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## **Bird & Bird LLP**

### **Annual Report and Financial Statements**

**For the year ended 30 April 2020**

**Registered Number: OC340318**

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**Bird & Bird LLP**  
**Annual Report and Financial Statements 2020**

**Contents**

	Page
Report to the Members	1
Energy and Carbon report	4
Independent Auditor's Report to the Members of Bird & Bird LLP	6
Consolidated Statement of Comprehensive Income	9
Consolidated Statement of Financial Position	10
LLP Statement of Financial Position	11
Consolidated Statement of Changes in Members Interest	12
LLP Statement of Changes in Members Interest	13
Consolidated Statement of Cash Flows	14
Notes to the financial statements	15

## **Bird & Bird LLP**

### **Report to the Members**

The Members are pleased to present their annual report and the audited consolidated financial statements for the year ended 30 April 2020.

#### **GROUP STRUCTURE**

Bird & Bird LLP (the "LLP") comprises branches in the United Kingdom and outside the United Kingdom (as defined in Section 1046(3) of the Companies Act 2006) in Germany; and acts as parent undertaking of its affiliated or associated practices operating in Australia, Belgium, China (including Hong Kong), the Czech Republic, Denmark, Finland, France, Hungary, Italy, Luxembourg, Poland, Singapore, Slovakia, Spain, Sweden, the Netherlands, United Arab Emirates and United States of America, the results of all of which are consolidated in these financial statements. The LLP and all its subsidiary undertakings are referred to together as the "group" in these financial statements. In the Netherlands, Bird & Bird practised through a branch of the LLP until 30 April 2020 when activities were transferred to Bird & Bird (Netherlands) LLP, a new affiliate. Refer to note 20.

#### **PRINCIPAL ACTIVITY**

The principal activity of the group is the provision of legal services through offices in Asia, Europe, the Middle East and North America. All results derive from continuing activities.

#### **BUSINESS REVIEW AND FUTURE DEVELOPMENTS**

*The result for the year and financial position are set out on pages 9 and 10. The members consider the results and financial position to be satisfactory and anticipate continued profitable trading for the foreseeable future. Management is being prudent in relation to the possible effects of COVID-19 on the business in the year ended 30 April 2021. The firm has reduced discretionary and capital expenditure where possible and taken actions to preserve cash flow. As a result of the firm's strategic focus on tech and companies being changed by the digital world, so far we are continuing to see income growth, with overall results not being materially adversely affected.*

The financial statements are presented in Euro as the majority of the group's turnover and profit is derived in that currency.

#### **GOING CONCERN BASIS**

The Board, after making enquiries, has a reasonable expectation that the LLP and the group have adequate resources to continue in operational existence for the foreseeable future. Accordingly it continues to adopt the going concern basis of accounting in preparing the annual financial statements. Further details regarding the adoption of the going concern basis can be found in note 2 to the financial statements.

#### **MEMBERS' DRAWINGS AND THE SUBSCRIPTION / REPAYMENT OF MEMBERS' CAPITAL**

The LLP's policy on drawings and distributions is dependent upon the working capital requirements of the business. A conservative level of monthly drawings is set at the start of each financial year and further distributions are made during the year, subject to conservative internal borrowing rules, and are finalised once the results for the year and allocation of profit have been determined by the Board and approved by the members.

The tax payable on each member's profit share is the personal liability of that member. However, the LLP retains a provision for tax from their profit shares which is paid to the tax authorities on their behalf.

The group is financed through member's capital, undistributed profits and bank facilities. All of the capital of the LLP is provided by its members. Members are required to provide capital generally in proportion to the profit sharing points allocated to each of them. Capital requirements are reviewed annually. Under the Members' Agreement capital will normally be repaid to members following their retirement from the LLP.

#### **GOVERNANCE AND MANAGEMENT**

The Board is the main governance body of the group ensuring the management is conducted within a framework of prudent and effective controls which enables business aims, financial performance and risks to be assessed and managed. The Board comprises the Chairman and four other members, all of whom are elected by the members of the LLP. The Chief Executive Officer ("CEO"), Chief Financial Officer ("CFO") and the General Counsel attend Board meetings. Day to day management is delegated to the CEO, supported by an Executive Committee and Strategy Committee, the members of which are appointed by the CEO and approved by the Board.

## **Bird & Bird LLP**

### **Report to the Members**

#### **GOVERNANCE AND MANAGEMENT (CONTINUED)**

The Board has delegated to the Audit Committee the oversight of systems and controls over: the financial position of the LLP and client money; accounting, financial reporting and financial risk management; and internal and external audit processes. These include appointment of the LLP Auditors and of any independent accountants; approving the scope of all audits and reviewing the findings, including major issues, judgements and recommendations; and the review and approval of annual financial statements.

The Board has delegated to the Risk Committee the responsibility for reviewing the arrangements for professional indemnity and other major insurances and defence of claims against the LLP, including the appointment of insurance brokers, selection of insurers, terms of insurance and incidence of claims; the policies of the LLP concerning risk management, compliance with laws and regulations, rules of conduct related to the legal practice, data security and the LLP's procedures for detecting fraud; and arrangements for reporting concerns about possible breaches of law or regulation.

All members of the Audit and Risk Committees are appointed by the Board. The CEO, CFO and General Counsel attend meetings of the Audit and Risk Committees. The designated members of the LLP and, except as stated, members of the Board during the year ended 30 April 2020 were as follows:

Boris Kreye	
Casper Moltke-Leth	(appointed to the Board and the Audit Committee 1 June 2020)
Christian Bartsch	Chairman of the Risk Committee
Christopher Barrett	General Counsel, non-Board Member
David Kerr	Chief Executive Officer
Graeme Maguire	Chairman (appointed 1 April 2020)
Katarina Ahlberg	(resigned from the Board and the Audit Committee 31 May 2020)
Massimiliano Mostardini	Chairman (resigned 31 March 2020)
Pattie Walsh	(appointed 1 June 2020)
Richard Olver	Chief Financial Officer, non-Board Member
Roger Bickerstaff	(resigned 31 May 2020)

The Executive Committee assists the CEO with the management of the LLP, its implementation of strategy, approval of the budget, reviewing financial performance and major decisions concerning financial, human resources, property and strategic development.

#### **EMPLOYEES**

The group is committed to equal opportunities and its people are selected and managed purely on merit.

The group recognises that its people are the foundation of its success and endeavours to provide an environment that attracts and retains a broad range of talented individuals.

#### **Disability**

It is the policy of the group to consider fully, applications for employment of disabled persons. In the event of employees becoming disabled, every effort is made to ensure that their employment continues and that the appropriate training is arranged. It is the policy of the group that the training, career development and promotion of disabled persons should, as far as possible, be identical with that of other employees.

#### **CORPORATE SOCIAL RESPONSIBILITY AND THE ENVIRONMENT**

The group recognises the importance of managing the business to produce an overall positive impact on society. It has developed and implemented a range of policies and practices which fall under the general heading of Corporate Social Responsibility ("CSR"). The CSR initiatives include programmes aimed at promoting diversity, minimising the impact on the environment and assisting communities in which the group operates.

The group strives to create a sense of professional duty and responsibility and encourages and supports staff in their participation in community activities.

## Bird & Bird LLP

### Report to the Members

#### STATEMENT OF MEMBERS' RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

The members are responsible for preparing the report to the members 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 (the 2008 Regulations) require the members to prepare financial statements for each financial year. Under these regulations the members have elected to prepare the group and LLP financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law including FRS102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'). The financial statements are required by law to give a true and fair view of the state of affairs of the group and LLP and of the profit or loss of the group for that period. In preparing these financial statements, the members are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and 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; and
- 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 disclose with reasonable accuracy at any time the financial position of the LLP and enable them to ensure that the financial statements comply with the 2008 Regulations. They are also responsible for safeguarding the assets of the LLP 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 LLP's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

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


#### FURTHER INFORMATION

For more details of the group, its offices, its members and regulatory information, visit our web site at [twobirds.com](http://twobirds.com). In addition, a list of members' names is available for inspection at the LLP's office at 12 New Fetter Lane, London, EC4A 1JP, which is the LLP's registered office and principal place of business in the United Kingdom.

