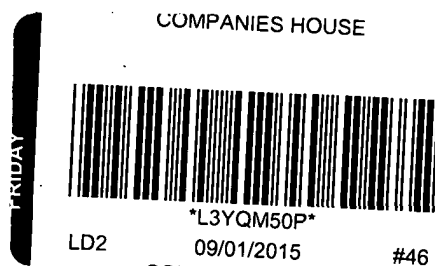


**Lawrence Graham LLP**

**Report and accounts**

**For the year ended**

**30 April 2014**



# LAWRENCE GRAHAM LLP

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# **LAWRENCE GRAHAM LLP**

## **Designated members and advisers**

### **Designated members**

Wragge Lawrence Graham LLP

Quentin Poole

### **Registered office**

4 More London Riverside  
London SE1 2AU

### **Bankers**

Barclays Bank PLC  
1 Churchill Place  
London E14 5HP

### **Auditors**

Nexia Smith & Williamson  
25 Moorgate  
London EC2R 6AY

### **Registered number**

OC307935

# **LAWRENCE GRAHAM LLP**

## **Members' report**

The members present their report and the accounts for the year ended 30 April 2014. The term "partner" throughout this report refers to those members of Lawrence Graham LLP who share in the profits and losses of Lawrence Graham LLP and who do not receive salaried remuneration. The term "members" means partners and salaried members.

## **Principal Activity of Lawrence Graham LLP**

The principal activity of Lawrence Graham LLP ("the LLP") was the provision of legal services. The LLP had several subsidiaries which performed services ancillary to the LLP's principal activity. On 1 May 2014, the LLP merged with Wragge & Co LLP ("W&Co") to form the top 30 UK law firm Wragge Lawrence Graham & Co LLP ("WLG&Co"). This was effected by transferring all assets and liabilities of the LLP to W&Co on 1 May 2014 and W&Co was renamed WLG&Co. All former trading activities of the LLP and its subsidiaries are now carried on by WLG&Co and its subsidiaries.

## **A review of the LLP's business in 2013/2014**

We have seen a general improvement in the UK economic environment in the second half of the financial year. In addition, we have seen the benefits of a number of initiatives taken in the last financial year in this year's outcome.

Real Estate was the best performing practice group with a 9% increase in revenue compared to the prior year. The team won new clients including British Land Plc and AXA UK Long Lease Fund. It also won significant new instructions from existing clients including The Crown Estate, TIAA Henderson and J Sainsbury. The team continues to generate income from major long term projects including the redevelopment of Battersea Power Station, Bracknell Town Centre and Eastbourne Arndale Centre.

Corporate continued to build momentum especially in the second half of the year as market confidence and activity returned. The investment funds team was particularly successful and won instructions from BlackRock, Chenavari Capital Solutions Ltd, Cantor Fitzgerald and Blue Star Capital plc. It also advised Gravis Capital Partners on the launch of the first REIT listed on the Specialist Fund Market of the London Stock Exchange.

Dispute Resolution's turnover increased with new financial services clients including Europe Arab Bank and TMF Group. Finance's panel appointments with banks including HSBC and Santander generated a new flow of instructions in 2014 with the team also busy throughout the year working for ICG-Longbow and other debt funds.

Our Private Capital team delivered a good set of results for the year from operational bases in London, Dubai, Monaco and Singapore. The international private client market is an important focus for the firm and the team won business from across the Middle East, the Caribbean and South America, and most significantly, from East and South East Asia where investment in the Singapore office has been particularly successful.

The Employment group has won instructions from Express Newspapers and is instructed in high profile litigation by Brewin Dolphin plc. It continued to attract a wide range of work from employers in many jurisdictions with a clear upturn in inward investment into the UK requiring advice on new hires and immigration, along with the full range of employment services.

## **Financial Review**

Fees billed were slightly below last year's level primarily due to a lower number of lawyers. However revenue per lawyer increased from £312,000 per head to £325,000 per head. This reflects the productivity and hard work of our lawyers who have maintained their focus in providing outstanding client service in a highly competitive market.

# LAWRENCE GRAHAM LLP

Both the Real Estate and the Corporate teams saw growth in revenue whilst the reduction in headcount in other areas did lead to small revenue reductions in the other teams.

The firm has been able to increase profitability by 27% to £17.9m through subletting excess space, continuing to monitor and reduce general costs and by improving productivity by reducing headcount.

- **The LLP internationally**

We have been successful in developing our international platform in the last 12 months.

Our Singapore office, in particular, has performed well and delivered an almost 300% increase in revenue. This has been driven mainly by Private Capital and we now advise clients in 11 countries across the region. Other work has included a number of corporate deals, as well as advising real estate clients on their investments into Europe. Andrew Dobson has now taken over as head of the Singapore office. He already advises corporate clients, particularly on IP issues, across the region and is now focusing on international arbitration in Singapore and Malaysia, and is helping to develop the Singapore International Commercial Court as a forum for clients.

We also agreed terms for a formal referral arrangement with Indian law firm Naik Naik & Company. Since 2010 we have built a productive informal relationship with Naik Naik & Company and have worked together on a number of important clients and matters. This new agreement was the next logical step and focuses on strengthening the referral arrangements between our firms as well as developing new opportunities for both. This followed the forming of our association with one of Brazil's leading law firms – Motta, Fernandes Rocha Advogados – which was agreed in 2012.

