable Committee (the firm's environmental staff engagement body) and to support staff in the return to the office post-Covid-19 restrictions.	Success
Develop a sustainable Business Travel policy by 31 December 2020	Not specific	Due to impact of COVID-19, travel continued to be significantly lower in 2021. The sustainable Business Travel Policy objective was deferred to 2021.	Deferred
Agree an installation proposal for electric car charging points at One Glass Wharf by 31 December 2020	Not specific	Car parking arrangements were subject to a full review as part of the One Glass Wharf occupancy changes	Deferred

ENERGY AND CARBON REPORT (continued)
For the year ended 30 April 2021

Environmental focus through to 2023		
Paper usage	**Electricity & Gas**	**Water**
Set a reduction target (against 2019) for paper usage by April 2021 Identify and develop a strategy to maintain remote working reductions in paper usage by May 2021 Reduce paper storage capacity based on findings from storage investigations	To identify initiatives and technology to reduce the use of electricity and gas.	To monitor use across the Firm and introduce initiatives to reduce water use.

The firm's overriding objective is to achieve Net Zero carbon emissions by 2026 for Scope 1, Scope 2 and Scope 3 (Business Travel) emissions. This will be achieved primarily by monitoring and reducing our emissions year on year and by offsetting our annual residual emissions with a Carbon Offsetting investment.

The list of members can be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ

Roger Bull
Designated member

Euan Bremner
Designated member

16 September 2021

Burges Salmon

MEMBERS' RESPONSIBILITIES STATEMENT

For the year ended 30 April 2021

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

The Limited Liability Partnerships (Accounts & Audit) (Application of Companies Act 2006) Regulations 2008 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), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". The financial statements are required by law to give a true and fair view of the state of affairs of the LLP and of the Group and of the profit or loss of the LLP and the Group 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the LLP 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 Group and enable them to ensure that the financial statements comply with the Companies Act 2006, as applicable to limited liability partnerships. They are also responsible for safeguarding the assets of the Firm and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BURGES SALMON LLP

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Burges Salmon LLP (the 'parent limited liability partnership') and its subsidiaries (the 'group'):

- give a true and fair view of the state of the group's and of the parent limited liability partnership's affairs as at 30 April 2021 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006 as applied to limited liability partnerships.

We have audited the financial statements which comprise:

- the consolidated profit and loss account;
- the consolidated and LLP balance sheets;
- the consolidated and LLP statements of changes in members' interests;
- the consolidated cash flow statement; and
- the related notes 1 to 20.

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).

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 and of the parent limited liability partnership in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (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 group's and parent 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.

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

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.

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 group's and the parent 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 parent 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.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud
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.

We considered the nature of the group's industry and its control environment, and reviewed the group's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities including obtaining and reviewing the Group's documentation of its policies and procedures relating to:

- identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
- detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud, and
- reviewing internal controls established to mitigate risks of fraud or non-compliance with laws and regulations.

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

Extent to which the audit was considered capable of detecting irregularities, including fraud (continued)

We obtained an understanding of the legal and regulatory frameworks that the group operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included the UK Companies Act, pensions legislation, tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the group's ability to operate or to avoid a material penalty, these included the Solicitors Regulation Authority in England & Wales, the Law Society of Scotland in Scotland and the Law Society of Northern Ireland in Northern Ireland.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud in the following area, and our specific procedures performed to address it are described below:

- The valuation of unbilled revenue and work in progress. The specific procedures we performed in response to this risk included performing a test of detail for a sample of unbilled revenue. Firstly, we tested the design and implementation of the key controls associated to this risk. We then agreed this sample to post year-end billings and payments, and calculated the over- or under-recovery to assess the reasonableness of management's valuation. We also performed a retrospective review of the sample selected to test the prior year balance, by examining billings and payments made subsequent to the signing of the prior year financial statements.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- obtaining an understanding of the Group's procedures and controls, including the Group's procedures to mitigate the risk of and response to allegations of fraud, bribery and corruption;
- addressing the risk of fraud through management override of controls by testing the appropriateness of journal entries and other adjustments, assessing whether the judgements made by management in making accounting estimates indicate a potential bias, and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business;
- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance and reviewing correspondence with HMRC and the Solicitor Regulatory Authority.

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

Report on other legal and regulatory requirements

Matters on which we are required to report by exception
Under the Companies Act 2006 as applied to limited liability partnerships we are required to report in respect of the following matters if, in our opinion:

- adequate accounting records have not been kept by the parent limited liability partnership, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent 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.

We have nothing to report in respect of these matters.

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 to limited liability partnerships. 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.

Peter Saunders

Peter Saunders (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
London, United Kingdom
17 September 2021

Burges Salmon

CONSOLIDATED PROFIT AND LOSS ACCOUNT

For the year ended 30 April 2021

	Note	2021 £'000	2020 £'000
Turnover	3	108,774	104,937
Administrative expenses		(69,254)	(70,180)
Other operating income		1,194	340
Operating profit		40,714	35,097
Finance costs (net)	4	(118)	29
Profit before taxation, members' remuneration and profit shares	5	40,596	35,126
Tax on profit of subsidiaries	8	(418)	(549)
Profit before members' remuneration and profit shares		40,178	34,577
Members' remuneration charged as an expense		(208)	(77)
Profit for the financial year available for discretionary division among members		39,970	34,500

The Group's turnover and expenses all relate to continuing operations.

There has been no comprehensive income in the current or prior year other than the profit for that financial year and, accordingly, no separate statement of comprehensive income has been presented.

