



BIRKETT LONG LLP

Financial Statements

31 May 2022



BIRKETT LONG LLP

Financial Statements 2022

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BIRKETT LONG LLP

Financial Statements 2022

Officers and professional advisers

Members

Peter Allen
Melanie Bache
David Cant
Emma Clarke
Lisa Collins
Tracey Dickens
Caroline Dowding
Kurt Goddard (resigned 01/06/22)
Philip Hoddell
Martin Hopkins
Joann Kebbell
Melanie Loxley

Timothy Ogle
Ben Parmenter
Jonathan Perlmutter (appointed 01/06/21)
Louise Pisano
David Rayner
Claire Read
Amanda Smallcombe
Keith Songhurst
Justin Stock (resigned 01/06/22)
Kevin Sullivan
Julie Temple
David Wisbey
Emma Wraight

Registered office

1 Amphora Place
Sheepen Road
Colchester
Essex
CO3 3WG

Bankers

Lloyds Banking Group plc

Auditor

Edmund Carr LLP
Chartered Accountants & Statutory Auditor
146 New London Road
Chelmsford
Essex
CM2 0AW

BIRKETT LONG LLP

Members' Report

The members are pleased to present their report and the audited financial statements for the year ended 31 May 2022.

Principal activities

The principal activities of Birkett Long LLP and its subsidiary undertakings (the 'group') are the provision of legal and financial services in the UK.

Results

The results for the year are set out on page 9. The members regard the results and future prospects to be satisfactory.

Review of business

Birkett Long (consolidated)

This year has seen a return to some semblance of normality with the lessening impacts of the pandemic. However we are pleased to report that performance, results, and appetite for progress and change within our businesses have been anything but normal.

We completed the year achieving a 14.0% increase in turnover. This came from growth across all aspects of our business including our complementary offerings in financial services, intellectual property and HR. We exceeded £12 million in turnover for the first time in our history and did this by showing great consistency throughout the year with over £1 million turnover being posted in every month of this financial year. We have also maintained healthy WIP levels with an overall growth in WIP despite a reduction in contingent WIP.

Performance in overheads evidences a return to closer to pre-pandemic spending levels in some areas. We see this as a positive move to maintaining the right levels of investment in our business and in our people. Recruitment particularly showed a significant increase compared to historic levels as the business invests in new people to grow existing teams and provide further support to our newer specialisms in intellectual property, construction, regulatory and education law.

We have maintained our excellent performance in profit from last year whilst increasing investment in our business and growing our turnover.

We were able to share these profits with our people by awarding a firm wide bonus for the second year in a row. We also carefully considered our salary and benefits package for our colleagues and have made changes to ensure we remain competitive in the recruitment market. Finally, we were able to make up for the disappointment of cancelled Christmas parties by having a Summer Celebration at which 200 plus colleagues and their 'plus ones' had a chance to celebrate our recent successes, enjoy some professional entertainment, and a well-earned day off the following day.

We have also been able to share our success with our communities as we launched a number of initiatives to meet our purpose; to improve lives, businesses and communities. We established the Birkett Long Community Fund which will be administered by Essex Community Foundation and which will allow our charity committee to fundraise each year to build an endowment fund, the income from which will be used to provide grants to small charities in our communities. The Partners agreed to make a significant donation out of profits (totalling £50,000 with the addition of gift aid) to establish that endowment fund. We also continued and concluded our (now award winning) Random Acts of Kindness campaign to celebrate our 200th anniversary. Finally we have introduced a Volunteer Day for all colleagues to use to support causes of their choice in their local communities.

All of the above has been achieved with the support of the Partners and all of our colleagues. Through that dedication and commitment we are creating great opportunities to build our excellent team and continue to develop our business. We thank them all for their continued support of our business.

BIRKETT LONG LLP

Members' Report

Birkett Long (IFA)

The 2021/22 trading year for Birkett Long IFA saw a turnover of £1,179,827, an increase of 19.2% on 2020/21. Our team worked incredibly hard to produce this increase and we are very grateful to them for all of their efforts.

We saw the UK economy grow by 7.5% in 2021, rebounding from the 9.4% plunge in 2020 caused by pandemic restrictions. However the UK economy has faced and continues to face challenges in 2022 with the Russia/Ukraine war affecting global economies, the UK experiencing soaring inflation, Bank of England base rate increases, and volatility in the FTSE 100 Index. Challenging economies create opportunity, with more people seeking financial advice and investors seeing it as an opportunity to invest. In addition we have seen the effects of coronavirus with people re-evaluating their personal circumstances and seeking retirement advice and IHT Planning.

