Burges Salmon

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

COMPANY REGISTRATION NUMBER: 07556770

ANNUAL REPORT AND FINANCIAL STATEMENTS
For the year ended 30 April 2021

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OFFICERS AND ADVISERS

Officers
The following were officers of the company at the date of this report:

Emma Dowden
James Fountaine
Robert Halton
Roger Bull
Neil Hampson
Amelia Stirling
Camilla Usher-Clark
Philip Beer

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

STRATEGIC REPORT

For the year ended 30 April 2021

Principal activities

Burges Salmon Company Limited's ('the Company') principal activity is the provision of staff and services to the legal sector to carry out professional services. The company operates from its head office at One Glass Wharf, Bristol BS2 0ZX.

Review of the business

The results for the year show turnover of £49,148,000 (2020: £48,333,000) and a profit before taxation of £2,342,000 (2020: £2,316,000).

The directors are satisfied with the performance for the financial year and with the asset position at the balance sheet date. Profitability and cash flows were in line with expectations. It is anticipated that the positive cash position at the balance sheet date will allow the Company to respond well to any changes in market conditions and opportunities that arise in the future.

Key performance indicators ("KPIs")

Given the straightforward nature of the business, the directors are of the opinion that analysis using KPIs is not necessary for an understanding of the performance or position of the business.

Principal risks and uncertainties

The principal risks and uncertainties that the Company faces relate to the recruitment, development and retention of suitable staff, the provision of suitable services and the ability to meet its financial obligations as they fall due. The directors take responsibility for maintaining systems of internal control to manage and mitigate these risks. Levels of demand can also affect financial performance. The directors manage this risk by monitoring activity levels and balancing resource with anticipated demand. Policies and procedures are in place to ensure that risk responses are carried out effectively. These include:

- a governance structure which includes appropriately qualified personnel;
- cash flow forecasting and reporting;
- close communication with the Company's parent undertaking, to whom it provides staff and services;
- internal controls policies; and
- procurement procedures including supplier credit referencing.

As a result of the ongoing Coronavirus-19 ("COVID-19") pandemic, the directors of the Company have conducted an assessment on the potential financial and operational risks to the business which has been included in the Directors' Report. 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.

Section 172 statement

In performing their duties under section 172, the directors of Burges Salmon Company Limited have had regard to the matters set out in section 172(1) as follows:

The directors' approach - The directors are responsible for the strategic direction and effective governance of the Company which is an internal service company for Burges Salmon LLP ("the LLP" and together with its subsidiaries "the Group"). Through its governance structure and the policies and procedures it puts in place, the directors seek to promote the success of the Company for the benefit of its member and, in doing so, it has regard to a several factors. Those factors and how they have been considered by the directors in promoting the success of the Company are as follows:

Section 172 statement (continued)

The long term implications of its decisions – Much of the directors' decision making is focussed around ensuring that the Company has a sustainable business for the long term as part of the Group and so the potential impact of any decision on the business and its stakeholders for future years forms part of the information used in the decision making. The Group opened an office in Edinburgh on 1 May 2019 in response to demand from clients and has increased the number of partners of the LLP based in that office during the year with a further partner appointment effective from the start of the current financial year to help strengthen the Group's provision of legal services to its clients and created additional value for the Group. The directors supported this through the recruitment of suitably qualified people and an increase in the value of the Company's services to the Group. 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. The Group's business strategy, which has been approved by the members of the LLP seeks to deliver the profitable growth of a sustainable business and the directors seek to deliver the Company's elements of that strategy, being principally the supply of high quality people, through its decision making. The directors of the Company report through to the LLP regularly and the directors are responsible for the periodic review and refinement of the Company's element of that strategy. This is done through the allocation of time specifically dedicated for that purpose.

The interests of the Company's employees – The Company's people are key to the Group's success and the directors and other decision-making bodies within the Group engage with them through a number of methods including departmental meetings, surveys, internal committees and groups, an annual meeting for all people within the Group, social activities and newsletters. The feedback provided through this framework allows the directors to give consideration to peoples' needs, including in relation to pay and benefits. Whilst the impact of COVID-19 has reduced certain of these engagement methods, the directors have increased communication with the Company's people through several additional channels and have supported the implementation of a Planning Ahead Team to focus on the future operation of the Company's people and offices in accordance with Government guidelines, with the well-being of the Company's people being an important area of focus. The Group has a dedicated Learning and Development team which supports the training needs of the Company's employees through a structured programme that recognises individual technical and non-technical development requirements. The Company has broadened the methods of delivery of its training to support remote working. Plans have also been made for the implementation of hybrid working for the Company's people as the Government's restrictions ease further.