- **The LLP in the community**

We recognise our wider obligations to society and the environment – both through the high environmental standards of our offices and working practices, through to our pro bono legal services and deeply embedded culture of charitable giving.

The firm's charity was again Auditory Verbal UK (AVUK). It is a national charity which teaches deaf babies and children to listen and speak using auditory verbal therapy so that they can achieve their potential in life. Employees took part in a number of fund raising activities and in total raised almost £40,000.

In addition to the firm's work for our chosen charity we also provided pro bono legal advice to a number of charities and not-for-profit organisations.

We supported Pure Leapfrog which helps organisations get low carbon projects off the ground through the collaboration of business and community. We advised on a number of projects including Bath and West Community Energy which was set up to develop and run renewable energy and energy efficient projects in Bath and the surrounding area.

Our corporate team also advised Community Energy Warwickshire on the installation of solar PV panels on roofs at Warwick and Stratford hospitals, working with the NHS locally to help it reduce energy costs and cut carbon emissions. We provided specialist legal advice on solar PV commercial contracts and on the tender process for the procurement and installation of the solar PV panels.

The firm is also a member of TrustLaw Connect, a global service aiming to put those in need of free legal advice in contact with firms that can provide it. Further, many partners and employees hold a variety of different positions at several charities or not for profit organisations.

## **Results for the year and allocation to members**

The profit for the financial year before members' remuneration and profit shares was £17,852,783 (2013: £14,064,000).

# **LAWRENCE GRAHAM LLP**

## **Policy with respect to partners' drawings and subscriptions and repayment of partners' capital**

Partners are permitted to make drawings in anticipation of the profits to which they will become entitled when the firm's profit is finally declared. The amount of such drawings is set at the beginning of each financial year, taking into account the anticipated cash needs of the LLP and its budgeted profitability.

New partners are required to subscribe a minimum level of capital. In subsequent years, partners may be required to subscribe further capital, the amounts of which are determined by reference to partners' entitlement to profit. On retirement, capital is repaid to partners.

## **Capital and funding**

At 30 April 2014 the partners' capital in the LLP was £10.5m (2013: £11.0m). At the same time, the LLP has reduced its borrowings to £6.75m (2013: £8.15m).

## **Donations**

During the year, the LLP made donations amounting to £14,400 to charities.

## **Employee involvement**

We ensure that our employees are fully integrated with our activities:

- an internal communications programme (incorporating newsletters, weekly round-ups, intranet site and notice boards) delivers comprehensive information about the LLP's business strategy and goals, its financial performance and market successes;
- within service lines and business teams, employees contribute to the creation of proprietary knowledge which is key to client service delivery and also work to manage and develop relationships with the LLP's clients;
- a dedicated 'Associate' programme including an annual conference, lunch and learn sessions and bi-annual workshops;
- training and development programmes for employees are a major business investment and are geared to ensure the LLP's continued professional and personal development in a manner aligned to business needs; and
- a social programme, solely managed by employees, organises a wide range of social activities each year, focusing on raising funds for a charitable organisation which is selected annually by the employees.

## **Employment of people with disabilities**

Full and fair consideration is given to the employment of people with disabilities having regard to their particular aptitudes and abilities. Appropriate training is provided for people with disabilities and this includes retraining for alternative work for employees who develop a disability.

## **Designated members**

The following were designated members during the year:

A C Dobson  
J G Elway  
P J L Francis  
YT Gallagher  
G C Gouriet  
H P G Maule  
A I Thompson

## LAWRENCE GRAHAM LLP

A Witts

All members of the LLP resigned on 1 May 2014 and WLG&Co and Q Poole were appointed as the only members of the LLP on the same date.

### **Auditors**

For the entirety of the year, our auditors were Nexia Smith & Williamson.

Approved by the members and signed on their behalf

A handwritten signature in black ink, appearing to read 'Q Poole', written over a horizontal line.

Q Poole  
Designated member

# **LAWRENCE GRAHAM LLP**

## **Statement of members' responsibilities in respect of the accounts**

The members are responsible for preparing the Members' report and the financial statements in accordance with applicable law and regulations.

Company law as applied to limited liability partnerships requires the members to prepare financial statements for each financial year. Under that law the members have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law as applied to limited liability partnerships the members must not approve financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the limited liability partnership and the group and of the profit or loss of the group for that period. In preparing these financial statements, the members are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the limited liability partnership and the group will continue in business.

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

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



# LAWRENCE GRAHAM LLP

## Nexia Smith & Williamson

### Independent auditor's report to the members of Lawrence Graham LLP

We have audited the financial statements of Lawrence Graham LLP for the year ended 30 April 2014 which comprise the Group Profit and Loss Account, the Group and Parent limited liability partnership Balance Sheets, the Group Cash Flow Statement, the Group Statement of Total Recognised Gains and Losses, and the related notes 1 to 21. 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 limited liability partnership's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 as applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008. Our audit work has been undertaken so that we might state to the limited liability partnership's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the limited liability partnership and the limited liability partnership's members as a body, for our audit work, for this report, or for the opinions we have formed.

### Respective responsibilities of members and auditor

As explained more fully in the Members' Responsibilities Statement on page 7, the members 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 Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

### Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the FRC's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate)

### Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent limited liability partnership's affairs as at 30 April 2014 and of the group's 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 as applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008.