It is forecast that the number of UK financial advisers will reduce over the period to 2029, with very few young people entering the profession. Our Trainee Programme has placed us in a strong position with 'growing our own' advisers. In the profession circa 70% of firms do not have advisers under 30. BL IFA has planned for the future having younger advisers and both male and female advisers. We are seeing the benefits from our new software system in streamlining processes. We also have the market advantage of being able to offer both legal and financial advice to our clients. We continue to remain confident in the financial services sector and the consumer need for financial advice.

Members

The Designated members who served during the year were as follows:

Peter Allen	Louise Pisano
Tracey Dickens	Claire Read
Philip Hoddell	David Wisbey
Martin Hopkins	Kurt Goddard (resigned 01/06/22)
Timothy Ogle	

The Non-Designated members who served during the year were as follows:

Melanie Bache	Jonathan Perlmutter
David Cant	David Rayner
Emma Clarke	Amanda Smallcombe
Lisa Collins	Keith Songhurst
Caroline Dowding	Kevin Sullivan
Joann Kebbell	Julie Temple
Melanie Loxley	Emma Wraight
Ben Parmenter	Justin Stock (resigned 01/06/22)

Members' drawings and capital policy

The members' policy on drawings is dependent upon the working capital requirements of the firm. A conservative level of monthly drawings is set at the start of the year and further distributions are made once the results for the year and allocation of profit have been finalised.

The level of members' capital is determined by the members from time to time. Capital is repaid to members on resignation from the firm, or at such other time as is determined by the Management Board.

Members' Responsibilities Statement

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

Company law (as applied by The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008) requires the members to prepare group financial statements for each financial year. Under that law the members have elected to prepare the group financial

BIRKETT LONG LLP

Members' Report

statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law (as applied by The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008) the members must not approve the group financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and the limited liability partnership and the profit or loss of the group for that period.

In preparing these financial statements, the members are required to:

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

The members are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and limited liability partnership's transactions and disclose with reasonable accuracy at any time the financial position of the group and limited liability partnership and to enable them to ensure that the group financial statements comply with the Companies Act 2006 (as applied by The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) regulations 2008). They are also responsible for safeguarding the assets of the group and limited liability partnership and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The members are responsible for the maintenance and integrity of the corporate and financial information included on the limited liability partnership's website. Legislation in the United Kingdom governing the preparing and dissemination of financial statements may differ from legislation in other jurisdictions.

Disclosure of information to auditor

Each of the persons who are members at the time when this Members' report is approved confirmed that:

- so far as that member is aware, there is no relevant audit information of which the LLP's auditor is unaware, and
- that member has taken all the steps that ought to have been taken as a member in order to be aware of any relevant audit information and to establish that the LLP's auditor is aware of that information.

Auditor

Edmund Carr LLP, having expressed their willingness to continue in office, will be deemed to be reappointed for the next financial period in accordance with section 487(2) of the Companies Act 2006 unless the LLP receives notice under section 488(1) of the Companies Act 2006 as applied by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008.

Approved by the members
and signed on behalf of the members

20th September 2022



Martin Hopkins
Designated member

Birkett Long LLP

Independent Auditor's Report to the Members of Birkett Long LLP

Opinion

We have audited the financial statements of Birkett Long LLP (the 'limited liability partnership') and its subsidiaries (the 'group') for the year ended 31 May 2022 which comprise the consolidated statement of comprehensive income, consolidated statement of financial position, LLP statement of financial position, consolidated statement of cashflows, consolidated statement of changes in equity, LLP statement of changes in equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the limited liability partnership's affairs as at 31 May 2022, and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 as applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the members' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's or the limited liability partnership's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the members with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the members' report, other than the financial statements and our auditor's report thereon. The members are responsible for the other information contained within the members' report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Birkett Long LLP

Independent Auditor's Report to the Members of Birkett Long LLP

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which 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 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; or
- the members were not entitled to prepare the financial statements in accordance with the small limited liability partnerships' regime.

Responsibilities of members

As explained more fully in the members' responsibilities statement set out on page 3, the members are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the members are responsible for assessing the group's and the limited liability partnership's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the members either intend to liquidate the group or the limited liability partnership or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows;

- The engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations.
- We identified the laws and regulations applicable to the limited liability partnership through discussions with members and other management.

We assessed the susceptibility of the group's and the limited liability partnership's financial statements to material misstatement, including obtaining an understanding of how fraud might occur by;

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Independent Auditor's Report to the Members of Birkett Long LLP

- Making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud.
- Considering the internal controls in place to mitigate the risks of fraud and non-compliance with laws and regulations.
- Understanding the design of the group's and limited liability partnership's remuneration policies.

