

Bird & Bird LLP

Annual Report and Financial Statements

For the year ended 30 April 2022

Registered Number: OC340318

THURSDAY



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Bird & Bird LLP

Annual Report and Financial Statements 2022

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Bird & Bird LLP

Report to the Members

The Members are pleased to present their annual report on the affairs of the group, together with the financial statements and auditor's report, for the year ended 30 April 2022.

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 practices operating in Australia, Belgium, China (including Hong Kong), the Czech Republic, Denmark, Finland, France, Hungary, Ireland (opened on 13 June 2022), Italy, Luxembourg, Morocco, 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.

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. The firm is well balanced, providing services for which there is significant client demand in challenging economic times, as well as those that flourish in global growth periods and those that are largely unconnected to the economic cycle.

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 and at least for 12 months from approving the financial statements. 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 members' 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's Auditor 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 2022 and to the date of approving these financial statements were as follows:

Graeme Maguire	Chair
David Kerr	Chief Executive Officer until 31 March 2022, non-Board member
Christian Bartsch	Chief Executive Officer from 1 April 2022, non-Board member (resigned from the Board 31 May 2021)
Geraldine Arbant	(appointed 1 June 2022)
Boris Kreye	
Pattie Walsh	(resigned 31 May 2022))
Casper Moltke-Leth	
Stefano Silvestri	(appointed 1 June 2021)
Richard Olver	Chief Financial Officer, non-Board Member
Christopher Barrett	General Counsel, non-Board Member

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.

It is the policy of the group to consider fully, applications for employment of persons of all abilities having regard to the individual's particular aptitude and talents. In the event of employees becoming disabled, every effort and the necessary adjustments are 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 employees of all abilities should, as far as possible, be identical.

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

The members are responsible for preparing the annual 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 require the members to prepare financial statements for each financial year. Under that law, 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 FRS 102 '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 and LLP for that period. In preparing these financial statements, the members are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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. 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.

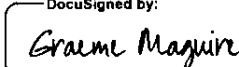
AUDITOR

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

Signed on behalf of the Board

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Christian Bartsch
Chief Executive Officer
and Designated Member
19 December 2022

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Graeme Maguire
Chairman and Designated Member
19 December 2022

DocuSigned by:

9EBEF6D5B90C452
Richard Olver
Chief Financial Officer
19 December 2022

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 full 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 Gas (GHG) emissions in accordance with the UK Governments 'Environmental reporting guidelines: including streamlined Energy and Carbon Reporting requirements'.

The assessment has used the 2021 emission conversions 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. This is the government recognised approach and uses realistically available data.

Well-to-Tank (WTT) emissions factors (DEFRA 2020) have also been used to calculate the upstream emissions for fuels and energy. The emissions factors include an average of all GHG emissions released in the production, processing and delivery of fuels or energy.

Two methodologies are also used: a location-based method which reflects the average emissions intensity of grids on which energy consumption occurs; and a market-based method which reflects emissions from electricity that companies have purposely chosen (or lack of choice).

This assessment covers Bird & Bird LLP'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 2021 to 30 April 2022 (UK only)				
	Location-based		Market-based	
	2022	2021	2022	2021
Site Gas	216.19	238.84	216.19	238.84
Refrigerants	69.32	734.95	69.32	734.95
Site Diesel	-	0.16	-	0.16
Scope 1 Sub Total	285.51	973.95	285.51	973.95
Electricity Generation	465.78	487.82	-	-
Scope 2 Sub Total	465.78	487.82	-	-
Flights	174.61	1.70	174.61	1.70
Water (and Waste Water)	1.84	1.81	1.84	1.81
Taxi Travel	0.44	2.27	0.44	2.27
Rail Travel	0.51	-	0.51	-
Waste	1.08	0.06	1.08	0.06
Well To Tank	188.38	99.15	56.36	31.83
Paper	14.40	-	14.40	-
Electricity transmission & distribution	41.22	-	-	-
Scope 3 Sub Total	422.48	104.99	249.24	37.67
Total gross CO₂e based on above	1,173.77	1,566.76	534.75	1,011.62
Tonnes of CO ₂ e per employee	1.25	2.07	0.57	1.34
Tonnes of CO ₂ e per €M turnover	9.92	15.47	4.52	9.99
Total Energy Consumption (used to calculate emissions) (kwh)*	3,374,000	3,226,338	3,374,000	3,226,338

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

Bird & Bird LLP

Energy and Carbon Report

Energy efficiency actions taken

We have decreased our market-based emissions by 47% over the 2021 assessment. This is solely due to the reduction of refrigerant refills, accounting for a decrease of 665.63 tCO₂e. A failed compressor was responsible for the substantial increase in refrigerants in 2021 over the 2020 figure of 229.75.