### 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 as applied to limited liability partnerships requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent limited liability partnership, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent limited liability partnership financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

*Nexia Smith & Williamson*

Giles Murphy  
Senior Statutory Auditor, for and on behalf of  
Nexia Smith & Williamson  
Statutory Auditor  
Chartered Accountants

25 Moorgate  
London  
EC2R 6AY  
Date 5 January 2015

# LAWRENCE GRAHAM LLP

## Consolidated profit and loss account for the year ended 30 April 2014

	Notes	2014 £'000	2013 £'000
<b>Turnover</b>	2	50,727	50,602
<b>Operating costs</b>			
Staff costs	3	(14,977)	(16,144)
Depreciation and other amounts written off tangible fixed assets	8	(1,132)	(1,239)
Other operating charges		(16,479)	(18,781)
		<hr/>	<hr/>
<b>Operating profit</b>		18,139	14,438
Interest receivable and similar income		109	74
Interest payable and similar charges	4	(379)	(447)
Movement in liability due to former partners		(71)	79
Minority interests		68	(80)
		<hr/>	<hr/>
<b>Profit for the financial year before members' remuneration and profit shares</b>	5	17,866	14,064
Members' remuneration charged as an expense	6	(17,852)	(13,918)
		<hr/>	<hr/>
<b>Profit for the financial year available for discretionary division among partners</b>	17	<u>14</u>	<u>146</u>

All of the LLP's operations are classed as continuing.

# LAWRENCE GRAHAM LLP

## Consolidated statement of total recognised gains and losses for the year ended 30 April 2014

	2014 £'000	2013 £'000
Profit for the financial year available for discretionary division among partners	14	146
Unrealised actuarial loss on pension scheme	(1,128)	(537)
	<hr/>	<hr/>
<b>Total recognised losses for the year</b>	<b>(1,114)</b>	<b>(391)</b>
	<hr/>	<hr/>

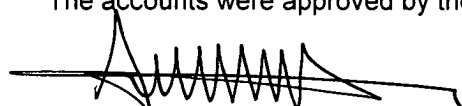
# LAWRENCE GRAHAM LLP

LLP Registered number: OC307935

## Consolidated balance sheet as at 30 April 2014

	Notes	2014 £'000	2013 £'000
<b>Fixed assets</b>			
Tangible fixed assets	8	9,271	10,286
<b>Current assets</b>			
Work in progress	10	359	291
Debtors	11	21,942	21,386
Investments	12	17	19
Cash at bank and in hand		2,853	907
		25,171	22,603
<b>Creditors: amounts falling due within one year</b>	13	(6,959)	(7,465)
<b>Net current assets</b>		18,212	15,138
<b>Total assets less current liabilities</b>		27,483	25,424
<b>Creditors: amounts falling due after more than one year</b>	14	(7,136)	(7,894)
<b>Net assets before minority interests and pension fund deficit</b>		20,347	17,530
Pension fund deficit	18	(447)	-
Minority interests		6	(266)
<b>Net assets attributable to partners</b>		19,906	17,264
<b>Represented by:</b>			
<b>Loans and other debts due to partners</b>			
Partners' capital classified as a liability under FRS 25		10,470	11,024
Other amounts due to partners		9,791	6,213
		20,261	17,237
Deficit on defined benefit pension scheme		(447)	-
Other reserves	16	92	27
		19,906	17,264
<b>Total partners' interests</b>			
Loans and other debts due to partners		20,261	17,237
Deficit on defined benefit pension scheme		(447)	-
Other reserves		92	27
		19,906	17,264

The accounts were approved by the members on 17.12.2014 and were signed on their behalf by:

  
Designated member

A. Wills on behalf of Wayne Lawrence Graham LLP

# LAWRENCE GRAHAM LLP

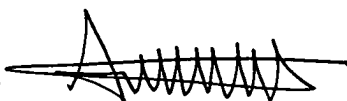
LLP Registered number: OC307935

## LLP balance sheet as at 30 April 2014

	Notes	2014 £'000	2013 £'000
<b>Fixed assets</b>			
Tangible assets	8	9,237	10,208
Investments	9	15	16
		<u>9,252</u>	<u>10,224</u>
<b>Current assets</b>			
Work in progress	10	345	285
Debtors	11	20,869	20,120
Investments	12	17	19
Cash at bank and in hand		2,807	860
		<u>24,038</u>	<u>21,284</u>
<b>Creditors: amounts falling due within one year</b>	13	<u>(5,944)</u>	<u>(6,377)</u>
<b>Net current assets</b>		<u>18,094</u>	<u>14,907</u>
<b>Total assets less current liabilities</b>		27,346	25,131
<b>Creditors: amounts falling due after more than one year</b>	14	(7,085)	(7,894)
Net assets before pension fund deficit		<u>20,261</u>	<u>17,237</u>
Pension fund deficit	18	<u>(447)</u>	<u>-</u>
<b>Net assets attributable to partners</b>		<u>19,814</u>	<u>17,237</u>
<b>Represented by:</b>			
<b>Loans and other debts due to partners</b>			
Partners' capital classified as a liability under FRS 25		10,470	11,024
Other amounts due to partners		9,791	6,213
		<u>20,261</u>	<u>17,237</u>
Deficit on defined benefit pension scheme		<u>(447)</u>	<u>-</u>
		<u>19,814</u>	<u>17,237</u>
<b>Total partners' interests</b>			
Loans and other debts due to partners		20,261	17,237
Deficit on defined benefit pension scheme		(447)	-
		<u>19,814</u>	<u>17,237</u>

