

Company Registration No. OC321620

Speechly Bircham LLP

Annual Report and Financial Statements

For the year ended 30 April 2016



Speechly Bircham LLP

Report and financial statements 2016

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Speechly Bircham LLP

Report and financial statements 2016

Officers and professional advisers

Designated Members

J W Carter
M R Lingens
J W Whitehead

Registered Office

5 Fleet Place
London
EC4M 7RD

Bankers

The Royal Bank of Scotland
280 Bishopsgate
London
EC2M 4RB

Auditor

Deloitte LLP
Chartered Accountants and Statutory Auditor
London
EC4A 3BZ
United Kingdom

Speechly Bircham LLP

Members' report

The designated members of Speechly Bircham LLP present their annual report and the audited financial statements for the year ended 30 April 2016.

Principal activity

Speechly Bircham LLP was principally engaged in the provision of legal services in the UK and other European countries. On 1 November 2014 Speechly Bircham LLP merged with Charles Russell Speechlys LLP and the trade continued in that entity. The majority of the liabilities and assets were transferred to Charles Russell Speechlys LLP at book value under the terms of the merger agreement. Speechly Bircham LLP is no longer trading and transactions since that date reflect the run off of those assets and liabilities that were not transferred.

Designated members

The designated members who served the LLP throughout the year and subsequently unless indicated were as follows:

J W Carter
M R Lings
J W Whitehead
Charles Russell Speechlys LLP

Going concern

The financial statements have been prepared on a basis other than going concern. See note 1 for further details.

Members' profit share, drawings and the subscription and repayment of members' capital

On 1 November 2014 the majority of the liabilities and assets were transferred to Charles Russell Speechlys LLP at book value under the terms of the merger agreement.

Auditor

Deloitte LLP were appointed as auditor during the year and have expressed their willingness to continue in office as auditor. A resolution to reappoint them as auditor will be proposed at the next Members' meeting.

On behalf of the members



J W Carter
Designated member

27 January 2017

Speechly Bircham LLP

Statement of members' responsibilities

The members are responsible for preparing the annual 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 Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". Under Company law as applied to Limited Liability Partnerships, 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 Limited Liability Partnership and of the profit or loss of the Limited Liability Partnership for that year. 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Limited Liability Partnership will continue in business.

The members are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the Limited Liability Partnership and enable them to ensure that the financial statements comply with the Companies Act 2006, as applicable to Limited Liability Partnerships, and in accordance with the requirements of the Statement of Recommended Practice Accounting by Limited Liability Partnership (issued July 2014). They are also responsible for safeguarding the assets of the Limited Liability Partnership and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Speechly Bircham LLP

Independent auditor's report to the members of Speechly Bircham LLP

We have audited the financial statements of Speechly Bircham LLP for the year ended 30 April 2016 which comprise the profit and loss account, the Partnership balance sheet, the Partnership statement of changes in members' interests and the related notes 1 to 10. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

This report is made solely to the limited liability partnership's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 as applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008. Our audit work has been undertaken so that we might state to the limited liability partnership's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the limited liability partnership and the limited liability partnership's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of members and auditor

As explained more fully in the Members' Responsibilities Statement, the members are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the limited liability partnership's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the designated members; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the limited liability partnership's affairs as at 30 April 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and;
- have been prepared in accordance with the requirements of the Companies Act 2006 as applicable to Limited Liability Partnerships.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Members' Report for the financial year for which the financial statements are prepared is consistent with the information in the financial statements.