Burges Salmon

BALANCE SHEETS
As at 30 April 2021

	Note	Group 2021 £'000	Group 2020 £'000	LLP 2021 £'000	LLP 2020 £'000
Fixed assets					
Intangible assets	9	**647**	883	**-**	-
Tangible assets	9	**5,026**	5,600	**4,979**	5,600
Investments	10	**-**	-	**260**	260
		5,673	6,483	**5,239**	5,860
Current assets					
Debtors	11	**57,321**	54,771	**58,009**	56,173
Cash at bank and in hand		**27,166**	23,617	**25,879**	21,099
		84,487	78,388	**83,888**	77,272
Creditors:					
Amounts falling due within one year	12	**(14,670)**	(16,030)	**(13,874)**	(14,373)
Net current assets		**69,817**	62,358	**70,014**	62,899
Total assets less current liabilities		**75,491**	68,841	**75,253**	68,759
Creditors:					
Amounts falling due after more than one year	13	**(809)**	(256)	**(1,059)**	(506)
		74,682	68,585	**74,194**	68,253
Provisions for liabilities	14	**(8,059)**	(8,300)	**(7,997)**	(8,237)
Net assets attributable to members		**66,623**	60,285	**66,197**	60,016
Represented by:					
Loans and other debts due to members within one year					
Members' capital classified as a liability		**20,753**	20,539	**20,753**	20,539
Other amounts		**4,471**	3,974	**4,471**	3,974
		25,224	24,513	**25,224**	24,513
Members' other interests					
Other reserves classified as equity		**41,399**	35,772	**40,973**	35,503
		66,623	60,285	**66,197**	60,016
TOTAL MEMBERS' INTERESTS					
Amounts due from members	11	**(12,198)**	(13,827)	**(12,198)**	(13,827)
Loans and other debts due to members		**25,224**	24,513	**25,224**	24,513
Members' other interests		**41,399**	35,772	**40,973**	35,503
		54,425	46,458	**53,999**	46,189

The LLP has taken advantage of Section 408 of the Companies Act 2006 as applied by the Limited Liability Partnerships (Accounts & Audit) (Application of Companies Act 2006) Regulations 2008 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 £39,813,000 (2020: £34,514,000).

The financial statements of Burges Salmon LLP (registered number OC307212) were approved by the members and authorised for issue on 16 September 2021. They were signed on behalf of the LLP by:

Roger Bull
Designated member

Euan Bremner
Designated member

Burges Salmon

CONSOLIDATED STATEMENT OF CHANGES IN MEMBERS' INTERESTS

For the year ended 30 April 2021

	Members' other interests	Loans and other debts due to / (from) members			
	Other reserves classified as equity	Members' capital classified as a liability	Other amounts due to members	Amounts due from members	Total
	£'000	£'000	£'000	£'000	£'000
Members' interests at 1 May 2019	**32,846**	**19,042**	**3,512**	**(12,182)**	**43,218**
Members' remuneration charged as an expense	-	-	77	-	77
Profit for the financial year available for discretionary division among members - being total comprehensive income	34,500	-	-	-	34,500
Members' interests after profit for the year	67,346	19,042	3,589	(12,182)	77,795
Allocation of prior year profit	(31,568)	-	19,386	12,182	-
Introduced by members	-	1,252	-	-	1,252
Repayments of capital	-	(696)	-	-	(696)
Drawings	-	-	(19,001)	(12,886)	(31,887)
Other movements	(6)	941	-	(941)	(6)
Members' interests at 30 April 2020	**35,772**	**20,539**	**3,974**	**(13,827)**	**46,458**
Members' remuneration charged as an expense	-	-	208	-	208
Profit for the financial year available for discretionary division among members- being total comprehensive income	39,970	-	-	-	39,970
Members' interests after profit for the year	75,742	20,539	4,182	(13,827)	86,636
Allocation of prior year profit	(34,343)	-	20,516	13,827	-
Introduced by members	-	685	-	-	685
Repayments of capital	-	(1,234)	-	-	(1,234)
Drawings	-	-	(20,227)	(11,435)	(31,662)
Other movements	-	763	-	(763)	-
Members' interests at 30 April 2021	**41,399**	**20,753**	**4,471**	**(12,198)**	**54,425**

Other amounts due to members represent divided profits not yet paid to members.

Other movements relate to loans that have been taken to increase members' capital.

LLP STATEMENT OF CHANGES IN MEMBERS' INTERESTS

For the year ended 30 April 2021

	Members' other interests	Loans and other debts due to / (from) members			
	Other reserves classified as equity	Members' capital classified as a liability	Other amounts due to members	Amounts due from members	Total
	£'000	£'000	£'000	£'000	£'000
Members' interests at 1 May 2019	**32,563**	**19,042**	**3,512**	**(12,182)**	**42,935**
Members' remuneration charged as an expense	-	-	77	-	77
Profit for the financial year available for discretionary division among members	34,514	-	-	-	34,514
Members' interests after profit for the year	67,077	19,042	3,589	(12,182)	77,526
Allocation of prior year profit	(31,625)	-	19,443	12,182	-
Introduced by members	-	1,252	-	-	1,252
Repayments of capital	-	(696)	-	-	(696)
Drawings	-	-	(19,058)	(12,835)	(31,893)
Other movements	51	941	-	(992)	-
Members' interests at 30 April 2020	**35,503**	**20,539**	**3,974**	**(13,827)**	**46,189**
Members' remuneration charged as an expense	-	-	208	-	208
Profit for the financial year available for discretionary division among members	39,813	-	-	-	39,813
Members' interests after profit for the year	75,316	20,539	4,182	(13,827)	86,210
Allocation of prior year profit	(34,343)	-	20,516	13,827	-
Introduced by members	-	685	-	-	685
Repayments of capital	-	(1,234)	-	-	(1,234)
Drawings	-	-	(20,227)	(11,435)	(31,662)
Other movements	-	763	-	(763)	-
Members' interests at 30 April 2021	**40,973**	**20,753**	**4,471**	**(12,198)**	**53,999**

Other amounts due to members represent divided profits not yet paid to members.

Other movements relate to loans that have been taken to increase members' capital.