Fostering the Company's business relationships – In order to operate a successful business, the directors recognise the importance of developing strong relationships with the several groups of stakeholders and the directors, together with the other decision-making boards within the Group, promote engagement with those groups of stakeholders as follows:

- People – the Group operates a dedicated People Team responsible for providing a structure that attracts and develops the Company's people to successfully deliver quality legal services to clients of the Group. Included within this framework are several internal groups that help develop a culture that is inclusive and promotes diversity. Further information on the interests of employees is included above. The Company regularly reviews and refreshes its remuneration and benefits in order to attract the best people. The Company has also increased the resources available to support the well-being of its employees.
- Clients – the provision of excellent client service is a fundamental objective of the Group and is supported by the recruitment and development of the best people. A client relationship programme provides feedback and opportunity to strengthen existing relationships and develop new ones, with regular reporting on progress through to Group management. During the year the Group has strengthened its Marketing team to support the client relationship programme.
- Suppliers – the successful operation of the business is supported by a number of key suppliers and the Company's and the Group's aim is to build strong and lasting partnerships which are mutually beneficial. Engagement is primarily through periodic reviews with feedback from the suppliers provided to the directors through certain of the other executive boards.

Section 172 statement (continued)

Fostering the Company's business relationships (continued)

- Communities – the Group recognises its responsibilities in the communities within which it operates and wants its people to live and work in strong, thriving communities. Community engagement is important to the Company's people. The Company has adapted its volunteering opportunities to recognise remote working and has made surplus office equipment available to local schools or organisations. Further commentary on the engagement and impact on the community is given below.
- Regulators – the business of the majority of the Group is regulated by the Solicitors Regulation Authority "(SRA") and the directors support the relationship with the regulator through the recruitment of suitably qualified people for provision to the Group and attendance at periodic review meetings with the Group's relationship manager at the SRA.

The impact of the Company's operations on the community and environment – The Company operates in a responsible manner and the directors discharge their remit through the recruitment and development of a dedicated corporate responsibility team for the Group. Initiatives in this area include active participation at all levels of the Company in volunteering and pro bono legal service opportunities in the local communities where the Group has offices supported by a dedicated annual time commitment of two days for this for all the Company's people provided to the Group to allow them to give back to the communities where they live and work. The directors seek to minimise the Company's environmental impact through the promotion of the use of technology to reduce travel and the reduction of all types of waste within the Company. The directors support an internal network of environmental champions within the Group known as "BSustainable" and all paper and print production is Forestry Stewardship Council sourced.

Maintaining a reputation for high standards of business conduct – Maintaining the Group's reputation for the provision of quality legal services is an important element of ensuring a sustainable business for both the Company and the Group for the long term. The directors ensure the Company's contribution through a recruitment process that sets high standards and a competitive remuneration and benefits package that is subject to periodic review. The directors oversee the continued delivery to the Group through an annual review process for all people within the Company and the provision of a dedicated Learning and Development Team to the Group. The Company's reputation in its local communities is important and this is supported by the contributions outlined elsewhere in this statement.

The need to act fairly between members of the Company – The Company is wholly owned by the LLP. In discharge of its remit, directors act in the best interests of the LLP and seek to consider the views of the LLP throughout the year via contribution to and feedback from several decision-making boards of the Group. Those executive boards cover all departments within the Group and form part of the governance system that helps take into account the views of all of the members of the LLP, formulates the strategy of the Group, manages risks and encourages innovation and competitive advantage. The Group has undertaken a review of its strategy through engagement with the partners of the LLP and the directors of the Company. The directors have helped support the development of a portfolio of projects aimed at supporting the Group's growth ambitions through investment in the offices through which the Group operates and the technology used to both deliver legal services and support the Group.

STRATEGIC REPORT (continued)
For the year ended 30 April 2021

Section 172 statement (continued)

Future developments

Brexit and COVID-19 have introduced an increased level of uncertainty in the short term. However, the directors are satisfied that the Company 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 people. The Group assessed the impact of Brexit ahead of 1 January 2021. It formed a company in Ireland towards the end of 2020 to support the continued provision of trade mark services with the Group's other legal services being unaffected through the continued use of its network of preferred firms in several European countries.