The LLP's London office is powered by a 100% renewable electricity tariff, deemed to create zero emissions for the purposes of this calculation.

We have also been carrying out works on our mechanical and electrical systems by means to optimise usage.

We have been talking with specialists to see how we can make our building systems more efficient. Solar panels have already been installed on the roof, our building is 100% fitted with LED lighting, and where practical, lighting is controlled by motion sensors. We have adopted a zero waste to landfill policy; and use a sophisticated document management system to reduce the need for printing.

Bird & Bird LLP

Independent Auditor's Report to the Members of Bird & Bird LLP For the year ended 30 April 2022

Opinion

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

- give a true and fair view of the state of the group's and of the parent limited liability partnership's affairs as at 30 April 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, 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 and parent limited liability partnership statements of financial position;
- the consolidated and parent limited liability partnership statements of changes in members interest;
- the consolidated statement of cash flows; and
- the related notes 1 to 22.

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 parent 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

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 and parent 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 Report to Members, other than the financial statements and our auditor's report thereon. The members are responsible for the other information contained within the Report to Members. Our opinion on the financial statements does not cover the other information and 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.

Bird & Bird LLP

Independent Auditor's Report to the Members of Bird & Bird LLP For the year ended 30 April 2022

Responsibilities of members

As explained more fully in the members' responsibilities statement, the members are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, 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 parent 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 parent 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. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

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.

We considered the nature of the group's industry and its control environment and reviewed the group's documentation of their policies and procedures relating to fraud and compliance with laws and regulations.

We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory framework that the group operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act 2006 and the tax legislation.
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the group's ability to operate or to avoid a material penalty. These included Solicitors Regulation Authority Standards and Regulations and UK Bribery Act.

We discussed among the audit engagement team, including significant component audit teams regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud in the following areas, and our specific procedures performed to address it are described below:

- We presume a risk of material misstatement due to fraud relating to revenue recognition. This has been pinpointed to the valuation of accrued revenue, more specifically the judgements applied in determining the amount of revenue that should be recognised at year end based on stage of completion and anticipated future recovery. To address this risk, we have performed the following procedures:
 - Reviewed the policies, methodology and assumptions used by management, including assessing and challenging the methodology applied; and

Bird & Bird LLP

Independent Auditor's Report to the Members of Bird & Bird LLP For the year ended 30 April 2022

Extent to which the audit was considered capable of detecting irregularities, including fraud (continued)

- Performed substantive testing over accrued income through post year end billing analysis, subsequent cash collection, corroborative enquiry with partners and inspection of client correspondence to assess the recoverability of accrued revenue.
- We have evaluated the design and implementation of key business controls associated with the recognition of accrued revenue.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by agreeing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and in-house legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of The Board of members, the Audit Committee and the Risk Committee.

Report on other legal and regulatory requirements

Matters on which we are required to report by exception

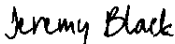
Under the Companies Act 2006 as applied to limited liability partnerships we are required to report in respect of the following matters if, in our opinion:

- adequate accounting records have not been kept by the parent limited liability partnership, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent limited liability partnership 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.

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.

DocuSigned by:

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Jeremy Black ACA
(Senior statutory auditor)

For and on behalf of Deloitte LLP

Statutory Auditor

London

19 December 2022

Bird & Bird LLP**Consolidated Statement of Comprehensive Income
For the year ended 30 April 2022**

		2022	2021
	Notes	€'000	€'000
TURNOVER	5	521,480	452,982
Staff costs	6	(230,549)	(204,428)
Depreciation	7	(8,440)	(8,238)
Other operating expenses		(103,748)	(91,847)
OPERATING PROFIT	7	178,743	148,469
Finance costs (net)	8	(432)	(82)
PROFIT BEFORE TAXATION		178,311	148,387
Tax on profit	9	(2,571)	(3,243)
PROFIT FOR THE FINANCIAL YEAR BEFORE MEMBERS' REMUNERATION		175,740	145,144
Members' remuneration charged as an expense		(175,319)	(144,515)
PROFIT FOR THE FINANCIAL YEAR AVAILABLE FOR DISCRETIONARY DIVISION AMONG MEMBERS		421	629
Exchange difference on translation of foreign operations		1,085	296
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR		1,506	925

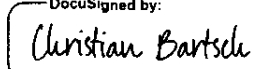
All results relate to continuing activities. There is no tax relating to other comprehensive income.