Burges Salmon

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 30 April 2021

	Note	2021 £'000	2020 £'000
Net cash flows from operating activities	15	**37,843**	**38,233**
Cash flows from investing activities			
Purchase of tangible and intangible fixed assets		(1,415)	(639)
Payment on disposal of leasehold improvements		(708)	-
Interest received		68	286
Net cash flows from investing activities		**(2,055)**	**(353)**
Cash flows from financing activities			
Interest paid		(28)	(50)
Payments to or on behalf of the members:			
- Drawings		(31,662)	(31,893)
- Repayments of capital		(1,234)	(696)
Capital contributions by members		685	1,252
Net cash flows from financing activities		**(32,239)**	**(31,387)**
Net increase in cash and cash equivalents		**3,549**	**6,493**
Cash and cash equivalents at beginning of year		**23,617**	**17,124**
Cash and cash equivalents at end of year		**27,166**	**23,617**

Additions of £442,000 relating to reinstatement asset additions, shown in Note 9 under Leasehold property improvements, are excluded from Purchase of tangible assets above as they were non-cash movements.

Burges Salmon

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 April 2021

1. ACCOUNTING POLICIES

a. General information and basis of accounting

Burges Salmon LLP ("the LLP") is incorporated in the United Kingdom and is registered in England and Wales under the Limited Liability Partnership Act 2000. The address of the registered office is given on page 1. The nature of the group's operations and its principal activities are set out in the members' report on pages 2 to 4.

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council and the requirements of the Statement of Recommended Practice (SORP): Accounting by Limited Liability Partnerships (issued December 2018). The Group has applied the amendments to FRS 102 issued by the FRC in December 2017 and the sixth edition of the SORP with effect from 1 January 2019. The transitional provisions relating to the triennial review amendments have not resulted in any restatements of comparative information by the Partnership.

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. The consolidated financial statements are also presented in pounds sterling. Foreign operations are included in accordance with the policies set out below.

The LLP meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements, which are presented alongside the consolidated financial statements. Exemptions have been taken in relation to:

- financial instruments;
- presentation of a cash flow statement for the entity;
- intra-group transactions; and
- remuneration of key management personnel.

b. Basis of consolidation

The LLP's consolidated financial statements consolidate the financial statements of the LLP and its subsidiary undertakings drawn up to 30 April each year.

BS Pensions Trustees Limited (Company Registration Number: 2682277), Burges Salmon (Northern Ireland) Limited (Company Registration Number: NI611307) and Burges Salmon (Scotland) Limited (Company Registration Number: SC484064), are exempt from audit under the requirements of the UK Companies Act 2006 relating to the audit of individual accounts by virtue of s479A of the Act which confers the entitlement to exemption from audit by parent guarantee.

c. Going concern

The LLP meets its day-to-day working capital requirements through the use of cash reserves. The Group prepares a detailed annual budget each year for the forthcoming financial year. The budget for this year has been determined based on an assessment of future Group income and it assumes an operational cost base at an appropriate level to support the budgeted income, plus some provision for continued investment in projects that are deemed critical for the development of the business. The profit and cash flow forecast has then been stress tested to assess the resilience of the business and to identify any applicable mitigating factors.

Burges Salmon

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 April 2021

1. ACCOUNTING POLICIES (continued)

c. Going Concern (continued)

The key drivers of going concern for the Group are the demand for its services and the consequential productivity of its fee earners plus the ability to recover fees from clients at agreed rates. The management of the Group have appropriate information available to it to monitor these drivers. The Group has a wide range of clients across a number of sectors and so it is not overly exposed to any section of the market that is significantly impacted by the ongoing COVID-19 pandemic.

The Group has continued to perform well during the first part of the 2021/22 financial year with trading and cash flow being in line with the levels budgeted.

Having taken account of reasonably possible changes in trading performance on account of the continuing COVID-19 pandemic, including stress tests, reducing the revenue by 7.5%, increasing expenditure by 5% and reducing fee receipts by 10% show that the Group should be able to operate within the level of its current working capital for a period of at least 12 months from the date of signing of these financial statements.

During the early part of the current financial year the group received £392k in respect of Coronavirus Job Retention Scheme grants from the UK government and took advantage of the VAT deferral payment scheme, whereby VAT due at May 2020 was payable by March 2021. In November 2020 the group voluntarily repaid in full the Coronavirus Job Retention Scheme grants received in the year to April 2020 and April 2021 of £444k. The group repaid in full the VAT deferred from May 2020 by the due date of 31 March 21.

Based upon their assessment of the Group's position described above, the members have a reasonable expectation that the LLP and the Group have adequate resources to continue in operational existence for the foreseeable future despite the current uncertain economic climate. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

d. Intangible fixed assets - software

Software is included at cost and amortised in equal annual instalments over its estimated useful economic life, as shown below. Provision is made for any impairment (see note 2).

Practice management system	3 to 10 years

e. Tangible fixed assets

Tangible fixed assets are stated at cost or valuation, net of depreciation and any provision for impairment. Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost or valuation, less estimated residual value, of each asset on a straight-line basis over its expected useful life, as follows:

Leasehold property improvements	Life of the lease
Fixtures, fittings and equipment	2 to 10 years

Residual value represents the estimated amount which would currently be obtained from disposal of an asset, after deducting estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life.

f. Financial instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument.

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 Group after deducting all of its liabilities.

Burges Salmon

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 30 April 2021

1. ACCOUNTING POLICIES (continued)

f. Financial instruments (continued)

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 finance 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.

Financial assets and liabilities are offset in the balance sheet when, and only when, there exists a legally enforceable right to set off the recognised amounts and the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Debt instruments which meet the conditions of FRS 102 section 11.9 are subsequently measured at amortised cost using the effective interest method.

