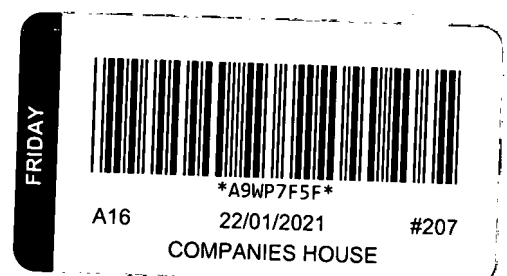


Registered number: 07307344

Irwin Mitchell Trustees Limited

Annual report and financial statements

for the year ended 30 April 2020



Irwin Mitchell Trustees Limited

Contents

	Page
Directors' report	1
Directors' responsibilities statement	3
Independent auditor's report	4
Profit and loss account	7
Balance sheet	8
Statement of changes in equity	9
Notes to the financial statements	10

Irwin Mitchell Trustees Limited

Directors' report

The directors present their annual report and the audited financial statements for the year ended 30 April 2020. The directors' report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption. The company is exempt from preparing a strategic report.

Directors of the company

The directors who held office during the year and thereafter were as follows:

ND Baker

JC Lomas

CA Marshall

G Coverley

J Fraser

EM Perry

CM Angel (Resigned on 31 December 2019)

P Cogher

DR Fawcett

KN Greig

JL Grewer

P James

MJH Jenkins

AA Nixon

AJV Parry

J Pavey

S Phillips

NPH Rucker

CA Shelton

M Taylor

K Thackery

CL Waite

Principal activity

The Company acts as a nominee and/or as a trustee in relation to trust appointments on behalf of Irwin Mitchell LLP. The Company's activities do not generate any income or expenditure. Irwin Mitchell Trustees Limited has engaged the services of Irwin Mitchell LLP to support the undertaking of its appointments, the company's activities do not generate any income or expenditure.

Going concern

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis in preparing the annual financial statements.

The Company is a member of the Irwin Mitchell Holdings Limited group of companies ("the Group") whose ultimate parent entity is Irwin Mitchell Holdings Limited ("IMH"). The Company is under common management of the Group and benefits from Group support when needed. The going concern assessment has been completed at a Group level, in which the Company is consolidated, and the directors of Irwin Mitchell Trustees Limited are satisfied that the Company is able to continue as a going concern.

Irwin Mitchell Trustees Limited

Directors' report (continued)

Going concern (continued)

In arriving at this assessment for the Group, a comprehensive review of the Group's financial position and prospects was undertaken. A Board committee at Group level oversees the mitigating action taken across the Group and has reviewed developments weekly. Group's management have modelled the scenarios expected as a result of Covid-19, focusing on a reasonable base case and a range of downside scenarios. Under the reasonable worst case scenario a significant decline in income is modelled, but despite a significant loss of income the cost reduction actions already taken and still available to the Group means the directors expect the Group to remain profitable, cash generating and in compliance with the ratios required in our banking covenants.

In addition, the directors have received confirmation that the parent, IMH, will provide support to the Company for at least the next 12 months from the date of signing these financial statements in a letter of support, should it be required. Accordingly, the financial statements have been prepared on the going concern basis.

Further details regarding the adoption of the going concern basis can be found in note 1b of the Statement of Accounting Policies in the Financial Statements.

Financial risk management objectives and policies

The Company's activities expose it to a number of financial risks including cash flow risk, credit risk and liquidity risk.

Financial risks are managed at Group level. Further details can be found in the Irwin Mitchell Holdings Limited group financial statements.

Whilst there is significant uncertainty due to the COVID-19 crisis, the directors have concluded that it is appropriate to prepare the financial statements on a going concern basis as given the nature of the Company the impact is expected to be limited.

Future developments

The Company is closely monitoring the evolution of the COVID-19 pandemic, the effect the virus will have on the global economy and the legal industry is difficult to assess at this point in time, although the Company is constantly evaluating the situation and monitoring any potential effect.

There have been no material post balance sheet events to report.

Disclosure of information to the auditor

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

- so far as they are aware, there is no relevant audit information of which the company's auditor are unaware; and
- they have taken all the steps that they ought to have taken as directors in order to make themselves 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.

Reappointment of auditor

Deloitte LLP have expressed their willingness to continue in office as auditor and appropriate arrangements have been put in place for them to be deemed reappointed as auditor in the absence of an Annual General Meeting.