#### AUDITOR

Deloitte LLP have indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditors in accordance with the LLP agreement.

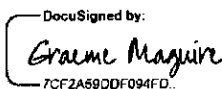
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**David Kerr**

Chief Executive Officer  
and Designated Member

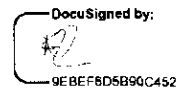
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**Graeme Maguire**

Chairman and Designated Member

3 February 2021

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**Richard Olver**

Chief Financial Officer

3 February 2021

Bird & Bird LLP

Registered number: OC340318

Registered office: 12 New Fetter Lane, London, EC4A 1JP

## Bird & Bird LLP

### Energy and Carbon Report

We have reported on all sources of GHG emissions and energy usage as required under the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 as amended.

Bird & Bird LLP appointed Carbon Footprint Ltd, a leading carbon and energy management company, to independently assess its Green House (GHG) emissions in accordance with the UK Governments 'Environmental reporting guidelines: including streamlined Energy and Carbon Reporting requirements'.

The assessment has used the 2019 emission conversion factors published by the Department for Environment, Food and Rural Affairs (Defra) and the Department for Business, Energy & Industrial Strategy (BEIS). The assessment follows the dual reporting method of the GHG methodology. Bird & Bird LLP have reported the location based approach for assessing emissions from electricity usage and has used the UK electricity emissions factors (for generation and transmission & distribution). The financial control approach has been used. This assessment covers Bird & Bird's UK operations only.

Scope 1 includes Fuel Combustion (Natural gas and diesel) and Fugitive emissions (Refrigerants). There are no owned transport or process emissions.

Scope 2 includes consumption of purchased electricity, heat steam and cooling (Electricity).

Scope 3 includes Purchased materials and fuel (Water), Transmission and distribution of energy (Electricity) and Transport related activities (Taxi, rail and air travel). There are no emissions from leased assets, outsourcing and franchising activities or sold goods and services. Waste disposal was residual and recyclable.

#### GHG emissions and energy usage by scope and source activity

GHG emissions and energy usage data for period 1 May 2019 to 30 April 2020		
	UK and offshore	
	2020	2019**
Site Gas	299.74	N/A
Refrigerants	299.75	N/A
Site Diesel	4.04	N/A
<b>Scope 1 Sub Total (tonnes of CO<sub>2</sub>e)</b>	<b>533.53</b>	<b>N/A</b>
Electricity Generation	692.37	N/A
<b>Scope 2 Sub Total (tonnes of CO<sub>2</sub>e)</b>	<b>692.37</b>	<b>N/A</b>
Flights	1,036.57	2,137.05
Electricity Transmission & Distribution	58.78	N/A
Water (and Waste Water)	15.47	N/A
Taxi Travel	5.92	N/A
Rail Travel	1.78	N/A
Waste	1.27	N/A
<b>Scope 3 Sub Total (tonnes of CO<sub>2</sub>e)</b>	<b>1,119.79</b>	<b>N/A</b>
<b>Total gross CO<sub>2</sub>e based on above (location based)</b>	<b>2,345.70</b>	<b>N/A</b>
<b>Total gross CO<sub>2</sub>e based on above (market based)</b>	<b>1,594.54</b>	<b>N/A</b>
Tonnes of CO <sub>2</sub> e per employee	3.40	N/A
Tonnes of CO <sub>2</sub> e per €M turnover (location based)	26.91	N/A
Total Energy Consumption (kwh)*	4,355,657	N/A

\*Total Energy Consumption includes UK Electricity, UK Gas Site sand Site diesel.

\*\*Comparative information for the prior year is not supplied as this is the first year this information is disclosed

## Bird & Bird LLP

### Energy and Carbon Report

We have reduced our location-based greenhouse gas emissions by 28.1 % since last year. Prior year comparative data for the period is based on 1 September – 30 August.

100% of electricity is sourced from renewable energy which is reflected in the Market-based emissions calculation below. Energy generation emissions are assessed as nil for this calculation.

Activity	2020	2019
Total energy consumed (kWh)	4,355,657	N/A
Total Gross Location-Based Emissions (tCO <sub>2</sub> e)	2,345.70	3,264.48
Total Gross Market-Based Emissions (tCO <sub>2</sub> e)	1,594.54	2,494.86
Intensity ratio: tCO <sub>2</sub> e (gross Scope 1 & 2, marked-based) per €M revenue	14.06	12.12

During the reporting year we appointed a specialist company to undertake an energy optimisation programme reviewing the building at 12 New Fetter Lane. By optimising performance of the central building plant and equipment we are predicting a reduction of at least 10% per annum.

## **Bird & Bird LLP**

### **Independent Auditor's Report to the Members of Bird & Bird LLP For the year ended 30 April 2020**

#### **Opinion**

In our opinion the financial statements of Bird & Bird LLP (the 'limited liability partnership') and its subsidiaries (the 'group'):

- give a true and fair view of the state of the group's and the limited liability partnership's affairs as at 30 April 2020 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 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.

We have audited the financial statements which comprise:

- the consolidated statement of comprehensive income;
- the consolidated statement of financial position;
- the LLP statement of financial position;
- the consolidated statement of changes in members interest;
- the LLP statement of changes in members interest;
- the consolidated statement of cash flows; and
- the related notes 1 to 24.

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.

#### **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 and of the limited liability partnership in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (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**

We are required by ISAs (UK) to report in respect of the following matters where:

- the members' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the members have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or limited liability partnership's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

#### **Other information**

The members are responsible for the other information. The other information comprises the information included in the Report to Members, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.



## **Bird & Bird LLP**

### **Independent Auditor's Report to the Members of Bird & Bird LLP For the year ended 30 April 2020**

#### **REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)**

##### **Other information (continued)**

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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 respect of these matters.

##### **Responsibilities of members**

As explained more fully in the statement of members' responsibilities, 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 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 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.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

##### **Report on other legal and regulatory requirements**

##### **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 in respect of the following matters if, in our opinion:

- adequate accounting records have not been kept by the parent LLP, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent LLP 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 respect of these matters.

## **Bird & Bird LLP**

### **Independent Auditor's Report to the Members of Bird & Bird LLP For the year ended 30 April 2020**

#### **REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)**

##### **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. 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.



Jeremy Black ACA  
(Senior statutory auditor)

For and on behalf of Deloitte LLP

Statutory Auditor

London

4 February 2021

**Bird & Bird LLP****Consolidated Statement of Comprehensive Income  
For the year ended 30 April 2020**

		<b>2020</b>	<b>2019</b>
	<b>Notes</b>	<b>€'000</b>	<b>€'000</b>
<b>TURNOVER</b>	5	429,048	408,909
Staff costs	6	(204,432)	(187,146)
Depreciation	7	(6,705)	(7,205)
Other operating expenses		(98,087)	(89,786)
<b>OPERATING PROFIT</b>	7	<b>119,824</b>	<b>124,772</b>
Finance costs (net)	8	(576)	(871)
<b>PROFIT BEFORE TAXATION</b>		<b>119,248</b>	<b>123,901</b>
Taxation on profit	9	(2,316)	(1,958)
<b>PROFIT FOR THE FINANCIAL YEAR BEFORE MEMBERS' REMUNERATION</b>		<b>116,932</b>	<b>121,943</b>
Members' remuneration charged as an expense		(116,656)	(121,585)
<b>PROFIT FOR THE FINANCIAL YEAR AVAILABLE FOR DISCRETIONARY DIVISION AMONG MEMBERS</b>		<b>276</b>	<b>358</b>
Exchange difference on translation of foreign operations		548	359
<b>TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR</b>		<b>824</b>	<b>717</b>

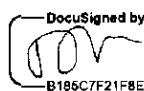
All results relate to continuing activities. There is no tax relating to other comprehensive income.