To address the risk of fraud through management bias and override of controls, we;

- Performed analytical procedures to identify any unusual or unexpected relationships.
- Tested journal entries to identify unusual transactions.
- Assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to;

- Agreeing financial statement disclosures to underlying supporting documentation.
- Reading the minutes of meetings of those charged with governance.
- Enquiring of management as to actual and potential litigation and claims.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's and limited liability partnership's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the members.
- Conclude on the appropriateness of the members' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's or the limited liability partnership's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our

Birkett Long LLP

Independent Auditor's Report to the Members of Birkett Long LLP

auditor's report. However, future events or conditions may cause the group or the limited liability partnership to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation (ie. gives a true and fair view).
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

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.


Raymond Crace (Senior Statutory Auditor)

For and on behalf of
Edmund Carr LLP
Chartered Accountants & Statutory Auditor
146 New London Road
Chelmsford
Essex
CM2 0AW



BIRKETT LONG LLP

Consolidated Statement of Comprehensive Income For the year ended 31 May 2022

	Note	2022 £	2021 £
Turnover	5	12,993,163	11,394,435
Other operating and furlough income		<u>40,361</u>	<u>309,800</u>
		13,033,524	11,704,235
Staff costs	7	(5,350,984)	(5,021,647)
Depreciation		(242,093)	(293,610)
Other operating expenses		<u>(3,563,845)</u>	<u>(2,971,722)</u>
Operating profit	6	3,876,602	3,417,256
Interest payable and similar charges		<u>(24,412)</u>	<u>(24,732)</u>
Profit for the financial year before members' remuneration and profit shares		3,852,190	3,392,524
Members' remuneration charged as an expense	7	<u>(3,852,190)</u>	<u>(3,392,524)</u>
Profit for the financial year available for discretionary division among members		-	-
Other comprehensive income		<u>-</u>	<u>-</u>
Total comprehensive income for the financial year		<u>-</u>	<u>-</u>

The accompanying accounting policies and notes form part of these financial statements.

BIRKETT LONG LLP

Consolidated Statement of Financial Position For the year ended 31 May 2022

		2022 £	2021 £
	Note		
Fixed assets			
Intangibles	8	-	-
Tangible assets	9	857,736	1,027,339
Investments	10	<u>60,750</u>	<u>60,750</u>
		<u>918,486</u>	<u>1,088,089</u>
Current assets			
Debtors	11	3,044,179	2,685,971
Cash at bank and in hand		<u>2,220,498</u>	<u>2,117,671</u>
Current assets		5,264,677	4,803,642
Creditors: amounts falling due within one year	12	<u>(2,210,392)</u>	<u>(2,119,244)</u>
Net current assets		<u>3,054,285</u>	<u>2,684,398</u>
Total assets less current liabilities		3,972,771	3,772,487
Creditors: amounts falling due after more than one year	13	-	(704,067)
Provisions for liabilities			
Other provisions	15	<u>(110,280)</u>	<u>(84,360)</u>
Net assets attributable to members		<u>3,862,491</u>	<u>2,984,060</u>

Represented by:

Loans and other debts due to members

Members' capital classified as debt	1,020,000	990,000
Members' other interests	<u>2,842,491</u>	<u>1,994,060</u>
Total members' interests	<u>3,862,491</u>	<u>2,984,060</u>

These financial statements were approved by the members on
Signed on behalf of the members:

20th September 2022



Martin Hopkins

Designated member

LLP registration no: OC334273

The accompanying accounting policies and notes form part of these financial statements.

BIRKETT LONG LLP

LLP Statement of Financial Position For the year ended 31 May 2022

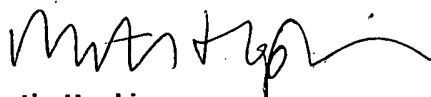
		2022 £	2021 £
	Note		
Fixed assets			
Intangibles	8	-	-
Tangible assets	9	857,736	1,027,339
Investments	10	<u>61,851</u>	<u>60,751</u>
		<u>919,587</u>	<u>1,088,090</u>
Current assets			
Debtors	11	3,046,980	2,686,365
Cash at bank and in hand		<u>1,817,844</u>	<u>1,889,612</u>
Current assets		4,864,824	4,575,977
Creditors: amounts falling due within one year	12	<u>(2,192,034)</u>	<u>(2,109,588)</u>
Net current assets		<u>2,672,790</u>	<u>2,466,389</u>
Total assets less current liabilities		3,592,377	3,554,479
Creditors: amounts falling due after more than one year	13	-	(704,067)
Provisions for liabilities			
Other provisions	15	<u>(110,280)</u>	<u>(84,360)</u>
Net assets attributable to members		<u>3,482,097</u>	<u>2,766,052</u>

Represented by:

Loans and other debts due to members

Members' capital classified as debt	1,020,000	990,000
Members' other interests	<u>2,462,097</u>	<u>1,776,052</u>
Total members' interests	<u>3,482,097</u>	<u>2,766,052</u>

These financial statements were approved by the members on
Signed on behalf of the members:



Martin Hopkins

Designated member

LLP registration no: OC334273

20th September 2022

The accompanying accounting policies and notes form part of these financial statements.