The accounts were approved by the members on 17.12.2014 and were signed on their behalf by:

Designated member



A. Witter on behalf of Wayne Lawrence Graham LLP

# LAWRENCE GRAHAM LLP

## Consolidated cash flow statement for the year ended 30 April 2014

	Notes	2014 £'000	2013 £'000
<b>Net cash inflow from operating activities</b>	a	18,281	16,330
<b>Returns on investments and servicing of finance</b>			
Interest received		109	74
Interest paid		(379)	(447)
<b>Net cash outflow from returns on investments and servicing of finance</b>		(270)	(373)
<b>Capital expenditure and financial investment</b>			
Payments to acquire tangible fixed assets		(175)	(49)
<b>Net cash outflow for capital expenditure and financial investment</b>		(175)	(49)
<b>Transactions with members and former partners</b>			
Transactions with members		(13,593)	(14,963)
Contributions by members		938	1,959
Repayments of capital to members		(1,492)	(2,252)
Retirement benefits paid to former partners		(139)	(158)
<b>Net cash outflow from transactions with partners and former partners</b>		(14,286)	(15,414)
<b>Payments to minority interests</b>		(204)	(169)
<b>Cash inflow before financing</b>		3,346	325
<b>Financing</b>			
New loans		900	8,900
Repayment of loans		(2,300)	(10,111)
<b>Net cash (outflow) from financing</b>		(1,400)	(1,211)
<b>Increase/(decrease) in cash in the year</b>	b,c	1,946	(886)

# LAWRENCE GRAHAM LLP

## Notes to the consolidated cash flow statement

a	<b>Reconciliation of operating profit to net cash inflow from operating activities</b>	<b>2014 £'000</b>	<b>2013 £'000</b>	
	Operating profit	18,139	14,438	
	Depreciation	1,132	1,239	
	Loss on disposal of fixed assets	58	-	
	(Increase)/decrease in work in progress	(68)	126	
	(Increase)/decrease in debtors	(556)	1,617	
	Decrease/(increase) in investments	2	(1)	
	Increase/ (decrease) in creditors	255	(552)	
	Defined benefit pension movement less cash contributions	(681)	(537)	
	Net cash inflow from operating activities	18,281	16,330	
b	<b>Reconciliation of net cash flow to movement in net debt</b>	<b>2014 £'000</b>	<b>2013 £'000</b>	
	Increase/(decrease) in cash in the year	1,946	(886)	
	Cash outflow from decrease in debt	1,400	1,211	
	<b>Movement in net debt in the year</b>	3,346	325	
	<b>Net debt at 1 May 2013</b>	(7,243)	(7,568)	
	<b>Net debt at 30 April 2014</b>	(3,897)	(7,243)	
c	<b>Analysis of net debt</b>	<b>At 1 May 2013</b>	<b>Cash flow</b>	<b>At 30 April 2014</b>
		<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
	Cash in hand, at bank	907	1,946	2,853
	Debt due after 1 year	(6,750)	1,225	(5,525)
	Debt due within 1 year	(1,400)	175	(1,225)
	<b>Total</b>	(7,243)	3,346	(3,897)

# LAWRENCE GRAHAM LLP

## Notes to the accounts for the year ended 30 April 2014

### 1 Accounting policies

The accounts have been prepared in accordance with applicable accounting standards and the requirements of the Statement of Recommended Practice 'Accounting by Limited Liability Partnerships' (the 'SORP').

The regulations under the SORP require disclosure within the profit and loss account of the profit or loss for the year before any members' remuneration or share of profits. Deducted from this balance, and disclosed separately, is members' remuneration charged as an expense. Members' remuneration is determined by reference to the nature of the participation of rights. It includes both remuneration where there is a contract of employment and any profits that are automatically divided between members by virtue of the members' agreement, to the extent that the LLP does not have an unconditional right to avoid payment. The remaining balance, after deduction of members' remuneration charged as an expense, represents any unallocated profits that are still available for discretionary distribution amongst the partners.

A summary of the more important accounting policies adopted is set out below.

#### **Basis of accounting**

The accounts have been prepared under the historical cost convention, as modified by the revaluation of certain investments.

#### **Basis of consolidation**

The accounts consolidate the results and the assets and liabilities of the LLP and its subsidiaries.

As stated in note 9, the LLP has a 100% beneficial interest in Wragge Lawrence Graham & Co Monaco SARL (formerly Lawrence Graham Monaco SARL). The LLP also has a 51% beneficial interest in Wragge Lawrence Graham & Co (CIS) LLP (formerly Lawrence Graham (CIS) LLP) and 51% beneficial interest in WLG Private Limited (formerly The Family Business Advisory Group Limited). Minority interests comprise the share of profits and assets of Wragge Lawrence Graham & Co (CIS) LLP to which third parties are entitled.

#### **Fixed assets**

Depreciation is provided on cost in equal annual instalments over the estimated useful lives of the assets concerned. The following annual rates are used:

Leasehold premises and improvements	Over the remaining period of the lease
Office fixtures and fittings	7% to 33% straight line
Office equipment	25% to 33% straight line



# LAWRENCE GRAHAM LLP

## Notes to the accounts for the year ended 30 April 2014 *(continued)*

### Accounting policies (continued)

#### Investments

Investments in subsidiaries are included at cost less any provision for impairment.