**Bird & Bird LLP****Consolidated Statement of Financial Position  
As at 30 April 2020**

	Notes	2020 €'000	2019 €'000
<b>FIXED ASSETS</b>			
Tangible assets	10	41,114	34,962
Investments	11	576	-
		<b>41,690</b>	<b>34,962</b>
<b>CURRENT ASSETS</b>			
Debtors	12	203,510	190,243
Cash at bank and in hand		32,121	23,893
		235,631	214,136
Creditors: amounts falling due within one year	13	(70,699)	(62,179)
<b>NET CURRENT ASSETS</b>		<b>164,932</b>	<b>151,957</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			
		<b>206,622</b>	<b>186,919</b>
Creditors: amounts falling due after more than one year	14	(77,383)	(65,547)
Provisions for liabilities and charges	15	(2,038)	(640)
<b>NET ASSETS ATTRIBUTABLE TO MEMBERS</b>		<b>127,201</b>	<b>120,732</b>
<b>REPRESENTED BY:</b>			
<b>Loans and other debts due to members</b>			
Members' capital classified as a liability		52,396	51,046
Other amounts		83,565	76,610
<b>Members' other interests</b>			
Members' capital classified as equity		-	-
Revaluation reserve		120	1,503
Other reserves		(8,880)	(8,427)
		<b>127,201</b>	<b>120,732</b>
<b>TOTAL MEMBERS' INTERESTS</b>			
Members' capital classified as a liability		52,396	51,046
Other amounts due to members		83,565	76,610
Members' other interests		(8,760)	(6,924)
		<b>127,201</b>	<b>120,732</b>

The financial statements of Bird & Bird LLP, registered number OC340318, were approved by the Board on behalf of the members on 3 February 2021.

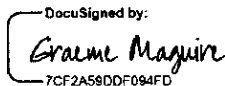
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**David Kerr**

Chief Executive Officer  
and Designated Member

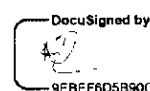
3 February 2021

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**Graeme Maguire**

Chairman and Designated Member

3 February 2021

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**Richard Olver**

Chief Financial Officer

3 February 2021

**Bird & Bird LLP****LLP Statement of Financial Position****As at 30 April 2020**


	Notes	2020 €'000	2019 €'000 (note20)
<b>FIXED ASSETS</b>			
Tangible assets	10	29,312	30,692
Investments	11	599	23
		<b>29,911</b>	<b>30,715</b>
<b>CURRENT ASSETS</b>			
Debtors	12	177,341	171,259
Cash at bank and in hand		6,968	5,293
		184,309	176,552
Creditors: amounts falling due within one year	13	(46,664)	(43,267)
<b>NET CURRENT ASSETS</b>		<b>137,645</b>	<b>133,285</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			
Creditors: amounts falling due after more than one year	14	(77,383)	(65,547)
Provisions for liabilities and charges	15	(258)	(640)
<b>NET ASSETS ATTRIBUTABLE TO MEMBERS</b>		<b>89,915</b>	<b>97,813</b>
<b>REPRESENTED BY:</b>			
<b>Loans and other debts due to members</b>			
Members' capital classified as a liability		35,642	41,035
Other amounts		55,523	56,321
<b>Members' other interests</b>			
Members' capital classified as equity		-	-
Revaluation reserve		(459)	1,407
Other reserves		(791)	(950)
		<b>89,915</b>	<b>97,813</b>
<b>TOTAL MEMBERS' INTERESTS</b>			
Members' capital classified as a liability		35,642	41,035
Other amounts due to members		55,523	56,321
Members' other interests		(1,250)	457
		<b>89,915</b>	<b>97,813</b>

The profit for the financial year before members' remuneration dealt with in the financial statements of the parent entity was €77,614,000 (2019: €84,254,000).

The financial statements of Bird & Bird LLP, registered number OC340318, were approved by the Board on behalf of the members on 3 February 2021.

Signed on behalf of the members

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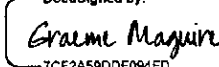
  
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**David Kerr**

Chief Executive Officer  
and Designated Member

3 February 2021

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**Graeme Maguire**

Chairman and Designated Member

3 February 2021

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**Richard Olver**

Chief Financial Officer

3 February 2021

## Bird & Bird LLP

### Consolidated Statement of Changes in Members Interest For the year ended 30 April 2020

	Consolidated			
	Members' capital classified as debt €'000	Other amounts due to / (from) members €'000	Members' other interests classified as equity €'000	Total members' interests €'000
<b>Total members' interests at 1 May 2018</b>	<b>47,276</b>	<b>69,708</b>	<b>(6,784)</b>	<b>110,200</b>
Members' remuneration charged as an expense	-	121,585	-	121,585
Profit for the financial year available for discretionary division among members	-	-	358	358
Other allocations of profit	-	(582)	582	-
<b>Members' interests after profit for the year</b>	<b>47,276</b>	<b>190,711</b>	<b>(5,844)</b>	<b>232,143</b>
Exchange differences on translation of foreign operations	-	359	-	359
<b>Total members' interests after Comprehensive income for the year</b>	<b>47,276</b>	<b>191,070</b>	<b>(5,844)</b>	<b>232,502</b>
Members' capital transferred from current account	1,810	(1,810)	-	-
Members' capital repaid	2,463	-	-	2,463
Payments to and on behalf of members	-	(114,237)	-	(114,237)
Exchange differences on transactions with members	292	2,166	(1,080)	1,378
Transfer of amounts due to former members	(795)	(579)	-	(1,374)
<b>Total members' interests at 30 April 2019</b>	<b>51,046</b>	<b>76,610</b>	<b>(6,924)</b>	<b>120,732</b>
Members' remuneration charged as an expense	-	116,656	-	116,656
Profit for the financial year available for discretionary division among members	-	-	276	276
Other allocations of profit	-	2,219	(2,219)	-
<b>Members' interests after profit for the year</b>	<b>51,046</b>	<b>195,485</b>	<b>(8,867)</b>	<b>237,664</b>
Exchange differences on translation of foreign operations	-	548	-	548
<b>Total members' interests after Comprehensive income for the year</b>	<b>51,046</b>	<b>196,033</b>	<b>(8,867)</b>	<b>238,212</b>
Members' capital transferred from current account	468	(468)	-	-
Members' capital received	1,516	-	-	1,516
Payments to and on behalf of members	-	(109,562)	-	(109,562)
Exchange differences on transactions with members	(264)	(801)	107	(958)
Transfer of amounts due to former members	(370)	(1,637)	-	(2,007)
<b>Total members' interests at 30 April 2020</b>	<b>52,396</b>	<b>83,565</b>	<b>(8,760)</b>	<b>127,201</b>

