

Bevan Brittan LLP

Members' report and financial statements

Registered number OC309219

Year ended 30 April 2021

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Report and Financial Statements 2021

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Report and Financial Statements 2021

Members' report

The members present their annual report and the audited financial statements for the year ended 30 April 2021.

Bevan Brittan LLP is a limited liability partnership registered in England and Wales with registered number OC309219. A list of members' names and of the non-members who are designated as partners is available for inspection at Kings Orchard, 1 Queen Street, Bristol BS2 0HQ which is also Bevan Brittan LLP's principal place of business and registered office. For more information about Bevan Brittan LLP, visit our website at www.bevanbrittan.com.

Principal activity

Bevan Brittan is a UK Top 100 commercial law firm providing a comprehensive range of legal services from offices in Bristol, London, Birmingham and Leeds. The firm advises over 1,400 businesses across construction, energy & resource management, higher education and financial services sectors, and is a market-leading law firm across Health and Social Care, Housing and Local and Central Government throughout the UK.

Business review

Bevan Brittan performed well during 2020/21 and increased revenue from £51.4m to £55.8m across a range of markets and has made good progress against its strategic priorities. Distributable profits increased from £11.1m to £15.3m.

Whilst growing the revenue generated with our established markets of Local Government, Housing and Health and Social Care, the firm continued its strategy to increase the number of clients within our emerging markets, such as Energy & Resource Management, Financial Services, Construction and Higher Education, which now represent 30% of total revenue.

1. Health and social care

Bevan Brittan's award winning, multi-disciplinary health and social care team, including over 60 partners and 200 lawyers specialising in providing corporate and commercial, healthcare law and litigation, clinical negligence, regulatory, employment, procurement and property legal advice.

As one of the UK's leading health and social care legal and regulatory advisors, the firm advises over 170 independent health and social care providers and suppliers and 60% of all NHS Trusts and Commissioners.

The firm proactively delivers market-leading healthcare transactional advice and support, providing strategic thinking, ideas and creative solutions based on a foundation of business partnership, market understanding and commercial strength. Across the NHS, it offers bespoke solutions for the procurement, funding and delivery of new clinical and non-clinical facilities through a range of bespoke joint venture or partnering arrangements for NHS Trusts. In 2020, Bevan Brittan supported the delivery of several NHS 'Nightingale' Hospitals and UK Covid-19 vaccination hubs.

The firm is ranked Band 1 by both the Chambers & Partners and Legal 500 directories for its national healthcare practice. In 2020, the firm was recognised for the fourth consecutive year at the prestigious *HealthInvestor Awards*, winning the 'Legal Advisors of the Year – Transactional' award.

Report and Financial Statements 2021

Members' report (continued)

Business review (continued)

The firm's Independent Health and Social Care practice advises an extensive range of clients including large national and international health and social care operators, SMEs and owner managed businesses, plus start-ups, scale-ups, new entrants, funders, investors and suppliers. The firm acts for established operators, alongside digital health, med tech and life science businesses, as well as major insurers and brokers including Schoen Clinic and Barchester Healthcare.

2. Housing

The firm grew its Social Housing practice, adding three new partners to its Housing Banking & Finance Team. Bevan Brittan advises over 70 Housing Associations on the delivery of housing developments and housing management services. Among them are some of the largest Housing Associations in the country, including members of London's G15 group, such as Catalyst Housing Group, Peabody and L&Q.

In 2020/21, Bevan Brittan advised G15 housing association Catalyst Housing Group on its partnership with Rosebery Housing Association. It also advised one of London's oldest and largest housing associations, Peabody, on a complex corporate acquisition which paves the way for around 3,100 new homes at Dagenham Dock.

Recognising the firm's significant contribution to supporting major property development projects in the South West, in 2020 the firm was named Law Firm of the Year at the Insider South West Property Awards and also won the Legal category at the Bristol Property Awards. The judges singled out the firm for the scale and quality of its work, including a number of pro-bono projects over the last 12 months.

The firm also supported the Bristol Housing Festival and Festival of Sustainable Business, which showcased innovative new methods of delivering energy efficient housing schemes.

3. Central and Local Government and agencies

The Central and Local Government practice provided extensive commercial, governance, property and sensitive employment advice. The firm supported a significant number of urban regeneration schemes within the North West, the Midlands and several London Boroughs.

Bevan Brittan has acted for every local authority in England (over 325), advising on regular legal work such as tribunals, regeneration and procurement, as well as on innovative ways of responding to financial austerity. It continues to serve on the CCS Wider Public Sector framework, as well as advising authorities on all other major frameworks, including EMLawShare, the North West Legal Consortium and the London Borough Legal Alliance.

4. Emerging Markets

The firm now advises over 1,400 clients and has seen extensive growth within its emerging market areas of energy and resource management, higher education, construction and financial services. Within energy and resource management, Bevan Brittan has advised on major district heat network projects, while clients such as Viridor come to the firm for commercial and procurement legal and regulatory advice. Its large, growing construction practice advises local authorities on significant regeneration projects as well as a number of construction developers and subcontractors including Wates Construction. Within higher education, the firm already advises several UK universities and in 2020 was appointed to the London Universities Purchasing Consortium (LUPC) legal framework. Among Bevan Brittan's renowned Financial Services clients are the NS&I Bank and leading UK regulatory body the Financial Conduct Authority (FCA).

