

Bird & Bird LLP

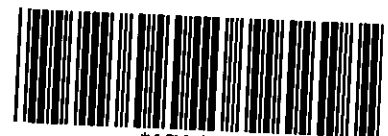
Annual Report and Financial Statements

For the year ended 30 April 2023

Registered Number: OC340318

*To be filed for **Bird & Bird (MEA) LLP (OC353760)** in
compliance with section 479A(2) of the Companies Act 2006
(subsidiary companies: conditions for exemption from audit)*

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Bird & Bird LLP

Annual Report and Financial Statements 2023

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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 2023.

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, 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 16 and 17. 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. The 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 (as defined by the Limited Liability Partnership Act 2000) of the LLP and, except as stated, members of the Board during the year ended 30 April 2023 and to the date of approving these financial statements were as follows:

Graeme Maguire	Chair
Christian Bartsch	Chief Executive Officer (non-Board member)
Geraldine Arbant	(appointed 1 June 2022)
Boris Kreye	(resigned from Board 31 May 2023)
Pattie Walsh	(resigned from Board 31 May 2022)
Casper Moltke-Leth	
Stefano Silvestri	
Sally Shorthouse	(appointed 1 June 2023)
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.

DISABILITY

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 (refer separate section on 'Climate-Related Financial Disclosure') 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.

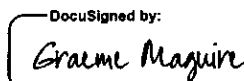
Signed on behalf of the Board

DocuSigned by:

E33AA10FC823480
Christian Bartsch


Chief Executive Officer
and Designated Member

19 January 2024

DocuSigned by:

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Graeme Maguire

Chairman and Designated Member

19 January 2024

DocuSigned by:

9EBEF6D5B90C452
Richard Olver

Chief Financial Officer

19 January 2024

Bird & Bird LLP

Registered number: OC340318

Registered office: 12 New Fetter Lane, London, EC4A

Bird & Bird LLP

Energy and Carbon Report

CLIMATE RELATED FINANCIAL DISCLOSURE

Environmental, social, and economic sustainability are core strategic initiatives for us – they are vital to our people, our clients, and our planet. We're embracing the change needed to transform our business, not just minimising our environmental impact but making a positive contribution to a more sustainable future.

This section of our report is in accordance with the Companies (Strategic Report) (Climate-related Financial Disclosure) Regulations 2022 and the Limited Liability Partnerships (Climate-related Financial Disclosure) Regulations 2022. These disclosures are published for the LLP's financial year ending 30 April 2023.

1. GOVERNANCE

1.1. Responsibility for climate-related risks and opportunities

We are committed from the top of our organisation to minimising our impact on the environment.

The firm has formed a Sustainability Committee to advise the firm's management and all parts of the firm's risk management structure on environmental management. However, the Executive Committee wishes to remain responsible for deciding the major plans of action, strategy, and capital expenditures, in an area as fundamental to our business strategy and operations as Sustainability. The Executive Committee is made up of a mixture of Partners and Functional Directors, including the CEO and CFO.

Our Sustainability Committee consists of four Partners, a member of the Board, the firm's General Counsel, and the firm's ESG Partner Sponsor and the head of the firm's international Energy & Utilities Sector Group. Business Directors, such as the Chief Marketing Officer and Facilities Director regularly attend meetings to provide subject-matter expertise. The Sustainability Manager also attends.

The Sustainability Committee is integrated into the firm's formal processes for the management of risks and controls.

The Sustainability Manager is a sustainability professional, responsible for managing the initiatives mandated by the Sustainability Committee.

1.2. How risks and opportunities are integrated within this governance structure

Risks and opportunities may be identified by any of our operational teams on an ad hoc basis and reported to the Sustainability Manager. The Sustainability Committee meets on a quarterly basis to discuss climate risk and opportunities, and advises management, the Executive, Risk or Audit Committee and/or the Board as appropriate.

Climate-related risks and opportunities are subject to the governance structures referred to in paragraph 1.1 above, as appropriate. Strategic initiatives, such as net zero target commitments and development of a net zero transition plan, are, in addition to being guided by the Sustainability Committee, considered and approved by the Executive Committee.

2. RISK MANAGEMENT

Our business has many layers of risk management which are central to achieving our strategy. The identification of climate related risk is integrated into our operations in the following ways:

- 2.1. Awareness and training are managed by our Risk team with input from subject matter experts in our practice groups.
- 2.2. The head of each business services area takes the lead role in identifying, assessing and managing risks within their view, with the support the firm's Risk team and General Counsel. Daily risk management remains subject to the governance structures referred to in paragraph 1 above. However, risks may be identified anywhere in the business, including within our practice groups. Encouraging communication between our well informed and industry-leading practice groups and our business services teams on climate-related issues, means that we have the best chance of identifying climate-related risks to our business efficiently and effectively.