BIRKETT LONG LLP

Consolidated Statement of Cashflows For the year ended 31 May 2022

	2022 £	2021 £
Cash flows from operating activities		
Profit for the financial year available for discretionary division among members	-	-
Adjustments for:		
Members' remuneration charged as an expense	3,852,190	3,392,524
Impairment of investments	-	-
Depreciation of tangible assets	242,093	293,610
Loss/(profit) on disposal of tangible assets	-	3,056
Interest paid	24,412	24,732
(Increase)/decrease in debtors	(358,208)	(141,152)
(Decrease)/increase in creditors	353,648	(391,168)
Increase/(decrease) in provisions	25,920	4,700
Cash from operations	<u>4,140,055</u>	<u>3,186,302</u>
 Net cash generated from operating activities before transactions with members	 4,140,055	 3,186,302
Drawings	(3,003,759)	(2,919,727)
Net cash generated from operating activities	<u>1,136,296</u>	<u>266,575</u>
 Cash flows from investing activities		
Proceeds from sale of tangible assets	1	-
Purchases of tangible assets	(72,491)	(70,925)
Purchases of investments	-	-
Net cash from investing activities	<u>(72,490)</u>	<u>(70,925)</u>
 Cash flows from financing activities		
Increase in / (repayment of) bank loans	(966,567)	157,012
Repayment of finance lease obligations	-	-
Interest paid	(24,412)	(24,732)
Capital introduced by members	30,000	-
Repayment of capital or debt to members	-	(30,000)
Net cash used in financing activities	<u>(960,979)</u>	<u>102,280</u>
 Net increase in cash and cash equivalents	 102,827	 297,930
 Cash and cash equivalents at the beginning of the year	 <u>2,117,671</u>	 <u>1,819,741</u>
Cash and cash equivalents at the end of the year	<u>2,220,498</u>	<u>2,117,671</u>

The accompanying accounting policies and notes form part of these financial statements.

BIRKETT LONG LLP

Consolidated Statement of Changes in Equity For the year ended 31 May 2022

	Members' capital classified as debt £	Members' other interests £	Total £
At 1 June 2020	1,020,000	1,521,263	2,541,263
Profit for the financial year available for discretionary division among members	-	-	-
Other comprehensive income	-	-	-
Total comprehensive income for the year	-	-	-
Members' remuneration charged as an expense	-	3,392,524	3,392,524
Drawings	-	(2,919,727)	(2,919,727)
Capital introduced	-	-	-
Repayment of capital	(30,000)	-	(30,000)
At 1 June 2021	990,000	1,994,060	2,984,060
Profit for the financial year available for discretionary division among members	-	-	-
Other comprehensive income	-	-	-
Total comprehensive income for the year	-	-	-
Members' remuneration charged as an expense	-	3,852,190	3,852,190
Drawings	-	(3,003,759)	(3,003,759)
Capital introduced	30,000	-	30,000
Repayment of capital	-	-	-
At 31 May 2022	1,020,000	2,842,491	3,862,491

LLP Statement of Changes in Equity

	Members' capital classified as debt £	Members' other interests £	Total £
At 1 June 2020	1,020,000	1,350,423	2,370,423
Profit for the financial year available for discretionary division among members	-	-	-
Other comprehensive income	-	-	-
Total comprehensive income for the year	-	-	-
Members' remuneration charged as an expense	-	3,174,516	3,174,516
Drawings	-	(2,748,887)	(2,748,887)
Capital introduced	-	-	-
Repayment of capital	(30,000)	-	(30,000)
At 1 June 2021	990,000	1,776,052	2,766,052
Profit for the financial year available for discretionary division among members	-	-	-
Other comprehensive income	-	-	-
Total comprehensive income for the year	-	-	-
Members' remuneration charged as an expense	-	3,470,695	3,470,695
Drawings	-	(2,784,650)	(2,784,650)
Capital introduced	30,000	-	30,000
Repayment of capital	-	-	-
At 31 May 2022	1,020,000	2,462,097	3,482,097

The accompanying accounting policies and notes form part of these financial statements.

BIRKETT LONG LLP

Notes to the Financial Statements For the year ended 31 May 2022

1. Entity information

Birkett Long LLP is a Limited Liability Partnership and is incorporated in England. The registered office is 1 Amphora Place, Sheepen Road, Colchester, CO3 3WG. The LLP registration no. is OC334273.

2. Basis of preparation

The financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 – 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' ('FRS 102'), Companies Act 2006 as applied to LLPs and the Statement of Recommended Practice (SORP), Accounting by Limited Liability Partnerships, issued in January 2017. The financial statements have been prepared on the historical cost basis.