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Members' report (continued)

Business review (continued)

5. Responsible Business

As a Responsible Business, Bevan Brittan has a Board-level strategic focus on supporting its staff and the communities it serves within each of its regional office locations. The firm is proud of its inclusive culture, where there are opportunities for all to progress and takes seriously its responsibilities to do the right thing by its clients, colleagues and communities.

As part of the firm's Responsible Business programme, the firm offers staff wellbeing support in partnership with Vitality, has a dedicated Environmental Sustainability programme, including the aim to become carbon neutral in 2021. To further drive engagement and awareness of support across the firm, Bevan Brittan has appointed trained Mental Health First Aiders, alongside Equality, Diversity & Inclusion, Wellbeing and Green Ambassadors.

In addition Bevan Brittan supports the communities it works within with pro bono legal support and advice and in 2020 donated over £40,000 to its four local office charities to support them.

Going Concern

Management have prepared forecasts through to April 2023 showing the LLP's expected levels of trading performance and cash reserves, factoring-in our knowledge of how the LLP has traded historically and through the Covid-19 pandemic to date. The members also considered an adverse scenario where revenue experiences a decline of 7% and lock-up deteriorates compared to current trading performance, but even under such scenario the LLP is able to operate comfortably within its existing bank facilities. The members therefore continue to believe it is appropriate to adopt the going concern basis in preparing the financial statements (note 1).

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Members' report (continued)

Designated Members

The designated members (as defined in the Limited Liability Partnerships Act 2000) during the year and to the date of this report were as follows:

Mark Calverley
Virginia Cooper (appointed 01/05/21)
Joanne Easterbrook (resigned 30/04/21)
Tim Hodgetts
Adam Kendall
Louise Robling (appointed 01/05/21)
Jodie Sinclair
Andrew Tobin (resigned 30/04/21)
Jonathan Turner
Duncan Weir

Charitable donations

Bevan Brittan continues to be committed to corporate responsibility and charitable giving. The LLP and staff made donations through a number of fundraising events over the year. The LLP itself contributed £40,000 (2020: £24,953) which comprised a £10,000 donation to each of its four local office charities last Christmas to support them at a demanding time of year.

As noted in the business review, the firm also supports the communities it works within with pro bono legal support and advice.

Policy regarding Members' Drawings and Capital

Members are remunerated solely out of the profits of the LLP.

Capital

The capital requirements of the LLP are determined from time to time by the board. At present, capital is subscribed on a graduating system of £40,000 for fixed share consultant members, and full equity members on a sliding scale between £75,000 and £250,000. Capital is repaid within 24 months of the date members cease to be members.

Allocation of profits and drawings

The LLP has discretion over when and how to divide profits. During the year, the membership has formally allocated profits relating to prior periods. No other profits have been formally allocated. Unallocated profits will be formally divided when the Board decides it is appropriate to do so.

Any tax liability due on these profit allocations is the responsibility of the individual members. However the LLP retains from the members' profit entitlement the tax due on these profits and pays this over to the relevant tax authorities on behalf of all the members at the appropriate times during the year.

Where the cash requirements of the business conflict with that of the need to pay monthly drawings, the membership policy is to meet the needs of the business commitments, then to discharge any amounts available to the members, without compromise to the business' cash position.

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Members' report (continued)

Policy regarding Members' Drawings and Capital (continued)

Where members have a contractual entitlement to remuneration, these payments are shown in the profit and loss account as 'Members remuneration charged as an expense' in accordance with the LLP Statement of Recommended Practice (SORP). Further details are contained within Note 1.

Employees

It is the LLP's policy to employ the most suitably qualified people, regardless of sex, age, sexual orientation, ethnic origin or religion. The LLP encourages the employment and career development of disabled people and the development and training of those employees who became disabled while in the LLP's employment.

The LLP regularly reviews its responsibilities for the health, safety and welfare of its employees.

The LLP recognises the benefit of keeping employees informed of the business' performance and updates employees by regular communicative reports.

Disclosure of information to auditor

The members who held office at the date of approval of this members' report confirm that, so far as they are each aware, there is no relevant audit information of which the LLP's auditor is unaware; and each member has taken all the steps that they ought to have taken as a member to make themselves aware of any relevant audit information and to establish that the LLP's auditor is aware of that information.

Auditor

During the year the members re-appointed KPMG LLP as auditor of the Limited Liability Partnership.

Approved by the Members and signed on their behalf by:



Duncan Weir
Managing Partner and Designated Member

Kings Orchard
1 Queen Street
Bristol
BS2 0HQ

04 October 2021

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Streamlined Energy and Carbon Report

The members present their Streamlined Energy and Carbon Report for the year ended 30 April 2021.

Members

The designated members during the year and to the date of this report are shown in the members report. A full list of the LLP's members can be obtained from our Annual Return filed at Companies House.

Metrics

The LLP has chosen to adopt the intensity ratio of CO₂ per employee, which we consider to be appropriate for a professional services firm.