Bird & Bird LLP**Consolidated Statement of Financial Position
As at 30 April 2022**

	Notes	2022 €'000	2021 €'000
FIXED ASSETS			
Tangible assets	10	39,191	39,146
Investments	11	654	1,150
		39,845	40,296
CURRENT ASSETS			
Debtors	12	242,458	206,940
Investments	13	3,432	-
Cash at bank and in hand		36,918	35,905
		282,808	242,845
Creditors: amounts falling due within one year	14	(90,040)	(73,113)
NET CURRENT ASSETS		192,768	169,732
TOTAL ASSETS LESS CURRENT LIABILITIES		232,613	210,028
Creditors: amounts falling due after more than one year	15	(59,766)	(68,661)
Provisions for liabilities	16	(2,309)	(1,856)
NET ASSETS ATTRIBUTABLE TO MEMBERS		170,538	139,511
REPRESENTED BY:			
Loans and other debts due to members			
Members' capital classified as a liability		68,727	62,801
Other amounts		100,318	81,751
Members' other interests			
Revaluation reserve		1,764	1,048
Other reserves		(271)	(6,089)
		170,538	139,511
TOTAL MEMBERS' INTERESTS			
Members' capital classified as a liability		68,727	62,801
Other amounts due to members		100,318	81,751
Members' other interests		1,493	(5,041)
		170,538	139,511

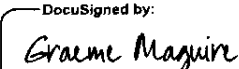
The financial statements of Bird & Bird LLP, registered number OC340318, were approved by the Board on behalf of the members on December 2022.

Signed on behalf of the members

DocuSigned by:

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Christian Bartsch


Chief Executive Officer
and Designated Member

19 December 2022

DocuSigned by:

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Graeme Maguire

Chairman and Designated Member

19 December 2022

DocuSigned by:

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Richard Olver

Chief Financial Officer

19 December 2022

Bird & Bird LLP

LLP Statement of Financial Position As at 30 April 2022

	Notes	2022 €'000	2021 €'000
FIXED ASSETS			
Tangible assets	10	27,075	26,970
Investments	11	677	1,173
		27,752	28,143
CURRENT ASSETS			
Debtors	12	190,069	161,939
Cash at bank and in hand		10,594	6,160
		200,663	168,099
Creditors: amounts falling due within one year	14	(58,618)	(43,809)
NET CURRENT ASSETS		142,045	124,290
TOTAL ASSETS LESS CURRENT LIABILITIES		169,797	152,433
Creditors: amounts falling due after more than one year	15	(57,223)	(66,121)
Provisions for liabilities	16	(1,866)	(1,297)
NET ASSETS ATTRIBUTABLE TO MEMBERS		110,708	85,015
REPRESENTED BY:			
Loans and other debts due to members			
Members' capital classified as a liability		45,990	42,080
Other amounts		59,607	40,806
Members' other interests			
Revaluation reserve		1,123	1,451
Other reserves		3,988	678
		110,708	85,015
TOTAL MEMBERS' INTERESTS			
Members' capital classified as a liability		45,990	42,080
Other amounts due to members		59,607	40,806
Members' other interests		5,111	2,129
		110,708	85,015

The profit for the financial year before members' remuneration dealt with in the financial statements of the parent entity was €101,518,000 (2021: €80,454,000).

The financial statements of Bird & Bird LLP, registered number OC340318, were approved by the Board on behalf of the members on 19 December 2022.