Speechly Bircham LLP

Independent auditor's report to the members of Speechly Bircham LLP (continued)

Emphasis of matter – Financial statements prepared other than on a going concern basis

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 1 to the financial statements, which explains that the financial statements have been prepared on a basis other than that of a going concern.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 as applicable to limited liability partnerships requires us to report to you if, in our opinion:

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



Jeremy Black (Senior Statutory Auditor)
for and on behalf of Deloitte LLP

Chartered Accountants and Statutory Auditor
London, United Kingdom

30 January 2017

Speechly Bircham LLP

Profit and loss account For the year ended 30 April 2016

| | Notes | 2016 £'000 | 2015 £'000 |
|--|-------|---------------|----------------|
| Turnover | 2 | 2 | 24,601 |
| Other operating income | 2 | 106 | 100 |
| | | <u>108</u> | <u>24,701</u> |
| Operating costs | | | |
| Staff costs | 4 | - | (9,748) |
| Establishment costs | | - | (3,858) |
| Office expenses | | - | (2,009) |
| Other expenses | | (86) | (1,428) |
| | | <u>(86)</u> | <u>(7,658)</u> |
| Total operating costs | | | |
| | | <u>(86)</u> | <u>(7,658)</u> |
| Operating profit | | 22 | 8,223 |
| Net interest payable | 3 | - | (249) |
| | | <u>-</u> | <u>(249)</u> |
| Retained profit for the financial year available for discretionary division among members | | <u>22</u> | <u>7,409</u> |

There are no recognised gains or losses in the current or preceding year other than those disclosed in the profit and loss account. Accordingly no statement of comprehensive income is presented in these financial statements.

Speechly Bircham LLP

LLP Balance sheet At 30 April 2016

| | Notes | 2016 £'000 | 2015 £'000 |
|--|-------|---------------|---------------|
| Fixed assets | | | |
| Investments | 5 | 75 | 75 |
| Current assets | | | |
| Debtors | 6 | 39 | 1,158 |
| Creditors: amounts falling due within one year | 7 | (6) | - |
| Net current assets | | 33 | 1,158 |
| Total assets less current liabilities | | 108 | 1,233 |
| Creditors: amounts falling due after more than one year | | - | - |
| Provisions for liabilities | 8 | - | - |
| Net assets attributable to members | | 108 | 1,233 |
| Represented by: | | | |
| Loans and other debts due to members within one year | | | |
| Members' capital classified as a liability | | - | - |
| Other amounts | | 86 | 404 |
| | | 86 | 404 |
| Equity | | | |
| Members' other interests - capital classified as equity | | 22 | 829 |
| | | 108 | 1,233 |
| Total members' interests | | | |
| Loans and other debts due to members | | 86 | 404 |
| Members' other interests | | 22 | 829 |
| | | 108 | 1,233 |

These financial statements of Speechly Bircham LLP (registered number OC321620) were approved by the members on 27 January 2017 and signed on their behalf by:



J W Carter
Designated Member

Speechly Bircham LLP

Statement of changes in members' interest At 30 April 2016

| | Members' other interests £'000 | Less any amounts due from Members in Members' capital £'000 | Other amounts £'000 | Total £'000 |
|--|-----------------------------------|---|------------------------|----------------|
| Balance at 1 May 2014 | 16,018 | 9,185 | (7,382) | 17,821 |
| Profit for the financial year available for the year | 7,409 | - | - | 7,409 |
| Members' interests after profit for the year | 23,427 | 9,185 | (7,382) | 25,230 |
| Division of profits | (16,574) | - | 16,574 | - |
| Introduced by members | - | 904 | - | 904 |
| Repaid capital | - | (1,292) | - | (1,292) |
| Drawings and distributions | - | - | (8,016) | (8,016) |
| Transferred to Charles Russell Speechlys LLP | (6,024) | (8,797) | (772) | (15,593) |
| Balance at 30 April 2015 | 829 | - | 404 | 1,233 |
| Balance at 1 May 2015 | 829 | - | 404 | 1,233 |
| Profit for the financial year available for the year | 22 | - | - | 22 |
| Members' interests after profit for the year | 851 | - | 404 | 1,255 |
| Division of profits | (829) | - | 829 | - |
| Drawings and distributions | - | - | (1,147) | (1,147) |
| Balance at 30 April 2016 | 22 | - | 86 | 108 |

Speechly Bircham LLP

Notes to the financial statements For the year ended 30 April 2016

1. Accounting policies

Speechly Bircham LLP is a company incorporated in the United Kingdom under the Limited Liability Partnership Act 2000. The address of the registered office is given on page 1. The financial statements are presented in pounds sterling because that is the currency of the primary economic environment in which the LLP operates.