Environmental performance

CHG emissions and energy use data for the period 1 May 2020 to 30 April 2021:

	2021	2020
Energy used to calculate emissions (kWh)	1,271,781	1,929,890
Emissions from combustion of gas (tCO ₂ e)	23	46
Emissions from combustion of fuel for transport purposes (tCO ₂ e)	1	9
Emissions from purchased electricity (tCO ₂ e)	267	383
Total Gross emissions (tCO₂e)	291	438
Intensity ratio: tCO ₂ e / FTE	0.61	0.94

tCO₂e represents metric tonnes of Carbon Dioxide Equivalent

Methodology

The members have calculated the above greenhouse gas emission estimates to cover all material sources of emissions for which the LLP is responsible. The methodology used was that of the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (revised edition, 2015). Responsibility for emissions sources was determined using the operational control approach. All emissions sources required under The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 are included.

This estimate covers all of the LLP's operations that are included in the financial statements and the offices leased to conduct these operations. Raw data in the form of utility invoices and employee/partner mileage claims has been used to estimate the energy and carbon used during the last financial year. Energy was converted to greenhouse gas estimates using the UK Government's GHG Conversion Factors for Company Reporting 2019.

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Streamlined Energy and Carbon Report (continued)

Energy efficiency action:

In 2021 we will attain ISO14011 accreditation and become Carbon Neutral, following the PAS2060 Environmental standards and offsetting our carbon footprint using Gold Standard accredited schemes in the UK and abroad.

We have an Environmental Sustainability Lead and Programme, supported by environmental consultants, Future Leap. We measure the environmental impact of our carbon footprint and we have in place measures to reduce our environmental impact. We:

- Operate a 'paper-lite' policy to reduce paper consumption. Our electronic document management system has eliminated the need for paper. In 2020 we implemented a paperless billing system, saving 90,000 pieces of paper each month.
- Promoting sustainable travel: less than 10% of our business travel takes place by air or car.
- Ensured our London, Leeds and Bristol office refurbishments focussed on minimising energy and water consumption - our LED lighting solution reduced energy usage by two thirds for the same size area.
- Promote recycling with ample facilities enabling staff to recycle and only use fair-trade products in our kitchens.
- Donate all redundant IT hardware for re-use in developing countries through the "IT Schools Africa" scheme.
- Implemented Green Ambassadors, with 28 colleague volunteers championing the firm's environmental programme.

Approval

This Streamlined Energy and Carbon Report was approved on behalf of the LLP's members (a list of the LLPs members can be obtained from our Annual Return filed at Companies House) and was approved on their behalf by:



Duncan Weir
Managing Partner and Designated Member
Date: 04 October 2021

Report and Financial Statements 2021

Statement of members' responsibilities in respect of the Members' report and the financial statements

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

The Limited Liability Partnerships (Accounts & Audit) (Application of Companies Act 2006) Regulations 2008 require 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 Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

Under Regulation 8 of the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 the members 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 LLP and of the profit or loss of the LLP for that period. In preparing these financial statements, the members are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and 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;
- assess the LLP's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the LLP or to cease operations, or have no realistic alternative but to do so.

Under Regulation 6 of the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008, the members are responsible for keeping adequate accounting records that are sufficient to show and explain the LLP's transactions and disclose with reasonable accuracy at any time the financial position of the LLP and enable them to ensure that its financial statements comply with those regulations. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the LLP and to prevent and detect fraud and other irregularities.

Report and Financial Statements 2021

Independent auditor's report to the members of Bevan Brittan LLP

We have audited the financial statements of Bevan Brittan LLP ("the LLP") for the year ended 30 April 2021 which comprise the Statement of comprehensive income, the Statement of changes in equity, the Statement of financial position, the Cash flow statement, and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view, of the state of affairs of the LLP as at 30 April 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 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 as applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the LLP in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The members have prepared the financial statements on the going concern basis as they do not intend to liquidate the LLP or to cease its operations, and as they have concluded that the LLP's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the members' conclusions, we considered the inherent risks to the LLP's business model and analysed how those risks might affect the LLP's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the members' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the members' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the LLP's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the LLP will continue in operation.

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Independent auditor's report to the members of Bevan Brittan LLP (continued)

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of members, management, internal audit and inspection of policy documentation as to the LLP's high-level policies and procedures to prevent and detect fraud, including the internal audit function, and the LLP's channel for "whistleblowing", as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board and audit committee minutes.
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, and taking into account our overall knowledge of the control environment, we perform procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition, in particular the risk of bills raised either-side of year end which could recognise revenue in the wrong period or from the recognition of amounts to be billed to clients which are deemed recoverable when they are not and the risk that management may be in a position to make inappropriate accounting entries.

We did not identify any additional fraud risks.