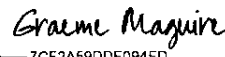
Signed on behalf of the members

DocuSigned by:

E33AA19ECB234B8
Christian Bartsch


Chief Executive Officer
and Designated Member

19 December 2022

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Graeme Maguire

Chairman and Designated Member

19 December 2022

DocuSigned by:

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Richard Olver

Chief Financial Officer

19 December 2022

Bird & Bird LLP

Consolidated Statement of Changes in Members Interest For the year ended 30 April 2022

	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
Total members' interests at 1 May 2020	52,396	83,565	(8,760)	127,201
Members' remuneration charged as an expense	-	144,515	-	144,515
Profit for the financial year available for discretionary division among members	-	-	629	629
Other allocations of profit	-	(3,709)	3,709	-
Members' interests after profit for the year	52,396	224,371	(4,422)	272,345
Exchange differences on translation of foreign operations	-	296	-	296
Total members' interests after Comprehensive income for the year	52,396	224,667	(4,422)	272,641
Members' capital transferred from current account	5,231	(5,231)	-	-
Members' capital received	5,573	-	-	5,573
Payments to and on behalf of members	-	(133,086)	-	(133,086)
Exchange differences on transactions with members	(187)	569	(619)	(237)
Transfer of amounts due to former members	(212)	(5,168)	-	(5,380)
Total members' interests at 30 April 2021	62,801	81,751	(5,041)	139,511
Members' remuneration charged as an expense	-	175,319	-	175,319
Profit for the financial year available for discretionary division among members	-	-	421	421
Other allocations of profit	-	(6,555)	6,555	-
Members' interests after profit for the year	62,801	250,515	1,935	315,251
Exchange differences on translation of foreign operations	-	1,085	-	1,085
Total members' interests after Comprehensive income for the year	62,801	251,600	1,935	316,336
Members' capital transferred from current account	3,337	(3,337)	-	-
Members' capital received	1,669	-	-	1,669
Payments to and on behalf of members	-	(149,198)	(24)	(149,222)
Exchange differences on transactions with members	1,262	1,483	(520)	2,225
Transfer of amounts due to former members	(342)	(476)	-	(818)
Other movement	-	246	102	348
Total members' interests at 30 April 2022	68,727	100,318	1,493	170,538

Bird & Bird LLP

LLP Statement of Changes in Members Interest For the year ended 30 April 2022

	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
Total members' interests at 1 May 2019	35,642	55,523	(1,250)	89,915
Members' remuneration charged as an expense	-	80,454	-	80,454
Other allocation of profit	-	(3,860)	3,860	-
Members' interests after profit for the year	35,642	132,117	2,610	170,369
Exchange differences on translation of foreign operations	-	132	-	132
Total members' interests after Comprehensive income for the year	35,642	132,249	2,610	170,501
Members' capital transferred from current account	2,536	(2,536)	-	-
Members' capital received	4,079	-	-	4,079
Payments to and on behalf of members	-	(76,739)	-	(76,739)
Exchange differences on transactions with members	(19)	(7,443)	(481)	(7,943)
Transfer of amounts due to former members	(158)	(4,725)	-	(4,883)
Total members' interests at 30 April 2021	42,080	40,806	2,129	85,015
Members' remuneration charged as an expense	-	101,518	-	101,518
Other allocation of profit	-	(4,253)	4,253	-
Members' interests after profit for the year	42,080	138,071	6,382	186,533
Exchange differences on translation of foreign operations	-	17	-	17
Total members' interests after Comprehensive Income for the year	42,080	138,088	6,382	186,550
Members' capital transferred from current account	1,304	(1,304)	-	-
Members' capital received	2,278	-	-	2,278
Payments to and on behalf of members	-	(76,521)	-	(76,521)
Exchange differences on transactions with members	551	(1,650)	31	(1,068)
Transfer of amounts due to former members	(223)	(308)	-	(531)
Other movement	-	1,302	(1,302)	-
Total members' interests at 30 April 2022	45,990	59,607	5,111	110,708

Bird & Bird LLP

Consolidated Statement of Cash Flows For the year ended 30 April 2022

	Notes	2022 €'000	2021 €'000
Operating activities			
Operating Profit		178,743	148,469
Adjustments for:			
Depreciation of tangible fixed assets	10	8,440	8,238
Loss on disposal of tangible fixed assets		52	8
Impairment loss on fixed assets investments	11	536	-
Loss on current asset investments	8	20	-
Increase in debtors		(29,785)	(3,794)
Increase in creditors		17,434	11,316
Increase / (decrease) in provisions		371	(191)
Taxation paid		(3,163)	(2,954)
Net cash flow from operating activities before transactions with members		172,648	161,092
Payments to and on behalf of members and former members		(150,040)	(138,466)
Net cash flow from operating activities		22,648	22,626
Investing activities			
Payments to acquire tangible fixed assets	10	(7,263)	(6,448)
Purchase of fixed asset investments		-	(575)
Purchase of current asset investments	13	(3,452)	-
Interest received	8	4	53
Net cash flow used in investing activities		(10,711)	(6,970)
Financing activities			
Loan repayments		-	(3,019)
Interest paid	8	(762)	(666)
Capital introduced by members		1,669	5,573
Decrease in medium-term borrowing		(9,523)	(6,900)
Net cash flow used in financing activities		(8,616)	(5,012)
Increase in cash		3,281	10,644
Foreign exchange translation adjustment		615	(275)
Cash at the beginning of year		33,022	22,653
Cash at the end of year	19	36,918	33,022