Approved by the Board on 14 August 2020 and signed on its behalf by:



ND Baker

Director

Irwin Mitchell Trustees Limited

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.

Irwin Mitchell Trustees Limited

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF IRWIN MITCHELL TRUSTEES LIMITED

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Irwin Mitchell Trustees Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 30 April 2020 and of its result 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 6.

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

We are required by ISAs (UK) to report in respect of the following matters where:

- the directors' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

Irwin Mitchell Trustees Limited

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF IRWIN MITCHELL TRUSTEES LIMITED (CONTINUED)

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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 respect of these matters.

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.

Irwin Mitchell Trustees Limited

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF IRWIN MITCHELL TRUSTEES LIMITED (CONTINUED)

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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has 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 Directors' Report.

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; or
- the directors were not entitled to take advantage of the small companies' exemption in preparing the directors' report and from the requirement to prepare a strategic report.

We have nothing to report in respect of these matters.

Use of our report

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.



Saul Wadsworth BA FCA (Senior Statutory Auditor)

For and on behalf of Deloitte LLP

Statutory Auditor

Manchester, United Kingdom

Date: 14 August 2020

Irwin Mitchell Trustees Limited

Profit and loss account

For the year ended 30 April 2020

There have been no profit or loss items in the year or other recognised gains or losses. Accordingly, no profit and loss account or a separate statement of comprehensive income is presented.

Irwin Mitchell Trustees Limited

Balance sheet

As at 30 April 2020

	Note	2020 £	2019 £
Current assets			
Debtors	4	250,000	250,000
Net assets		<u>250,000</u>	<u>250,000</u>
Capital and reserves			
Called-up share capital	5	250,000	250,000
Shareholders' funds		<u>250,000</u>	<u>250,000</u>

The financial statements of Irwin Mitchell Trustees Limited (registered number 07307344) were approved by the board of directors and authorised for issue on 14 August 2020. They were signed on its behalf by:



ND Baker

Director

Irwin Mitchell Trustees Limited

Statement of changes in equity For the year ended 30 April 2020

	Called up share capital £
At 30 April 2018	<u>250,000</u>
At 30 April 2019	<u>250,000</u>
At 30 April 2020	<u>250,000</u>

Irwin Mitchell Trustees Limited

Notes to the financial statements For the year ended 30 April 2020

1. Accounting policies

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

a. General information and basis of accounting

Irwin Mitchell Trustees Limited is a private Company limited by shares incorporated in the United Kingdom under the Companies Act 2006 and is incorporated and registered in England and Wales. The address of the registered office is Riverside East, 2 Millsands, Sheffield, S3 8DT. The nature of the Company's operations and its principal activity are set out in the directors' report on page 1.

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102 (FRS 102) 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' issued by the Financial Reporting Council.

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

Irwin Mitchell Trustees Limited 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. Irwin Mitchell Trustees Limited is consolidated in the financial statements of its parent, Irwin Mitchell Holdings Limited, which may be obtained from the Registrar of Companies Registration Office, Crown Way, Maindy, Cardiff, CF4 3UZ. Exemptions have been taken in these separate Company financial statements in relation to financial instruments, presentation of a cash flow statement and remuneration of key management personnel.

The average monthly number of employees (including executive directors) was nil (2019: nil). All directors are remunerated by other companies and do not provide any relevant services to this company.

b. Going concern

The Company is a member of the Irwin Mitchell Holdings Limited group of companies ("the Group") whose ultimate parent entity is Irwin Mitchell Holdings Limited ("IMH"). The Company is under common management of the Group and benefits from Group support when needed. The going concern assessment has been completed at a Group level, in which the Company is consolidated. The directors of Irwin Mitchell Trustees Limited are satisfied that the Company is able to continue as a going concern. In addition, the directors have received confirmation that the parent, IMH, will provide support to the Company for at least the next 12 months from the date of signing these financial statements in a letter of support, should it be required.

The Group meets its day to day working capital requirements through a combined £60m revolving credit facility (RCF) and a £15m overdraft facility. During the year the Group successfully extended the RCF to October 2022. Included within the agreed extension are options to extend the facility for a further 12 months, potentially extending the facility up to 2023. The quantum and terms of the facility will remain the same. The availability of the borrowing facilities is dependent upon continued compliance with the associated banking covenants and compliance was maintained throughout the year. The overdraft is renewed annually, with the next renewal due in September 2020.