Debt instruments that are classified as payable or receivable within one year on initial recognition and which meet the above conditions are measured at the undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

Commitments to make and receive loans which meet the conditions mentioned above are measured at cost (which may be nil) less impairment.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the Group transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the Group, despite having retained some significant risks and rewards of ownership, has transferred control of the asset to another party and the other party has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer. Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

g. Investments

In the LLP balance sheet, investments in subsidiaries and joint ventures and associates are measured at cost less impairment.

h. Fair value measurement

. To identify the fair value of an asset if the market is not active and recent transactions of an identical asset on their own are not a good estimate of fair value, the fair value is estimated by using a valuation technique.

i. Impairment of 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.

Non-financial assets

An 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.

1. ACCOUNTING POLICIES (continued)

i. Impairment of assets (continued)

Financial assets

For financial assets carried at amortised cost, the amount of 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, where this effect is deemed material.

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.

j. Taxation

The taxation payable on the LLP profits is the personal liability of the members, although payment of such liabilities is administered by the LLP on behalf of the members. Consequently, neither LLP taxation nor related deferred taxation is accounted for in the 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 set against amounts due from members as appropriate.

The tax expense represents the sum of the current and deferred tax relating to the corporate subsidiaries. The current tax expense is based on taxable profits of these companies.

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax relating to corporate subsidiaries is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Group's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax liabilities are recognised for timing differences arising from investments, except where the Group is able to control the reversal of the timing difference and it is probable that it will not reverse in the foreseeable future.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of the timing difference.

Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income.

1. ACCOUNTING POLICIES (continued)

j. Taxation (continued)

Current tax assets and liabilities are offset only when there is a legally enforceable right to set off the amounts and the Group intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Deferred tax assets and liabilities are offset only if: a) the Group has a legally enforceable right to set off current tax assets against current tax liabilities; and b) the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

k. Members' interests

Members' capital is repayable on retirement of the member and is therefore classified as a liability. Because members may retire with less than one year's notice and typically have their capital repaid within one year of serving notice, members' capital is shown as being due within one year.

Members' capital contributions are determined by the members having regard, inter alia, to the working capital needs of the business. Individual members' capital contributions are set by reference to profit share proportions and are not repayable until the member retires.

Amounts due to members after more than one year comprise provisions for annuities to current members which are not repayable within 12 months of the balance sheet date.

l. Divisible profits and members' remuneration

The LLP SORP recognises that the basis of calculating profits for allocation may differ from the profits reflected through the financial statements prepared in compliance with recommended practice, given the established need to seek to focus profit allocation on ensuring equity between different generations and populations of members.

Consolidation of the results of certain subsidiary undertakings, the provision for annuities to current and former members, pension scheme charges, the spreading of acquisition integration costs and the treatment of long leasehold interests are all items which may generate differences between profits calculated for the purpose of allocation and those reported within the financial statements. Where such differences arise, they have been included within other amounts in the balance sheet.

Profit shares which have not been allocated until after the balance sheet date are treated in these financial statements as unallocated at the balance sheet date and included within other reserves.

In the event of winding-up, loans and other debts due to members (excluding members' capital) rank equally with unsecured creditors; members' other interests and members' capital rank after unsecured creditors and no additional protection is afforded to creditors.

m. Turnover

Revenue for services represents the fair value of legal services provided during the year on client assignments. Fair value reflects the amount expected to be recoverable from clients and is based on time spent, expertise and skills provided, and expenses incurred. Fee income is stated net of Value Added Tax.

1. ACCOUNTING POLICIES (continued)

m. Turnover (continued)

Legal services provided to clients during the year which, at the balance sheet date, have not been invoiced to clients, have been recognised as fee income in accordance with Section 23 Revenue of Financial Reporting Standard 102. Fee income recognised in this manner is based on an assessment of the fair value of the services provided by the balance sheet date as a proportion of the total value of the engagement.

Unbilled fee income is included as amounts recoverable on contracts within debtors. Amounts recoverable on contracts are stated at fair value where the right to consideration has been obtained.

Provision is made against unbilled amounts on those engagements where the right to receive payments is contingent on factors outside the control of the group. Contingent fee income (over and above any agreed minimum fee which is recognised as above) is recognised in the period when the contingent event occurs.

n. Employee benefits

Retirement Benefits – Defined benefit scheme

The LLP participates in the Cheviot Trust pension scheme, which is treated as a defined benefit scheme. The scheme assets are not material, therefore full pension disclosure is not provided.

For defined benefit schemes the amounts charged to operating profit are the costs arising from employee services rendered during the period and the cost of plan introductions, benefit changes, settlements and curtailments. They are included as part of staff costs. The net interest cost on the net defined benefit liability is charged to profit or loss and included within finance costs. Remeasurement comprising actuarial gains and losses and the return on scheme assets (excluding amounts included in net interest on the net defined benefit liability) are recognised immediately in other comprehensive income.

Pension scheme assets are measured at fair value using market values. Pension scheme liabilities are measured using a projected unit method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency to the liability. Pension scheme surpluses are not recoverable and are therefore not recognised. Pension scheme deficits are recognised in full. The movement in the scheme surpluses/deficits other than cash contributed by the LLP are split between operating charges, finance items and actuarial gains and losses.

Further information is provided in note 17.

Retirement Benefits – Defined contribution scheme

For defined contribution schemes the amount charged to the profit and loss account in respect of pension costs and other retirement benefits is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

Staff pension costs relating to the LLP's defined contribution schemes are charged to the profit and loss account when they become payable.

Accrued holiday not taken

When employees have accrued holiday days which are in excess of the number of days taken, an amount equivalent to their daily rate is calculated and included as an accrual for each day accrued but not taken. This is included within accruals and deferred income.

Burges Salmon

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 30 April 2021

1. ACCOUNTING POLICIES (continued)

n. Employee benefits (continued)

Annuity obligations

Certain contractual arrangements exist under the terms of which certain former members are entitled to receive annuities following their retirement in respect of services rendered prior to their retirement.