Bird & Bird LLP

Notes to the financial statements For the year ended 30 April 2022

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 ('FRS 102'), 'The financial reporting standard applicable in the United Kingdom and Republic of Ireland' issued by the Financial Reporting Council;
- 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

Management have prepared detailed forecasts which have been updated regularly to the point of approving these financial statements. Sensitivities have been applied to these to show a number of different scenarios including the impact of a lower collection rate.

On behalf of the Board, the Audit Committee have reviewed the key drivers of going concern status: level of demand of service, increasing expenditure, working capital cycle, compliance with banking facilities and debt provisions.

After reviewing the forecasts and projections, the Audit 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, being a period of at least 12 months from approving the financial statements. The members therefore consider it appropriate to prepare these financial statements 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 financial statements of the LLP have also taken advantage of the disclosure exemption in section 1.8 of FRS 102, 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 2022

2. BASIS OF PREPARATION (CONTINUED)

Subsidiary exemption from audit

For the year ended 30 April 2022 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 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 (other than those involving estimations) that have a significant impact on the amounts recognised and to make 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 at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, 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 2022 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 2022

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. Refer note 17 for the net carrying amount of the group's provision for liabilities.

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.

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss.

For financial assets carried at amortised cost, the amount of an impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

Bird & Bird LLP

Notes to the financial statements For the year ended 30 April 2022

4. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

Impairment of assets (continued)

For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

Financial Instruments

Financial assets and financial liabilities are recognised when the group becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in balance sheet when, and only when there exists a legally enforceable right to set off the recognised amounts and the group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Debt instruments that comply with all of the condition of paragraph 11.9 of FRS 102 are classified as 'basic'. For debt instruments that do not meet the conditions of FRS 102.11.9, the group considers whether the debt instrument is consistent with the principle in paragraph 11.9A of FRS 102 in order to determine whether it can be classified as basic. Instruments classified as 'basic' financial instruments as defined in paragraph 11.9 of FRS 102 are measured subsequently at amortised cost using the effective interest method.

Other debt instruments not meeting conditions of being 'basic' financial instruments are measured at fair value through profit or loss.

Commitments to make and receive loans which meet the conditions mentioned above are measured at cost (which may be nil) less impairment.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the group transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the group, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

Bird & Bird LLP

Notes to the financial statements For the year ended 30 April 2022

4. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

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.

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.

Current asset investments

Current asset investments are assets which can be converted into cash or cash equivalents within one year. They are initially measured at cost, and revalued to market value (if available) at the balance sheet date.

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

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 financial year, 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.

Bird & Bird LLP

Notes to the financial statements For the year ended 30 April 2022

4. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

Retirement benefit schemes (continued)

The total cost charged to income of €8,922,000 (2021: €8,156,000) represents contributions payable to these schemes by the group at rates specified in the rules of the plans. As at 30 April 2022 contributions of €nil (2021: €nil) due in respect of current reporting financial year 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 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

The taxation payable on the Partnership's profits is the personal liability of the members, although payment of such liabilities is administered by the partnership on behalf of the members. Consequently, neither partnership taxation nor related deferred taxation are accounted for in the financial statements. Sums set aside in respect of members' tax obligations are included in the balance sheet within loans and other debts due to members or set against amounts due from members as appropriate.

The tax expense represents the sum of the current and deferred tax relating to the corporate subsidiaries. The current tax expense is based on taxable profits of these companies.

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

Deferred tax relating to corporate subsidiaries is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the group's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Current tax assets and liabilities are offset only when there is a legally enforceable right to set off the amounts and the group intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Bird & Bird LLP

Notes to the financial statements For the year ended 30 April 2022

4. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

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.

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.

