

DWF SERVICES LIMITED

Annual Report and Financial Statements

For the year ended 30 April 2014



REPORT AND FINANCIAL STATEMENTS 2014

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OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

A V Ferry (resigned 31/12/2013)
A R Leaiterland
A H Gregory (resigned 10/2/2014)
I Slater
J E Edwards (appointed 10/2/2014)

REGISTERED OFFICE

1 Scott Place
2 Hardman Street
Manchester
M3 3AA

AUDITOR

Deloitte LLP
Chartered Accountants and Statutory Auditor
Manchester
United Kingdom

STRATEGIC REPORT

The directors present their strategic report and directors' report on the affairs of the company, together with the financial statements and auditor's report, for the year ended 30 April 2014.

PRINCIPAL ACTIVITY

The principal activity of the company continued to be that of the provision of employment services to DWF LLP, the company's parent undertaking, being a law firm registered in England and Wales.

RESULTS AND DIVIDENDS

The results of the company for the year are set out in detail on page 6.

The directors do not recommend a dividend for the year ended 30 April 2014 (2013 – same).

REVIEW OF THE BUSINESS AND FUTURE PROSPECTS

The company provided employment services during the year on which it made a profit/result on a turnover of £111.4 million (2013 - £82.8 million). A mark-up of 4% was applied to all services supplied from 25 October 2013 to 30 April 2014.

The directors consider that the company's level of business and the year end financial position were satisfactory, and that the company will continue to provide employment services for the foreseeable future. The directors do not expect any significant changes in the future of the business and is dependent on the staff levels of its parent undertaking, DWF LLP.

DWF Services Limited operates as a service company for DWF LLP. Performance of the company is governed by the agreed terms of the service with DWF LLP. For this reason, the company's directors believe that further key performance indicators are not necessary or appropriate for an understanding of the development, performance or position of the business.

FINANCIAL RISK

As the company is funded by its parent undertaking, DWF LLP, the financial risks are borne by DWF LLP.

GOING CONCERN

The company operates a bank account. All costs are recharged to DWF LLP and are funded by DWF LLP on a timely basis. Details of the financial resources available to DWF LLP are included within the financial statements of DWF LLP, which are publicly available. Consequently, the directors consider that the company has adequate resources to operate as a going concern for the foreseeable future. Therefore, the directors adopt the going concern basis of accounting in the preparation of these financial statements.

DIRECTORS

The directors who served during the year and to the date of this report are as noted on page 1.

Approved by the Board of Directors on 30 October 2014
and signed on behalf of the Board



A R Leatherland

Director

DIRECTORS' REPORT

The company's principal activities, results and dividends, review of the business and future prospects and principal risks and uncertainties are presented in the Strategic Report.

EMPLOYEE INVOLVEMENT

The company encourages the involvement of its employees in its management through regular meetings of the staff forum which have responsibility for the dissemination of information of particular concern to employees and for receiving their views on important matters of policy.

All employees provide services to the company's parent undertaking, DWF LLP. Employees receive regular information relating to DWF LLP's performance and future plans and meetings are held with a representative cross section of employees to discuss these matters. Other news items are communicated to employees via the firm's intranet.

EMPLOYEE OF DISABLED PERSONS

The company continues to give full and fair consideration to applications for employment from disabled persons having regard to their particular aptitudes and abilities. Appropriate training and support is arranged for disabled persons, including retraining for alternative work in the case of employees who become disabled, to promote their career development with the organisation.

AUDITOR

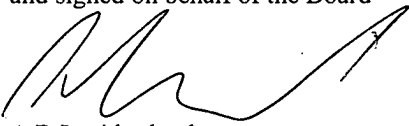
Each of the persons who is a director at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- each of the directors has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant 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 expressed its willingness to continue in office as auditor. A resolution to reappoint Deloitte LLP will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors on 30 October 2014
and signed on behalf of the Board



A R Leatherland

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). 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 judgments 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 MEMBERS OF DWF SERVICES LIMITED

We have audited the financial statements of DWF Services Limited for the year ended 30 April 2014 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet and the related notes 1 to 11. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, 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 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

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. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 April 2014 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, 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.



Heather J Crosby BSc ACA (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Manchester, United Kingdom

6th OCTOBER 2014

PROFIT AND LOSS ACCOUNT
Year ended 30 April 2014

	Note	2014 £'000	2013 £'000
TURNOVER	1	111,411	82,828
Administrative expenses		<u>(109,150)</u>	<u>(82,828)</u>
PROFIT/ RESULT ON ORDINARY ACTIVITIES BEFORE TAXATION	2	2,261	-
Tax on result on ordinary activities	4	(1,080)	(792)
Tax compensation from DWF LLP		-	792
RESULT FOR THE FINANCIAL YEAR	9, 10	<u><u>1,181</u></u>	<u><u>-</u></u>

The turnover and result for the year derive from continuing operations.

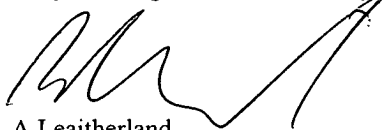
A statement of total recognised gains and losses is not included in these accounts as there are no recognised gains or losses other than the profit/result for the current and previous year, as shown above.