Members of the Irwin Mitchell LLP Executive Board formed a dedicated Board Committee, the Financial Continuity Committee (FCC), in March 2020 in response to the Covid-19 outbreak. The FCC have been receiving and reviewing updated P&L and cash flow forecasts every week since mid-March and the Committee is responsible for making appropriate financial decisions in order to preserve profitability and cash flow.

The projections in the cash flow forecasts extend out to April 2022 to cover the current financial year and all of the next financial year. The projections are developed, reviewed and updated regularly by senior management across the Group with Divisional CEOs, Group Company Directors and Group Services Directors all involved in both forecasting and also in implementing cost control and profit preservation measures. The forecasts include scenarios which consider a base case based on most recent information. In addition to this a reasonable worst case scenario is also prepared.

From an early stage FCC decided that material staff cost savings and other discretionary spend savings would be required in order to offset projected reductions in income in the 2020/21 year. These savings were implemented in March 2020 and continued beyond the end of the financial year.

Irwin Mitchell Trustees Limited

Notes to the financial statements (continued)

For the year ended 30 April 2020

1. Accounting policies (continued)

b. Going concern (continued)

The Group has taken advantage of the government's VAT Deferral Scheme and the Job Retention Scheme. VAT payments were deferred in March and April 2020 and are expected to be repaid prior to March 2021. A number of other temporary measures have been put in place such as reduced working hours, a recruitment freeze, voluntary partner profit share reductions, removal of annual pay/profit share rises for all colleagues and partners, and deferral of bonus payments.

Measures have also been taken to reduce discretionary spend, and these have been successfully put in place for the first two months of the current financial year, and will continue to be in place for as long as necessary. This includes reductions in operational, sales and marketing expenditure, as well as limitations on travel and face to face events.

Under the reasonable worst case cash forecast scenario, which goes beyond reasonable trading assumptions, the Group remains profitable, cash generative and in compliance with the ratios in the banking covenants. This scenario includes income reductions of up to 35% from budget in certain periods and an assumption that income falls by up to £50m during 2020/21. Whilst the Board regard this as a very remote possibility, not evidenced by recent trading activity, it provides some comfort in making the going concern assessment.

Based upon their assessment of the forecasts described above the directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

c. 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.

Financial assets and liabilities

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 financing 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 only 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.

Financial assets and liabilities (continued)

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, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

Irwin Mitchell Trustees Limited

Notes to the financial statements (continued)

For the year ended 30 April 2020

1. Accounting policies (continued)

d. 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.

Where indicators exist for a decrease in impairment loss, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired 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.

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.

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.

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, 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.

There are no critical accounting judgements or estimates affecting the results for the current or prior year.

3. Auditor's remuneration

Fees payable to Deloitte LLP and their associates for the audit of the company's annual financial statements were £582 (2019: £536). The fees are paid for by Irwin Mitchell LLP, a fellow group company, and were not recharged in either year.

Irwin Mitchell Trustees Limited

Notes to the financial statements (continued)

For the year ended 30 April 2020

4. Debtors

	2020 £	2019 £
Amounts due from parent undertaking	100,001	100,001
Called up share capital not paid	149,999	149,999
	<u>250,000</u>	<u>250,000</u>

All amounts are repayable on demand, no interest is payable on group balances.

5. Called-up share capital and reserves

	2020 £	2019 £
Allotted and called-up shares		
100,001 ordinary shares fully paid of £1 each	100,001	100,001
149,999 ordinary shares unpaid of £1 each	149,999	149,999
	<u>250,000</u>	<u>250,000</u>

Irwin Mitchell Trustees Limited is established as a trust corporation as defined by Rule 30 Public Trustees Rules 1912 (as amended). In order to comply with the Public Trustee Rules 1912 (as amended), a trust corporation is required to have £250,000 issued share capital, at least £100,000 of which must be paid up, which payment has been made in accordance with s583 Companies Act 2006.

6. Controlling party

The company is controlled by Irwin Mitchell LLP. The ultimate parent company is Irwin Mitchell Holdings Limited, a company registered in Jersey.

The smallest and largest group in which the results of the company are consolidated is that headed by Irwin Mitchell Holdings Limited, 13-14 Esplanade, St Helier, Jersey, JE1 1BD.

No other group financial statements include the results of the company.

The consolidated financial statements of the group are available to the public and may be obtained from the Registrar of Companies Registration Office, Crown Way, Maindy, Cardiff, CF4 3UZ.