## Bird & Bird LLP

### LLP Statement of Changes in Members Interest For the year ended 30 April 2020

	LLP			
	Members' capital classified as debt €'000	Other amounts due to / (from) members €'000	Members' other interests classified as equity €'000	Total members' interests €'000
<b>Total members' interests at 1 May 2018</b>	<b>37,402</b>	<b>42,721</b>	<b>1,295</b>	<b>81,418</b>
Members' remuneration charged as an expense	-	84,254	-	84,254
Other allocation of profit	-	74	(74)	-
<b>Members' interests after profit for the year</b>	<b>37,402</b>	<b>127,049</b>	<b>1,221</b>	<b>165,672</b>
Exchange differences on translation of foreign operations	-	2	-	2
<b>Total members' interests after Comprehensive income for the year</b>	<b>37,402</b>	<b>127,051</b>	<b>1,221</b>	<b>165,674</b>
Members' capital transferred from current account	831	(831)	-	-
Members' capital repaid	2,518	-	-	2,518
Payments to and on behalf of members	-	(73,555)	-	(73,555)
Exchange differences on transactions with members	1,453	4,905	(566)	5,792
Transfer of amounts due to former members	(306)	(436)	-	(742)
Belgium branch transferred from LLP	(863)	(813)	(198)	(1,874)
<b>Total members' interests at 30 April 2019</b>	<b>41,035</b>	<b>56,321</b>	<b>457</b>	<b>97,813</b>
Members' remuneration charged as an expense	-	77,614	-	77,614
Other allocation of profit	-	1,230	(1,230)	-
<b>Members' interests after profit for the year</b>	<b>41,035</b>	<b>135,165</b>	<b>(773)</b>	<b>175,427</b>
Exchange differences on translation of foreign operations	-	828	-	828
<b>Total members' interests after Comprehensive Income for the year</b>	<b>41,035</b>	<b>135,993</b>	<b>(773)</b>	<b>176,255</b>
Members' capital transferred from current account	76	(76)	-	-
Members' capital received	1,432	-	-	1,432
Payments to and on behalf of members	-	(66,398)	-	(66,398)
Exchange differences on transactions with members	(2,369)	(7,748)	(98)	(10,215)
Transfer of amounts due to former members	(275)	(1,420)	-	(1,695)
Netherlands branch transferred from LLP – Note 20	(4,257)	(4,828)	(379)	(9,464)
<b>Total members' interests at 30 April 2020</b>	<b>35,642</b>	<b>55,523</b>	<b>(1,250)</b>	<b>89,915</b>

**Bird & Bird LLP****Consolidated Statement of Cash Flows  
For the year ended 30 April 2020**

	Notes	2020 €'000	2019 €'000
<b>Operating activities</b>			
Operating Profit		119,824	124,772
<b>Adjustments for:</b>			
Depreciation of tangible fixed assets		6,705	7,205
Loss on disposal of tangible fixed assets		145	-
Amortisation of goodwill		-	101
Increase in debtors		(13,863)	(11,650)
Increase in creditors		4,725	4,123
Increase / (Decrease) in provisions		1,395	(129)
Taxation paid		(1,788)	(2,127)
<b>Net cash flow from operating activities before transactions with members</b>		<b>117,143</b>	<b>122,295</b>
Payments to and on behalf of members and former members		(111,679)	(115,611)
<b>Net cash flow from operating activities</b>		<b>5,464</b>	<b>6,684</b>
<b>Investing activities</b>			
Payments to acquire tangible fixed assets		(13,210)	(4,052)
Disposals of tangible fixed assets		-	11
Purchase of investments		(576)	-
Interest received		26	32
<b>Net cash flow from investing activities</b>		<b>(13,760)</b>	<b>(4,009)</b>
<b>Financing activities</b>			
Loan repayments		(1,007)	(1,465)
Interest paid		(885)	(903)
Capital introduced by members		1,516	2,463
New bank loans raised		4,030	-
Increase / (Decrease) in medium-term borrowing		11,515	(2,326)
<b>Net cash flow from financing activities</b>		<b>15,169</b>	<b>(2,231)</b>
<b>Increase in cash</b>		<b>6,873</b>	<b>444</b>
Foreign exchange translation adjustment		(59)	86
<b>Cash at the beginning of year</b>		<b>15,839</b>	<b>15,309</b>
<b>Cash at the end of year</b>	<b>18</b>	<b>22,653</b>	<b>15,839</b>



## **Bird & Bird LLP**

### **Notes to the financial statements For the year ended 30 April 2020**

#### **1. ENTITY INFORMATION**

Bird & Bird LLP is a limited liability partnership incorporated in England and Wales under the Limited Liability Partnership Act 2000, register number OC340318. Its registered office is 12 New Fetter Lane, London, EC4A 1JP.

#### **2. BASIS OF PREPARATION**

The LLP's consolidated financial statements have been prepared in compliance with:

- Financial Reporting Standard 102 ('FRS102'), 'The financial reporting standard applicable in the United Kingdom and Republic of Ireland';
- the requirements of the Statement of Recommended Practice (SORP): Accounting by Limited Liability Partnerships (issued December 2018); and
- the Companies Act 2006, as modified to apply to limited liability partnerships by the Limited Liability Partnerships (Accounts & Audit) (Application of Companies Act 2006) Regulations 2008.

The financial statements are prepared in Euro, which is the group reporting currency and rounded to the nearest €'000.

##### **Going concern**

In March 2020 the global Coronavirus pandemic ("COVID-19") impacted most Western economies. This event required the Board to consider carefully the going concern basis of accounting.

Management have prepared detailed forecasts which have been updated regularly to the point of approving these financial statements. Sensitivities have been applied to assess the impact of an increase in the working capital cycle.

On behalf of the Board, the Audit Committee have reviewed the key drivers of going concern status: level of demand of service, working capital cycle, compliance with banking facilities and debt provisions. The firm also participated in the UK government's VAT Deferral Schemes.

Notwithstanding the current economic conditions and potential uncertainty over the level and timing of future revenues, after reviewing the forecasts and projections, the Committee have concluded there is a reasonable expectation that the LLP and the consolidated group have adequate resources to operate within their current facilities for the foreseeable future. The members therefore consider it appropriate to prepare these accounts on a going concern basis.

##### **Accounting convention**

The financial statements have been prepared in accordance with the historical cost convention, modified to include certain items at fair value.

##### **Basis of consolidation**

The consolidated financial statements incorporate the financial statements of the LLP and all its subsidiary undertakings, drawn up to 30 April each year. The subsidiaries are listed in Note 11 to the financial statements.

No individual statement of comprehensive income is presented for the LLP, as permitted by section 408 of the Companies Act 2006.

The individual accounts of the LLP have also taken advantage of the disclosure exemption in section 1.8 of FRS102, and do not therefore include an individual Statement of Cash Flows or certain disclosures in respect of financial instruments and remuneration of key management personnel.

## Bird & Bird LLP

### Notes to the financial statements For the year ended 30 April 2020

#### 2. BASIS OF PREPARATION (CONTINUED)

##### Subsidiary exemption from audit

For the year ended 30 April 2020 the following United Kingdom subsidiaries of the LLP were entitled to exemption from audit under Section 479A of the Companies Act 2006 relating to subsidiary companies.

Subsidiary Name	Companies House Registration Number
Bird & Bird (Services) Limited	03717269
Bird & Bird IP Services Limited	08809336
Bird & Bird Investments (Nordic) Limited	06540437
Bird & Bird (America) LLP	OC418501
Bird & Bird (Belgium) LLP	OC425817
Bird & Bird (International) LLP	OC340726
Bird & Bird (MEA) LLP	OC353760
Bird & Bird (Netherlands) LLP	OC425818

#### 3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the group's principal accounting policies, which are described in note 4, the members are required to make judgements, estimates and assumptions on the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

##### Critical judgements in applying the Group's accounting policies

No critical judgements were required to be made by the members in the process of applying the Group's accounting policies that have a significant effect on the amounts recognised in the financial statements.

##### Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty are discussed below.

##### Revenue recognition – accrued revenue:

The value of accrued revenue is derived on the basis of estimations and assumptions regarding the earned value of unbilled time at the year end, having regard to the group's accounting policy for revenue recognition. The accrued revenue balance at 30 April 2020 was estimated based on value of time and progress of completion and the rate of recoverability achieved during the year.