Government grants

Government grants are recognised based on the accrual model and are measured at the fair value of the asset received or receivable. Grants are classified as relating either to revenue or to assets. Grants relating to revenue are recognised in income over the period in which the related costs are recognised. A grant that becomes 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 is recognised in income in the period in which it becomes receivable.

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 2022

6. MEMBERS AND EMPLOYEES

Staff costs during the year were as follows:

	Consolidated	
	2022	2021
	€'000	€'000
Salaries (including staff bonus)	188,201	167,317
Social security costs	22,763	19,940
Pension costs	8,922	8,156
Other staff costs	10,663	9,015
	230,549	204,428

Average monthly number of persons employed (excluding members):

	Consolidated		LLP	
	2022	2021	2022	2021
	Number	Number	Number	Number
Fee earning staff	1,385	1,297	465	449
Support staff	1,041	991	543	517
	2,426	2,288	1,008	966

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.

	2022	2021
	Number	Number
Average monthly number of members during the period	300	291

The highest remuneration of a member for the year was €1,323,000 (2021: €1,190,000).

Bird & Bird LLP

Notes to the financial statements For the year ended 30 April 2022

7. GROUP OPERATING PROFIT

		Consolidated	
	Notes	2022	2021
		€'000	€'000
Group operating profit is stated after charging / (crediting):			
Operating lease rentals:			
Land and buildings		31,912	32,251
Furniture and equipment		936	935
Net foreign exchange gain		(75)	(337)
Government grants		(68)	(1,610)
Depreciation of tangible fixed assets	10	8,440	8,238
Impairment loss on fixed assets investments	11	536	-
Loss on current asset investments	8	20	-
Loss on disposal of tangible fixed assets	10	52	8
Fees payable to the group auditor:			
Audit fees:			
Fees payable to Deloitte member firms for the audit of the LLP's financial statements		268	253
Fees payable to Deloitte firms for the audit of the LLP's subsidiaries		201	180
Other fees payable to Deloitte for services pursuant to legislation		40	40
Tax advisory services payable to Deloitte		626	499

The group received €68,000 (2021: €1,680,000) from non-UK governments, all of which related to various incentives to keep people employed during the COVID-19 pandemic.

Net foreign exchange gains above do not include gains or losses on financial instruments of €346,000 (2021: €531,000) which are included separately in Other Finance Income (refer note 8).

Bird & Bird LLP

Notes to the financial statements For the year ended 30 April 2022

8. FINANCE COSTS (NET)

	Consolidated	
	2022	2021
	€'000	€'000
Interest payable and similar expenses	762	666
less: Investment expense / (income)	16	(53)
Other finance income	(346)	(531)
	432	82
Interest payable and similar expenses:		
	2022	2021
	€'000	€'000
Bank loans and overdrafts	762	666
Investment expense / (income):		
	2022	2021
	€'000	€'000
Other interest receivable and similar income	(4)	(53)
Loss from current asset investments	20	-
	16	(53)
Other finance income:		
	2022	2021
	€'000	€'000
Gains on financial instruments (note 17)	(346)	(531)

Bird & Bird LLP

Notes to the financial statements For the year ended 30 April 2022

9. TAXATION

	Consolidated	
	2022	2021
	€'000	€'000
UK corporation tax charge	953	857
Foreign tax charges	1,618	2,386
Total current tax on profit	2,571	3,243

	Consolidated	
	2022	2021
	€'000	€'000
Profit before taxation	178,311	148,387
less: Amounts subject to personal tax	(168,178)	(134,645)
Profits of the group subject to taxation	10,133	13,742
Tax at the UK corporate tax rate of 19% (2021: 19%)	1,925	2,611
<i>Factors affecting the charge for the year</i>		
Non-UK tax losses as yet unrelieved	-	25
Different tax rates and bases on non-UK earnings	652	611
Prior-year adjustments	(6)	(4)
Total current tax on profit	2,571	3,243

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 maintained the rate of UK corporation tax at 19% (effective from 1 April 2017 onwards). The UK Corporation Tax rate will increase to 25% effective from 1 April 2023.