The principal accounting policies are summarised below. These have all been applied consistently throughout the current and prior period.

Basis of preparation

The financial statements have been prepared under historical cost convention and in accordance with the Statement of Recommended Practice "Accounting by Limited Liability Partnerships" (issued July 2014). The Firm has prepared its financial statements under FRS102 for the first time this year. There were no adjustments to prior year figures arising from this transition. For more information see note 10.

The Firm meets the definition of a qualifying entity under FRS102 and has therefore taken advantage of the disclosure exemptions available to it in respect of: the requirement to prepare a cash flow statement; remuneration of key management personnel; and related party transactions.

Going concern

As required by Section 3 of FRS102, the members have prepared the financial statements on the basis that the LLP is no longer trading.

Taxation

Members are personally liable for taxation on their share of the profits of the limited liability partnership. Consequently no reserve for taxation is made in the financial statements in respect of members' tax liabilities.

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Turnover

Revenue for services represents the fair value of legal services provided during the year on client assignments. Fair value reflects the amount expected to be recoverable from clients and is based on time spent, expertise and skills provided, and expenses incurred. Fee income is stated net of Value Added Tax.

Legal services provided to clients during the year which, at the balance sheet date, have not been invoiced to clients, have been recognised as fee income in accordance with Section 23 Revenue of Financial Reporting Standard 102. Fee income recognised in this manner is based on an assessment of the fair value of the services provided by the balance sheet date as a proportion of the total value of the engagement.

Unbilled fee income is included as accrued income within debtors. Accrued income is stated at fair value where the right to consideration has been obtained. Provision is made against unbilled amounts on those engagements where the right to receive payments is contingent on factors outside the control of the group. Contingent fee income (over and above any agreed minimum fee which is recognised as above) is recognised in the period when the contingent event occurs.

Speechly Bircham LLP

Notes to the financial statements (continued) **For the year ended 30 April 2016**

1. Accounting policies (continued)

Financial instruments

Financial assets and financial liabilities are recognised on the LLP's balance sheet when the LLP becomes a party to the contractual provisions of the instrument.

Equity instruments issued by the LLP are recorded at the fair value of proceeds received, net of direct issue costs.

Cash and cash equivalents

Cash comprises cash, overdrafts and cash held on short-term deposit.

Trade receivables

Trade receivables do not carry any interest and are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts.

Trade payables

Trade payables are not interest-bearing and are stated at their nominal value.

Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the profit and loss account.

Divisible profits and members' remuneration

The LLP SORP recognises that the basis of calculating profits for allocation may differ from the profits reflected through the financial statements prepared in compliance with recommended practice, given the established need to seek to focus profit allocation on ensuring equity between different generations and populations of members.

Where such differences arise, they have been included within other amounts in the balance sheet.

The remainder of profit shares, which have not been allocated until after the balance sheet date, are treated in these financial statements as unallocated at the balance sheet date and included within other reserves.

Investments

Investments are included at cost less amounts written off.

Speechly Bircham LLP

Notes to the financial statements (continued) For the year ended 30 April 2016

2. Turnover and profit for the financial year

The profit for the financial year available for division among members is stated after:

| | 2016 £ | 2015 £ |
|---|-----------|------------|
| Fees payable to the current auditor: | | |
| - audit services | - | 12 |
| Depreciation and amortisation: | | |
| - tangible fixed assets, owned | - | 888 |
| Other operating lease rentals – plant and machinery | - | 252 |
| | <u>-</u> | <u>952</u> |

Turnover derives from the provision of legal services, substantially all of which derives from activities in the UK.