Full provision is made for the present value of the expected liability in respect of these annuities to former members. Changes in the amount of the liability arising from changes in financial estimates and actuarial assumptions are recorded in the statement of total comprehensive income, together with the unwinding of any applicable discount. In the current year there was a provision of £42k at the year end (2020 - £45k).

o. Foreign currency

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date.

Other exchange differences are recognised in profit or loss in the period in which they arise except for exchange differences arising on gains or losses on non-monetary items which are recognised in other comprehensive income.

p. Leases

The Group as lessee

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term, except where a transitional exemption has been taken under FRS 102 to spread them over a shorter period.

The Group as lessor

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.

q. Provisions

Provision is made for the best estimate of expected losses from onerous contracts, in particular in respect of surplus property. This is calculated as the present value of future lease payments for surplus property after allowance for anticipated income from sub-tenants.

Provision is made for dilapidations in respect of property leases which contain requirements for the premises to be returned to their original state prior to the conclusion of the lease term.

The provision for claims represents the estimated cost to the Group of defending and settling claims where a liability is considered by the members to be probable, after allowing for recoveries under insurance policies.

Dilapidations provision on leasehold premises

Where there is a requirement to return a leased premises to its original state at the end of the lease, a discounted provision is recognised, and an equivalent reinstatement asset. The asset is amortised over the term of the respective lease, and is shown within tangible fixed assets. The provision is adjusted for changes in the discounted amount arising from the passage of time and the effect of any change in the discount rate.

1. ACCOUNTING POLICIES (continued)

r. Interest income

Interest income is recognised when it is probable that the economic benefits will flow to the Group and the amount of revenue can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

s. Government grants

Government grants are recognised, using the accruals method, when there is reasonable assurance that the entity will comply with any conditions attached to the grant and the grant will be received. The grant is recognised as income over the period necessary to match them with the related costs, for which they are intended to compensate.

t. Client funds

As a legal practice operating within the United Kingdom, Burges Salmon LLP holds client funds in accordance with the rules of the Solicitors Regulation Authority. These funds are held separately from Burges Salmon LLP and are not reflected in the balance sheet.

2. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the LLP's accounting policies, which are described in note 1, the members are required to make judgements, (other than those involving estimations) that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts 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 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.

Critical estimates in applying the Group's accounting policies

The following are the critical estimates that the members have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Revenue recognition – amounts recoverable on contracts

The value of accrued revenue is derived on the basis of estimations and assumptions regarding the fair value of unbilled time at the year-end, having regard to the Group's accounting policy for revenue recognition.

Measurement of provisions

The Group's provisions, as set out in note 14 to the financial statements, include provisions for professional indemnity and other commercial claims, and are based on management's best estimate of future cash flows.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 30 April 2021

2. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

Measurement of provisions (continued)

Where there is a requirement to return a leased premises to its original state at the end of the lease, a discounted provision is recognised, and an equivalent reinstatement asset. The provision is based on an assessment carried out by a chartered building surveyor. This assessment is performed every three years. Annuities payable to former members are stated as the present value of the best estimate of the expected liability.

Key sources of judgements

There are no key sources of critical judgement to report for the current or prior year.

3. TURNOVER

Turnover arises entirely in the United Kingdom and relates solely to the provision of legal services.

4. FINANCE COSTS (NET)

Interest receivable and similar income	**2021 £'000**	**2020 £'000**
Bank interest receivable	**68**	**286**

Interest payable and similar charges	**2021 £'000**	**2020 £'000**
Bank charges	**11**	**50**
Unwinding of discount on provisions (note 14)	**175**	**207**
	186	**257**

Finance costs (net)	118	29

Burges Salmon

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 30 April 2021

5. PROFIT BEFORE TAXATION, MEMBERS' REMUNERATION AND PROFIT SHARES

Profit before taxation is stated after charging / (crediting):

	2021 £'000	2020 £'000
Coronavirus job retention scheme income (note 20)	**(392)**	(52)
Depreciation of tangible fixed assets (note 9)	**1,928**	2,547
Amortisation of intangible fixed assets (note 9)	**236**	241
Foreign exchange losses	**109**	3
Loss on disposal of leasehold assets	**5**	-
Operating lease rentals – land & buildings	**5,269**	5,447

Depreciation, amortisation and foreign exchange losses are included within administrative expenses.

	2021 £'000	2020 £'000
Fees payable to Burges Salmon LLP's auditor and its associates for the audit of the Limited Liability LLP's annual accounts	**63**	54
Fees payable to Burges Salmon LLP's auditor and its associates for other services to the Group		
The audit of Burges Salmon LLP's subsidiaries	**8**	7
Total audit fees	**71**	61
Solicitor's Accounts rules compliance	**39**	26
Taxation compliance services	**18**	21
Consultancy services	**99**	33
Total non-audit fees	**149**	80

6. STAFF COSTS

The average monthly number of employees (on Full Time Equivalent basis, excluding members) during the year was:

	2021	2020
By activity	**Number**	Number
Legal advisers	**365**	352
Support staff	**308**	301
	673	653

Staff costs for the above persons during the year were:

	2021	2020
	£'000	£'000
Wages and salaries	**34,776**	33,147
Social security costs	**3,525**	3,467
Other pension costs (note 17)	**1,587**	1,518
	39,888	38,132

"Other pension costs" includes only those items included within operating costs. Items reported elsewhere have been excluded. Staff are employed by Burges Salmon Company Limited. There are no staff employed by the LLP.

7. MEMBERS' REMUNERATION AND TRANSACTIONS

The basis on which profits are shared among members is set out in the principal accounting policies. The average monthly number of members during the year was:

	2021	2020
	Number	Number
Average number of members during the year	**92**	90

	2021	2020
	£'000	£'000
Average profit per member	**441**	389
Highest profit share of a continuing member	**611**	545

The average profit per member is calculated by dividing the profit for the financial year before taxation and members' remuneration, by the average number of members.