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Energy and Carbon Report

2.3. In addition to the day-to-day identification of risk within the business set out in paragraph 2.1 above, active risk assessment is conducted by our Sustainability Committee on a quarterly basis as mentioned in paragraph 1.2 above in addition to an annual risk assessment, conducted by our Risk Assessment Working Group. The Risk Assessment Working Group is made up of our Sustainability, Risk, Strategy and Finance teams, who each commit senior representatives who, together, conduct an annual climate-related risks and opportunities assessment. The Risk Assessment Working Group works in our central entity and is therefore focussed on our global operations and covers our entire value chain. This assessment comprises a series of workshops, with each team including input from other senior stakeholders where relevant. The workshops allow us to identify potential physical and transitional risks and opportunities, determining materiality, and identifying actions to manage the risks or realise opportunities.

2.3.1. The assessment considers how the following factors may constitute risks or opportunities to our business:

- Current and emerging regulation at the national and international level
- Technology
- Legal risks
- Market factors
- The expectation of employees and members
- The firm's reputation
- Acute physical risks
- Chronic physical risks
- Climate-related risks and opportunities of our clients and how clients are being seen to address those
- Opportunities for the firm to advise clients and others on climate-related matters

2.3.2. Each relevant risk is evaluated for likelihood and consequence and a risk score is calculated as follows: $\text{Risk Score} = \text{Likelihood} \times \text{Consequence}$. The risks are categorised as High, Medium or Low based on their risk score and the risk assessment is documented, and risk owners identified and tasked with treating the risk as set out in paragraph 2.4.

2.4. Any risks identified as having a high risk score are escalated to the Risk team, the Business Service directors and the Sustainability Committee with proposed mitigations or actions. Recommendations are escalated to the Executive Committee or Board if required, as set out in paragraph 1 above.

3. STRATEGY

We have considered climate-related risks and opportunities which are influencing our strategic planning in the short and medium term (1-2 years and 2-5 years respectively) and in the long-term (5-20 years) as we align our business operations with the net zero transition and support clients to manage their own climate-related risks and realise opportunities through the services we provide.

The short-term horizon aligns with annual business planning cycles and therefore reflect and influence near-term operating plans. The medium-term horizon aligns with broader strategic planning in line with our five-year firm strategy, which launched in November 2023. The long-term horizon reflects our evolving firm strategy and long-term transition plans, global decarbonisation trajectory to reach net zero emissions, and that adaptation will be increasingly necessary as global temperatures rise.

Risks

Our risk assessment and scenario analysis consider two scenarios:

- 2°C temperature rise by 2100 – strong mitigation
- 3°C temperature rise by 2100 – some mitigation

A 2°C scenario focuses on transitional risks associated with market and regulatory pressures driven by faster economy-wide efforts to decarbonise.

A 3°C scenario assumes a slower societal and policy response to climate change. It also assumes a greater increase in frequency and severity of extreme weather events and increased chronic changes to the climate associated with a higher global temperature rise.

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Section 2.3.1 outlines areas of risk we have considered in our assessment. Based on our assessment, we have concluded that although physical risks have the ability to disrupt buildings, working patterns, productivity and our supply chain, they do not currently pose a material risk to our business in either scenario. We do not consider these events to have a significant impact on our financial performance as these risks are managed within our business continuity programmes, building insurance policies, and purchasing practices. However, we recognise that greater temperature rises will necessitate an evolution of our approach over time to ensure such practices remain sufficient to respond to the physical risks associated with global temperature rises.

Similarly, we do not currently consider that there is a material risk of disruption to our ability to attract and retain appropriate talent in light of climate risks. However, we are seeing an increase in engagement on these issues from our existing workforce and from external candidates. As a result, we will include this in future materiality risk assessments and CFD reports if appropriate.

4. FUTURE STRATEGY

This CFD report is the first disclosure of its kind that we have made and is a significant step in the evolution of our climate strategy and analysis of the firm's long-term sustainability and business resilience. It lays the foundations for ongoing analysis of the impacts of climate-related risks on our business, our people, and long-term strategy. We will continue to build out our approach and analysis of this area.

Based on our analysis to date, our current conclusion is that our business is sufficiently resilient to the impacts of climate change under both climate scenarios considered, and falls within the 'treat' threshold for risk, i.e. one that can be reduced to an acceptable level by implementing and maintaining additional controls. We are deeply committed to mitigating the impact our business has on the environment and developing our climate strategy on an ongoing basis. We are in the process of developing our net zero target and transition plan and will submit targets to The Science Based Targets Initiative for validation in Q1 2024. This transition plan will introduce additional metrics for monitoring our environmental performance, and we will be reporting annually on progress towards targets. While we have made strong progress over the past 12 months in collating data from across our global network to produce our first global greenhouse gas inventories, which allow us to track progress, we recognise that there is further work to be done to develop quantitative metrics to monitor the impacts of other climate-related risks and opportunities over time.