The financial statements are presented in Sterling (£).

The group financial statements consolidate the financial statements of Birkett Long LLP and all its subsidiary undertakings drawn up to 31 May each year.

The LLP has taken advantage of section 408 of the Companies Act 2006 as applied by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 and has not included its own Profit and Loss Account in these financial statements. The LLPs profit for the year before members' remuneration charged as an expense was £3,470,695 (2021: £3,174,516).

The individual accounts of Birkett Long LLP have also adopted the following disclosure exemption:

- the requirement to present a statement of cash flows and related notes.

Going concern

After reviewing the group's forecasts and projections, the members have a reasonable expectation that the LLP has adequate resources to continue in operational existence for the foreseeable future. The LLP therefore continues to adopt the going concern basis in preparing its consolidated financial statements.

3. Significant judgements and estimates

Preparation of the financial statements requires management to make significant judgements and estimates in a number of areas, including amounts recoverable under contracts and bad debt provision.

4. Principal accounting policies

4.1 Business combinations

Acquisitions of subsidiaries and businesses are accounted for using the purchase method. The cost of the business combination is measured as the aggregate of the fair values (at the date of exchange) of assets given and liabilities incurred or assumed.

Any excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets and liabilities is recognised as goodwill. If the net fair value of the identifiable assets and liabilities exceeds the cost of the business combination the excess is recognised separately on the face of the consolidated statement of financial position immediately below goodwill.

4.2 Investment in subsidiaries

The consolidated financial statements incorporate the financial statements of the LLP and entities controlled by the group (its subsidiaries). Control is achieved where the group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The results of subsidiaries acquired or disposed of during the year are included in total comprehensive income from the effective date of acquisition and up to the effective date of

**Notes to the Financial Statements
For the year ended 31 May 2022**

disposal, as appropriate using accounting policies consistent with those of the parent. All intra-group transactions, balances, income and expenses are eliminated in full on consolidation. Investments in subsidiaries are accounted for at cost less impairment in the individual financial statements.

4.3 Intangible assets

Intangible assets are measured at cost less accumulated amortisation and any accumulated impairment losses.

Amortisation is charged so as to allocate the cost of intangibles less their residual values over their estimated useful lives, using the straight-line method. The intangible assets are amortised over the following useful economic lives:

Goodwill	5 years
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If there is an indication that there has been a significant change in amortisation rate or residual value of an asset, the amortisation of that asset is revised prospectively to reflect the new expectations.

If the net fair value of the identifiable assets and liabilities acquired exceeds the cost of a business combination, the excess up to the fair value of non-monetary assets acquired is recognised in profit or loss in the periods in which the non-monetary assets are recovered. Any excess exceeding the fair value of non-monetary assets acquired is recognised in the income statement in the periods expected to be benefitted.

4.4 Tangible assets

Tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is calculated to write down the cost less estimated residual value of all tangible fixed assets over their expected useful lives, using the straight-line method. The rates applicable are:

Leasehold improvements	Period of lease
Fixtures, fittings and equipment	2 - 5 years
Computer equipment and software	4 - 5 years

4.5 Impairment of assets

At each reporting date fixed assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared with its carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in the income statement. If an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in the income statement.

4.6 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

4.7 Creditors

Short term trade creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

**Notes to the Financial Statements
For the year ended 31 May 2022**

4.8 Leases

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the lease term, unless the rental payments are structured to increase in line with expected general inflation, in which case the group recognises annual rent expense equal to amounts owed to the lessor.

The aggregate benefit of lease incentives are recognised as a reduction to the expense recognised over the lease term on a straight line basis.

4.9 Provisions for liabilities

Provisions are recognised when the group has a present obligation (legal or constructive) as a result of a past event, it is probable that the group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

4.10 Members' drawings and the subscription and repayment of members' capital

Profits are allocated in accordance with the LLP Members' Agreement.

Drawings are treated as payments on account of profit allocation. A conservative level of monthly drawings is set at the start of the year and further distributions are made once the results for the year and allocation of profit have been finalised. Drawings are only repayable to the LLP in so far as there are insufficient profits to allocate against such drawings. Any drawings in excess of total profits allocated would be included within 'amounts due from members' within debtors.

The capital requirements of the LLP are determined by the members and are in accordance with the LLP Members' Agreement.

An interest rate of 3% over base rate is paid on the fixed capital. On leaving the LLP, a member's capital is repaid after a balance sheet has been drawn up by the auditors as at the determination date.

During the year and up to the date of approval of these accounts, there were no amounts of members' interests transferred from capital to debt or transferred from debt to equity.