The highest profit share of a continuing member is calculated by taking the pre-tax profit attributable to the member with the largest entitlement to profit.

8. TAX ON PROFIT

	2021 £'000	2020 £'000
Current tax on profit		
UK corporation tax	**450**	561
Total current tax	**450**	561
Deferred tax		
Origination and reversal of timing differences	**(1)**	(12)
Total deferred tax (see note 14)	**(1)**	(12)
Total tax on profit	**449**	549

The standard rate of tax applied to reported profit is 19 per cent (2020: 19 per cent). There is no expiry date on timing differences. There are no unused tax losses or tax credits.

The difference between the total tax charge shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax is as follows:

	2021 £'000	2020 £'000
Profit before taxation	**40,596**	35,126
Less: Amounts subject to personal taxation	**(38,254)**	(32,809)
Profit subject to taxation	**2,342**	2,317
Tax on profit at standard UK corporation tax rate of 19 per cent (2020: 19 per cent)	**445**	440
Effects of:		
- Depreciation in excess of capital allowances	**(1)**	121
- Origination and reversal of timing differences	**5**	(12)
- Prior year adjustment	**(31)**	-
Total tax charge for period	**418**	549

Factors affecting the tax charge

The enacted rate of UK corporation tax at 30 April 2021 was 19%. However, it was confirmed in the Finance Bill 2021 that the UK corporation tax rate will be increased to 25% with effect from 1 April 2023. As this change in rate was not substantively enacted at the balance sheet date, deferred tax balances as at 30 April 2021 have been recognised at the enacted rate of 19%.

9. INTANGIBLE AND TANGIBLE FIXED ASSETS

GROUP

	Intangible assets	Tangible assets		
	Practice management system £'000	Leasehold property improvements £'000	Fixtures, fittings and equipment £'000	Total £'000
COST				
At 30 April 2020	2,221	16,789	12,824	29,613
Additions	-	442	1,415	1,857
Disposals	-	(1,004)	(18)	(1,022)
At 30 April 2021	**2,221**	**16,227**	**14,221**	**30,448**
ACCUMULATED AMORTISATION / DEPRECIATION				
At 30 April 2020	1,338	12,922	11,091	24,013
Charge for the year	236	924	1,004	1,928
Released on disposal	-	(497)	(22)	(519)
At 30 April 2021	**1,574**	**13,349**	**12,073**	**25,422**
NET BOOK VALUE				
At 30 April 2021	**647**	**2,878**	**2,148**	**5,026**
At 30 April 2020	883	3,867	1,733	5,600

Where there is a requirement to return leased premises to their original state at the end of the leases, a discounted provision is included, together with an equivalent reinstatement asset. This asset is depreciated over the period of the respective lease, and is shown within the cost of Leasehold improvements. The depreciation of reinstatement assets during the year was £386,000 (2020: £277,000). This has no cash impact in these financial statements.

On disposal of the leasehold property in the current financial year dilapidation interest charges of £206,000 were also released.

9. INTANGIBLE AND TANGIBLE FIXED ASSETS (continued)

LLP

	Tangible assets		
	Leasehold property improvements £'000	**Fixtures, fittings and equipment £'000**	**Total £'000**
COST			
At 30 April 2020	16,789	12,789	29,578
Additions	442	1,357	1,799
Disposals	(1,004)	-	(1,004)
At 30 April 2021	**16,227**	**14,146**	**30,373**
ACCUMULATED DEPRECIATION			
At 30 April 2020	12,922	11,056	23,978
Charge for the year	924	989	1,913
Released on disposal	(497)	-	(497)
At 30 April 2021	**13,349**	**12,045**	**25,394**
NET BOOK VALUE			
At 30 April 2021	**2,878**	**2,101**	**4,979**
At 30 April 2020	3,867	1,733	5,600

Where there is a requirement to return leased premises to their original state at the end of the leases, a discounted provision is included, together with an equivalent reinstatement asset. This asset is depreciated over the period of the respective lease, and is shown within the cost of Leasehold improvements. The depreciation of reinstatement assets during the year was £386,000 (2020: £216,000). This has no cash impact in these financial statements.

On disposal of the leasehold property in the current financial year dilapidation interest charges of £206,000 were also released.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 30 April 2021

10. FIXED ASSET INVESTMENTS

Shares in group undertakings

	LLP 2021 £'000	2020 £'000
Subsidiary undertakings at 1 May 2020 and 30 April 2021	**260**	260

Investments in subsidiary undertakings are measured at cost. No impairments have been recognised.

Group investments

The parent LLP has investments in the following subsidiary undertakings:

Name of company	Principal activity	Class of shares held	Proportion held by LLP
Burges Salmon Company Limited	Service company	Ordinary £1	100%
BS Pensions Trustees Limited (formerly Temple Trustees Limited)	Provision of pension trustee services	Ordinary £1	100%
Burges Salmon Trustees Limited	Dormant	Ordinary £1	100%
Burges Salmon Services Limited	Dormant	Ordinary £1	100%
Burwell Nominees Limited	Dormant	Ordinary £1	100%
NQH (Co. Sec.) Limited	Dormant	Ordinary £1	100%
NQH Limited	Dormant	Ordinary £1	100%
Narrow Quay Trustees Limited	Dormant	Ordinary £1	100%
Quayseco Limited	Dormant	Ordinary £1	100%
Burges Salmon Pension Trustees Limited	Dormant	Ordinary £1	100%
Wharfside Nominees Limited	Dormant	Ordinary £1	100%
BS Trustees Limited (formerly Temple Pension Trustees Limited)	Dormant	Ordinary £1	100%
Burges Salmon (Scotland) Limited	Provision of legal services in Scotland	Ordinary £1	100%
Burges Salmon IP Ireland Limited	Provision of trade mark services in Ireland	Ordinary €1	100%

All companies are held directly by Burges Salmon LLP. They are incorporated and registered in England and Wales with a registered address of One Glass Wharf, Bristol BS2 0ZX, except Burges Salmon IP Ireland Limited which is incorporated and registered in Ireland, with a registered address of The Greenway, 112-114 St Stephen's Street, Dublin 2, Dublin, D02TD28. The members believe that the carrying value of the investments is supported by their underlying net assets.