We performed procedures including:

- Identifying journal entries and other adjustments to test based on risk criteria and comparing the identified entries to supporting documentation. These included those posted to Revenue and Amounts to be billed to clients with an unexpected opposing entry.
- Obtained evidence to support the recognition of unbilled revenue in the accounting period for a sample of engagements. We also performed a retrospective review of the recoverability of unbilled revenue from previous periods to inform our assessment of recovery rates at year end. We also vouched a sample of invoices raised either side of year end to supporting documentation to ensure recognition of billed revenue in the correct period.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, through discussion with the members and other senior management (as required by auditing standards), and discussed with the members and other senior management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

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Independent auditor's report to the members of Bevan Brittan LLP (continued)

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the LLP is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation as applied to LLPs) and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the LLP is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: health and safety, anti-bribery and employment law. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the members and other management and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

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Independent auditor's report to the members of Bevan Brittan LLP (continued)

Other information

The members are responsible for the other information, which comprises the members' report and the Energy and Carbon report. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work, we have not identified material misstatements in the other information.

Matters on which we are required to report by exception

Under the Companies Act 2006 as applied to limited liability partnerships we are required 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
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

Members' responsibilities

As explained more fully in their statement set out on page 8, the members are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the LLP'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 they either intend to liquidate the LLP or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

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Independent auditor's report to the members of Bevan Brittan LLP (continued)

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the members of the LLP, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, as required by Regulation 39 of 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 LLP'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 LLP and the LLP's members, as a body, for our audit work, for this report, or for the opinions we have formed.



Matthew Britton (Senior Statutory Auditor)

for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

66 Queen Square

Bristol

BS1 4BE

United Kingdom

6 October 2021

Report and Financial Statements 2021

Statement of comprehensive income for the year ended 30 April 2021

	Note	2021 £000	2020 £000
Turnover		55,750	51,385
Operating expenses	2	(39,748)	(39,436)
Operating profit	3	16,002	11,949
Interest receivable and similar income	5	1,184	395
Interest payable & similar charges	6	(1,240)	(553)
Profit for the financial year before members' remuneration and profit shares		15,946	11,791
Members' remuneration charged as an expense	8	(623)	(729)
Profit for the financial year available for discretionary division among members		15,323	11,062

All results relate to continuing activities.

There was no other comprehensive income arising in the current or comparative year.

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Statement of changes in equity for the year ended 30 April 2021

	Loans and other debts due to members £000			Members' other interests £000	Total members' interests £000
	Members' capital £000	Other amounts £000	Total £000		
Members' interests at 1 May 2019	4,782	1,091	5,873	9,766	15,639
Members' remuneration charged as an expense	-	729	729	-	729
Profit for the year available for discretionary division among members	-	-	-	11,062	11,062
Members' interests after profit for the year	4,782	1,820	6,602	20,828	27,430
Other divisions of profit in the year	-	9,766	9,766	(9,766)	-
Introduced by members	410	-	410	-	410
Repayment of capital	(95)	-	(95)	-	(95)
Drawings and distributions	-	(10,773)	(10,773)	-	(10,773)
Other movements	-	(287)	(287)	-	(287)
Members' interests at 30 April 2020	5,097	526	5,623	11,062	16,685

	Loans and other debts due to members £000			Members' other interests £000	Total members' interests £000
	Members' capital £000	Other amounts £000	Total £000		
Members' interests at 1 May 2020	5,097	526	5,623	11,062	16,685
Members' remuneration charged as an expense	-	623	623	-	623
Profit for the year available for discretionary division among members	-	-	-	15,323	15,323
Members' interests after profit for the year	5,097	1,149	6,246	26,385	32,631
Other divisions of profit in the year	-	11,062	11,062	(11,062)	-
Introduced by members	295	-	295	-	295
Repayment of capital	(135)	-	(135)	-	(135)
Drawings and distributions	-	(11,260)	(11,260)	-	(11,260)
Members' interests at 30 April 2021	5,257	951	6,208	15,323	21,531

Loans and other debts due to members would rank pari passu, in the event of a winding up, with other creditors.

Report and Financial Statements 2021

Statement of financial position
as at 30 April 2021

	Note	2021 £000	2020 £000
Fixed assets			
Intangible assets	11	372	842
Tangible assets	10	3,840	3,147
		<u>4,212</u>	<u>3,989</u>
Current assets			
Debtors	12	22,881	22,308
Cash at bank and in hand		4,932	3,314
		<u>27,813</u>	<u>25,622</u>
Creditors: amounts falling due within one year	13	(8,813)	(11,065)
Net current assets		<u>19,000</u>	<u>14,557</u>
Total assets less current liabilities		23,212	18,546
Creditors: amounts falling due after more than one year	14	-	(696)
Provisions for liabilities	15	(1,681)	(1,165)
NET ASSETS ATTRIBUTABLE TO MEMBERS		<u>21,531</u>	<u>16,685</u>
REPRESENTED BY:			
Loans and other debts due to members			
Members' capital classified as a liability		5,257	5,097
Other amounts		951	526
		<u>6,208</u>	<u>5,623</u>
Equity			
Members' other interests – other reserves classified as equity		15,323	11,062
TOTAL MEMBERS' INTERESTS		<u>21,531</u>	<u>16,685</u>

The financial statements of Bevan Brittan LLP, registered number OC309219, were approved by the Members on 04 October 2021