In the event of winding up, loans and other debts due to members and members' other interests rank subordinate to other unsecured creditors.

4.11 Taxation

Tax to be paid on the profits arising in the LLP are a personal tax liability of the members of the LLP and therefore are not included as a tax charge or provision within these financial statements. Tax as presented within these financial statements represents tax arising from other group undertakings.

Current tax is recognised for the amount of income tax payable in respect of the taxable profit for the current or past reporting periods using the tax rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date, except as otherwise indicated.

Deferred tax assets are only recognised to the extent that it is probable they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

If and when all conditions for retaining tax allowances for the cost of a fixed asset have been met, the deferred tax is reversed.

Deferred tax is recognised when income or expenses from a subsidiary or associate have been recognised, and will be assessed for tax in a future period, except where:

- the group is able to control the reversal of the timing difference; and
- it is probable that the timing difference will not reverse in the foreseeable future.

A deferred tax liability or asset is recognised for the additional tax that will be paid or avoided in respect of assets and liabilities that are recognised in a business combination. The amount attributed to goodwill is adjusted by the amount of deferred tax recognised.

**Notes to the Financial Statements
For the year ended 31 May 2022**

Deferred tax is calculated using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference. With the exception of changes arising on the initial recognition of a business combination, the tax expense (income) is presented either in profit or loss, other comprehensive income or equity depending on the transaction that resulted in the tax expense (income).

Deferred tax liabilities are presented within provisions for liabilities and deferred tax assets within debtors. Deferred tax assets and deferred tax liabilities are offset only if:

- the group has a legally enforceable right to set off current tax assets against current tax liabilities, and
- the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously.

4.12 Turnover

Turnover is measured at the fair value of the consideration received or receivable, net of discounts and value added taxes. Turnover includes revenue earned from the rendering of services.

Rendering of services

Turnover is recognised when the LLP has performed services in accordance with the agreement with the relevant client and has obtained a right to consideration for those services. Where such income has not been billed at the year end it is included in accrued income.

4.13 Government grants

Government grants are recognised at the fair value of the asset received or receivable. Grants are not recognised until there is reasonable assurance that the LLP will comply with the conditions attaching to them and the grants will be received.

Government grants are recognised using the accrual model and the performance model.

Under the accrual model, government grants relating to revenue are recognised on a systematic basis over the periods in which the LLP recognises the related costs for which the grant is intended to compensate. Grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs are recognised in income in the period in which it becomes receivable.

Grants relating to assets are recognised in income on a systematic basis over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income and not deducted from the carrying amount of the asset.

Under the performance model, where the grant does not impose specified future performance-related conditions on the recipient, it is recognised in income when the grant proceeds are received or receivable. Where the grant does impose specified future performance-related conditions on the recipient, it is recognised in income only when the performance-related conditions have been met. Where grants received are prior to satisfying the revenue recognition criteria, they are recognised as a liability.

4.14 Pensions and other employee benefits

Short-term employee benefits and contributions to defined contribution pension schemes are recognised as an expense in the period in which they are incurred.

Defined benefit pension scheme liabilities are measured on an actuarial basis, with actuarial valuations being completed on a triennial basis. The defined benefit scheme is closed to new members and future accrual, but any deficit funding contributions required are recognised as an expense in the period in which they are incurred.

BIRKETT LONG LLP

Notes to the Financial Statements For the year ended 31 May 2022

4.15 Foreign currency translation

Functional currency and presentation currency

The individual financial statements of each group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position are presented in Sterling (£).

4.16 Financial instruments

Each group entity only enters into basic financial instrument transactions, which result in the recognition of financial assets and liabilities such as trade and other debtors and creditors.

5. Turnover

	2022	2021
	£	£
Legal services	11,813,336	10,404,794
Financial services	<u>1,179,827</u>	<u>989,641</u>
	<u>12,993,163</u>	<u>11,394,435</u>

Turnover is attributable to the provision of legal and financial services in the United Kingdom as follows:

6. Operating profit

The operating profit is stated after:

	2022	2021
	£	£
Auditor's remuneration:		
Fees payable to the LLP's auditor for the audit of the LLP's annual accounts	13,500	12,200
Fees payable to the LLP's auditor for other services:		
Audit of the accounts of subsidiaries	5,500	5,300
Tax compliance services	18,900	19,755
Other operating lease rentals	547,890	546,949
Depreciation	<u>242,093</u>	<u>293,610</u>

7. Members and employees

	2022	2021
	£	£
Staff costs during the year were as follows:		
Wages and salaries	4,613,209	4,364,973
Social security costs	504,504	428,546
Other pension costs	<u>233,271</u>	<u>228,128</u>
	<u>5,350,984</u>	<u>5,021,647</u>

BIRKETT LONG LLP

Notes to the Financial Statements For the year ended 31 May 2022

Retirement benefit schemes

Defined contribution schemes

The Group operates a defined contribution pension scheme for the benefit of the employees. The assets of the scheme are administered by an independent pensions provider. Pension payments recognised as an expense during the year amount to £233,271 (2021: £228,128).

