

Bevan Brittan LLP

Members' report and financial statements

Registered number OC309219

Year ended 30 April 2023

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Kings Orchard | 1 Queen Street | Bristol BS2 0HQ
T 0370 194 1000 F 0370 194 1001

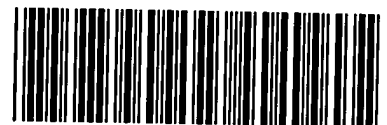
Fleet Place House | 2 Fleet Place | Holborn Viaduct | London EC4M 7RF
T 0370 194 1000 F 0370 194 7800

One Temple Row | Birmingham B2 5LG
T 0370 194 1000 F 0370 194 5001

Toronto Square | 7th Floor | Toronto Street | Leeds LS1 2HJ
T 0370 194 1000 F 0370 194 1001

www.bevanbrittan.com

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Report and Financial Statements 2023

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Report and Financial Statements 2023

Members' report

The members present their annual report and the audited financial statements for the year ended 30 April 2023.

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, advising businesses across construction, energy & resource management, higher education and financial services sectors, complementing the firm's market leadership within housing, local government and health and social care.

Business review

Bevan Brittan recorded its tenth consecutive year of growth in 2022/23. Over the ten year period revenue was up 105% and net profit 179%, delivered by continued growth across our wide range of established and emerging markets.

With 2022/23 revenue up 12% to £67.1m and profit rising strongly, Bevan Brittan has continued to invest in its future. Of the 31 senior lateral hires joining the business this year, three are Partners, whilst five new Partners were made during our 2023 promotions round, bolstering our skills and specialist expertise. Our emerging markets, including energy and waste, higher education, and banking and finance, now account for almost a quarter of total revenue.

During the reported 12-month period, Bevan Brittan supported clients across a range of markets. In housing, we advised on the Catalyst and Peabody merger and were appointed to the Network Homes Legal Services Framework. Social care highlights included advising on Anavo Group's partnership with Octopus Real Estate and Anchor's acquisition of Halcyon Care Homes Topco Limited.

Our health expertise led to appointments to both the NHS Commercial Alliance Legal Services Framework and the NHS Resolution Framework, while we also supported Barchester Healthcare. Our financial and regulatory work included securing a position on the Financial Services Compensation Scheme Legal Panel and significant work supporting NS&I. We were also reappointed to the prestigious Crown Commercial Service (CCS) Wider Public Sector Framework and supported resource management and higher education organisations including Viridor and the University of Oxford respectively.

In 2022/23 Bevan Brittan won six legal and business awards across its markets and regions at:

- Birmingham Law Society
- Bristol Life
- HealthInvestor
- Yorkshire Legal

Our joint initiatives won accolades at the Bristol Law Society and Partnership Awards, whilst we were also finalists at each of the separate West Midlands, South West and Yorkshire Insider Property Awards. Nationally, we were recognised as one of The Times Best Law Firms for the fifth consecutive year.

Report and Financial Statements 2023

Members' report (continued)

Business review (continued)

We are a Responsible Business with dedicated Community Engagement, Environmental Sustainability, Equality, Diversity & Inclusion, and Wellbeing programmes. This year we maintained our Carbon Neutrality, ISO 14001 (Environmental Management) certification and the UN's Climate Neutral Now accreditation. Bevan Brittan is an inclusive place to work, with 47% of our Partners and 70% of our workforce being women.

As we enter the third year of our Five Year Business Plan, our aim is to deliver an eleventh year of growth while achieving our vision to 'be a high performing, rewarding and responsible business for our clients and our people' and staying true to our values by making the right choices by our clients, colleagues and communities.

Going Concern

Management have prepared forecasts beyond 12 months after the signing date of these accounts showing the LLP's expected levels of trading performance and cash reserves, factoring in our knowledge of how the LLP has traded historically. 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).

Report and Financial Statements 2023

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
Tim Hodgetts
Adam Kendall
Louise Robling
Jodie Sinclair
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 £80,000 (2022: £60,000) which is made up of a £20,000 donation to each of its four local office charities.

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 12 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.