Other investments are included at market value. Investment gains are included within the profit and loss account.

#### Pension costs

FRS 17 "Retirement Benefits" has been adopted in full.

#### Defined benefit pension scheme

For defined benefit schemes, the cost of benefits accruing during the year in respect of current and past service is charged against operating profit. The expected return on the scheme's assets and the increase in the present value of the scheme's liabilities arising from the passage of time are included in other finance income. Actuarial gains and losses are recognised in the statement of total recognised gains and losses.

#### Defined contribution pension schemes

Amounts charged in respect of defined contribution schemes represent the contributions payable in the year.

#### Retirement benefits of former partners

The LLP has a liability to pay annuities to two former partners, or their spouses should those former partners predecease them, and the widows of two other former partners. On initial recognition the estimated current value of the future pension was transferred from members' interests to creditors.

The liability is reassessed annually and any changes in the estimates are included within the profit and loss account.

#### Insurance arrangements

Substantial insurance cover in respect of professional negligence claims is carried. Cover is written through the commercial market. Where appropriate, provision is made for the expected outcome of claims.

#### Members' remuneration

Remuneration is paid to certain members under a contract of employment and is included within 'members' remuneration charged as an expense'.

Entitlement to notional interest on the capital accounts for each partner is on a specified formula allowed for under the membership agreement. The remaining profits of the LLP are automatically divided amongst the partners in accordance with the membership agreement; the apportioned amounts are included within 'members' remuneration charged as an expense'.

The terms of the members' agreement require that capital be returned to a member on his or her retirement. Capital is accordingly accounted for as a liability of the LLP.

# LAWRENCE GRAHAM LLP

## Notes to the accounts for the year ended 30 April 2014 *(continued)*

### Accounting policies (continued)

#### Other reserves

Unallocated profits and losses arising from the group's subsidiaries are included within 'other reserves'.

#### Leases

Rental costs under operating leases are charged to the profit and loss account on a straight-line basis over the lease term.

#### Foreign currencies

Transactions denominated in a foreign currency are translated into sterling at the rate of exchange ruling at the date of the transaction. At the balance sheet date, monetary assets and liabilities denominated in foreign currency are translated at the rate ruling at that date. All exchange differences are dealt with in the profit and loss account.

#### Work in progress

Under accounting standard UITF 40 ('Revenue Recognition and Service Contracts') income on contracts is recognised as contracts progress. Revenue is recognised as the right to consideration is earned and thus profits are recognised on partially completed contracts when the outcome of the contract can be assessed with reasonable certainty. To the extent that fees are recognised in advance of the client being billed, they are included as accrued income. Work in progress comprises direct third party costs incurred in relation to contracts that are incomplete, all of which are recoverable in full upon completion of the contract.

#### Turnover

Turnover represents the right to consideration carried in respect of legal services performed during the year, net of disbursements and VAT.

#### Taxation

Taxation on all LLP profits is solely the personal liability of individual partners. Consequently, neither taxation nor related deferred taxation arising in respect of the LLP is accounted for in these accounts. Amounts retained for tax are included in loans and other debts due to partners.

2 Turnover	2014 £'000	2013 £'000
Fees billed	49,956	50,212
Change in accrued income	(480)	(1,165)
United Kingdom	<b>49,476</b>	<b>49,047</b>
Rest of the world	1,251	1,555
Total	<b><u>50,727</u></b>	<b><u>50,602</u></b>

# LAWRENCE GRAHAM LLP

## Notes to the accounts for the year ended 30 April 2014 *(continued)*

### 3 Employee information

The average number of persons (including members with contracts of employment) employed by the LLP during the year was:

	2014 No.	2013 No.
Lawyers	189	174
Administration	83	116
	<hr/>	<hr/>
	272	290
	<hr/>	<hr/>

	£'000	£'000
Staff costs for the above persons were:		
Wages and salaries	13,484	14,363
Social security costs	1,389	1,551
Pension costs	96	230
	<hr/>	<hr/>
	14,969	16,144
	<hr/>	<hr/>

### 4 Interest payable and similar charges

Bank loans and overdrafts	362	447
	<hr/>	<hr/>

# LAWRENCE GRAHAM LLP

## Notes to the accounts for the year ended 30 April 2014 *(continued)*

<b>5</b>	<b>Profit for the financial year before members' remuneration and profit shares</b>	<b>2014 £'000</b>	<b>2013 £'000</b>
	is stated after charging:		
	Depreciation		
	- owned assets	1,132	1,239
	Operating leases		
	- land and buildings	<u>4,218</u>	<u>5,061</u>

The analysis of auditors' remuneration is as follows:

Fees payable to the LLP's auditors

- for the audit of the LLP's annual accounts	52	47
- for other services to the LLP	<u>66</u>	<u>90</u>
Total audit fees	<u>118</u>	<u>137</u>
Tax services	<u>83</u>	<u>56</u>
Total non-audit fees	<u>83</u>	<u>56</u>

<b>6</b>	<b>Information in relation to members</b>	<b>2014 No.</b>	<b>2013 No.</b>
	The average number of members during the year was	<u>65</u>	<u>68</u>
		<b>£'000</b>	<b>£'000</b>
	Members' remuneration charged as an expense		
	Paid under employment contracts	147	340
	Paid under the terms of the membership agreement	<u>17,705</u>	<u>13,578</u>
		<u>17,852</u>	<u>13,918</u>
	The amount of profit attributable to the partner with the largest entitlement was	<u>655</u>	<u>355</u>

The amount of profit attributable to the partner with the largest entitlement is based upon their share of the profit for the financial year before members' remuneration and profit shares.