Defined benefit schemes

The Group operates an "old" defined benefit pension scheme in conjunction with other third party employers, with the assets of the scheme being held separately from those of the Group. The scheme was closed to new members and future accrual on 31 December 2002. Actuarial valuations are carried out on a triennial basis, with the latest valuation being carried out as at 31 December 2020. The valuation as at 31 December 2020 showed that there was a scheme funding surplus.

	2022	2021
	No.	No.
The average number of employees of the group during the year was:		
Fee earners	52	51
Other	78	79
	<u>130</u>	<u>130</u>

Information in relation to members

	2022	2021
	No.	No.
The average number of members during the year was:		
Full members	25	25
	2022	2021
	£	£
Paid under the terms of the LLP agreement	<u>3,852,190</u>	<u>3,392,524</u>
The amount of profit attributable to the member with the largest entitlement was:	<u>240,717</u>	<u>203,250</u>

BIRKETT LONG LLP

Notes to the Financial Statements For the year ended 31 May 2022

8. Intangible fixed assets

Group and LLP

	Goodwill £
Cost	
At 1 June 2021	468,441
Additions	-
At 31 May 2022	<u>468,441</u>
Depreciation and impairment	
At 1 June 2021	468,441
Charge for the year	-
At 31 May 2022	<u>468,441</u>
Net book amount at 31 May 2022	<u>-</u>
Net book amount at 31 May 2021	<u>-</u>

Amortisation of intangible fixed assets is included in other operating expenses.

9. Tangible fixed assets

Group and LLP

	Leasehold improve- ments £	Furniture and equipment £	Computer equipment £	Total £
Cost				
At 1 June 2021	1,186,318	1,010,885	653,551	2,850,754
Additions	-	14,318	58,173	72,491
Disposals	<u>-</u>	<u>-</u>	<u>(8,615)</u>	<u>(8,615)</u>
At 31 May 2022	<u>1,186,318</u>	<u>1,025,203</u>	<u>703,109</u>	<u>2,914,630</u>
Depreciation				
At 1 June 2021	421,342	835,276	566,797	1,823,415
Provided in the year	84,223	117,961	39,909	242,093
Disposals	<u>-</u>	<u>-</u>	<u>(8,614)</u>	<u>(8,614)</u>
At 31 May 2022	<u>505,565</u>	<u>953,237</u>	<u>598,092</u>	<u>2,056,894</u>
Net book amount				
At 31 May 2022	<u>680,753</u>	<u>71,966</u>	<u>105,017</u>	<u>857,736</u>
At 31 May 2021	<u>764,976</u>	<u>175,609</u>	<u>86,754</u>	<u>1,027,339</u>

BIRKETT LONG LLP

Notes to the Financial Statements For the year ended 31 May 2022

10. Investments

Total fixed asset investments comprise:
Group and LLP

	Shares in Meridies £
Cost	
At 1 June 2021	200,001
Additions	-
At 31 May 2022	<u>200,001</u>
Impairment	
At 1 June 2021	139,251
Impairment loss	-
At 31 May 2022	<u>139,251</u>
Carrying amount at 31 May 2022	<u>60,750</u>
Carrying amount at 31 May 2021	<u>60,750</u>
LLP	2022 2021
	£ £
Interests in subsidiaries	<u>1,101</u> <u>1</u>

Interests in subsidiaries

At 31 May 2022 the group and LLP had interests in the following subsidiaries:

Subsidiaries	Nature of business	Proportion held (%)	Country of incorporation
Birkett Long Services Ltd	Services	100%	UK
Birkett Long IFA LLP	Financial Services	99%	UK
BL Intellectual Property Malta Ltd	Intellectual Property	99.9%	Malta

11. Debtors

	Group 2022 £	Group 2021 £	LLP 2022 £	LLP 2021 £
Trade debtors	1,133,128	1,022,942	1,129,909	1,016,800
Amounts recoverable on contracts	1,513,675	1,350,465	1,513,675	1,350,465
Amounts owed by subsidiary undertakings	-	-	10,000	10,000
Prepayments and accrued income	<u>397,376</u>	<u>312,564</u>	<u>393,396</u>	<u>309,100</u>
	<u>3,044,179</u>	<u>2,685,971</u>	<u>3,046,980</u>	<u>2,686,365</u>

An impairment loss of £285,040 (2021: £325,518) was recognised against trade debtors.