We will continue to support our clients to achieve their ESG goals and manage their own climate-related risks through our ESG service offering focused on three pillars: regulatory compliance, good corporate citizenship, and generating innovative sources of value. Our ESG client group plays a key role in ensuring a joined-up approach and horizon scanning for new and emerging issues which may impact our clients and areas of advice across our practice and sector groups. Capacity building will be a key focus over the next year in terms of identifying and addressing development needs across our business and continuing to ensure we're recruiting and developing expertise needed to advise on these topics across all our sector and practice groups.

These activities are not standalone activities. They are key strategic initiatives, which form part of our firmwide strategy and approach, and subject to governance as set out in section 1.

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Description of risk/opportunity	Type of risk	Potential impact(s)	Risk score		Description of potential impact	Business response	Metrics and targets
			3°C scenario	2°C scenario			
Increased expectations from stakeholders	Transitional – market; reputation	Strategic and financial	- Short term: low - Medium term: low - Long term: medium	- Short term: low - Medium term: medium - Long term: high	<p>Economy-wide pressure to decarbonise leads to increased pressure from stakeholders including our clients and employees to demonstrate ambitious climate commitments.</p> <p>There is a risk of loss of trust if we are not seen to be delivering against our commitments, and risk of losing market share to competitors if we do not meet expectations in this area.</p> <p>A significant number of our clients already have climate commitments. As suppliers, we are also expected to demonstrate climate action in order to be an appropriate participant in clients' supply chain. Based on what we are seeing already, we assume this trend will continue in higher and lower warming scenarios. However, a 2-degree scenario assumes greater market and regulatory pressures on our client base than a 3-degree scenario due to stronger economy-wide efforts to decarbonise. It therefore assumes a greater and more rapid adoption of science-based net zero targets among our client base.</p>	<p>Bird & Bird has committed to the Science Based Targets Initiative (SBTi) and is committed to setting near and long-term emissions reductions targets consistent with limiting global temperature rises to 1.5° compared to pre-industrial levels. This is in line with client and employee expectations in this area.</p> <p>We are in the process of developing our net zero targets, transition plan and environmental sustainability strategy. Environmental sustainability is a key strategic priority. Responsible Business is a key theme of our firm strategy, and our net zero commitments have a high impact on our firmwide strategic decision making as our 1.5° aligned net zero transition plan will be integrated into the firm's overall business strategy once finalised.</p> <p>Financial investment will be required to reach our net zero goals and support operational changes and resource requirements. This manageable within current financial planning processes and minimal relative to overall revenue. This is being considered within our transition planning, which is currently underway.</p>	<p>We conduct an annual measurement of our global greenhouse gas emissions, which is aligned to the GHG Protocol standard and calculated and validated by an independent third party. These measurements are key KPIs at a firmwide and a local level and are used to monitor progress towards our net zero targets. Near and long-term targets will be published once validated by SBTi.</p> <p>Reductions in scope 1, 2 and 3 emissions are key metrics used to evaluate the success of our decarbonisation efforts and global emissions figures from FY23 will be published annually as part of our commitment to transparent reporting.</p> <p>We are in the process of mapping clients' climate commitments with the view to track proportions of our revenue generated by work for clients with science-based targets.</p>

Bird & Bird LLP

Energy and Carbon Report

Description of risk/opportunity	Type of risk	Potential impact(s)	Risk score		Description of potential impact	Business response	Metrics and targets
			3°C scenario	2° C scenario			
Regulation	Transitional – market; regulation	Strategic	- Short term: low - Medium term: low - Long term: low	- Short term: low - Medium term: medium - Long term: high	Regulation at the national and international level is developing quickly in this area, and there is a high demand among our client base for legal advice to navigate the challenges and complexity of this evolving landscape. Failure to respond quickly enough to seizing new market opportunities would be a missed revenue and market-share opportunity. 2°C scenarios assume greater mitigation actions from government and regulators, and therefore a stronger drive to strengthen and implement policies to drive decarbonisation. The commercial opportunities and the risk to market share of not responding swiftly to this emerging market opportunity is therefore greater in a 2° scenario.	Bird & Bird recognises this as a commercial opportunity, and a risk to market share if we do not respond swiftly to the market opportunity. As this is a key element of our business and growth strategy, the likelihood of this risk materialising is low. We have been supporting clients to decarbonise through our legal services for many years, and in anticipation of the significant uptick in demand for advice across a broad range of ESG topics, we have established an international and cross-sector working group tasked with developing and enhancing our ESG client offering.	We collect qualitative data and are working towards assigning quantitative metrics in this area within the next two years.
Legal	Transitional – legal	Strategic and financial	- Short term: low - Medium term: low - Long term: high	- Short term: low - Medium term: medium - Long term: high	As the legal landscape evolves, as will regulatory requirements on solicitors and expectations when advising on climate-related topics. There will be a risk of reputational damage if Bird & Bird does not advise its clients in light of the most recent regulatory and policy developments. Bird & Bird will need to ensure that our people are aware of and supported to identify climate-related risks arising within the scope of their work and within the scope of the client retainer to avoid being subject to action from regulators.	We have systems in place and individuals responsible for ensuring that our workforce meet the standards required by our professional regulators. Our client-facing ESG group facilitates knowledge sharing across offices, practices and sectors on relevant topics. Ensuring our people across fee-earning and business services teams have access to the necessary role-specific knowledge is a key priority, and we are in the process of identifying training needs to supplement existing activity where necessary.	We are working towards assigning quantitative metrics in this area within the next two years.