BS Pensions Trustees Limited (Company Registration Number: 2682277), Burges Salmon (Northern Ireland) Limited (Company Registration Number: NI611307) and Burges Salmon (Scotland) Limited (Company Registration Number: SC484064), are exempt from audit under the requirements of the UK Companies Act 2006 relating to the audit of individual accounts by virtue of s479A of the Act which confers the entitlement to exemption from audit by parent guarantee. Burges Salmon IP Ireland Ltd was incorporated on 2 November 2020 and its first reporting period will end on 30 April 2022. No contingent liability has been disclosed because the members consider the possibility of the guarantee being called upon to be remote. BS Pensions Trustees Limited had net assets of £102,000 at 30 April 2021 (2020: £102,000). Burges Salmon (Northern Ireland) Limited had net assets of £50 at 30 April 2021 (2020: £50). Burges Salmon (Scotland) Limited had net assets of £20 at 30 April 2021 (2020: £20).

Burges Salmon

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 30 April 2021

10. FIXED ASSET INVESTMENTS (continued)

In addition to the above, a partnership, Burges Salmon (Ireland) (Registration number: 617529), was set up in Ireland on 18 January 2018. It is not limited by shares and therefore there is no associated cost of investment, but it is controlled by the LLP by virtue of common membership. Burges Salmon (Ireland)'s results are consolidated into these financial statements but no trading has yet commenced. Its registered address is The Greenway, 112-114 St Stephen's Green, Dublin.

11. DEBTORS: Amounts falling due within one year

	Group		LLP	
	2021	2020	**2021**	2020
	£'000	£'000	**£'000**	£'000
Trade debtors	**31,911**	27,308	**31,841**	27,224
Amounts recoverable on contracts	**8,624**	7,787	**8,624**	7,783
Amounts owed by subsidiary undertakings	**-**	-	**2,030**	2,473
Amounts due from members	**12,198**	13,827	**12,198**	13,827
Other debtors	**603**	791	**478**	710
Prepayments	**3,985**	5,058	**2,838**	4,156
	57,321	54,771	**58,009**	56,173

Amounts owed by subsidiary undertakings are unsecured, interest-free and repayable on demand.

12. CREDITORS: Amounts falling due within one year

	Group		LLP	
	2021	2020	**2021**	2020
	£'000	£'000	**£'000**	£'000
Trade creditors	**2,611**	5,025	**2,505**	4,745
Corporation tax	**194**	314	**-**	-
Other taxation and social security	**4,758**	5,566	**3,701**	4,556
Other creditors	**246**	206	**221**	186
Accruals and deferred income	**6,861**	4,919	**7,447**	4,886
	14,670	16,030	**13,874**	14,373

13. CREDITORS: Amounts falling due after more than one year

	Group		LLP	
	2021	2020	**2021**	2020
	£'000	£'000	**£'000**	£'000
Unpaid share capital	**-**	-	**250**	250
Accruals and deferred income	**809**	256	**809**	256
	809	256	**1,059**	506

Amounts owed to subsidiary undertakings are unsecured, interest-free and repayable on demand.

Burges Salmon

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 30 April 2021

14. PROVISIONS FOR LIABILITIES

Group

	Former members' annuities	Client claims provision	Property provisions	Deferred tax	Total
	£'000	£'000	£'000	£'000	£'000
At 1 May 2020	45	3,097	5,095	63	8,300
Charged to profit and loss account	13	556	441	-	1,010
Utilisation of provision	(16)	-	-	-	(16)
Released unused	-	(236)	(1,210)	(1)	(1,447)
Interest charge for period	-	-	212	-	212
At 30 April 2021	**42**	**3,417**	**4,538**	**62**	**8,059**

LLP

	Former members' annuities	Client claims provision	Property provisions	Total
	£'000	£'000	£'000	£'000
At 1 May 2020	45	3,097	5,095	8,237
Charged to profit and loss account	13	556	441	1,010
Utilisation of provision	(16)	-	-	(16)
Released unused	-	(236)	(1,210)	(1,446)
Interest charge for period	-	-	212	212
At 30 April 2021	**42**	**3,417**	**4,538**	**7,997**

Former members' annuities

Annuities payable to former members are stated as the present value of the best estimate of the expected liability. The principal actuarial assumptions used in assessing the provision are around beneficiary age profile and survival rates.

Client claims provisions

Client claims provision is the estimated cost of defending and concluding client claims. It is expected that the majority of this expenditure will be incurred within one and five years of the balance sheet date.

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 30 April 2021

14. PROVISIONS FOR LIABILITIES (continued)

Property provisions

Where there is a requirement to return a leased premises to its original state at the end of the lease, a discounted provision is recognised, and an equivalent reinstatement asset. This asset is depreciated over the period of the respective lease, and is shown within the cost of tangible fixed assets. It is expected that the majority of this expenditure will be incurred within 12 years of the balance sheet date.

Provision is also made for the value of foreseeable rental commitments in respect of surplus property, after offsetting expected sub-letting income. Surplus property includes premises which will become redundant as a result of steps to which the LLP is demonstrably committed. It is expected that the majority of this expenditure will be incurred within one year of the balance sheet date.

Deferred tax

Deferred tax is provided as follows:

	2021	2020
	£'000	£'000
Accelerated capital allowances	**62**	63
Provision for deferred tax	**62**	63

Deferred tax assets and liabilities are offset only where the Group has a legally enforceable right to do so and where the assets and liabilities relate to income taxes levied by the same taxation authority on the same taxable entity or another entity within the Group. There are no deferred tax reversals foreseen in the next reporting period.