12. Creditors: amounts falling due within one year

	Group 2022 £	Group 2021 £	LLP 2022 £	LLP 2021 £
Bank loans	-	262,500	-	262,500
Trade creditors	289,373	158,053	289,373	158,053
Amounts owed to subsidiary undertakings	-	-	-	10,229
Taxation and social security	597,515	618,344	597,515	618,344
Accruals and deferred income	<u>1,323,504</u>	<u>1,080,347</u>	<u>1,305,146</u>	<u>1,060,462</u>
	<u>2,210,392</u>	<u>2,119,244</u>	<u>2,192,034</u>	<u>2,109,588</u>

BIRKETT LONG LLP

Notes to the Financial Statements For the year ended 31 May 2022

Lloyds Bank Plc and Royal Bank of Scotland Plc hold debentures over the assets of Birkett Long LLP.

At the year end, the amount outstanding on the overdraft held by Birkett Long LLP was £Nil (2021: £Nil).

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

	2022	2021
Group and LLP	£	£
Bank loan	-	704,067
	<u>-</u>	<u>704,067</u>

14. Borrowings

Bank loans are repayable as follows:

	2022	2021
Group and LLP	£	£
Within one year	-	262,500
Between two and five years	-	704,067
	<u>-</u>	<u>966,567</u>

The group had two bank loans with The Royal Bank of Scotland plc in 2021, both secured by a debenture, as follows: -

1. 2022 £Nil (2021: £216,567). (The interest rate on the loan in 2021 was 2.60%).
2. 2022 £Nil (2021: £750,000). (The interest rate on the loan in 2021 was 2.19%).

15. Provisions for liabilities

	Leave pay
Group and LLP	£
At 1 June 2021	84,360
Charge for the year	25,920
At 31 May 2022	<u>110,280</u>

The leave pay provision represents annual leave balances accrued as a result of services rendered in the current period and which employees are entitled to carry forward. The provision is measured as the salary cost (including employers NIC) payable for the period of absence.

16. Capital commitments

The group had capital commitments for leasehold improvements of £Nil (2021: £Nil), and for other tangible fixed assets of £Nil (2021: £Nil).

17. Leasing commitments

The group's future minimum operating lease payments are as follows:

	2022	2021
	£	£
Within one year	570,043	570,043
Between two and five years	1,540,109	1,810,325
More than five years	<u>2,940,167</u>	<u>3,239,167</u>

**Notes to the Financial Statements
For the year ended 31 May 2022**

18. Transactions with related parties

In accordance with FRS 102 section 33, transactions and balances between group companies and LLP's that have been eliminated on consolidation are not disclosed.

The aggregate remuneration of the ten members of the management board (comprising nine members of the LLP and one executive appointment) is £1,669,288 (2021: nine members of the LLP and one executive appointment £1,446,790).

There are no other related party transactions during the year to 31 May 2022 to report.

The LLP does not have a parent undertaking. The ultimate controlling party of the group is considered to be the members in aggregate.

19. Financial risk management

The group has exposures to two main areas of risk - liquidity risk and customer credit exposure. To a lesser extent the group is exposed to interest rate risk. The group has no exposure to foreign exchange currency exposure.

Liquidity risk

The objective of the group in managing liquidity risk is to ensure that it can meet its financial obligations as and when they fall due. The group expects to meet its financial obligations through operating cash flows. In the event that the operating cash flows would not cover all the financial obligations the group has credit facilities available. Given the maturity of the bank loans in note 14, the group is in position to meet its commitments and obligations as they come due.

Customer credit exposure

The group may offer credit terms to its customers which allow payment of the debt after delivery of the services. The group is at risk to the extent that a customer may be unable to pay the debt on the specified due date. This risk is mitigated by the strong on-going customer relationships.

Interest rate risk

The group borrows from its bankers using either overdrafts or term loans whose tenure depends on the nature of the asset and management's view of the future direction of interest rate.

20. Financial assets and liabilities

Financial assets in the group, measured at amortised cost amounted to £4,922,051 at 31 May 2022 (2021: £4,556,214), comprising trade and other debtors, amounts recoverable on contracts, cash and cash equivalents.

Financial assets in the LLP, measured at amortised cost amounted to £4,526,178 at 31 May 2022 (2021: £4,332,013), comprising trade and other debtors, amounts recoverable on contracts, amounts owed by group undertakings, cash and cash equivalents.

Financial liabilities in the group measured at amortised cost amounted to £1,723,157 at 31 May 2022 (2021: £2,289,327), comprising trade and other payables, bank loans and overdrafts, accruals and amounts payable under hire purchase.

Financial liabilities in the LLP measured at amortised cost amounted to £1,704,799 at 31 May 2022 (2021: £2,279,671), comprising trade and other payables, bank loans and overdrafts, accruals and amounts payable under hire purchase and amounts owed to group undertakings.