Approved by the board and authorised for issue on 19 October 2021 and signed on their behalf by:

Neil Hampson
Director
Burges Salmon Company Limited
One Glass Wharf
Bristol BS2 0ZX

DIRECTORS' REPORT

For the year ended 30 April 2021

The directors present their annual report on the affairs of Burges Salmon Company Limited ('the Company'), together with the financial statements and auditor's report, for the year ended 30 April 2021.

Future developments

Details of future developments can be found in the Strategic Report on page 4.

Going concern

The Company meets its day-to-day working capital requirements through the use of cash reserves and short term debt provided by its parent undertaking. The balance sheet shows a net current liabilities position as at 30 April 2021; however the Company expects to receive continued support from their parent undertaking, Burges Salmon LLP, who have issued a legally binding letter of support confirming they will provide the necessary financial support for at least 12 months from the date of signing the financial statements for the year ended 30 April 2021.

In light of this legally binding arrangement, the management board of the Group have prepared a detailed forecast which has been updated regularly to the date of approving these Financial Statements. An annual budget 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. The stress tests included reducing the revenue by 7.5%, increasing expenditure by 5% and reducing fee receipts by 10%. With support from the company's parent, there is a demonstrated positive cash position.

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, the forecast shows 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 company received £392,000 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 company voluntarily repaid in full the Coronavirus Job Retention Scheme grants received in the years to April 2020 and April 2021 of £444,000. The company 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 directors have a reasonable expectation that the Group and the Company 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.

Financial risk management objectives and policies

The Company's operations expose it to a variety of financial risks that include cash flow risk and liquidity risk. The Company has in place various risk management tools that seek to limit the Company's exposure to these risks. These include an internal environment which sets the basis for how risks are viewed and managed, and how the information is captured and communicated.

Given the size of the Company, the directors have not delegated the responsibility of managing financial risk management to a sub-committee of the board. The policies set by the board of directors are implemented by the Company's finance team.

Cash flow risk

In order to monitor cash flows, monthly cash flow reporting and forecasting is performed. In addition, the Company participates in the Group's centralised treasury arrangements and so shares banking arrangements with its parent undertaking, which has positive cash reserves and positive operating cash flows.

Liquidity risk

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the Company uses a mixture of cash reserves and short term debt finance.

Dividends

During the year, the directors approved the payment of a final dividend in respect of the year ended 30 April 2020 of £167,000 (£16.70 per ordinary share), (2019: £181,000: £18.10 per ordinary share) and an interim dividend in respect of the year ended 30 April 2021 of £1,600,000 (£160 per ordinary share), (2020: £1,600,000: £160 per ordinary share). A final dividend for year ended 30 April 2021 has yet to be declared.

Directors

The directors who served during the year and up to the date of approving the annual report were as follows:

Emma Dowden	
James Fountaine	
Robert Halton	
Richard Read	(Resigned 30 April 2021)
Roger Bull	
Neil Hampson	
Amelia Stirling	
Camilla Usher-Clark	
Philip Beer	(Appointed 1 May 2021)

Directors' indemnities

The Company had in force during the year qualifying third party indemnity provisions for the benefit of its directors which remain in force at the date of signing this report.

DIRECTORS' REPORT (continued)

For the year ended 30 April 2021

Disabled employees

The Company 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 Company's professional dealings with directors and staff as well as suppliers and other third parties.

The Group, to which the Company belongs, is committed to employment policies, which follow best practice, based on equal opportunities for all employees, irrespective of sex, race, colour, disability or marital status. The Group gives full and fair consideration to applications for employment from disabled persons, having regard to their particular aptitudes and abilities. Appropriate arrangements are made for the continued employment and training, career development and promotion of disabled persons employed by the Group. If members of staff become disabled the Group continues employment, either in the same or an alternative position, with appropriate retraining being given if necessary.

Employee consultation

The Company places considerable value on the involvement of its employees and has continued to keep them informed on matters affecting them as employees and on the various factors affecting the performance of the Company and the Group.

The Group systematically provides employees with information on matters of concern to them, consulting them regularly, so that their views can be taken into account when making decisions that are likely to affect their interests. Employee involvement in the Group is encouraged, as achieving a common awareness on the part of all employees of the financial and economic factors affecting the Group plays a major role in maintaining its future.

Client, supplier and other engagement

The Company support's the Group's engagement with clients, suppliers and other relevant parties. More information on this engagement is included in the Section 172 Statement incorporated in the Strategic Report above.