15. CASH FLOW STATEMENT

Reconciliation of operating profit to cash generated by operations:

	2021	2020
	£'000	£'000
Operating profit	**40,714**	35,097
Adjustment for:		
Depreciation and amortisation	**2,700**	2,788
Release of capitalised reinstatement provision following disposal	**(519)**	-
Loss on disposal of leasehold assets	**5**	-
Operating cash flow before movement in working capital	**42,900**	37,885
Increase in amounts recoverable on contracts	**(842)**	(551)
(Increase)/decrease in debtors	**(3,338)**	881
(Decrease) in creditors	**(654)**	(501)
Increase in provisions	**317**	1,008
Cash generated by operations	**38,383**	38,722
Income taxes paid	**(540)**	(489)
Net cash from operating activities	**37,843**	38,233

The movement in provisions excludes the addition of £441,000 (2020: £207,000) to the reinstatement provision.

16. FINANCIAL COMMITMENTS

Total future minimum lease payments under non-cancellable operating leases are as follows:

	2021 Land and buildings £'000	2020 Land and buildings £'000
Group		
- within one year	**5,728**	5,129
- between one and five years	**22,911**	22,913
- after five years	**20,269**	25,962
	48,908	54,004
LLP		
- within one year	**5,728**	5,129
- between one and five years	**22,911**	22,913
- after five years	**20,269**	25,962
	48,908	54,004

In relation to the above commitments, some income is received for the sub-letting of unutilised space. Future minimum rental lease payments receivable under non-cancellable operating leases are as follows:

	2021 Land and buildings £'000	2020 Land and buildings £'000
Group and LLP		
- within one year	**758**	206
- between one and five years	**5,059**	465
- after five years	**4,632**	148
	10,449	819

17. RETIREMENT BENEFITS

Defined contribution schemes

	2021 £'000	2020 £'000
Defined contribution schemes – charge to profit and loss account	**1,587**	1,518
Amounts outstanding or prepaid at the year-end	**-**	-

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 30 April 2021

17. RETIREMENT BENEFITS (continued)

Defined benefit schemes

The LLP participates in the Cheviot Trust pension scheme. Historically the With Profits section of the Cheviot Trust has always been understood by employers, members and trustees to be a money purchase arrangement. This understanding was confirmed by the Supreme Court in 2011. The entity cannot be liable to the plan for other entities pension obligations.

The government introduced a change in the definition of money purchase benefits in the Pension Act 2011 with retrospective effect to January 1997. The new definition came into effect from 24 July 2014. The change brought certain benefits, called cash balance, within the scheme-specific funding regime for the first time. The effect of this was to impose funding obligations on participating employers by treating the With Profits Section like a defined benefit scheme.

For With Profits Employers who participated in the With Profits Section at the end of 2002, the impact of the change is to bring them within the ambit of Part 3 of the Pensions Act 2004 and therefore make them subject to statutory funding obligations in respect of the With Profits Section. This may lead to employers being required to make further general contributions to the With Profits section either on an ongoing basis or as an "employer debt" should the With Profits section wind up or if the employer suffers an insolvency event.

Financial Reporting Standard FRS 102 covers the treatment of defined benefit pension schemes in LLP financial statements, and we are required to report on the With Profits Section of the Cheviot Pension in line with this standard. A funding valuation was undertaken at 30 April 2021, and showed the following funding position.

	As at 30 April 2021 (£m)	As at 30 April 2020 (£m)
Total estimated cost of providing benefits	**88.6**	97.2
Total assets	**92.2**	94.4
Surplus /(Deficit)	**3.6**	(2.8)
Funding level	**104%**	97%

The Scheme's actuaries have also provided the figures below for Burges Salmon LLP as at 30 April 2021.

	2021 £'000	2020 £'000
Estimated cost of Burges Salmon LLP's share of benefits	**1,816**	1,163
Estimated surplus / (deficit)	**70**	(34)

As this surplus/(deficit) is not material, it has not been included within the balance sheet.

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 30 April 2021

17. RETIREMENT BENEFITS (continued)

Defined benefit schemes (continued)

These results have been prepared on a central basis, compliant with FRS102, as detailed below.

	2021	2020
Assumptions		
Discount rate	2.00%	1.55%
RPI inflation	3.65%	2.90%
CPI inflation	2.65%	1.90%
Pension increases - fixed 3%	3.00%	3.00%
Pension increases - CPI (0,5)	2.65%	1.95%
Pension increases - CPI (0,3)	2.20%	1.75%

Mortality	106% (males) / 99% (females) of S2PA tables – CMI improvements (CMI_2019) with a 1.5% long-term rate
Expenses	No allowance
Benefits valued	
Accrued interest	Yes
Final bonus on pre-88 funds	Yes (at 58%)
Accrued bonus	Yes
Future guaranteed interest	Yes
Other future bonuses	No

18. RELATED PARTY TRANSACTIONS

The total remuneration for key management personnel in the period was £6,092,000 (2020: £5,669,000). Key management personnel have been determined to be the designated members in place for the year.

Burges Salmon LLP has entered into undertakings with providers of finance to members, not to repay capital balances to members until the associated debt has been satisfied.

19. CONTROLLING PARTY

The LLP is controlled by its members and as such there is no one controlling party.

20. GOVERNMENT GRANTS

In the prior year the group took advantage of the Coronavirus Job Retention Scheme provided and paid for by HMRC. An amount of £52,000 in relation to furloughed staff costs was included within 'Other income' in the Profit and Loss Account in the prior year. The receipts under the scheme in the current year, plus sums received in the prior year, totalling £444,000, were voluntarily repaid in full to HMRC in November 2020. The group took advantage of the VAT deferral payment scheme, whereby VAT due at May 2020 was payable by March 2021. The group paid in full the VAT deferred from May 2020 by the due date of 31 March 21.