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.

Report and Financial Statements 2023

Members' report (continued)

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

10 October 2023

Report and Financial Statements 2023

Streamlined Energy and Carbon Report

The members present their Streamlined Energy and Carbon Report for the year ended 30 April 2023.

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 LLPs 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 2022 to 30 April 2023:

	2023	2022
Energy used to calculate emissions (kWh)	689,734	1,273,957
Emissions from combustion of gas (tCO ₂ e)	47	56
Emissions from combustion of fuel for transport purposes (tCO ₂ e)	33	2
Emissions from purchased electricity (tCO ₂ e)	123	88
Emissions from working at home (tCO ₂ e)	94	96
Total Gross emissions (tCO₂e)	297	242
Intensity ratio: tCO ₂ e / FTE	0.52	0.48

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.

Report and Financial Statements 2023

Streamlined Energy and Carbon Report (continued)

Energy efficiency action:

In 2021 we became Carbon Neutral, following the PAS2060 Environmental standards and offsetting our carbon footprint using Gold Standard accredited schemes in the UK and abroad as well as gaining the ISO 14001 accreditation. In 2023 we are recertifying our ISO 14001 certificate as well as continuing to offset our carbon footprint.

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, Birmingham 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.
- Implemented Green Ambassadors, with 38 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: 10 October 2023

Report and Financial Statements 2023

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 and 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 UK 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 its profit or loss 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 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 are responsible for 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, and 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 2023

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

Opinion

We have audited the financial statements of Bevan Brittan LLP ("the LLP") for the year ended 30 April 2023 which comprise the Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Financial Position, 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 2023 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 those charged with governance, management and 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 and risk 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 that management may be in a position to make inappropriate accounting entries; and
- the risk that revenue is overstated through the recognition of revenue that does not yet exist, either through billings in the final month of the year or amounts to be billed to clients at year end.

We did not identify any additional fraud risks.

We also 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 entries being posted to revenue, amounts to be billed to clients and cash and borrowings with an unexpected opposing entry.
- Obtaining evidence to support the existence and associated fee arrangement for a sample of matters for which unbilled amounts were held as at the year end.
- Selecting a sample of invoices raised in the final month of the year and obtaining evidence that hours had been worked on these matters prior to the year end.

Identifying and responding to risks of material misstatement related to 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 those charged with governance and other management (as required by auditing standards), and discussed with those charged with governance and other 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.

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 Limited Liability Partnerships) and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Report and Financial Statements 2023

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

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, data protection laws, anti-bribery and employment law. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of those charged with governance 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 fraud 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.

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.

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

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.

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

11 October 2023

Report and Financial Statements 2023

Statement of comprehensive income for the year ended 30 April 2023

	Note	2023 £000	2022 £000
Turnover		67,094	59,672
Other income		882	-
Operating expenses	2	(50,814)	(43,638)
Operating profit	3	17,162	16,034
Interest receivable and similar income	5	-	37
Interest payable & similar charges	6	(65)	(55)
Profit for the financial year before members' remuneration and profit shares		17,097	16,016
Members' remuneration charged as an expense	8	(936)	(572)
Profit for the financial year available for discretionary division among members		16,161	15,444

All results relate to continuing activities.

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

The notes on pages 18 – 29 form part of these financial statements.

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Statement of changes in equity for the year ended 30 April 2023

	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 2021	5,257	951	6,208	15,323	21,531
Members' remuneration charged as an expense	-	572	572	-	572
Profit for the year available for discretionary division among members	-	-	-	15,444	15,444
Members' interests after profit for the year	5,257	1,523	6,780	30,767	37,547
Other divisions of profit in the year	-	15,323	15,323	(15,323)	-
Introduced by members	560	-	560	-	560
Repayment of capital	(80)	-	(80)	-	(80)
Drawings and distributions	-	(14,079)	(14,079)	-	(14,079)
Members' interests at 30 April 2022	5,737	2,767	8,504	15,444	23,948

	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 2022	5,737	2,767	8,504	15,444	23,948
Members' remuneration charged as an expense	-	936	936	-	936
Profit for the year available for discretionary division among members	-	-	-	16,161	16,161
Members' interests after profit for the year	5,737	3,703	9,440	31,605	41,045
Other divisions of profit in the year	-	15,444	15,444	(15,444)	-
Introduced by members	510	-	510	-	510
Repayment of capital	(547)	-	(547)	-	(547)
Drawings and distributions	-	(16,357)	(16,357)	-	(16,357)
Members' interests at 30 April 2023	5,700	2,790	8,490	16,161	24,651

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

The notes on pages 18 – 29 form part of these financial statements.