Auditor

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

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

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Deloitte LLP has indicated a willingness to continue in office as the Company's auditor and a resolution to reappoint Deloitte LLP will be proposed at the forthcoming Board Meeting.

Approved by the board and authorised for issue on 19 October 2021 and signed on its behalf by:

Neil Hampson

Neil Hampson
Director

DIRECTORS' RESPONSIBILITIES STATEMENT

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors 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". Under Company law the directors 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 Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors 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 Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF BURGES SALMON COMPANY LIMITED

Report on the audit of the financial statements

Opinion
In our opinion the financial statements of Burges Salmon Company Limited (the 'Company'):

- give a true and fair view of the state of the company's affairs as at 30 April 2021 and of its 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.

We have audited the financial statements which comprise:

- the profit and loss account;
- the balance sheet;
- the statement of changes in equity; 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 company 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 directors' 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 company'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 directors 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 directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF BURGES SALMON COMPANY LIMITED (continued)

Other information (continued)

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 directors

As explained more fully in the directors' responsibilities statement, the directors 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 directors 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 directors are responsible for assessing the company'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 directors either intend to liquidate the company 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 company's industry and its control environment, and reviewed the company'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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF BURGES SALMON COMPANY LIMITED (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 company 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 UK Companies Act, pensions legislation and tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company'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, the Law Society of Northern Ireland in Northern Ireland and Anti Money Laundering legislation.

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.

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:

- 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.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF BURGES SALMON COMPANY LIMITED (continued)

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters 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
- certain disclosures of directors' remuneration specified by law are not made; 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 company's member in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's member 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 company and the company's member 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
19 October 2021

PROFIT AND LOSS ACCOUNT
For the year ended 30 April 2021

	Note	2021 £'000	2020 £'000
Turnover	3	**49,148**	**48,333**
Other Income		392	52
Administrative expenses		(47,201)	(46,496)
Operating profit		**2,339**	**1,889**
Finance income	4	3	427
Profit before taxation	5	**2,342**	**2,316**
Tax on profit	9	(418)	(549)
Profit for the financial year attributable to the equity shareholders of the Company		**1,924**	**1,767**

All results 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 SHEET

As at 30 April 2021

	Note	2021 £'000	2020 £'000
Fixed assets			
Intangible assets	11	647	883
Tangible assets	12	48	-
		695	883
Current assets			
Debtors	13	4,709	1,117
Cash at bank and in hand		1,082	1,998
		5,791	3,115
Creditors: amounts falling due within one year	14	(6,090)	(3,758)
Net current liabilities		(299)	(643)
Total assets less current liabilities		396	240
Provisions for liabilities	15	(62)	(63)
Net assets		334	177
Capital and reserves			
Called-up share capital	16	10	10
Profit and loss account		324	167
Shareholder's funds		334	177

The financial statements of Burges Salmon Company Limited were approved by the board of directors and authorised for issue on 19 October 2021. They were signed on its behalf by:

Neil Hampson

Neil Hampson
Director

Company registration number: 07556770

Burges Salmon

STATEMENT OF CHANGES IN EQUITY
For the year ended 30 April 2021

	Note	Called-up share capital £'000	Profit and loss account £'000	Total £'000
At 1 May 2019		10	181	191
Profit and total comprehensive income for the financial year		-	1,767	1,767
		10	1,948	1,958
Dividends paid on equity shares	10	-	(1,781)	(1,781)
At 30 April 2020		10	167	177
Profit and total comprehensive income for the financial year		-	1,924	1,924
		10	2,091	2,101
Dividends paid on equity shares	10	-	(1,767)	(1,767)
At 30 April 2021		**10**	**324**	**334**

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 Company Limited ('the Company') is a private company limited by shares, incorporated in the United Kingdom under the Companies Act 2006 and is registered in England and Wales. The address of the registered office is given on page 1. The nature of the Company's operations and its principal activities are set out in the strategic report on page 2.

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. The Company has applied the amendments to FRS 102 issued by the FRC in December 2017 with effect from 1 January 2019.

The functional currency of the Company is considered to be pounds sterling because that is the currency of the primary economic environment in which the Company operates.

The Company 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. The Company is consolidated in the financial statements of its parent, Burges Salmon LLP, which may be obtained at One Glass Wharf, Bristol BS2 0ZX.