##### Impairment of debtors:

The group makes an estimate of the recoverable value of debtors, other debtors and accrued revenue. When assessing impairment of trade receivables, other debtors and accrued revenue, management considers factors including the current credit rating of the debtor, the ageing profile and historical experience. See note 12 for the net carrying amount of the group's debtors and associated impairment provision.

## Bird & Bird LLP

### Notes to the financial statements For the year ended 30 April 2020

#### 3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

##### Measurement of provisions:

A provision is recognised in the statement of financial position when there is a present obligation as a result of past event, and it is probable that the group will be required to settle the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation.

#### 4. PRINCIPAL ACCOUNTING POLICIES

##### Business combinations

Acquisitions of subsidiaries and businesses are accounted for using the purchase method. The cost of the business combination is measured at the aggregate of the fair values (at the date of exchange) of assets given, liabilities incurred or assumed, and equity instruments issued by the group in exchange for control of the acquired entity plus costs directly attributable to the business combination.

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.

##### 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, on each asset on a straight line basis over its expected useful life, as follows:

Leasehold improvements	Life of lease (minimum 5% pa)
Office equipment and computers	20%-33% per annum
Furniture, fixtures and fittings	10%-20% per annum

Residual value represents the estimated amount which would currently be obtained from disposal of an asset, after deducting estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life."

##### 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 statement of comprehensive income.

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 statement of comprehensive income.

##### Creditors

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

##### Debtors

Short term debtors are measured at transaction price, less any impairment.

## **Bird & Bird LLP**

### **Notes to the financial statements For the year ended 30 April 2020**

#### **4. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)**

##### **Investments**

The consolidated financial statements incorporate the financial statements of the LLP and entities controlled by the group (its subsidiary undertakings). 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 subsidiary undertakings 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 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 subsidiary undertakings are accounted for at cost less impairment in the individual financial statements.

##### **Leases**

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are recognised as a reduction to the expense and similarly spread on a straight-line basis over the lease term; except where the period to the review date on which the rent is first expected to be adjusted to the prevailing market rate is shorter than the full lease term, in which case the shorter period is used.

##### **Derivatives**

The principal objective of the group's treasury policy is the management and control of risks to earnings and net assets that arise because of the international nature of the group's business.

Derivative financial instruments are recognised at fair value using a valuation technique with any gains or losses being reported in profit or loss. Outstanding derivatives at reporting date are included under the appropriate format heading depending on the nature of the derivative.

##### **Provisions for liabilities and charges**

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.

##### **Retirement benefit schemes**

In most locations the group operates defined contribution retirement schemes for all qualifying employees in those locations. The assets of the schemes are held separately from those of the group in funds under the control of trustees. Where there are employees who leave the scheme prior to vesting fully in the contributions, the contributions payable by the group are reduced by the amount of forfeited contributions.

Contributions to defined contribution schemes are charged to the statement of comprehensive income as they become payable in accordance with the rules of any such scheme. Differences between contributions payable in the year and contributions paid are shown as either accruals or prepayments on the statement of financial position.

The total cost charged to income of €8,194,000 (2019: €7,664,000) represents contributions payable to these schemes by the group at rates specified in the rules of the plans. As at 30 April 2020 contributions of €nil (2019: €nil) due in respect of current reporting period had not been paid over to the schemes.

##### **Members' drawings and the subscription / repayment of members' capital**

The LLP Statement of Recommended Practice ('SORP') recognises that the basis of calculating profits for allocation ("adjusted accounts") may differ from the profits reflected in the accounts prepared in compliance with recommended practice, given the established need to ensure equity between different generations of member. Board approval of the division of profit occurs after the

## **Bird & Bird LLP**

### **Notes to the financial statements For the year ended 30 April 2020**

#### **4. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)**

balance sheet date, based on the requirement within the members' agreement for the LLP to allocate 100% of the profits shown in the firm's adjusted accounts, which differ from these financial statements in relation to some areas where equity between partner generations is being maintained.

As the LLP has an obligation to allocate 100% of the profits recorded in the adjusted accounts, the amount is presented as members' remuneration charged as an expense and forms part of the loans and other debts due to members in the statement of financial position. Where the amount allocated to members exceeds the profits realised in the statement of comprehensive income, the difference is shown as an 'Other allocation of profit' in the statement of changes in equity and creates an equity reserve until such time as the cumulative profit allocated is realised through the statement of comprehensive income.

Members are required to provide capital generally in proportion to the profit sharing points allocated to each of them and it is provided through a combination of profit allocation deductions and partner capital loans. The amount per point is assessed annually, with any changes usually being effective on 1 May. Under provisions set out in the members' agreement, capital will normally be repaid to members (and their capital loans discharged) over the three years following their retirement from the LLP and so is presented as amounts due to members classified as debt.

#### **Taxation**

Income tax payable on group profits is the personal liability of individual members in most jurisdictions including the United Kingdom. No reserve for taxation is made in the financial statements in respect of members' personal tax liabilities, and the profits of these jurisdictions are shown within members' interests as 'Loans and other debts due to members' once allocated. Tax as presented within these financial statements represents tax arising from other group undertakings.

Current tax is calculated using tax rates that have been enacted or substantively enacted at the balance sheet date.

Deferred tax is tax expected to be payable or recoverable at a future date. Deferred taxation is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax at a future date, at rates expected to apply when they crystallise based on current tax rates and law.

Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

#### **Turnover**

The group and LLP's turnover derives principally from the provision of legal services and is stated net of any value added tax and disbursements. Income is recognised when the Group 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 balance sheet date, it is included as 'accrued revenue' within debtors.

Services provided during the year to clients, which at the balance sheet date have not yet been billed, are recognised as turnover. Such turnover is recognised on an assessment of the fair value of the services provided at the balance sheet date as a proportion of the total value of the engagement.

On those client engagements where the right to receive consideration is contingent on factors outside the control of the LLP, no revenue is recognised until such time as the contingent event has occurred.

## **Bird & Bird LLP**

### **Notes to the financial statements For the year ended 30 April 2020**

#### **4. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)**

##### **Foreign currency translation**

For the purpose of the consolidated financial statements, the results and financial position are reported in Euro (€).

Transactions denominated in currencies other than the functional currency of the individual entities are recorded at the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities not denominated in the functional currency at the balance sheet date are translated at the rates ruling at that date. Gains and losses on translation are dealt with in the statement of comprehensive income.

The results of operations where the functional currency is not Euro are translated at the rates of exchange ruling at the date of the transactions during the period, and their statement of financial position at the rates ruling at the balance sheet date. Differences arising on translation of the opening net assets and results of such operations are reported in the consolidated statement of comprehensive income.

##### **Employee benefits**

Short term employee benefits are recognised as an expense in the period in which they are incurred. Amounts not paid are shown in accruals as a liability in the statement of financial position.

#### **5. TURNOVER**

No segmental analysis has been shown. The members consider that a disclosure of segmental analysis would be seriously prejudicial to the business.

## Bird & Bird LLP

### Notes to the financial statements For the year ended 30 April 2020

#### 6. MEMBERS AND EMPLOYEES

Staff costs during the year were as follows:

	<b>Consolidated</b>	
	<b>2020</b>	<b>2019</b>
	<b>€'000</b>	<b>€'000</b>
Salaries (including staff bonus)	166,237	150,655
Social security costs	19,180	17,787
Pension costs	8,194	7,664
Other staff costs	10,821	11,040
	<b>204,432</b>	<b>187,146</b>

Average monthly number of persons employed (excluding members):

	<b>Consolidated</b>		<b>LLP</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
	<b>Number</b>	<b>Number</b>	<b>Number</b>	<b>Number</b>
Fee earning staff	1,289	1,208	508	520
Support staff	1,024	966	419	587
	<b>2,313</b>	<b>2,174</b>	<b>927</b>	<b>1,107</b>

Information in relation to members:

The profit available for the members is divided among them in accordance with agreed profit sharing arrangements after the financial statements have been finalised.