Report and Financial Statements 2023

Statement of financial position as at 30 April 2023

	Note	2023 £000	2022 £000
Fixed assets			
Investments	9	-	-
Intangible assets	11	43	100
Tangible assets	10	3,426	3,359
		<u>3,469</u>	<u>3,459</u>
Current assets			
Debtors	12	29,258	26,762
Cash at bank and in hand		6,059	5,937
		<u>35,317</u>	<u>32,699</u>
Creditors: amounts falling due within one year	13	(11,618)	(10,243)
Net current assets		<u>23,699</u>	<u>22,456</u>
Total assets less current liabilities		27,168	25,915
Provisions for liabilities	15	(2,517)	(1,967)
NET ASSETS ATTRIBUTABLE TO MEMBERS		24,651	23,948
REPRESENTED BY:			
Loans and other debts due to members			
Members' capital classified as a liability		5,700	5,737
Other amounts		2,790	2,767
		<u>8,490</u>	<u>8,504</u>
Equity			
Members' other interests – other reserves classified as equity		16,161	15,444
		<u>24,651</u>	<u>23,948</u>

Report and Financial Statements 2023

**Statement of financial position (continued)
as at 30 April 2023**

	2023 £000	2022* £000
TOTAL MEMBERS' INTERESTS		
Amounts due from members	(3,733)	(2,888)
Loans and other debts due to members	8,490	8,504
Members' other interests	16,161	15,444
	20,918	21,060

* See note 1 for details.

The financial statements of Bevan Brittan LLP, registered number OC309219, were approved by the Members on 10 October 2023.

Signed on behalf of the Members



Duncan Weir
Managing Partner and Designated Member

The notes on pages 18 – 29 form part of these financial statements.

Report and Financial Statements 2023**Cash flow statement****Year ended 30 April 2023**

	2023 £000	2022 £000
Net cash inflow from operating activities		
Profit for the financial year after members' remuneration charged as an expense	16,161	15,444
Adjustments for:		
Members' remuneration charged as an expense	936	572
Interest receivable and similar income	-	(37)
Interest payable and similar expenses	65	55
Loss on disposal of fixed assets	-	10
Depreciation / Amortisation	797	1,001
Increase in provisions	549	286
Increase / (Decrease) in creditors	1,375	1,430
Increase in debtors	(1,650)	(3,846)
Interest paid	(65)	(55)
Net cash flows from operating activities before transactions with members	18,168	14,860
Increase in amounts due from members	(845)	(35)
Payments to and on behalf of members	(16,357)	(14,079)
	<u>966</u>	<u>746</u>
Net cash from investing activities		
Interest received	-	37
Acquisition of tangible fixed assets	(780)	(258)
Acquisition of intangible assets	(27)	-
	<u>(807)</u>	<u>(221)</u>
Net cash from financing activities		
Capital introduced by members	510	560
Capital repayments to members	(547)	(80)
	<u>(37)</u>	<u>480</u>
Net increase in cash and cash equivalents	122	1,005
Cash and cash equivalents at 1 May	5,937	4,932
Cash and cash equivalents at 30 April	<u>6,059</u>	<u>5,937</u>

The notes on pages 18 – 29 form part of these financial statements.

Report and Financial Statements 2023

Notes to the Financial Statements

Year ended 30 April 2023

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 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 Liability Partnerships' issued in December 2021. All amounts in the financial statements are presented in £ thousands.

These financial statements present information about the LLP as an individual undertaking and not about its group. Section 405(2) of the Companies Act 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 grounds of immateriality.