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Opportunities

Because of the nature of our work, the transition to a net zero economy also poses significant opportunities for us a law firm, as we are positioned to help our clients navigate climate-related risks such as increasing regulations, changing customer expectations, investment flows and development in technologies. We are tracking these opportunities closely and are working to develop quantitative metrics to track our performance over time.

Description of the opportunity	Potential impact	Magnitude of opportunity		Response	Metrics and targets
		3°C scenario	2-degree scenario		
Market opportunities The principal opportunity is that changes in regulation, customer expectation, investment flows and development in technologies are all factors driving clients' needs for legal advice on climate and broader ESG topics.	Financial and strategic	- Short term: medium - Medium term: medium - Long term: high	- Short term: high - Medium term: high - Long term: medium	Organisations are undergoing a fundamental shift towards a more sustainable way of operating. Legal requirements and expectations of an organisation's people and external stakeholders are evolving rapidly, yet progressing climate goals can also bring tangible opportunities. As well as managing our own impacts as a business, we are committed to supporting our clients to manage risks and seize opportunities through our ESG offering, and recognise that this brings us commercial, market and reputational opportunities. We are realising these opportunities already and expect this to increase over time. In the short and medium-term, a key driver of work in this space is high regulator activity at national and international level which is leading to increasingly stringent demands on our client base. We have established a working group tasked with identifying and pursuing opportunities to develop our ESG client offering, which includes climate-related topics. This group is made up of members from all our sector groups and is representative of the geographies in which we operate.	We collect qualitative data and are working towards assigning quantitative metrics in this area within the next two years.
Recruitment and retention We recognise a talent recruitment and retention opportunity associated with meeting expectations and aligning with our people's values around climate change and supporting them to navigate challenges and contribute to the transition.	Financial and strategic	- Short term: low - Medium term: low - Long term: low	- Short term: low - Medium term: low - Long term: low	Sustainability is beginning to emerge as a key element of our employee value proposition. We have committed to setting 1.5 degree aligned net zero targets and to publishing progress towards our goals internally and externally. Responsible Business is a core theme of our five-year firm strategy, and we continually seek opportunities for our people to contribute to achieving firmwide environmental goals, for example through membership our employee-run Environment Committees. We have initiatives in place across many of our offices. For example, our Italian offices have recently run a series of workshops titled 'What Sustainability Means to Us', involving participants from all roles and levels within the firm and with input from clients. In Warsaw, we have launched an ESG Academy, giving students the opportunity to hear from our experts on a range of ESG themes and learn about the role lawyers play in advancing the net zero transition, among other topics.	We collect qualitative data and are working towards assigning quantitative metrics in this area within the next two years.

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Energy and Carbon Report

We have reported on all sources of full GHG emissions and energy usage as required under The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018. This report contains the minimum requirements for compliance with the regulations and covers Bird & Bird's UK operations only.

The Regulations require Bird & Bird to report on its energy and associated carbon performance relating to UK energy consumption and car mileage.

- 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. There is no purchased steam or cooling.
- Scope 3 for the purposes of this report covers emissions from business travel in rental cars or employee-owned vehicles where firm is responsible for purchasing the fuel.
- Total energy consumption includes gas, fuel for generators (diesel) and purchased electricity.

Bird & Bird has a commitment to The Science Based Targets Initiative and, since 2022, has conducted an annual global greenhouse gas inventory covering all scope 1 and 2, and relevant scope 3 emissions. Global emissions figures across all three scopes are reported on the firm's website.

Methodology

Two methodologies are 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).

Bird & Bird appointed a sustainability consultant to independently assess its greenhouse gas (GHG) emissions in line with the GHG Protocol: A Corporate Accounting and Reporting Standard Revised Edition (2015).

Data on energy consumption, business travel, and other emissions categories for this period were collected for each Bird & Bird office in a data collection platform. Once the data was collected, consultants implemented a validation process to check each data point and piece of supporting evidence provided. Calculations were then conducted using location-based and a market-based methodologies. To ensure the quality of the calculated inventory, the consultants conducted an internal quality assurance process whereby an internal climate professional, not working on the initial data analysis, performed calculations to replicate the results produced by the project team. The process was documented in an inventory management plan.

The 2023 inventory used 2022 emission conversion factors published by the Department for Environment, Food and Rural Affairs (Defra), 2022 emission conversion factors published by the International Energy Agency (IEA) and 2021 emission conversion factors published by the Intergovernmental Panel on Climate Change (IPCC).

The 2022 inventory 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).