	<b>2020</b>	<b>2019</b>
	<b>Number</b>	<b>Number</b>
Average monthly number of members during the period	283	266

The highest remuneration of a member for the year was €1,015,000 (2019: €1,073,000).

## Bird & Bird LLP

### Notes to the financial statements For the year ended 30 April 2020

#### 7. GROUP OPERATING PROFIT

	<b>Consolidated</b>	
	<b>2020</b>	<b>2019</b>
	<b>€'000</b>	<b>€'000</b>
Group operating profit is stated after charging:		
Operating lease rentals:		
Land and buildings	30,724	27,718
Furniture and equipment	1,150	1,056
Net foreign exchange loss	1,282	218
Government Grants	408	-
Amortisation of goodwill	-	101
Depreciation of tangible fixed assets	6,705	7,205
Loss on disposal of tangible fixed assets (note 10)	145	-
Fees payable to the group auditor:		
Audit fees:		
Fees payable to Deloitte member firms for the audit of the LLP's financial statements	214	186
Fees payable to Deloitte firms for the audit of the LLP's subsidiaries	156	127
Other fees payable to Deloitte for services pursuant to legislation	39	64
Tax advisory services payable to Deloitte	877	863

Of the total €408,000 of government grants received during the year worldwide, €60,000 was from the UK Government Furlough Scheme, the remainder was received from non-UK governments.



## Bird & Bird LLP

### Notes to the financial statements For the year ended 30 April 2020

#### 8. FINANCE COSTS (NET)

	<b>Consolidated</b>	
	<b>2020</b>	<b>2019</b>
	<b>€'000</b>	<b>€'000</b>
Interest payable and similar expenses	885	903
less: Investment income	(26)	(32)
Other finance income	(283)	-
	<b>576</b>	<b>871</b>
<b>Interest payable and similar expenses:</b>		
	<b>2020</b>	<b>2019</b>
	<b>€'000</b>	<b>€'000</b>
Bank loans and overdrafts	885	903
<b>Investment income:</b>		
	<b>2020</b>	<b>2019</b>
	<b>€'000</b>	<b>€'000</b>
Other interest receivable and similar income	(26)	(32)
<b>Other finance income:</b>		
	<b>2020</b>	<b>2019</b>
	<b>€'000</b>	<b>€'000</b>
Fair value gains on financial instruments (note 16)	(283)	-

## Bird & Bird LLP

### Notes to the financial statements For the year ended 30 April 2020

#### 9. TAXATION

	<b>Consolidated</b>	
	<b>2020</b>	<b>2019</b>
	<b>€'000</b>	<b>€'000</b>
UK corporation tax charge	796	673
Foreign tax charges	1,520	1,285
<b>Total current taxation on profit</b>	<b>2,316</b>	<b>1,958</b>

	<b>Consolidated</b>	
	<b>2020</b>	<b>2019</b>
	<b>€'000</b>	<b>€'000</b>
Profit before taxation	119,248	123,901
less: Amounts subject to personal tax	(110,443)	(114,039)
Profits of the group subject to taxation	<b>8,805</b>	<b>9,862</b>
Tax at the UK corporate tax rate of 19% (2019: 19%)	1,673	1,874
<i>Factors affecting the charge for the year</i>		
Non-UK tax losses as yet unrelieved	137	66
Different tax rates and bases on non-UK earnings	498	22
Prior-year adjustments	8	(4)
<b>Total current taxation on profit</b>	<b>2,316</b>	<b>1,958</b>

In most locations, including the UK, income tax payable on the profits of the group is the personal liability of the members and hence is not shown in these financial statements.

In certain other jurisdictions, tax is assessed on the LLP or on its corporate subsidiary undertakings.

The proportion of tax payable that is a personal liability is not shown in these financial statements whereas the proportion that is a liability of the LLP or its corporate subsidiary undertakings is shown.

In recent years the UK Government has steadily reduced the rate of UK corporation tax, with the latest rates substantively enacted by the balance sheet date being 20% with effect from 1 April 2015, 19% effective from 1 April 2017 and 17% effective from 1 April 2020. Since the year end, it has been announced that the rate will not be decreased to 17% but will remain at 19% in the accounts as that was the rate enacted at the year end.

## Bird & Bird LLP

### Notes to the financial statements For the year ended 30 April 2020

#### 10. TANGIBLE FIXED ASSETS

The Group	Leasehold improvements, furniture, fixtures and fittings €'000	Office equipment and computers €'000	Total €'000
<b>Cost</b>			
At 1 May 2019	58,704	26,290	84,994
Exchange movements	(13)	(104)	(117)
Additions	9,798	3,412	13,210
Disposals	(2,530)	(801)	(3,331)
<b>At 30 April 2020</b>	<b>65,959</b>	<b>28,797</b>	<b>94,756</b>
<b>Accumulated depreciation</b>			
At 1 May 2019	30,284	19,748	50,032
Exchange movements	(36)	127	91
Charge for the year	3,459	3,246	6,705
Disposals	(2,397)	(789)	(3,186)
<b>At 30 April 2020</b>	<b>31,310</b>	<b>22,332</b>	<b>53,642</b>
<b>Net book value</b>			
<b>At 30 April 2020</b>	<b>34,649</b>	<b>6,465</b>	<b>41,114</b>
<b>At 30 April 2019</b>	<b>28,420</b>	<b>6,542</b>	<b>34,962</b>

## Bird & Bird LLP

### Notes to the financial statements For the year ended 30 April 2020

#### 10. TANGIBLE FIXED ASSETS (CONTINUED)

The LLP	Leasehold improvements, furniture, fixtures and fittings €'000	Office equipment and computers €'000	Total €'000
<b>Cost</b>			
At 1 May 2019	42,531	16,821	59,352
Exchange movements	(282)	(103)	(385)
Additions	1,303	2,368	3,671
De-merger of branch (note 20)	(6,787)	(2,122)	(8,909)
<b>At 30 April 2020</b>	<b>36,765</b>	<b>16,964</b>	<b>53,729</b>
<b>Accumulated depreciation</b>			
At 1 May 2019	16,881	11,779	28,660
Exchange movements	(116)	33	(83)
Charge for the year	2,035	2,349	4,384
De-merger of branch (note 20)	(6,649)	(1,895)	(8,544)
<b>At 30 April 2020</b>	<b>12,151</b>	<b>12,266</b>	<b>24,417</b>
<b>Net book value</b>			
<b>At 30 April 2020</b>	<b>24,614</b>	<b>4,698</b>	<b>29,312</b>
<b>At 30 April 2019</b>	<b>25,650</b>	<b>5,042</b>	<b>30,692</b>

#### 11. FIXED ASSETS INVESTMENTS

	Consolidated		LLP	
	2020 €'000	2019 €'000	2020 €'000	2019 €'000
Other investments and loans	576	-	576	-
Subsidiary undertakings	-	-	23	23
	<b>576</b>	<b>-</b>	<b>599</b>	<b>23</b>

There is no provision for impairment in respect of such investments in this year or prior year. Investments are held at cost because their fair value cannot be reasonably determined.