# LAWRENCE GRAHAM LLP

## Notes to the accounts for the year ended 30 April 2014 *(continued)*

### 7 Profit of the LLP

As permitted by S408 of the Companies Act 2006 (as modified for application to LLPs), the LLP is exempt from presenting its own profit and loss account. The profit of the LLP for the financial year before members' remuneration and profit share amounted to £17,852,000 (2013: £13,918,000).

### 8 Tangible Fixed Assets

Group	Leasehold premises & improvements £'000	Office equipment, fixtures & fittings £'000	Total £'000
<b>Cost</b>			
At 1 May 2013	12,279	5,244	17,523
Additions	16	159	175
Disposals	-	(153)	(153)
	<hr/>	<hr/>	<hr/>
At 30 April 2014	12,295	5,250	17,545
	<hr/>	<hr/>	<hr/>
<b>Depreciation</b>			
At 1 May 2013	3,905	3,332	7,237
Charge for the year	700	432	1,132
Disposals	-	(95)	(95)
	<hr/>	<hr/>	<hr/>
At 30 April 2014	4,605	3,669	8,274
	<hr/>	<hr/>	<hr/>
<b>Net book value</b>			
At 30 April 2014	7,690	1,581	9,271
	<hr/>	<hr/>	<hr/>
At 30 April 2013	8,374	1,912	10,286
	<hr/>	<hr/>	<hr/>

# LAWRENCE GRAHAM LLP

## Notes to the accounts for the year ended 30 April 2014 *(continued)*

### 8 Tangible Fixed Assets

LLP	Leasehold premises & improvements £'000	Office equipment, fixtures & fittings £'000	Total £'000
<b>Cost</b>			
At 1 May 2013	12,279	5,114	17,393
Additions	16	140	156
Disposals	-	(43)	(43)
At 30 April 2014	12,295	5,211	17,506
<b>Depreciation</b>			
At 1 May 2013	3,905	3,280	7,185
Charge for the year	700	414	1,114
Disposals	-	(30)	(30)
At 30 April 2014	4,605	3,664	8,269
<b>Net book value</b>			
At 30 April 2014	7,690	1,547	9,237
At 30 April 2013	8,374	1,834	10,208

# LAWRENCE GRAHAM LLP

## Notes to the accounts for the year ended 30 April 2014 (continued)

9	<b>Investments LLP – At cost</b>	<b>Investment in subsidiary undertakings £'000</b>
	At 1 May 2013	16
	Disposals	-
	Revaluation	(1)
		<u>15</u>

The LLP has the following investments in subsidiary undertakings:

	<b>Country of registration</b>	<b>Activity</b>	<b>Portion of ordinary Shares or Interest held</b>
Wragge Lawrence Graham & Co Services Limited (formerly Lawrence Graham Services Limited)	England & Wales	Provision of services	100%
Wragge Lawrence Graham & Co Monaco Holdings Limited (formerly FC Europe Limited and previously FC Europe)	England & Wales	Holding company	100%
Wragge Lawrence Graham & Co Trust Corporation Limited (formerly Lawrence Graham Trust Corporation)	England & Wales	Corporate trustee	100%
Wragge Lawrence Graham & Co Monaco SARL (formerly Lawrence Graham Monaco SARL)	Monaco	Legal Services	100%
Cranelaw Nominees	England & Wales	Corporate trustee	100%
Wragge Lawrence Graham & Co (CIS) LLP (formerly Lawrence Graham (CIS) LLP)	England & Wales	Legal Services	51%
WLG Private Limited (formerly The Family Business Advisory Group Limited)	Dubai	Legal Services	51%

# LAWRENCE GRAHAM LLP

## Notes to the accounts for the year ended 30 April 2014 (continued)

10	Work in progress	Group 2014 £'000	Group 2013 £'000	LLP 2014 £'000	LLP 2013 £'000
	Work in progress	359	291	345	285
<hr/>					
11	<b>Debtors</b>				
	Trade debtors	14,171	13,905	13,515	13,171
	Prepayments and accrued income	6,193	6,608	5,798	6,211
	Other debtors	1,578	873	1,556	738
		<hr/>	<hr/>	<hr/>	<hr/>
		21,942	21,386	20,869	20,120
<hr/>					
12	<b>Current asset investments</b>				
	Investment in listed securities	17	19	17	19
<hr/>					
13	<b>Creditors: amounts falling due within one year</b>				
	Bank loans	1,225	1,400	1,225	1,400
	Trade creditors	2,300	2,253	727	520
	Retirement benefits due to former partners	122	118	122	118
	Other creditors including taxation and social security	1,892	2,106	2,780	2,749
	Accruals and deferred income	1,420	1,588	1,090	1,590
		<hr/>	<hr/>	<hr/>	<hr/>
		6,959	7,465	5,944	6,377
<hr/>					
14	<b>Creditors: amounts falling due after more than one year</b>				
	Bank loans	5,525	6,750	5,525	6,750
	Retirement benefits due to former partners	742	814	742	814
	Other creditors	869	330	818	330
		<hr/>	<hr/>	<hr/>	<hr/>
		7,136	7,894	7,085	7,894
<hr/>					