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Energy and Carbon Report

STREAMLINED ENERGY AND CARBON REPORTING

GHG emissions and energy usage by scope and source activity

As noted above, only relevant 'Scope 3' emissions are included in the following chart. Certain comparatives from last year have therefore been omitted, or restated.

GHG emissions and energy usage data for period 1 May 2022 to 30 April 2023 (UK only)				
	Location-based		Market-based	
	2023	2022	2023	2022
Heating Gas	236.21	216.19	236.21	216.19
Refrigerants	-	69.32	-	69.32
Fuels: Generators		0.06	-	0.06
Scope 1 Sub Total	236.21	285.57	236.21	285.57
Electricity Generation	486.58	465.78	-	-
Scope 2 Sub Total	486.58	465.78	-	-
Emissions from business travel in rental cars or employee-owned vehicles where firm is responsible for purchasing fuel	1.53	-	1.53	-
Scope 3 Sub Total	1.53	-	1.53	-
Total Gross Scope 1 & 2 emissions (tCO₂e)	722.79	751.35	236.21	285.57
Tonnes of CO ₂ e per employee *	0.92	1.05	0.30	0.40
Tonnes of CO ₂ e per €M turnover	1.27	1.44	0.42	0.55
Total Energy Consumption (used to calculate emissions) (kwh)**	3,824,356	3,374,000	3,824,356	3,374,000

* Based on full-time equivalents ('FTEs') in the LLP's London office.

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

Scope 1

The 9% increase in heating emissions from 2022 to 2023 reflects an increase in office-based working over this period.

Refrigerant emissions are nil as air conditioning units were not refilled during the reporting period. Emissions from fuel (generators) is nil as generators were not used during the reporting period. Emissions from fuel (vehicles) in scope 1 is nil as we do not have company-owned vehicles in the UK.

Scope 2

Location-based emissions from purchased electricity have increased due to higher office occupancy and adjusted timing for chillers in temperatures over 22°C.

Market-based emissions remain at zero, as the LLP's London office continues to be powered by a 100% renewable electricity tariff.

Energy efficiency actions taken

Reducing energy consumption is a key element of the LLP's Global Sustainability Policy. Over the period, the LLP conducted an energy audit of its London office as required for ESOS Phase 3 and began feasibility studies of key recommendations. Work also continued to upgrade LED lighting systems across the office. Electricity continues to be purchased from 100% renewable sources.

This activity builds on work in previous reporting periods to make our building system more efficient. Heating and air conditioning units continued to be aligned with building occupancy and we have weather compensation systems on water and air handling systems. Lighting is controlled by motion sensors where possible. Solar panels are installed on our roof which are used to heat water tanks to reduce the amount of gas required to heat water to the required temperature.

Bird & Bird LLP

Independent Auditor's Report to the Members of Bird & Bird LLP For the year ended 30 April 2023

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 2023 and of the group's results 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 2023

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, including those that are specific to the group's business sector.

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 2023

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

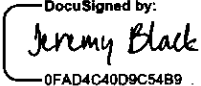
Under the Companies Act 2006 as applied to limited liability partnerships we are required to report in respect of the following matters if, in our opinion:

- 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.

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Jeremy Black ACA
(Senior statutory auditor)

For and on behalf of Deloitte LLP

Statutory Auditor

London

19 January 2024

Bird & Bird LLP**Consolidated Statement of Comprehensive Income
For the year ended 30 April 2023**

		2023	2022
	Notes	€'000	€'000
TURNOVER	5	568,660	521,480
Staff costs	6	(260,488)	(230,549)
Depreciation	7	(9,254)	(8,440)
Other operating expenses		(115,125)	(103,748)
OPERATING PROFIT	7	183,793	178,743
Finance costs (net)	8	(1,323)	(432)
PROFIT BEFORE TAXATION		182,470	178,311
Tax on profit	9	(3,221)	(2,571)
PROFIT FOR THE FINANCIAL YEAR BEFORE MEMBERS' REMUNERATION		179,249	175,740
Members' remuneration charged as an expense		(178,978)	(175,319)
PROFIT FOR THE FINANCIAL YEAR AVAILABLE FOR DISCRETIONARY DIVISION AMONG MEMBERS		271	421
Exchange difference on translation of foreign operations		(548)	1,085
TOTAL COMPREHENSIVE (EXPENSE) / INCOME FOR THE FINANCIAL YEAR		(277)	1,506

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

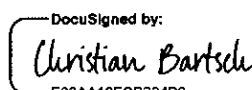
Bird & Bird LLP

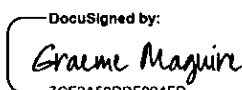
Consolidated Statement of Financial Position As at 30 April 2023