## Bird & Bird LLP

### Notes to the financial statements For the year ended 30 April 2020

#### 11. FIXED ASSETS INVESTMENTS (CONTINUED)

##### Subsidiary undertakings – Consolidated:

The LLP has investments in the following principal entities where the proportion of ordinary shares or ownership is 100%. The addresses of these entities can be found on our website [www.twobirds.com](http://www.twobirds.com):

	<b>Country of incorporation, registration or operation</b>	<b>Activity</b>
Bird & Bird (Services) Limited	England and Wales	Supply of the services of lawyers and support staff to the LLP
Bird & Bird IP Services Limited	England and Wales	Management of trademarks and other IP assets

The LLP also has the power to exercise, or actually exercises, dominant influence or control over the following principal entities:

	<b>Country of incorporation, registration or operation</b>	<b>Activity</b>
Bird & Bird	Australia	Supply of legal services
Bird & Bird Services Pty Limited as trustee for the Bird & Bird Services Trust	Australia	Service company
Bird & Bird (Belgium) LLP	Belgium	Supply of legal services
Bird & Bird DPO Services SRL	Belgium	Supply of GDPR services
Bird & Bird GDPR Representative Services SRL	Belgium	Supply of GDPR services
Bird & Bird IP (Beijing) Co. Limited	China	Supply of trade mark agency filing, copyright agency filing and IP consultation services
Bird & Bird s.r.o. advokátní kancelář	Czech Republic	Supply of legal services
Bird & Bird Advokatpartnerselskab	Denmark	Supply of legal services
Advokatanpartselskabet Bird & Bird	Denmark	Acting as general partner
Bird & Bird Investments (Nordic) Limited	England and Wales	Investment company
Bird & Bird Asianajotoimisto Oy	Finland	Supply of legal services
Bird & Bird Finance Oy	Finland	Investment company
Bird & Bird Sweden Holding Oy	Finland	Investment company
Bird & Bird AARPI	France	Supply of legal services
Bird & Bird	Hong Kong (SAR) & China	Supply of legal services
Two Birds Secretarial Services (Hong Kong) Limited	Hong Kong	Supply of company secretarial services
Siegler Konrád Ügyvédi Iroda	Hungary	Supply of legal services
Bird & Bird Studio Legale	Italy	Supply of legal services
Bird & Bird (Netherlands) LLP	Netherlands	Supply of legal services
Bird & Bird Szepietowski i wspólnicy sp.k.	Poland	Supply of legal services

## Bird & Bird LLP

### Notes to the financial statements For the year ended 30 April 2020

#### 11. FIXED ASSETS INVESTMENTS (CONTINUED)

##### Subsidiary undertakings – Consolidated (continued):

	Country of incorporation, registration or operation	Activity
Bird & Bird ATMD LLP *	Singapore	Supply of legal services
Bird & Bird s.r.o. advokátska kancelária	Slovakia	Supply of legal services
Bird & Bird (International) LLP	Hungary, London, Luxembourg, Spain	Supply of legal services
Bird & Bird Advokat Kommanditbolag	Sweden	Supply of legal services
Bird & Bird Service AB	Sweden	Service company
Bird & Bird (MEA) LLP	United Arab Emirates	Supply of legal services
Bird & Bird (America) LLP	United States of America	Supply of legal services

\* In compliance with Singapore law and regulation, Bird & Bird ATMD LLP is an independent Singapore law practice conducted by Singapore-qualified lawyers who are members of that practice and under such law and regulation is not considered an affiliate, branch or subsidiary undertaking of Bird & Bird or Bird & Bird LLP. However, in accordance with UK accounting standards, which have different requirements, the results of Bird & Bird ATMD LLP are consolidated with those of Bird & Bird LLP.

##### Other investments and loans:

	Consolidated & LLP	
	Other investments €'000	Total €'000
At 1 May 2019	-	-
Additions	576	576
<b>At 30 April 2020</b>	<b>576</b>	<b>576</b>

## Bird & Bird LLP

### Notes to the financial statements For the year ended 30 April 2020

#### 12. DEBTORS

	Consolidated		LLP	
	2020 €'000	2019 €'000	2020 €'000	2019 €'000
<b>Due within one year:</b>				
Trade debtors	119,200	113,292	54,296	58,207
Accrued revenue	54,008	48,931	26,935	26,471
Prepayments	17,295	14,874	11,119	11,180
Other debtors	12,716	13,146	3,584	4,374
Amounts due from subsidiary undertakings	-	-	81,116	71,027
Derivative financial assets (note 16)	291	-	291	-
	<b>203,510</b>	<b>190,243</b>	<b>177,341</b>	<b>171,259</b>

An impairment provision of €6,649,000 (2019: €6,204,000) has been recognised against trade debtors.

Amounts due from subsidiary undertakings represent funding loans at commercial rates of interest. Such loans are repayable on demand.

#### 13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Consolidated		LLP	
	2020 €'000	2019 €'000	2020 €'000	2019 €'000
Trade creditors	18,528	21,226	11,609	12,948
Accruals	20,190	17,417	4,404	3,302
Other taxation and social security	11,622	9,212	5,793	4,960
Bank loans and overdraft	12,491	8,054	12,491	8,054
Other creditors	5,304	3,921	10,727	12,047
Amounts due to former members	1,640	1,956	1,640	1,956
Corporation tax	924	393	-	-
	<b>70,699</b>	<b>62,179</b>	<b>46,664</b>	<b>43,267</b>

## Bird & Bird LLP

### Notes to the financial statements For the year ended 30 April 2020

#### 14. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Consolidated		LLP	
	2020 €'000	2019 €'000	2020 €'000	2019 €'000
Other creditors	22,070	20,983	22,070	20,983
Accruals	4,647	5,015	4,647	5,015
Revolving credit facility	50,666	39,549	50,666	39,549
	<b>77,383</b>	<b>65,547</b>	<b>77,383</b>	<b>65,547</b>

Borrowings are repayable as follows:

	Consolidated		LLP	
	2020 €'000	2019 €'000	2020 €'000	2019 €'000
Due within two to five years	50,666	39,549	50,666	39,549
	<b>50,666</b>	<b>39,549</b>	<b>50,666</b>	<b>39,549</b>

The LLP's working capital facilities principally comprise an unsecured revolving credit facility. In November 2019, these facilities were renewed and are committed to November 2022 with options to increase to five years before October 2021.

#### 15. PROVISIONS FOR LIABILITIES AND CHARGES

	Onerous leases and dilapidations	Professional indemnity provision and other commercial claims	Total
	Consolidated		
	€'000	€'000	€'000
At 1 May 2019	277	363	640
Exchange movements	50	(5)	45
Charged to profit and loss account	1,319	102	1,421
Utilised in the year	-	(68)	(68)
<b>At 30 April 2020</b>	<b>1,646</b>	<b>392</b>	<b>2,038</b>

	LLP	
	€'000	€'000
At 1 May 2019	277	363
Exchange movements	-	(3)
Utilised in the year	(277)	(102)
<b>At 30 April 2020</b>	<b>-</b>	<b>258</b>



## Bird & Bird LLP

### Notes to the financial statements For the year ended 30 April 2020

#### 15. PROVISIONS FOR LIABILITIES AND CHARGES (CONTINUED)

Onerous leases and dilapidations: Provision is made for the cost of leases where properties have been vacated and are considered onerous to the extent that the continuing lease obligations are not expected to be recovered through sub-letting. Provisions are made for dilapidation liabilities on property leases which contain a requirement for the premises to be returned to their original state prior to conclusion of the lease term.

Professional indemnity and other commercial claims: Provision is made to the extent that such claims are not covered by the group's insurance cover.

It is expected that the majority of expenditure included in these provisions will be incurred within twelve months of the balance sheet date.

#### 16. DERIVATIVE FINANCIAL INSTRUMENTS

##### Derivatives carried at fair value:

	Consolidated and LLP			
	Due within one year		Due after one year	
	2020		2019	
	€'000	€'000	€'000	€'000
<b>Assets</b>				
Forward foreign currency contracts	283	-	-	-
Exchange movements	8	-	-	-
	<b>291</b>	-	-	-

The LLP purchases forward foreign currency contracts to hedge currency exposure. The fair value of the assets and liabilities held at fair value through profit and loss at the balance sheet date are determined using quoted forward exchange rates at the balance sheet date.