Signed on behalf of the Members



Duncan Weir
Managing Partner and Designated Member

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Cash flow statement

Year ended 30 April 2021

	2021 £000	2020 £000
Net cash inflow from operating activities		
Profit for the financial year after members' remuneration charged as an expense	15,323	11,062
Adjustments for:		
Members' remuneration charged as an expense	623	729
Interest receivable and similar income	(1,184)	(395)
Interest payable and similar expenses	1,240	553
Depreciation / Amortisation	1,184	1,122
Increase in provisions	516	42
(Decrease) / Increase in creditors	(1,583)	2,433
Increase in debtors	(311)	(1,835)
Interest paid	(586)	(553)
Net cash flows from operating activities before transactions with members	15,222	13,158
Decrease in amounts due from members	(262)	(307)
Payments to and on behalf of members	(11,260)	(10,773)
	<u>3,700</u>	<u>2,078</u>
Net cash from investing activities		
Interest received	13	108
Acquisition of tangible fixed assets	(1,368)	(457)
Acquisition of intangible assets	(39)	(73)
	<u>(1,394)</u>	<u>(422)</u>
Net cash from financing activities		
Capital introduced by members	295	410
Capital repayments to members	(135)	(95)
Repayment of swap	(654)	-
Drawdown of bank loans	-	194
Repayment of bank loans	(194)	-
	<u>(688)</u>	<u>509</u>
Net increase in cash and cash equivalents	1,618	2,165
Cash and cash equivalents at 1 May	3,314	1,149
Cash and cash equivalents at 30 April	<u>4,932</u>	<u>3,314</u>

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Notes to the Financial Statements

Year ended 30 April 2021

1. Accounting policies

The principal accounting policies used in the preparation of the financial statements, which have been consistently applied in the current and preceding financial years, are as follows:

Basis of preparation

These financial statements present information about the LLP as an individual undertaking, not about its group. Section 405(2) of the Companies Act 2006 permits an individual subsidiary to be excluded from consolidation if its inclusion is not material for the purpose of giving a true and fair view. It also states that two or more undertakings may be excluded only if they are not material taken together. The LLP has chosen to take advantage of this section of the Act not to produce consolidated financial statements on the basis of immateriality.

These financial statements were prepared in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard* applicable in the UK and Republic of Ireland ("*FRS 102*") and The Statement of Recommended Practice, 'Accounting by Limited Liabilities Partnerships' issued in December 2018. All amounts in the financial statements are presented in £ thousands.

The financial statements are prepared on the historical cost basis except that derivative financial instruments are stated at their fair value.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Judgements made by the members, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in Note 21.

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements, except as noted below.

Going concern

Management have prepared forecasts through to April 2023 showing the LLP's expected levels of trading performance and cash reserves, factoring-in our knowledge of how the LLP has traded historically and through the Covid-19 pandemic to date. The members also considered an adverse scenario where revenue experiences a decline of 7% and lock-up deteriorates compared to current trading performance, but even under such scenario the LLP is able to operate comfortably within its existing bank facilities. The members therefore continue to believe it is appropriate to adopt the going concern basis in preparing the financial statements.

Report and Financial Statements 2021

Notes to the Financial Statements (continued)

Year ended 30 April 2021

Turnover

Turnover represents the right to consideration earned in respect of legal services performed during the year through performance of contractual obligations, net of any sales tax and discounts given to clients and excludes disbursements charged on to clients. Turnover is based on recorded time spent, skills and expertise provided and billed in accordance with the contractual arrangements with each client. All income arises within the UK. Also included in turnover is income from sub-leases, the value of which is disclosed in Note 3. Rental income is invoiced periodically in advance and recognised in the period to which leases relate.

Unbilled fee income is included as Amounts to be billed to clients within debtors. Fee income recognised in this manner is included where the right to consideration has been obtained and valued based on an assessment of the fair value of the services provided at the balance sheet date, allowing for any unrecoverable amounts.

Contingent fee Income

Provision is made against unbilled amounts on those engagements where the right to receive payments is contingent on factors outside the control of the LLP and the probability of that event is uncertain.

Amounts to be billed to clients

Services provided during the year to clients, which at the balance sheet date have not been billed to clients, have been recognised as revenue. Revenue recognised in this manner is based on an assessment of the fair value of services provided at the balance sheet date as a proportion of the total value of the engagement. 'Amounts to be billed to clients' is included in debtors. Amounts invoiced in advance are included in accruals and deferred income.

Report and Financial Statements 2021

Notes to the Financial Statements (continued)

Year ended 30 April 2021

Interest receivable and Interest payable

Interest payable and similar charges include interest payable, unwinding of the discount on provisions, and net foreign exchange losses that are recognised in the profit and loss account.

Other interest receivable and similar income include interest receivable on funds invested and net foreign exchange gains.

Interest income and interest payable are recognised in the Statement of comprehensive income as they accrue, using the effective interest method. Foreign currency gains and losses are reported on a net basis.

Defined contribution plans and other long term employee benefits

A defined contribution plan is a post-employment benefit plan under which the company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the profit and loss account in the periods during which services are rendered by employees.