	Notes	2023 €'000	2022 €'000
FIXED ASSETS			
Tangible assets	10	41,750	39,191
Investments	11	626	654
		42,376	39,845
CURRENT ASSETS			
Debtors	12	271,896	242,458
Investments	13	-	3,432
Cash at bank and in hand		30,295	36,918
		302,191	282,808
Creditors: amounts falling due within one year	14	(99,074)	(90,040)
NET CURRENT ASSETS		203,117	192,768
TOTAL ASSETS LESS CURRENT LIABILITIES		245,493	232,613
Creditors: amounts falling due after more than one year	15	(57,125)	(59,766)
Provisions for liabilities	16	(3,237)	(2,309)
NET ASSETS ATTRIBUTABLE TO MEMBERS		185,131	170,538
REPRESENTED BY:			
Loans and other debts due to members			
Members' capital classified as a liability		74,927	68,727
Other amounts		108,148	100,318
Members' other interests			
Revaluation reserve		1,193	1,764
Other reserves		863	(271)
		185,131	170,538
TOTAL MEMBERS' INTERESTS			
Members' capital classified as a liability		74,927	68,727
Other amounts due to members		108,148	100,318
Members' other interests		2,056	1,493
		185,131	170,538

The financial statements of Bird & Bird LLP, registered number OC340318, were approved by the Board on behalf of the members on 19 January 2024.

Signed on behalf of the members

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Christian Bartsch
 Chief Executive Officer
 and Designated Member
 19 January 2024

DocuSigned by:

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Graeme Maguire
 Chairman and Designated Member
 19 January 2024

DocuSigned by:

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Richard Olver
 Chief Financial Officer
 19 January 2024

Bird & Bird LLP

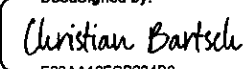
LLP Statement of Financial Position As at 30 April 2023

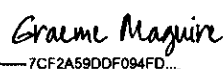
	Notes	2023 €'000	2022 €'000
FIXED ASSETS			
Tangible assets	10	24,608	27,075
Investments	11	648	677
		25,256	27,752
CURRENT ASSETS			
Debtors	12	210,542	190,069
Cash at bank and in hand		4,488	10,594
		215,030	200,663
Creditors: amounts falling due within one year	14	(68,607)	(58,618)
NET CURRENT ASSETS		146,423	142,045
TOTAL ASSETS LESS CURRENT LIABILITIES		171,679	169,797
Creditors: amounts falling due after more than one year	15	(53,099)	(57,223)
Provisions for liabilities	16	(2,022)	(1,866)
NET ASSETS ATTRIBUTABLE TO MEMBERS		116,558	110,708
REPRESENTED BY:			
Loans and other debts due to members			
Members' capital classified as a liability		50,651	45,990
Other amounts		63,384	59,607
Members' other interests			
Revaluation reserve		(648)	1,123
Other reserves		3,171	3,988
		116,558	110,708
TOTAL MEMBERS' INTERESTS			
Members' capital classified as a liability		50,651	45,990
Other amounts due to members		63,384	59,607
Members' other interests		2,523	5,111
		116,558	110,708


The profit for the financial year before members' remuneration dealt with in the financial statements of the parent entity was €94,159,000 (2022: €101,518,000).

The financial statements of Bird & Bird LLP, registered number OC340318, were approved by the Board on behalf of the members on 19 January 2024.

Signed on behalf of the members

DocuSigned by:

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Christian Bartsch
 Chief Executive Officer
 and Designated Member
 19 January 2024

DocuSigned by:

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Graeme Maguire
 Chairman and Designated Member
 19 January 2024

DocuSigned by:

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Richard Oliver
 Chief Financial Officer
 19 January 2024

Bird & Bird LLP

Consolidated Statement of Changes in Members Interest For the year ended 30 April 2023

	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 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
Members' remuneration charged as an expense	-	178,978	-	178,978
Profit for the financial year available for discretionary division among members	-	-	271	271
Other allocations of profit	-	(299)	299	-
Members' interests after profit for the year	68,727	278,997	2,063	349,787
Exchange differences on translation of foreign operations	-	(548)	-	(548)
Total members' interests after Comprehensive income for the year	68,727	278,449	2,063	349,239
Members' capital transferred from current account	3,597	(3,597)	-	-
Members' capital received	4,034	-	-	4,034
Payments to and on behalf of members	43	(163,755)	-	(163,712)
Exchange differences on transactions with members	(1,214)	(1,893)	(1,050)	(4,157)
Transfer of amounts due to former members	(260)	(1,071)	-	(1,331)
Other movement	-	15	1,043	1,058
Total members' interests at 30 April 2023	74,927	108,148	2,056	185,131

Bird & Bird LLP

LLP Statement of Changes in Members Interest For the year ended 30 April 2023

	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 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 movements	-	1,302	(1,302)	-
Total members' interests at 30 April 2022	45,990	59,607	5,111	110,708
Members' remuneration charged as an expense	-	94,159	-	94,159
Other allocation of profit	-	331	(331)	-
Members' interests after profit for the year	45,990	154,097	4,780	204,867
Exchange differences on translation of foreign operations	-	482	-	482
Total members' interests after Comprehensive Income for the year	45,990	154,579	4,780	205,349
Members' capital transferred from current account	1,149	(1,149)	-	-
Members' capital received	4,373	-	-	4,373
Payments to and on behalf of members	144	(84,324)	(2,655)	(86,835)
Exchange differences on transactions with members	(760)	(5,236)	(105)	(6,101)
Transfer of amounts due to former members	(245)	(470)	-	(715)
Other movement	-	(16)	503	487
Total members' interests at 30 April 2023	50,651	63,384	2,523	116,558