Bird & Bird LLP

Notes to the financial statements For the year ended 30 April 2022

10. TANGIBLE FIXED ASSETS

Consolidated	Leasehold improvements, furniture, fixtures and fittings €'000	Office equipment and computers €'000	Total €'000
Cost			
At 1 May 2021	66,549	31,764	98,313
Exchange movements	2,124	791	2,915
Additions	3,272	3,991	7,263
Disposals	(1,088)	(780)	(1,868)
At 30 April 2022	70,857	35,766	106,623
Accumulated depreciation			
At 1 May 2021	33,525	25,642	59,167
Exchange movements	1,006	635	1,641
Charge for the year	4,629	3,811	8,440
Disposals	(1,084)	(732)	(1,816)
At 30 April 2022	38,076	29,356	67,432
Net book value			
At 30 April 2022	32,781	6,410	39,191
At 30 April 2021	33,024	6,122	39,146

Bird & Bird LLP

Notes to the financial statements For the year ended 30 April 2022

10. TANGIBLE FIXED ASSETS (CONTINUED)

The LLP	Leasehold improvements, furniture, fixtures and fittings €'000	Office equipment and computers €'000	Total €'000
Cost			
At 1 May 2021	37,354	19,209	56,563
Exchange movements	1,009	377	1,386
Additions	1,192	2,890	4,082
At 30 April 2022	39,555	22,476	62,031
Accumulated depreciation			
At 1 May 2021	14,173	15,420	29,593
Exchange movements	290	280	570
Charge for the year	2,108	2,685	4,793
At 30 April 2022	16,571	18,385	34,956
Net book value			
At 30 April 2022	22,984	4,091	27,075
At 30 April 2021	23,181	3,789	26,970

11. FIXED ASSETS INVESTMENTS

	Consolidated		LLP	
	2022 €'000	2021 €'000	2022 €'000	2021 €'000
Other investments and loans	654	1,150	654	1,150
Subsidiary undertakings	-	-	23	23
Cost and Net Book Value	654	1,150	677	1,173

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.

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Notes to the financial statements For the year ended 30 April 2022

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:

	Country of incorporation, registration or operation	Activity
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:

	Country of incorporation, registration or operation	Activity
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 trademark agency filing, copyright agency filing and IP consultation services
Bird & Bird s.r.o. advokátní kancelář	Czech Republic	Supply of legal services
Bird & Bird IP Services s.r.o	Czech Republic	Management of trademarks and other IP assets
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 (Ireland) LLP *	Ireland	Supply of legal services
Bird & Bird Studio Legale	Italy	Supply of legal services

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Notes to the financial statements For the year ended 30 April 2022

11. FIXED ASSETS INVESTMENTS (CONTINUED)

Subsidiary undertakings – Consolidated (continued):

	Country of incorporation, registration or operation	Activity
Bird & Bird Africa sarl	Morocco	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 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

* Bird & Bird (Ireland) LLP was opened in June 2022, and is included here for the sake of completeness.

** 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
Carrying value before impairment		
At 1 May 2021	1,150	1,150
Exchange movements	40	40
At 30 April 2022	1,190	1,190
Provisions for impairment		
At 1 May 2021	-	-
Impairment	536	536
At 30 April 2022	536	536
Carrying value		
At 30 April 2022	654	654
At 30 April 2021	1,150	1,150

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Notes to the financial statements For the year ended 30 April 2022

12. DEBTORS

	Consolidated		LLP	
	2022 €'000	2021 €'000	2022 €'000	2021 €'000
Due within one year:				
Trade debtors	144,653	120,398	68,343	60,545
Accrued revenue	62,356	55,493	29,393	25,801
Prepayments	19,193	18,707	12,877	12,653
Other debtors	16,215	11,527	5,517	2,833
Amounts due from subsidiary undertakings	-	-	73,898	59,292
Derivative financial assets (note 17)	41	815	41	815
	242,458	206,940	190,069	161,939

An impairment provision of €6,702,000 (2021: €7,631,000) 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. CURRENT ASSET INVESTMENTS

	Consolidated		LLP	
	2022 €'000	2021 €'000	2022 €'000	2021 €'000
Unlisted investments at cost less impairment	3,432	-	-	-
	3,432	-	-	-

Current asset investments represent funds actively managed by an external fund manager. They are valued at market value.