BALANCE SHEET
As at 30 April 2014

	Note	2014 £'000	2013 £'000
FIXED ASSETS			
Investments	5	512	512
CURRENT ASSETS			
Debtors	6	4,353	2,196
		4,353	2,196
CREDITORS: amounts falling due within one year	7	(3,684)	(2,708)
NET CURRENT ASSETS/ (LIABILITIES)		669	(512)
TOTAL ASSETS LESS CURRENT LIABILITIES BEING NET ASSETS		1,181	-
CAPITAL AND RESERVES			
Called up share capital	8	-	-
Profit and loss account	9	1,181	-
SHAREHOLDER'S FUNDS	10	1,181	-

The financial statements of DWF Services Limited, company registration number 02164286, were approved by the Board of Directors and authorised for issue on 30 October 2014.

They were signed on its behalf by:



A Leatherland

Director

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 April 2014

1. ACCOUNTING POLICIES

The principal accounting policies are summarised below. They have all been applied consistently throughout the current and preceding year.

Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with applicable law and United Kingdom accounting standards.

Group financial statements

The financial statements present information about the company as an individual undertaking and not about its group. The company has not prepared group financial statements as it is exempt from the requirement to do so by section 400 of the Companies Act 2006 as it is a subsidiary undertaking of DWF LLP, a limited liability partnership incorporated in England and Wales, and is included in the consolidated financial statements of that limited liability partnership, which are publicly available.

Cash flow statement

Under FRS 1 "Cash Flow Statements" the company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the company in its own consolidated financial statements, which are publicly available.

Going concern

The company operates a bank account. All costs are recharged to DWF LLP and are funded by DWF LLP on a timely basis. Details of the financial resources available to DWF LLP are included within the financial statements of DWF LLP, which are publicly available. Consequently, the directors consider that the company has adequate resources to operate as a going concern for the foreseeable future. Therefore, the directors adopt the going concern basis of accounting in the preparation of these financial statements.

Investments

Fixed asset investments are stated at cost less provision for diminution in value.

Turnover and revenue recognition

Turnover is the total service fee income, billed and receivable excluding value added tax, arising from the provision of office and employment services during the year. Turnover is recognised as the relevant services are performed and is derived solely in the United Kingdom.

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 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.

Pension costs

For defined contribution schemes the amount charged to the profit and loss account in respect of pension costs and other post-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.

Related party transactions

Under FRS 8 "Related Party Disclosures" the company is exempt from disclosing related party transactions with other wholly owned group companies as it is a qualifying undertaking of DWF LLP. Group accounts are drawn up for DWF LLP and a copy of these can be obtained from Companies House.

NOTES TO THE FINANCIAL STATEMENTS (continued)
Year ended 30 April 2014

2. PROFIT/ RESULT ON ORDINARY ACTIVITIES BEFORE TAXATION

	2014	2013
	£'000	£'000
Profit/ result on ordinary activities before taxation is stated after charging:		
Fees payable to the company's auditor for the audit of the company's annual financial statements	5	5

There were no non-audit services provided in the year (2013: same).

3. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

	2014	2013
	£'000	£'000
Staff costs during the year		
Wages and salaries	75,455	55,937
Social security costs	8,295	5,928
Pension costs	2,194	1,559
	<u>85,944</u>	<u>63,424</u>

Directors' emoluments

The directors received no remuneration from the company in respect of their services as directors.

	2014	2013
	£'000	£'000
Average number of persons employed (including directors)		
Fee earners	1,224	1,398
Other staff	884	840
	<u>2,108</u>	<u>2,238</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)
Year ended 30 April 2014

4. TAX ON RESULT ON ORDINARY ACTIVITIES

A tax charge arises in the year of £1,080,000 (2013 - £792,000).

The tax assessed for the year is higher than that resulting from applying the standard rate of corporation tax in the UK of 22.83% (2013 – 23.9%).

The differences are explained below:

	2014 £'000	2013 £'000
Profit on ordinary activities before tax	2,261	-
Tax at 22.83% (2013 – 23.9%) thereon	516	-
Prior year adjustment	-	-
Transfer pricing adjustment	564	792
Current tax charge for the year	1,080	792

5. FIXED ASSET INVESTMENTS

	2014 £'000
Cost and net book value	
At 1 May 2013 and 30 April 2014	512

During the financial year ended 30 April 2014, DWF Services Limited acquired the entire issued share capital of Claimbase Limited, following the merger of DWF LLP, the ultimate parent undertaking, and Fishburns LLP. The company holds the ordinary shares as an investment as follows:

Company	Country of incorporation	Principal activity	Holding
Claimbase Limited	UK	Development and maintenance of secure website databases	100%

6. DEBTORS

All amounts are due within one year.

	2014 £'000	2013 £'000
Amounts owed by parent undertaking	4,353	2,196

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2014 £'000	2013 £'000
Other taxes and social security costs	3,684	2,708

NOTES TO THE FINANCIAL STATEMENTS (continued)
Year ended 30 April 2014

8. CALLED UP AND SHARE CAPITAL

	2014 £	2013 £
Allotted, called-up and fully paid		
2 ordinary shares of £1 each	2	2
	<u>2</u>	<u>2</u>

9. RESERVES

	Profit and loss account 2014 £'000
Balance as at 1 May 2013	-
Profit for the financial year	1,181
Balance as at 30 April 2014	<u>1,181</u>

10. RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS

	2014 £'000	2013 £'000
Profit/result for the financial year	1,181	-
Opening shareholder's funds	-	-
Closing shareholder's funds	<u>1,181</u>	<u>-</u>

11. ULTIMATE PARENT AND CONTROLLING PARTY

The company's ultimate parent and controlling undertaking is DWF LLP, a law firm whose principal place of business is in the United Kingdom. The largest and smallest group in which the company's results are included in the group accounts of DWF LLP, which are publicly available from Companies House.