Investments

Fixed asset investments are stated at cost less provisions for impairment

Intangible fixed assets

Intangible assets are stated at cost, net of amortisation and any provision for impairment. Amortisation is provided at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

Software – 4 years

Assets not yet brought into use are classed as Assets under Construction and are not amortised until they are brought into use.

Tangible fixed assets

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

Leasehold buildings – life of lease

Fixtures and fittings, computer equipment – 3-4 years

Depreciation methods, useful lives and residual values are reviewed where there is an indication of a significant change since the last annual reporting date in the pattern by which the LLP expects to consume an asset's future economic benefits.

Report and Financial Statements 2021

Notes to the Financial Statements (continued)

Year ended 30 April 2021

Cash and cash equivalents

Cash, for the purposes of the cash flow statement, comprises cash in hand and deposits repayable on demand, less overdrafts payable on demand. Liquid resources are current asset investments which are disposable without curtailing or disrupting the business and are either readily convertible into known amounts of cash at or close to their carrying values or traded in an active market. Liquid resources comprise term deposits of less than one year (other than cash).

Leases

Operating lease rentals are charged to the Statement of comprehensive income in equal amounts over the lease term. Lease incentives are recognised in the Statement of comprehensive income over the lease term, or up to the break point date, as an integral part of the total lease expense.

Dilapidations

Provision is made for dilapidations in respect of property leases which contain a requirement for the property to be returned to their original condition prior to the conclusion of the lease. Dilapidation provisions are accumulated on a straight line basis starting from a point in time 12 years prior to the end of the lease term, or over the full term of the lease, whichever is shorter.

Provision for liabilities

Provisions are recognised when the LLP has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be estimated reliably. Provisions are recognised using reliable estimates of the amounts required to settle obligations at the reporting date.

Onerous Leases

Provision is made for the present value of foreseeable lease commitments in respect of property leases, net of expected sub-let income, where the income receivable is lower than the head lease commitment. Onerous leases include leases representing property which will become redundant as a result of steps to which the LLP is demonstrably committed.

Capital

The capital requirements of the LLP are determined from time to time by the Board. At present, capital is subscribed on a graduating system of £40,000 for fixed share consultant members, and on a sliding scale between £75,000 and £250,000 for full equity members. Capital is repaid within 24 months of the date members cease to be members. Once members cease to be members amounts unpaid are shown within other creditors.

Report and Financial Statements 2021

Notes to the Financial Statements (continued)

Year ended 30 April 2021

Allocation of profits and drawings

The LLP has discretion over when to divide profits. During the year the membership has formally allocated profits relating to prior periods. No other profits have been formally allocated. Unallocated profits will be formally divided when the Board decides it is appropriate to do so.

During the period members received monthly drawings. Monthly drawings represent payments on account of current period profits and are reclaimable from members until profits have been formally allocated by the Board. These are shown in debtors under Amounts due from members.

Certain members have contractual elements of remuneration that are not discretionary. These elements are shown in the Statement of comprehensive income as 'Members' remuneration charged as an expense' and represent a liability of the LLP.

Taxation

The taxation payable on the profits of the LLP is the personal liability of the members during the period under consideration and consequently neither taxation nor related deferred taxation are accounted for in the financial statements. Amounts retained in respect of members' personal tax liabilities are treated in the same way as other profits of the LLP and are so included in "Members interests" or in "Loans and other debts due to members" depending on whether or not an allocation of profits has occurred.

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Report and Financial Statements 2021

Notes to the Financial Statements (continued)

Year ended 30 April 2021

2. Operating expenses

	2021 £000	2020 £000
Staff Costs (Note 4)	24,347	23,549
Depreciation and Amortisation (Note 3, 10 & 11)	1,184	1,122
Other operating expenses	14,217	14,765
	39,748	39,436

3. Operating profit

	2021 £000	2020 £000
Operating profits after charging / (crediting):		
Depreciation of tangible fixed assets		
Owned assets	664	618
Amortisation of Intangible fixed assets		
Owned assets	520	504
Rentals under operating leases		
Other operating leases	2,914	2,890
Auditor's remuneration		
Audit of these financial statements	53	47
Amounts receivable by auditor and their associates in respect of:		
Audit related assurance services	42	41
Services related to taxation	-	19
Income from sub-lets, included in turnover	(1,152)	(1,077)

Report and Financial Statements 2021

Notes to the Financial Statements (continued)

Year ended 30 April 2021

4. Staff costs and employee information

	2021 £000	2020 £000
Employee costs (excl. Members' remuneration charged as an expense) during the year amounted to:		
Wages and salaries	19,980	19,560
Social security costs	2,214	1,969
Pension costs (Note 18)	2,153	2,020
	<u>24,347</u>	<u>23,549</u>

Average Headcount Numbers

	2021 No	2020 No
Members	46	43
Fee earners	243	233
Trainees	27	28
Support staff	164	162
	<u>480</u>	<u>466</u>

5. Interest receivable and similar income

	2021 £000	2020 £000
Bank interest receivable	13	108
Net gain on financial instruments measured at fair value through profit or loss	1,171	287
	<u>1,184</u>	<u>395</u>

Report and Financial Statements 2021

Notes to the Financial Statements (continued)

Year ended 30 April 2021

6. Interest payable and similar charges

	2021 £000	2020 £000
Bank interest payable	56	74
Interest payable in respect of SWAP	523	473
Settlement of SWAP	654	-
Unwind of discount on provisions	2	4
Payments to clients	5	2
	<u>1,240</u>	<u>553</u>

Net interest payable excludes interest payable to members, which is included within "Members' drawings".