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Consolidated		LLP	
	2022 €'000	2021 €'000	2022 €'000	2021 €'000
Bank loans and overdraft	-	2,883	-	2,883
Accruals	44,509	30,297	15,536	7,609
Trade creditors	25,419	20,746	14,998	13,475
Other taxation and social security	11,235	10,533	5,119	5,144
Other creditors	6,870	6,371	3,950	3,108
Corporation tax	605	1,203	-	-
Amounts due to former members	1,402	1,080	1,087	786
Amounts due to subsidiary undertakings	-	-	17,928	10,804
	90,040	73,113	58,618	43,809

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

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Notes to the financial statements For the year ended 30 April 2022

15. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Consolidated		LLP	
	2022 €'000	2021 €'000	2022 €'000	2021 €'000
Other creditors	19,905	20,636	17,362	18,096
Accruals	4,149	4,325	4,149	4,325
Revolving credit facility	35,712	43,700	35,712	43,700
	59,766	68,661	57,223	66,121

Borrowings are repayable as follows:

	Consolidated		LLP	
	2022 €'000	2021 €'000	2022 €'000	2021 €'000
Due within two to five years	35,712	43,700	35,712	43,700
	35,712	43,700	35,712	43,700

The LLP's working capital facilities during the year principally comprise an unsecured three year revolving credit facility ("RCF") committed to November 2024 with options to increase to five years before October 2023.

16. PROVISIONS FOR LIABILITIES

	Onerous leases and dilapidations	Professional indemnity provision and other commercial claims	Total
	Consolidated		
	€'000	€'000	€'000
At 1 May 2021	526	1,330	1,856
Exchange movements	214	46	260
Charged to profit and loss account	(78)	600	522
Utilised in the year	-	(329)	(329)
At 30 April 2022	662	1,647	2,309

	LLP		
	€'000	€'000	€'000
At 1 May 2021	-	1,297	1,297
Exchange movements	(1)	44	43
Charged to profit and loss account	239	336	575
Utilised in the year	-	(49)	(49)
At 30 April 2022	238	1,628	1,866

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Notes to the financial statements For the year ended 30 April 2022

16. PROVISIONS FOR LIABILITIES (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 most of the expenditure included in these provisions will be incurred within twelve months of the balance sheet date.

17. DERIVATIVE FINANCIAL INSTRUMENTS

Derivatives carried at fair value:

	Consolidated and LLP			
	Due within one year		Due after one year	
	2022	2021	2022	2021
	€'000	€'000	€'000	€'000
Assets				
Forward foreign currency contracts	41	825	-	-
Exchange movements	-	(10)	-	-
	41	815	-	-

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	
	2022 rate	2021 rate	2022 €'000	2021 €'000	2022 €'000	2021 €'000
Buy (2021: Sell)						
Euro						
Within one year	1.1735	1.0980	(8,000)	18,000	(7,959)	18,815
			(8,000)	18,000	(7,959)	18,815

Bird & Bird LLP

Notes to the financial statements For the year ended 30 April 2022

18. LEASING COMMITMENTS

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

	Consolidated 2022		Consolidated 2021	
	Land and buildings €'000	Furniture and Equipment €'000	Land and buildings €'000	Furniture and Equipment €'000
Within one year	32,283	791	32,070	716
Between one and five years	112,281	1,136	98,534	780
After five years	120,406	24	120,715	-
	264,970	1,951	251,319	1,496

	LLP 2022		LLP 2021	
	Land and buildings €'000	Furniture and Equipment €'000	Land and buildings €'000	Furniture and Equipment €'000
Within one year	16,054	58	15,053	58
Between one and five years	63,375	-	60,011	-
After five years	97,488	-	100,855	-
	176,917	58	175,919	58

19. ANALYSIS OF CHANGES IN NET DEBT

	Consolidated			
	At 1 May 2021 €'000	Cash flow €'000	Exchange movement €'000	At 30 April 2022 €'000
Cash at bank and in hand	35,905	297	716	36,918
Bank overdrafts	(2,883)	2,984	(101)	-
Cash at the end of year	33,022	3,281	615	36,918
Bank loans (due within one year)	-	-	-	-
Bank loans (due after one year)	(43,700)	9,523	(1,535)	(35,712)
Net Cash at the end of year	(10,678)	12,804	(920)	1,206
Loans and other debts due to members	(76,710)	(21,468)	(2,047)	(100,225)
Member's capital classified as a liability	(62,801)	(4,664)	(1,262)	(68,727)
Net debt including members interests	(150,189)	(13,328)	(4,229)	(167,746)

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Notes to the financial statements For the year ended 30 April 2022

20. RELATED PARTIES

Transactions with related parties

The LLP has relied upon the exemption in FRS 102 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 €8,000,000 (2021: €6,800,000).

21. 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 15, 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.

22. CONTROLLING PARTY

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