Exemptions have been taken in these separate Company financial statements in relation to:

- the preparation of a statement of cash flows;
- financial instruments;
- remuneration of key management personnel: and
- energy and carbon reporting

b. Going concern

The company meets its day-to-day working capital requirements through the use of cash reserves and short term debt provided by its parent undertaking. The balance sheet shows a net current liabilities position as at 30 April 2021; however the Company expects to receive continued support from their parent company, Burges Salmon LLP, who have issued a legally binding letter of support confirming they will provide the necessary financial support for at least 12 months from the date of signing the financial statements for the year ended 30 April 2021.

In light of this legally binding arrangement, the management of the Group have prepared a detailed forecast which has been updated regularly to the date of these Financial Statements. An annual budget has been determined based on an assessment of several possible outcomes for 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. With support from the company's parent, there is a demonstrated positive cash position.

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.

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

1. ACCOUNTING POLICIES (continued)

b. Going concern (continued)

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 taking account of reasonably possible changes in trading performance on account of the ongoing 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 Company 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 company 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 company voluntarily repaid in full the Coronavirus Job Retention Scheme grants received in the years to April 2020 and April 2021 of £444k. The company 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 directors have a reasonable expectation that the Group and the Company 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.

c. 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

d. 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, other than investment properties and freehold land, 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:

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.

e. Financial instruments

Financial assets and financial liabilities are recognised when the Company 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 Company after deducting all of its liabilities.

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

1. **ACCOUNTING POLICIES (continued)**

e. 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 Company 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.

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 Company transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the Company, 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.

f. 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.

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.

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.

Burges Salmon

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

1. ACCOUNTING POLICIES (continued)

***Financial assets* (continued)**

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.

g. Taxation

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 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 Company'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 in subsidiaries and associates, except where the Company 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. Deferred tax relating to non-depreciable property, plant and equipment measured using the revaluation model and investment property is measured using the tax rates and allowances that apply to sale of the asset. In other cases, the measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

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.

Current tax assets and liabilities are offset only when there is a legally enforceable right to set off the amounts and the Company 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 Company 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.

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

1. ACCOUNTING POLICIES (continued)

h. Turnover

All turnover (net of VAT) is derived from the provision of staff and services in the UK with a 5% margin applied.

Turnover from the supply of staff and services represents the value of services provided under contracts to the extent that there is a right to consideration and is recorded at the fair value of the consideration received or receivable. Where payments are received from customers in advance of services provided, the amounts are recorded as deferred income and included as part of creditors due within one year.

Other income received by the Company was bank interest and Government grants which is disclosed separately at notes 3 and 4 respectively.

i. Employee benefits

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. 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.

j. 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.

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.

k. Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

1. ACCOUNTING POLICIES (continued)

l. 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.

m. 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 with the related costs, for which it is intended to compensate.

2. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company's accounting policies, which are described in note 1, the directors 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.

In the current year there are no critical judgements in applying the Company's accounting policies.

Critical estimates in applying the Company's accounting policies

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

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Impairment of intangible assets

Intangible assets are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash inflows that are largely independent of those from other assets. If the recoverable amount of the asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss, unless the asset is carried at revalued amount, in which case, such impairment loss is treated as a revaluation decrease. The Net Book Value is £647,000 (2020: £883,000) (note11).

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

3. TURNOVER

Turnover arises entirely in the United Kingdom and relates solely to the provision of staff and ancillary services to Burges Salmon LLP.

4. FINANCE COSTS (NET)

	2021 £'000	2020 £'000
Bank interest received	3	15
Release of discounts on provisions (note 15)	-	428
Less: Unwinding of discounts on provisions (note 15)	-	(16)
	3	427

5. PROFIT BEFORE TAXATION

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 12)	15	208
Amortisation of intangible assets (note 11)	236	241
Gain on disposal of fixed assets	(6)	-
Operating lease rentals	-	534

Depreciation and amortisation are included within administrative expenses.

6. AUDITOR'S REMUNERATION

Fees payable to Deloitte LLP and their associates for the audit of the Company's annual accounts were £8,000 (2020: £7,000).

Fees payable to Deloitte LLP and their associates for non-audit services to the Company are not required to be disclosed because details of any such fees are given on a consolidated basis in the financial statements of the parent group.

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

7. DIRECTORS' REMUNERATION AND TRANSACTIONS

The directors of the Company are either members of the parent undertaking or are senior executives whose primary role is to run functions that deliver services to Burges Salmon LLP and other professional services organisations.