As disclosed in note 20, the swap was settled in full during the year with the resulting gain in fair value disclosed in Interest Receivable and Similar income (note 5).

7. Members' share of profits

The average number of members during the year was 46 (2020: 43).

The profit of the highest paid member depends on the allocation of the performance related bonus pool, which at the date of signing the accounts had still to be finalised. Excluding this element the profit share of the highest paid member in the year to 30 April 2021 was £246k (2020 - £246k). This also excludes interest distributed on members' current account balances, as the members consider this not to be an allocation of profits. The full payment of the highest paid member including performance related bonus in the year to 30 April 2020 was £698k.

8. Members' remuneration charged as an expense

In accordance with the requirements of the Statement of Recommended Practice '*Accounting by Limited Liability Partnerships*' all outflows of benefits to members are treated as members' remuneration, with the exception of amounts paid to fixed share consultant members that is treated as members remuneration charged as an expense. No members are engaged or remunerated under an employment contract (2020 – £Nil).

Report and Financial Statements 2021

Notes to the Financial Statements (continued)

Year ended 30 April 2021

9. Fixed asset investments

The principal companies in which the firm had an interest of more than 20% during the period are listed below:

Subsidiary	Principal Activity	Class and percentage of shares held
K O Facilities Limited	Dormant	100% £1 ordinary shares

The full registered address of the subsidiary is the same as that of the LLP as disclosed on page 1. The cost of investments in these subsidiary undertakings at the start of the year was £1 (2020: £1).

An application to remove K O Facilities Limited from the register of companies was submitted on 2 April 2020, and was formally dissolved on the 6 October 2020. As such there were no investments as at 30 April 2021.

10. Tangible fixed assets

	Buildings leasehold Improvements	IT Equipment	Fixtures, fittings, tools and equipment	Total
	£000	£000	£000	£000
Cost				
At 1 May 2020	6,007	1,076	794	7,877
Additions	1,241	116	11	1,368
Re-classify to Intangible assets	-	(29)	-	(29)
Disposals	-	-	-	-
At 30 April 2021	7,248	1,163	805	9,216
Accumulated depreciation				
At 1 May 2020	3,579	847	304	4,730
Charge for the year	480	140	44	664
Re-classify to Intangible assets	-	(18)	-	(18)
Removed on disposal	-	-	-	-
At 30 April 2021	4,059	969	348	5,376
Net book value				
At 30 April 2021	3,189	194	457	3,840
At 30 April 2020	2,428	229	490	3,147

Report and Financial Statements 2021

Notes to the Financial Statements (continued)

Year ended 30 April 2021

11. Intangible fixed assets

	IT Software	Total
	£000	£000
Cost		
At 1 May 2020	2,029	2,029
Additions	39	39
Re-classify from Tangible assets	29	29
Transfers	-	-
At 30 April 2021	2,097	2,097
Accumulated amortisation		
At 1 May 2020	1,187	1,187
Charge for the year	520	520
Re-classify from Tangible assets	18	18
At 30 April 2021	1,725	1,725
Net book value		
At 30 April 2021	372	372
At 30 April 2020	842	842

Report and Financial Statements 2021

12. Debtors

	2021 £000	2020 £000
Trade debtors	13,431	12,953
Amounts to be billed to clients	3,928	3,588
Amounts due from members	2,923	2,661
Prepayments and other debtors	2,599	3,106
	<u>22,881</u>	<u>22,308</u>

All amounts are due within one year.

Amounts due from members represents payments on account of current period profits and are reclaimable from members until profits have been formally allocated by the Board

Report and Financial Statements 2021

Notes to the Financial Statements (continued)

Year ended 30 April 2021

13. Creditors: amounts falling due within one year

	2021 £000	2020 £000
Bank loans and overdrafts	-	194
Trade creditors	2,529	2,796
Other creditors	449	396
Taxation and Social Security	1,613	3,123
Accruals and deferred income	3,794	3,755
SWAP liability (Note 20)	-	475
Holiday pay accrual	428	326
	<u>8,813</u>	<u>11,065</u>

The comparative 2020 figure for Taxation and Social Security includes VAT (£1,978k) and PAYE (£522k) payments deferred until January 2021 and June 2020 respectively as part of the UK Governments Covid-19 business support scheme. These were paid on time in accordance with the scheme during the current period. There are no similar deferred payments included in the 2021 figure.

14. Creditors: amounts falling due after more than one year

	2021 £000	2020 £000
SWAP liability (note 20)	-	696
	<u>-</u>	<u>696</u>

Borrowing Facilities

As at 30 April 2021 the LLP had an overdraft facility of £3.0m that is undrawn at year end.

The LLP also has a 2nd overdraft facility of £2.0m that was used to fund office refurbishment projects at its Bristol office. This facility was undrawn at year end.