Bird & Bird LLP

Consolidated Statement of Cash Flows For the year ended 30 April 2023

	Notes	2023 €'000	2022 €'000
Operating activities			
Operating Profit		183,793	178,743
Adjustments for:			
Depreciation of tangible fixed assets	10	9,254	8,440
Loss on disposal of tangible fixed assets		75	52
Impairment loss on fixed assets investments	11	-	536
(Gain) / loss on current asset investments	8	(22)	20
Increase in debtors		(33,949)	(29,785)
Increase in creditors		5,701	17,434
Increase in provisions		1,029	371
Taxation paid		(2,829)	(3,163)
Net cash flow from operating activities before transactions with members		163,052	172,648
Payments to and on behalf of members and former members		(165,043)	(150,040)
Net cash flow from operating activities		(1,991)	22,648
Investing activities			
Payments to acquire tangible fixed assets	10	(13,140)	(7,263)
Sale / (purchase) of current asset investments	13	3,454	(3,452)
Interest received	8	144	4
Net cash flow used in investing activities		(9,542)	(10,711)
Financing activities			
Interest paid	8	(1,710)	(762)
Capital introduced by members		4,034	1,669
Decrease in medium-term borrowing		-	(9,523)
Net cash flow used in financing activities		2,324	(8,616)
(Decrease) / increase in cash		(9,209)	3,281
Foreign exchange translation adjustment		(648)	615
Cash at the beginning of year		36,918	33,022
Cash at the end of year	19	27,061	36,918

Bird & Bird LLP

Notes to the financial statements For the year ended 30 April 2023

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 2021); 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 2023

2. BASIS OF PREPARATION (CONTINUED)

Subsidiary exemption from audit

For the year ended 30 April 2023 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 2023 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 2023

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 16 for the 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 2023

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.

Financial assets and 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 2023

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.

In common with others law firms, the group may be involved in a number of disputes in the ordinary course of business which gives rise to claims by clients or regulatory bodies. The group will defend such claims unless and until it is appropriate to settle or otherwise resolve them. Where liability or costs are likely to be incurred by the group in defending and ultimately concluding such matters, and those costs can be measured reliably, they are provided for in the financial statements. Amounts provided for are based on management's assessment of the specific circumstances in each case and after offsetting any available insurance cover. The group carries professional indemnity insurance and no separate disclosure is made of the detail of any claims or proceedings, or the costs recovered by insurance, as to do so could seriously prejudice the position of the group and breach the group's confidentiality obligations.

Bird & Bird LLP

Notes to the financial statements For the year ended 30 April 2023

4. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

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 €10,378,000 (2022: €8,922,000) represents contributions payable to these schemes by the group at rates specified in the rules of the plans. As at 30 April 2023 contributions of €537,000 (2022: €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.

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 2023

4. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

Taxation (continued)

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.

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.

Interest income

Interest income is recognised when it is probable that the economic benefits will flow to the group and the amount of revenue can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

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.

Bird & Bird LLP

Notes to the financial statements For the year ended 30 April 2023

5. TURNOVER

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

6. MEMBERS AND EMPLOYEES

Staff costs during the year were as follows:

	Consolidated	
	2023 €'000	2022 €'000
Salaries (including staff bonus)	212,681	188,201
Social security costs	22,906	22,763
Pension costs	10,378	8,922
Other staff costs	14,523	10,663
	260,488	230,549

Average monthly number of persons employed (excluding members):

	Consolidated		LLP	
	2023 Number	2022 Number	2023 Number	2022 Number
Fee earning staff	1,467	1,385	487	465
Support staff	1,121	1,041	599	543
	2,588	2,426	1,086	1,008

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.

	2023 Number	2022 Number
Average monthly number of members during the period	313	300

The highest remuneration of a member for the year was €1,349,000 (2022: €1,323,000).

Bird & Bird LLP

Notes to the financial statements For the year ended 30 April 2023

7. GROUP OPERATING PROFIT

		Consolidated	
	Notes	2023 €'000	2022 €'000
Group operating profit is stated after charging / (crediting):			
Operating lease rentals:			
Land and buildings		32,846	31,912
Furniture and equipment		859	936
Net foreign exchange loss / (gain)		622	(75)
Government grants		(329)	(68)
Depreciation of tangible fixed assets	10	9,254	8,440
Impairment loss on fixed assets investments	11	-	536
(Gain) / Loss on current asset investments	8	(22)	20
Loss on disposal of tangible fixed assets	10	75	52
Fees payable to the group auditor:			
Audit fees:			
Fees payable to Deloitte member firms for the audit of the LLP's financial statements		299	268
Fees payable to Deloitte firms for the audit of the LLP's subsidiaries		210	201
Other fees payable to Deloitte for services pursuant to legislation		46	40
Tax advisory services payable to Deloitte		772	626

The group received €329,000 (2022: €68,000) from non-UK governments, all of which related to various incentives to keep people employed during the COVID-19 pandemic.

