

AG SERVICE COMPANY LIMITED

**Annual Report and Financial
Statements**

For the year ended 30 April 2014

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COMPANIES HOUSE

REPORT AND FINANCIAL STATEMENTS 2014

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STRATEGIC REPORT

The directors present this strategic report for the year ended 30 April 2014.

PRINCIPAL ACTIVITY

The principal activity of the company is that of the provision of business services to Addleshaw Goddard LLP, a law firm registered in England and Wales.

REVIEW OF THE BUSINESS AND FUTURE PROSPECTS

The company provided business services during the year on which it made a profit of £2.6 million (2013: £nil) on a turnover of £96 million (2013 - £94 million).

The directors consider that the company's level of business and the year-end financial position to be 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 although this is dependent on the staff levels of its parent undertaking, Addleshaw Goddard LLP.

AG Service Company Limited operates as a service company for Addleshaw Goddard LLP. Performance of the company is governed by the agreed terms of the service with Addleshaw Goddard 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.

PRINCIPAL RISK FACTORS

The financial performance of the company is not financially dependent upon the level of the activity of its parent undertaking, Addleshaw Goddard LLP, since all its costs are recharged at break even.

FINANCIAL RISK

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

Approved by the Board of Directors on 17th October 2014.
and signed on behalf of the Board



C Brown

Director

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AG SERVICE COMPANY LIMITED

We have audited the financial statements of AG Service Company 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 10. 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 2013 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.

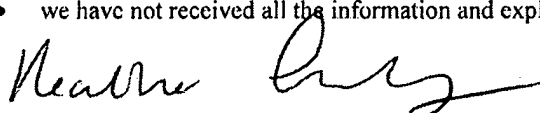
Opinion on other matter prescribed by the Companies Act 2006

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

29 OCTOBER 2014

PROFIT AND LOSS ACCOUNT
Year ended 30 April 2014

	Note	Year ended 30 April 2014 £'000	Year ended 30 April 2013 £'000
TURNOVER	1	96,440	93,811
Administrative expenses		(93,848)	(93,811)
OPERATING PROFIT BEING PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	2	2,592	-
Tax on profit on ordinary activities	4	(1,114)	(1,187)
Tax compensation from Addleshaw Goddard LLP		-	1,187
PROFIT FOR THE FINANCIAL YEAR	8, 9	1,478	-

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

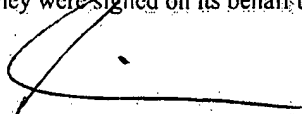
A statement of total recognised gains and losses is not included in these financial statements as there are no recognised gains or losses other than the result for the current year and preceding year.

BALANCE SHEET
As at 30 April 2014

	Note	2014 £'000	2013 £'000
CURRENT ASSETS			
Debtors – amounts falling due in less than one year	5	6,194	2,182
CREDITORS: amounts falling due within one year	6	(4,716)	(2,182)
NET CURRENT ASSETS		1,478	-
TOTAL ASSETS LESS CURRENT LIABILITIES BEING NET ASSETS		1,478	-
CAPITAL AND RESERVES			
Called-up share capital	7	-	-
Profit and loss account	8	1,478	-
SHAREHOLDER'S FUNDS	9	1,478	-

The financial statements of AG Service Company Limited, company registration number 07299444, were approved by the Board of Directors and authorised for issue on 17th October 2014.

They were signed on its behalf by:



C Brown

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 year and previous 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.

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 Addleshaw Goddard LLP and are funded by Addleshaw Goddard LLP on a timely basis. Details of the financial resources available to Addleshaw Goddard LLP are included within the financial statements of Addleshaw Goddard 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.

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 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.

A net deferred tax asset is regarded as recoverable and therefore 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.

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 group companies as it is a qualifying undertaking of Addleshaw Goddard LLP. Group financial statements are drawn up for Addleshaw Goddard LLP and a copy of these can be obtained from Companies House.

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

2. OPERATING PROFIT

	Year ended 30 April 2014 £'000	Year ended 30 April 2013 £'000
Operating profit is stated after charging:		
Fees payable to the company's auditor for the audit of the company's annual financial statements	5	5

3. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

	Year ended 30 April 2014 £'000	Year ended 30 April 2013 £'000
Staff costs, including directors, during the year comprise:		
Wages and salaries	44,402	45,642
Social security costs	5,215	5,337
Pension costs	3,846	2,921
	<u>53,463</u>	<u>53,900</u>

	Year ended 30 April 2014 Number	Year ended 30 April 2013 Number
Average number of persons employed (including directors) was:		
Fee earners	641	595
Other staff	401	383
	<u>1,042</u>	<u>978</u>

Directors' emoluments

The aggregate of directors' remuneration in the current year £348,429 (2013: £533,329). The highest paid director in the current year is £214,915 (2013: £227,233).

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

4. TAX ON PROFIT ON ORDINARY ACTIVITIES

A tax charge arises in the year of £1,114,000 (2013 - £1,187,000).

The tax assessed for the year is higher than that resulting from applying the standard rate of corporation tax in the UK of 22.8% (2013 - 23.9%).

The differences are explained below:

	Year ended 30 April 2014 £'000	Year ended 30 April 2013 £'000
Profit on ordinary activities before tax	2,592	-
Tax at 22.8% (2013 - 23.9%) thereon	591	-
Transfer pricing adjustment	523	1,187
Current tax charge for the year	1,114	1,187

5. DEBTORS

	2014 £'000	2013 £'000
Amounts owed by parent undertaking	4,134	975
Other debtors	181	137
Prepayments	1,879	1,070
	6,194	2,182

All amounts are due within one year.

6. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2014 £'000	2013 £'000
Other creditors including taxation and social security costs	1,827	1,737
Accruals and deferred income	1,775	445
Corporation tax	1,114	-
	4,716	2,182

7. CALLED-UP SHARE CAPITAL

	2014 £	2013 £
Allotted, called-up and fully paid 1 ordinary share of £1 each	1	1

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

8. RESERVES

	Profit and loss account 2014 £'000
Balance as at 1 May 2013	-
Profit for the year	1,478
	<hr/>
Balance as at 30 April 2014	1,478
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9. RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS

	2014 £'000	2013 £'000
Profit for the year being movement in shareholder's funds	1,478	-
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Opening shareholder's funds	-	-
	<hr/>	<hr/>
Closing shareholder's funds	1,478	-
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10. ULTIMATE PARENT AND CONTROLLING PARTY

The company's ultimate parent is Addleshaw Goddard 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 is in the group financial statements of Addleshaw Goddard LLP.

The directors do not deem there to be an ultimate controlling party.