# LAWRENCE GRAHAM LLP

## Notes to the accounts for the year ended 30 April 2014 *(continued)*

15	<b>Borrowings</b>	<b>Group 2014 £'000</b>	<b>Group 2013 £'000</b>	<b>LLP 2014 £'000</b>	<b>LLP 2013 £'000</b>
	Bank loans and overdrafts	6,750	8,150	6,750	8,150
		<hr/>	<hr/>	<hr/>	<hr/>
		6,750	8,150	6,750	8,150
		<hr/>	<hr/>	<hr/>	<hr/>
	Due within one year	1,225	1,400	1,225	1,400
	Due after one year	5,525	6,750	5,525	6,750
		<hr/>	<hr/>	<hr/>	<hr/>
		6,750	8,150	6,750	8,150
		<hr/>	<hr/>	<hr/>	<hr/>

Bank loans comprise £6,750,000 unsecured bank loan bearing interest at 2.5% above LIBOR.

16	<b>Other reserves</b>	
	<b>Group</b>	<b>£'000</b>
	At 1 May 2013	27
	Profit and loss account	14
	Transfer of reserves	51
		<hr/>
	At 30 April 2014	92
		<hr/>

# LAWRENCE GRAHAM LLP

## Notes to the accounts for the year ended 30 April 2014 *(continued)*

### 17 Reconciliation of members' interests – Group

	Members' capital	Loans and other debts due to members	Total	Deficit on defined benefit pension scheme	Other Reserves	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Members' interests: balance at 1 May 2013	11,024	6,213	17,237	-	27	17,264
Members' remuneration charged as an expense, including employment and retirement benefit costs	-	17,852	17,852	-	-	17,852
Profit for the financial year available for discretionary division among members	-	-	-	-	14	14
Members' interests after profit for the year	11,024	24,065	35,089	-	41	35,130
Deficit on defined benefit pension scheme	-	-	-	(447)	-	(447)
Unrealised actuarial loss on pension scheme	-	(681)	(681)	-	-	(681)
Transfer of reserves	-	-	-	-	51	51
Capital introduced by members	938	-	938	-	-	938
Repayments of capital	(1,492)	-	(1,492)	-	-	(1,492)
Drawings	-	(13,593)	(13,593)	-	-	(13,593)
Members' interests at 30 April 2014	10,470	9,791	20,261	(447)	92	19,906

# LAWRENCE GRAHAM LLP

## Notes to the accounts for the year ended 30 April 2014 *(continued)*

### 17 Reconciliation of members' interests – LLP

	Members' capital	Loans and other debts due to members	Deficit on defined benefit pension scheme	Total
	£'000	£'000	£'000	£'000
Members' interests: balance at 1 May 2013	11,024	6,213	-	17,237
Members' remuneration charged as an expense, including employment and retirement benefit costs	-	17,852	-	17,852
Members' interests after profit for the year	11,024	24,065	-	35,089
Deficit on defined benefit pension scheme	-	-	(447)	(447)
Unrealised actuarial loss on pension scheme	-	(681)	-	(681)
Capital introduced by members	938	-	-	938
Repayments of capital	(1,492)	-	-	(1,492)
Drawings	-	(13,593)	-	(13,593)
Members' interests at 30 April 2014	10,470	9,791	(447)	19,814

The LLP has undertaken that any repayments of capital to individual partners and former partners of the LLP and repayments of shareholders' loans in Lawrence Graham Monaco SARL will first be applied to repayment of any borrowings taken out in order to fund such individual partner's capital interests or shareholders' loans. At 30 April 2014 the total amount of these undertakings was £8,280,114 (2013:£8,943,843).

## LAWRENCE GRAHAM LLP

### Notes to the accounts for the year ended 30 April 2014 (continued)

#### 18 Pensions costs

##### Defined benefit scheme

The LLP operates a defined benefit scheme in the UK. A full actuarial valuation was undertaken at 31 December 2010 and updated to 30 April 2014 by a qualified independent actuary.

The major assumptions used by the actuary were:

	At 30 April 2014 % p.a. n/a	At 30 April 2013 % p.a. n/a	At 30 April 2012 % p.a. n/a	At 30 April 2011 % p.a. n/a	At 30 April 2010 % p.a. n/a
Rate of increase in salaries					
Rate of increase in pensions in payment	3.6	3.4	3.3	3.0	3.5
Discount rate	4.2	3.9	4.7	5.3	5.5
Inflation assumption	3.	3.2	3.1	3.3	3.5

	Expected rate of return 30 April 2014	Value at 30 April 2014 £'000	Expected rate of return 30 April 2013	Value at 30 April 2013 £'000	Expected rate of return 30 April 2012	Value at 30 April 2012 £'000	Expected rate of return 30 April 2011	Value at 30 April 2011 £'000	Expected rate of return 30 April 2010	Value at 30 April 2010 £'000
Equities & property	4.0%	4,813	4.0%	4,685	7.3%	4,172	7.3%	4,648	7.7%	4,546
Bonds	4.0%	7,532	4.0%	8,331	3.9%	7,417	3.9%	5,453	4.2%	4,925
Cash		-		-		-	0.5%	225	0.5%	-
Total market value of assets		12,345		13,016		11,589		10,326		9,471
Present value of scheme liabilities		(12,792)		(12,775)		(11,225)		(10,077)		(9,992)
Unrecognised (deficit)/surplus in scheme		(447)		241		364		249		(521)