None of the directors, who are also members of Burges Salmon LLP, receive any emoluments for their services as directors of the Company.

For the other directors, it is not possible to quantify separately an apportionment of their emoluments received for performing their duties as directors of Burges Salmon Company Limited.

Accordingly, directors' emoluments to the extent they are borne by the Company are included within staff costs in note 8, but have not been separately disclosed here.

Three directors (2020: three) have retirement benefits accruing under the Company's defined contribution pension scheme.

8. STAFF COSTS

The monthly average number of employees (including directors) during the year was:

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

Their aggregate remuneration comprised:

	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

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

9. TAX ON PROFIT

The tax charge comprises:

	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 15)	(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, 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 tax	2,342	2,316
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%.

Burges Salmon

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 30 April 2021

10. DIVIDENDS ON EQUITY SHARES

	2021 £'000	2020 £'000
Amounts recognised as distributions to equity holder in the year:		
Final dividend for the year ended 30 April 2020 of £16.70 (2019: Final dividend for the year ended 30 April 2019 of £18.10) per ordinary share	167	181
Interim dividend for the year ended 30 April 2021 of £160 (2020: Interim dividend for the year ended 30 April 2020 of £160) per ordinary share	1,600	1,600
	1,767	1,781

11. INTANGIBLE FIXED ASSETS

	Practice management system £'000
COST	
At 1 May 2020	2,221
At 30 April 2021	2,221
ACCUMULATED AMORTISATION/ DEPRECIATION	
At 1 May 2020	1,338
Charge for the year	236
At 30 April 2021	1,574
NET BOOK VALUE	
At 30 April 2021	647
At 30 April 2020	883

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

12. TANGIBLE FIXED ASSETS

	Fixtures, fittings and equipment £'000
COST	
At 1 May 2020	36
Additions	57
Disposals	(18)
At 30 April 2021	75
At 1 May 2020	36
Charge for the year	15
Released on disposal	(24)
At 30 April 2021	27
NET BOOK VALUE	
At 30 April 2021	48
At 30 April 2020	-

13. DEBTORS: Amounts falling due within one year

	2021 £'000	2020 £'000
Other debtors	3	63
Amounts due from parent undertaking	3,517	157
Amounts due from fellow subsidiary undertakings	51	15
Prepayments	1,138	882
	4,709	1,117

Amounts due from parent undertaking and subsidiary undertakings are unsecured, interest-free and repayable on demand.

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

14. CREDITORS: Amounts falling due within one year

	2021	2020
	£'000	£'000
Trade creditors	105	272
Corporation tax	194	314
Other taxation and social security	1,040	1,003
Accruals and deferred income	4,751	2,169
	6,090	3,758

15. PROVISIONS FOR LIABILITIES

	Deferred taxation £'000	**Total £'000**
At 1 May 2020	63	63
Released unused	(1)	(1)
At 30 April 2021	62	62

Deferred tax
Deferred tax is provided as follows:

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

Deferred tax assets and liabilities are offset only where the Company 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.

Burges Salmon

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

16. CALLED-UP SHARE CAPITAL AND RESERVES

	2021 £'000	2020 £'000
Allotted, authorised, called-up and fully-paid		
10,000 ordinary shares of £1 each	10	10

The Company has one class of ordinary shares which carry no right to fixed income.

The Company's other reserves are as follows:

The profit and loss reserve represents cumulative profits or losses, net of dividends paid and other adjustments.

17. EMPLOYEE BENEFITS

Defined contribution schemes

The Company operates defined contribution retirement benefit schemes for all qualifying employees. The total expense charged to profit or loss in the period ended 30 April 2021 was £1,587,000 (2020: £1,518,000). The Company had no unpaid contributions outstanding at the year-end (2020: £nil).

18. RELATED PARTY TRANSACTIONS

The Company has taken advantage of the exemption allowed by FRS102 Section 33.1A, not to disclose any transactions with group undertakings on the basis that it is a wholly-owned subsidiary of Burges Salmon LLP for which consolidated financial statements are publicly available.

19. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The Company's immediate and ultimate parent undertaking and ultimate controlling party is Burges Salmon LLP. Burges Salmon LLP is the largest and smallest undertaking which consolidates these financial statements. The consolidated financial statements of Burges Salmon LLP are available from One Glass Wharf, Bristol BS2 0ZX which is the same address as the Company.

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 £392,000 (2020: £52,000) in relation to furloughed staff costs is included within 'Other income' in the Profit and Loss Account. 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.