The financial statements are prepared on the historical cost basis.

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 the most significant effect on the financial statements are discussed in Note 19. In the opinion of the members, there are no accounting estimates with a significant risk of material adjustment.

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 beyond 12 months from the signing date of these accounts, showing the LLP's expected levels of trading performance and cash reserves, factoring-in our knowledge of how the LLP has traded historically. 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.

Prior period omission

During the year, it was identified that the Total Members' Interests memorandum required to be presented on the face of the balance sheet by the LLP SORP was not presented in the prior year financial statements.

This is in respect of an omitted disclosure only and there is no resulting adjustment required to any of the balances presented in the prior year financial statements as a result.

Report and Financial Statements 2023

Notes to the Financial Statements (continued)

Year ended 30 April 2023

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.

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 earned on client funds is recognised in Other income as it accrues. The interest payable to our clients (at the rates agreed with them) is recognised in Operating expenses as it accrues.

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.

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.

Report and Financial Statements 2023

Notes to the Financial Statements (continued)

Year ended 30 April 2023

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.

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).

Trade debtors

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

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.

Report and Financial Statements 2023

Notes to the Financial Statements (continued)

Year ended 30 April 2023

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 12 months of the date members cease to be members. Once members cease to be members amounts unpaid are shown within other creditors.

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.

2. Operating expenses

	2023 £000	2022 £000
Staff Costs (Note 4)	31,230	26,833
Depreciation and Amortisation (Note 10 & 11)	797	1,001
Other expenses – payments to clients	179	-
Other operating expenses	18,608	15,804
	<u>50,814</u>	<u>43,638</u>

Report and Financial Statements 2023

Notes to the Financial Statements (continued)

Year ended 30 April 2023

3. Operating profit

	2023 £000	2022 £000
Operating profits after charging / (crediting):		
Depreciation of tangible fixed assets		
Owned assets	713	729
Amortisation of Intangible fixed assets		
Owned assets	84	272
Rentals under operating leases		
Other operating leases	2,993	2,882
Auditor's remuneration		
Audit of these financial statements	73	56
Amounts receivable by auditor and their associates in respect of:		
Audit related assurance services	43	44
Services related to regulatory compliance	-	1
Income from sub-lets, included in turnover	(1,437)	(1,323)
Interest earned on client accounts, included in Other income	(882)	-
Interest paid to clients, included in Operating expenses	179	-

4. Staff costs and employee information

	2023 £000	2022 £000
Employee costs (excl. Members' remuneration charged as an expense) during the year amounted to:		
Wages and salaries	26,960	23,165
Social security costs	2,881	2,457
Pension costs (Note 18)	1,389	1,211
	<u>31,230</u>	<u>26,833</u>

Average Headcount Numbers

	2023 No	2022 No
Members	55	48
Fee earners	293	261
Trainees	28	25
Support staff	183	169
	<u>559</u>	<u>503</u>

Report and Financial Statements 2023**Notes to the Financial Statements (continued)****Year ended 30 April 2023****5. Interest receivable and similar income**

	2023 £000	2022 £000
Bank interest receivable	-	37
	-	37

6. Interest payable and similar charges

	2023 £000	2022 £000
Bank interest payable	65	34
Payments to clients	-	21
	65	55

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

7. Members' share of profits

The average number of members during the year was 55 (2022: 48).

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 2023 was £246k (2022 - £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 2022 was £930k.

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 (2022 – £Nil).

Report and Financial Statements 2023

Notes to the Financial Statements (continued)

Year ended 30 April 2023

9. Investments

	Shares in group undertakings £
Cost at the start of the year	-
Additions	1
Cost at the end of the year	1

The Company has the following investments in subsidiaries.:

	Aggregate of capital and reserves £	Profit or loss for the year	Registered office address	Class of shares held	Ownership %
Orchard Trustees Advisory Limited	1	N/A – the company is dormant	Kings Orchard 1 Queen Street Bristol BS2 0HQ	Ordinary	100