In addition, the LLP has a rolling credit facility of £3m which was taken out in response to the Covid-19 pandemic to provide additional headroom should it be needed. This facility is available for 3 years from August 2020, but has not been utilised to date and our forecasting doesn't anticipate any drawdown on this facility.

Security

All members' capital contributions are the personal responsibility of the members. The LLP guarantees to pay any capital repayments and interest due for any member, which remains unpaid at the date when they retire from the LLP, or in the unlikely event that the member defaults.

Report and Financial Statements 2021

Notes to the Financial Statements (continued)

Year ended 30 April 2021

15. Provisions for liabilities

	Onerous leases £000	Dilapidations £000	Professional indemnity £000	Total £000
At beginning of year	122	817	226	1,165
Utilised during year	(70)	(90)	(12)	(172)
Additional amounts provided	-	636	50	686
Unwinding of discount	2	-	-	2
At end of year	54	1,363	264	1,681

The expected timing of such provisions is as follows:

	Onerous leases £000	Dilapidations £000	Professional indemnity £000	Total £000
Within one year	54	-	264	318
Within two to five years	-	-	-	-
After five years	-	1,363	-	1,363
	54	1,363	264	1,681

The professional indemnity provision is included to cover estimated excess elements of claims arising as a result of claims against Bevan Brittan LLP.

Report and Financial Statements 2021

Notes to the Financial Statements (continued)

Year ended 30 April 2021

16. Operating lease commitments

(a) Total commitments under non-cancellable operating leases are as follows:

	2021	2020
	Land and buildings £000	Land and buildings £000
Lease commitments due:		
Within one year	2,754	2,698
Within two to five years	10,740	10,534
After five years	4,097	6,721
	<u>17,591</u>	<u>19,953</u>

(b) Leases as lessor

The future minimum lease payments receivable under non-cancellable leases are as follows:

	2021	2020
	Land and buildings £000	Land and buildings £000
Within one year	1,002	967
Within two to five years	2,409	1,881
After five years	310	-
	<u>3,721</u>	<u>2,848</u>

During the year £nil (2020: £nil) of contingent rent was recognised as income by the LLP.

17. Capital Commitments

As at 30 April 2021 the LLP had no capital commitments (2020: £824,000)

18. Employee benefits

Bevan Brittan LLP operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the LLP in an independently administered fund. Contributions payable by the LLP amounted to £2,153k in the year (2020: £2,020k) and are included in the profit and loss account. At 30 April 2021 there was £197k due to the scheme (2020: £181k) - Included within creditors falling due within one year in the balance sheet.

Report and Financial Statements 2021

Notes to the Financial Statements (continued)

Year ended 30 April 2021

19. Related parties

In the opinion of the members there is no one controlling party as defined by FRS 102 as the LLP is controlled by its members.

The largest and smallest group of undertakings for which accounts have been drawn up is that headed by Bevan Brittan LLP.

Transactions with key management

The members of the Strategic Board are responsible for planning, directing and controlling the activities of the LLP. The members of the Board share in the profits of the LLP and the following disclosures relate to those members only.

Details of profit share is disclosed in Note 7. The total payable to the members on the Board, excluding the profit share that is yet to be allocated, was £1,488k.

There were no balances due to or from key management at 30 April 2021 or 30 April 2020 save in respect of relevant shares of profit (or related taxation) and members' capital.

Total members' capital invested by key management in the LLP amounted to £1,474k at 30 April 2021 (2020: £1,505k).

Other related party transactions

One of the designated members was also a director of K O Facilities Ltd, a company owned by Bevan Brittan LLP. This company was dormant until being dissolved on the 6th October 2020 and as such there were no transactions between Bevan Brittan LLP and KO Facilities Ltd in the period. No amounts remain outstanding at the period end.

20. Financial instruments

20 (a) Carrying amount of financial instruments

The carrying amounts of the financial assets and liabilities include:

	2021 £000	2020 £000
Liabilities measured at fair value through Statement of comprehensive income	-	1,171
	-	1,171

The liability shown in the prior period was in respect of an interest rate swap expiring in June 2022, however this liability was settled in full during the period.

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Notes to the Financial Statements (continued)

Year ended 30 April 2021

20. Financial instruments (continued)

20 (b) Financial instruments measured at fair value

The fair value of the SWAP liability in the prior period was based on the settlement value provided by the financial institution providing the instrument. This quote is tested for reasonableness by discounting estimated cash flows based on terms and maturity of the contract and using market interest rates for a similar instrument at the measurement date. The interest rate used to calculate estimated cash flows was 2.2%.

It is felt that the impact of Bevan Brittan's own credit risk movement is immaterial in the year and has no impact on these estimates.

21. Accounting estimates and judgements

Trade debtors and amounts to be billed to clients

Invoices are raised as per client contracts, management consider the recoverability of the resulting trade debtors based on known or indicated poor payment or dispute. A provision is held against these amounts.

Also included in debtors are amounts to be billed to clients representing work in progress. This is calculated at the value recorded and expected to be billed after the period end. The balance is calculated after the removal of items that are considered likely to be irrecoverable (see Note 1: Turnover).