# LAWRENCE GRAHAM LLP

## Notes to the accounts for the year ended 30 April 2014 (continued)

### 18 Pensions costs (continued)

Changes in the present value of the Scheme liabilities for the year ending 30 April 2013 are as follows:

	2014 £000's	2013 £000's
Present value of Scheme liabilities at beginning of period	12,775	11,225
Interest cost	487	516
Actuarial losses	98	1,512
Benefits paid	(568)	(478)
	<u>12,792</u>	<u>12,775</u>
Present value of Scheme liabilities at end of period		

Changes in the fair value of the Scheme assets for the year ending 30 April 2014 (with comparative figures for the year ending 30 April 2013) are as follows:

	2014 £000's	2013 £000's
Market value of Scheme assets at beginning of period	13,016	11,589
Expected return	487	463
Actuarial gains	(1,030)	975
Benefits paid	(568)	(478)
Contributions paid by the LLP	440	467
	<u>12,345</u>	<u>13,016</u>
Market value of Scheme assets at end of period		

Analysis of amount recognisable in statement of total recognised gains and losses (STRGL) for the year ending 30 April 2014 (with comparative figures for the year ending 30 April 2013) are as follows:

	2014 £000's	2013 £000's
Actual return less expected return on Scheme assets	(1,030)	975
Experience (loss) arising on Scheme liabilities	(371)	(9)
Changes in assumptions underlying the present value of Scheme liabilities	273	(1,503)
	<u>(1,128)</u>	<u>(537)</u>
Actuarial (loss) recognised in STRGL		

Cumulative amount of actuarial gains and losses recognised in STRGL for the year ending 30 April 2014 (with comparative figures for the year ending 30 April 2013) are as follows:

	2014 £000's	2013 £000's
Cumulative actuarial (loss) at beginning of period	(644)	(107)
Recognised during the period	(1,128)	(537)
	<u>(1,772)</u>	<u>(644)</u>
Cumulative actuarial (loss) at end of period		

# LAWRENCE GRAHAM LLP

## Notes to the accounts for the year ended 30 April 2014 (continued)

### 18 Pensions costs (continued)

Movement in (deficit)/surplus during the year ending 30 April 2014 are as follows:

	2014 £000's	2013 £000's
Surplus in Scheme at beginning of year	241	364
Expenses recognised in profit and loss	-	(53)
Contributions paid by the Firm	440	467
Actuarial (loss)	(1,128)	(537)
Unrecognised (deficit)/surplus in Scheme at the end of the year	(447)	241

Amounts for the current and previous four accounting periods are as follows:

	2014 £000's	2013 £000's	2012 £000's	2011 £000's	2010 £000's
Present value of Scheme liabilities	(12,792)	(12,775)	(11,225)	(10,077)	(9,992)
Market value of Scheme assets	12,345	13,016	11,589	10,326	9,471
Unrecognised surplus/(deficit) in the Scheme	(447)	241	364	249	(521)
Actual return less expected return on Scheme assets	(1,030)	975	813	348	884
Experience (loss)/gain arising on Scheme liabilities	(371)	(9)	(253)	327	93
Change in assumptions underlying present value of Scheme liabilities	273	(1,503)	(878)	(322)	(1,850)

### Defined contribution scheme

The LLP also makes contributions to the Lawrence Graham Group Pension Scheme, a defined contribution scheme membership that is made available to eligible employees and in addition makes contributions to the personal pension schemes of certain employees. Contributions made by the LLP are charged to profit in the year which they are payable. These amounted to £336,908 in the year ended 30 April 2014 (2013: £326,991).

### 19 Operating lease commitments

At 30 April 2014 the group had annual commitments under non cancellable operating leases as follows:

	2014 Land & Buildings £000's	2013 Land & Buildings £000's
For leases expiring:		
Within one year	17	10
In excess of five years	5,098	5,098
	5,115	5,108

# LAWRENCE GRAHAM LLP

## Notes to the accounts for the year ended 30 April 2014 *(continued)*

### 20 Transactions with related parties

Lawrence Graham (CIS) LLP and The Family Business Advisory Group Limited are related parties of Lawrence Graham LLP. During the year Lawrence Graham LLP entered into the following transactions with related parties:

	2014 £'000	2013 £'000
<b>Lawrence Graham (CIS) LLP</b>		
Sales of services	724	676
Purchases of services	40	81
<b>The Family Business Advisory Group Limited</b>		
Sales of services	148	403
Purchases of services	-	-
Provision for the related party bad debts	364	153

The following intercompany balances were outstanding:

	2014 £'000	2013 £'000
<b>Lawrence Graham (CIS) LLP</b>		
Amounts owed by related party	564	1
Amounts owed to related party	7	79
<b>The Family Business Advisory Group Limited</b>		
Amounts owed by related party	370	45

The LLP has relied upon the exemption given in Financial Reporting Standard No 8 'Related party disclosures' not to disclose transactions between itself and its subsidiaries undertakings where they are wholly owned.

### 21 Controlling party

In the opinion of the members there is no controlling party as defined by Financial Reporting Standard No 8 'Related party disclosures'.