##### Forward foreign currency contracts:

The following table details the forward foreign currency contracts outstanding at the balance sheet date:

	Average contractual exchange rate		Notional value		Fair value	
	2020 rate	2019 rate	2020 €'000	2019 €'000	2020 €'000	2019 €'000
<b>Sell Euro</b>						
Within one year	1.0950	-	6,000	-	6,291	-
			<b>6,000</b>	-	<b>6,291</b>	-

## Bird & Bird LLP

### Notes to the financial statements For the year ended 30 April 2020

#### 17. LEASING COMMITMENTS

Future minimum rentals payable under non-cancellable operating leases are as follows:

	<b>Consolidated 2020</b>		<b>Consolidated 2019</b>	
	<b>Land and buildings €'000</b>	<b>Other €'000</b>	<b>Land and buildings €'000</b>	<b>Other €'000</b>
Within one year	31,829	840	29,002	745
Between one and five years	107,464	977	89,341	920
After five years	146,307	15	139,361	69
	<b>285,600</b>	<b>1,832</b>	<b>257,704</b>	<b>1,734</b>

	<b>LLP 2020</b>		<b>LLP 2019</b>	
	<b>Land and buildings €'000</b>	<b>Other €'000</b>	<b>Land and buildings €'000</b>	<b>Other €'000</b>
Within one year	15,066	175	14,673	363
Between one and five years	60,263	-	50,902	79
After five years	115,837	-	117,832	-
	<b>191,166</b>	<b>175</b>	<b>183,407</b>	<b>442</b>

#### 18. ANALYSIS OF CHANGES IN NET DEBT

	<b>Consolidated</b>			
	<b>At 1 May 2019 €'000</b>	<b>Cash flow €'000</b>	<b>Exchange movement €'000</b>	<b>At 30 April 2020 €'000</b>
Cash at bank and in hand	23,893	8,368	(140)	32,121
Bank overdrafts	(8,054)	(1,495)	81	(9,468)
<b>Cash at the end of year</b>	<b>15,839</b>	<b>6,873</b>	<b>(59)</b>	<b>22,653</b>
Bank loans (due within one year)	-	(3,023)	-	(3,023)
Bank loans (due after one year)	(39,549)	(11,515)	398	(50,666)
<b>Net debt at the end of year</b>	<b>(23,710)</b>	<b>(7,665)</b>	<b>339</b>	<b>(31,036)</b>
Loans and other debts due to members	(69,686)	(5,915)	796	(74,805)
Member's capital classified as a liability	(51,046)	(1,571)	221	(52,396)
<b>Net debt including members interests</b>	<b>(144,442)</b>	<b>(15,151)</b>	<b>1,356</b>	<b>(158,237)</b>

#### 19. CAPITAL COMMITMENTS

The following amounts have been contracted but not provided for in the financial statements:

	<b>Consolidated</b>		<b>LLP</b>	
	<b>2020 €'000</b>	<b>2019 €'000</b>	<b>2020 €'000</b>	<b>2019 €'000</b>
Tangible fixed assets	1,618	-	-	-

## Bird & Bird LLP

### Notes to the financial statements For the year ended 30 April 2020

#### 20. TRANSFER OF NETHERLANDS BRANCH TO BIRD & BIRD (NETHERLANDS) LLP

We have applied the principles of merger accounting in respect of the demerger of Bird & Bird (Netherlands) LLP, having met the conditions of paragraph 19.27 of FRS 102. As a result, all assets and liabilities have been transferred at net book value.

The proforma information below is presented to show the impact on the 2019 opening financial position of the LLP of excluding the Bird & Bird Netherlands branch.

	Notes	LLP opening statement of financial position before transfer €'000	Transfer of Netherlands branch €'000	LLP opening statement of financial position after transfer €'000
<b>FIXED ASSETS</b>				
Tangible assets	10	30,692	(358)	30,334
Investments	11	23	-	23
		<b>30,715</b>	<b>(358)</b>	<b>30,357</b>
<b>CURRENT ASSETS</b>				
Debtors	12			
Trade debtors		58,207	(5,969)	52,238
Accrued revenue		26,471	(2,511)	23,960
Prepayments		11,180	(600)	10,580
Other debtors		4,374	(549)	3,825
Amounts due from other group undertakings		71,027	(2,609)	68,418
		<b>171,259</b>	<b>(12,238)</b>	<b>159,021</b>
Cash at bank and in hand		5,293	(590)	4,703
		<b>176,552</b>	<b>(12,828)</b>	<b>163,724</b>
Creditors: amounts falling due within one year	13			
Trade creditors		(12,948)	747	(12,201)
Accruals		(3,302)	391	(2,911)
Other taxation and social security		(4,960)	819	(4,141)
Bank loans and overdraft		(8,054)	-	(8,054)
Other creditors		(12,047)	917	(11,130)
Amounts due to former members		(1,956)	-	(1,956)
		<b>(43,267)</b>	<b>2,874</b>	<b>(40,393)</b>
<b>NET CURRENT ASSETS</b>		<b>133,285</b>	<b>(9,954)</b>	<b>123,331</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>164,000</b>	<b>(10,312)</b>	<b>153,688</b>
Creditors: amounts falling due after more than one year	14	(65,547)	-	(65,547)
Provisions for liabilities and charges	15	(640)	-	(640)
<b>NET ASSETS ATTRIBUTABLE TO MEMBERS</b>		<b>97,813</b>	<b>(10,312)</b>	<b>87,501</b>
<b>REPRESENTED BY:</b>				
<b>Loans and other debts due to members</b>				
Members' capital classified as a liability		41,035	(4,561)	36,474
Other amounts		56,321	(5,441)	50,880
<b>Members' other interests</b>				
Revaluation reserve		1,407	(232)	1,175
Other reserves		(950)	(78)	(1,028)
		<b>97,813</b>	<b>(10,312)</b>	<b>87,501</b>

## **Bird & Bird LLP**

### **Notes to the financial statements For the year ended 30 April 2020**

#### **21. RELATED PARTIES**

##### **Transactions with related parties**

The LLP has relied upon the exemption in FRS102 not to disclose transactions between itself and its subsidiary undertakings or between such subsidiary undertakings.

##### **Key management personnel**

The members consider that, during the year, Key Management comprised the Executive Committee. Total remuneration in respect of these individuals is €6,200,000 (2019: €6,600,000).

#### **22. FINANCIAL RISK MANAGEMENT**

The group has exposures to three main areas of risk - foreign exchange currency exposure, liquidity risk and customer credit exposure. To a lesser extent the group is exposed to interest rate risk.

##### **Foreign exchange transactional currency exposure**

The group is exposed to currency exchange rate risk due to a significant proportion of its receivables and operating expenses being denominated in non-Euro currencies. The net exposure of each currency is monitored and managed by the use of forward foreign exchange contracts, currency loans or overdrafts.

##### **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 commitment of the revolving credit facility in note 14, the group is in position to meet its commitments and obligations as they become due.

##### **Customer credit exposure**

The group may offer credit terms to its customers which allow payment of the debt after delivery of the goods or 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 revolving Credit facilities whose tenure depends on the nature of the asset and management's view of the future direction of interest rate.

#### **23. CONTROLLING PARTY**

The members consider themselves, as a body, to be the ultimate controlling related party.

#### **24. SUBSEQUENT EVENTS – COVID19**

The emergence of the COVID-19 pandemic has had a significant impact on economies and resulted in severe restrictions of movement of people across the world. However, the Firm has a diverse range of clients across different geographical locations and sectors and, due to considerable hard work, as of the date of approving the financial statements, has seen only a very limited impact on the financial performance of the Group. The consideration of the going concern basis of accounting is described in Note 2. At the point of signing the financial statements the members have identified no material impact on the carrying values of the assets and liabilities disclosed on the balance sheet as at 30 April 2020.