The auditor's remuneration of £2,000 was borne by another group entity.

3. Net interest payable

| | 2016 £ | 2015 £ |
|---------------------------------------|-----------|--------------|
| Interest payable and similar charges: | | |
| - bank | - | (272) |
| Interest receivable: | | |
| - bank | - | 23 |
| | <u>-</u> | <u>(249)</u> |

4. Personnel costs

Staff costs during the year (excluding members) were as follows:

| | 2016 £'000 | 2015 £'000 |
|-----------------------|---------------|---------------|
| Wages and salaries | - | 7,014 |
| Social security costs | - | 968 |
| Other pension costs | - | 321 |
| | <u>-</u> | <u>8,303</u> |

Speechly Bircham LLP

Notes to the financial statements (continued) For the year ended 30 April 2016

4. Personnel costs (continued)

The average monthly number of members and employees during the year (2015: 1 May 2015 to 31 October 2015) was:

| | 2016 No. | 2015 No. |
|-------------|-------------|-------------|
| Members | 3 | 71 |
| Fee earners | - | 157 |
| Other staff | - | 123 |
| | <u>3</u> | <u>351</u> |

The highest remuneration of a member during the year is £ nil (2015: £144k). From 1 November 2014 Speechly Bircham LLP merged with Charles Russell LLP to become Charles Russell Speechlys LLP and the business continued through entities in that group.

5. Fixed asset investments

| | 2016 £'000 | 2015 £'000 |
|--------------------------------|---------------|---------------|
| Interest in other undertakings | <u>75</u> | <u>75</u> |
| | <u>75</u> | <u>75</u> |

Speechly Bircham LLP holds an interest of 75 cellular redeemable preference shares of £1,000 each in a wholly owned cell of Mannequin Insurance PLC Ltd, a company registered in Guernsey that deals with the partnership's professional indemnity cover. The registered address is Heritage Hall, Le Marchant Street, St Peter Port, Guernsey.

6. Debtors: amounts falling due within one year

| | 2016 £'000 | 2015 £'000 |
|--------------------------------------|---------------|---------------|
| Amounts falling due within one year: | | |
| Trade debtors | - | 347 |
| Amounts due from group undertakings | 27 | 581 |
| Other debtors | - | 41 |
| Accrued income | - | 189 |
| Prepayments | <u>12</u> | <u>-</u> |
| | <u>39</u> | <u>1,158</u> |

Amounts due from group undertakings are non-interest bearing and repayable on demand.

Speechly Bircham LLP

Notes to the financial statements (continued) For the year ended 30 April 2016

7. Creditors: amounts falling due within one year

| | 2016 £'000 | 2015 £'000 |
|-----------------|---------------|---------------|
| Other creditors | 6 | - |
| | <u>6</u> | <u>-</u> |

8. Provisions for liabilities

| | 2016 £'000 | 2015 £'000 |
|---|---------------|---------------|
| At 1 May 2015 | - | 375 |
| Utilised in year | - | (39) |
| Increase to provision | - | - |
| Transfer to Charles Russell Speechlys LLP | - | (336) |
| | <u>-</u> | <u>-</u> |
| At 30 April 2016 | - | - |

The provision for liabilities and charges represent the present value of annuities due to former partners.

9. Ultimate controlling party

The ultimate parent company and controlling party is Charles Russell Speechlys LLP. Charles Russell Speechlys LLP's registered address is 5 Fleet Place, London, EC4M 7RD.

The largest and smallest group of undertakings for which group accounts have been drawn up is that headed by Charles Russell Speechlys LLP, a limited liability partnership registered in England and Wales.

10. Transition to FRS 102

This is the first year that the Firm has presented its financial statements under Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council. The last financial statements under previous UK GAAP were for the year ended 30 April 2015 and the date of transition to FRS 102 was 1 May 2014. As a consequence of adopting FRS 102, no material accounting policies have changed to comply with that standard and accordingly no balances were required to be restated.