10. Tangible fixed assets

	Buildings leasehold improvements £000	IT Equipment £000	Fixtures, fittings, tools and equipment £000	Total £000
Cost				
At 1 May 2022	7,445	1,165	842	9,452
Additions	751	9	20	780
Disposals	-	-	-	-
At 30 April 2023	8,196	1,174	862	10,232
Accumulated depreciation				
At 1 May 2022	4,597	1,053	443	6,093
Charge for the year	549	44	120	713
Removed on disposal	-	-	-	-
At 30 April 2023	5,146	1,097	563	6,806
Net book value				
At 30 April 2023	3,050	77	299	3,426
At 30 April 2022	2,848	112	399	3,359

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Notes to the Financial Statements (continued)

Year ended 30 April 2023

11. Intangible fixed assets

	IT Software £000
Cost	
At 1 May 2022	2,097
Additions	27
At 30 April 2023	2,124
Accumulated amortisation	
At 1 May 2022	1,997
Charge for the year	84
At 30 April 2023	2,081
Net book value	
At 30 April 2023	43
At 30 April 2022	100

12. Debtors

	2023 £000	2022 £000
Trade debtors	16,887	16,889
Amounts to be billed to clients	4,306	3,708
Amounts due from members	3,733	2,888
Prepayments and other debtors	4,332	3,277
	29,258	26,762

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 2023

Notes to the Financial Statements (continued)

Year ended 30 April 2023

13. Creditors: amounts falling due within one year

	2023 £000	2022 £000
Trade creditors	4,431	3,036
Other creditors	888	632
Taxation and Social Security	1,873	2,014
Accruals and deferred income	3,801	3,954
Holiday pay accrual	625	607
	<u>11,618</u>	<u>10,243</u>

14. Analysis of borrowings

Borrowing Facilities

As at 30 April 2023 the LLP had an overdraft facility of £3.0m that is 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 was renewed in July 2023 and is available for 3 years. It 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 2023

Notes to the Financial Statements (continued)

Year ended 30 April 2023

15. Provisions for liabilities

	Dilapidations	Professional indemnity	Total
	£000	£000	£000
At beginning of year	1,743	224	1,967
Utilised during year	-	(100)	(100)
Released during year	-	(50)	(50)
Additional amounts provided	700	-	700
	<hr/>	<hr/>	<hr/>
At end of year	2,443	74	2,517
	<hr/>	<hr/>	<hr/>

The expected timing of such provisions is as follows:

	Dilapidations	Professional indemnity	Total
	£000	£000	£000
Within one year	-	74	74
Within two to five years	2,142	-	2,142
After five years	301	-	301
	<hr/>	<hr/>	<hr/>
	2,443	74	2,517
	<hr/>	<hr/>	<hr/>

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 2023

Notes to the Financial Statements (continued)

Year ended 30 April 2023

16. Operating lease commitments

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

	<u>2023</u>	<u>2022</u>
	Land and buildings £000	Land and buildings £000
Lease commitments due:		
Within one year	2,970	2,742
Within two to five years	10,259	10,383
After five years	2,666	1,709
	<u>15,895</u>	<u>14,834</u>

(b) Leases as lessor

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

	<u>2023</u>	<u>2022</u>
	Land and buildings £000	Land and buildings £000
Within one year	985	1,023
Within two to five years	1,582	2,580
After five years	-	-
	<u>2,567</u>	<u>3,603</u>

During the year £nil (2022: £nil) of contingent rent was recognised as income by the LLP.

17. Capital commitments

As at 30 April 2023 the LLP had no capital commitments (2022: £nil)

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 £1,389k in the year (2022: £1,211k) and are included in the profit and loss account. At 30 April 2023 there was £253k due to the scheme (2022: £223k) - included within creditors falling due within one year in the balance sheet.

Report and Financial Statements 2023

Notes to the Financial Statements (continued)

Year ended 30 April 2023

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 £1,482k (2022: £1,421k).

There were no balances due to or from key management at 30 April 2023 or 30 April 2022 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 £1,420k at 30 April 2023 (2022: £1,420k).

20. Accounting estimates and judgements

There are no critical accounting estimates and judgements that could lead to a material change in these accounts.