Net foreign exchange losses / (gains) above do not include gains or losses on financial instruments of €221,000 (2022: €346,000) 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 2023

8. FINANCE COSTS (NET)

	Consolidated	
	2023	2022
	€'000	€'000
Interest payable and similar expenses	1,710	762
less: Investment (income) / expense	(166)	16
Other finance income	(221)	(346)
	1,323	432

Interest payable and similar expenses:

	2023	2022
	€'000	€'000
Bank loans and overdrafts	1,710	762

Investment (income) / expense:

	2023	2022
	€'000	€'000
Other interest receivable and similar income	(144)	(4)
(Gain) / loss from current asset investments (note 13)	(22)	20
	(166)	16

Other finance income:

	2023	2022
	€'000	€'000
Gains on financial instruments (note 17)	(221)	(346)

Bird & Bird LLP

Notes to the financial statements For the year ended 30 April 2023

9. TAXATION

	Consolidated	
	2023	2022
	€'000	€'000
UK corporation tax charge	1,401	953
Foreign tax charges	1,820	1,618
Total current tax on profit	3,221	2,571

	Consolidated	
	2023	2022
	€'000	€'000
Profit before taxation	182,470	178,311
less: Amounts subject to personal tax	(165,513)	(168,178)
Profits of the group subject to taxation	16,957	10,133
Tax at the UK corporate tax rate of 19.5% (2022: 19%)	3,306	1,925
<i>Factors affecting the charge for the year</i>		
Non-UK tax losses as yet unrelieved	-	-
Different tax rates and bases on non-UK earnings	(17)	652
Prior-year adjustments	(68)	(6)
Total current tax on profit	3,221	2,571

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 increased to 25% effective from 1 April 2023, resulting in the hybrid rate of 19.5% for the current year.

Bird & Bird LLP

Notes to the financial statements For the year ended 30 April 2023

10. TANGIBLE FIXED ASSETS

Consolidated	Leasehold improvements, furniture, fixtures and fittings €'000	Office equipment and computers €'000	Total €'000
Cost			
At 1 May 2022	70,857	35,766	106,623
Exchange movements	(2,111)	(862)	(2,973)
Additions	8,302	4,838	13,140
Disposals	(2,882)	(3,303)	(6,185)
At 30 April 2023	74,166	36,439	110,605
Accumulated depreciation			
At 1 May 2022	38,076	29,356	67,432
Exchange movements	(975)	(746)	(1,721)
Charge for the year	4,862	4,392	9,254
Disposals	(2,852)	(3,258)	(6,110)
At 30 April 2023	39,111	29,744	68,855
Net book value			
At 30 April 2023	35,055	6,695	41,750
At 30 April 2022	32,781	6,410	39,191

Bird & Bird LLP

Notes to the financial statements For the year ended 30 April 2023

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 2022	39,555	22,476	62,031
Exchange movements	(1,315)	(737)	(2,052)
Additions	572	3,087	3,659
Disposals	-	(2,090)	(2,090)
At 30 April 2023	38,812	22,736	61,548
Accumulated depreciation			
At 1 May 2022	16,571	18,385	34,956
Exchange movements	(453)	(616)	(1,069)
Charge for the year	2,164	2,979	5,143
Disposals	-	(2,090)	(2,090)
At 30 April 2023	16,592	20,348	36,940
Net book value			
At 30 April 2023	22,220	2,388	24,608
At 30 April 2022	22,984	4,091	27,075

11. FIXED ASSETS INVESTMENTS

	Consolidated		LLP	
	2023 €'000	2022 €'000	2023 €'000	2022 €'000
Other investments and loans	626	654	625	654
Subsidiary undertakings	-	-	23	23
Cost and Net Book Value	626	654	648	677

Fixed assets investments are valued at cost less impairment. 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 2023

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

Bird & Bird LLP

Notes to the financial statements For the year ended 30 April 2023

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

* 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 2022	1,190	1,190
Exchange movements	(51)	(51)
At 30 April 2023	1,139	1,139
Provisions for impairment		
At 1 May 2022	536	536
Exchange movements	(23)	(23)
Impairment	-	-
At 30 April 2023	513	513
Carrying value		
At 30 April 2023	626	626
At 30 April 2022	654	654

Bird & Bird LLP

Notes to the financial statements For the year ended 30 April 2023

12. DEBTORS

	Consolidated		LLP	
	2023 €'000	2022 €'000	2023 €'000	2022 €'000
Due within one year:				
Trade debtors	162,867	144,653	78,515	68,343
Accrued revenue	69,779	62,356	29,951	29,393
Prepayments	21,105	19,193	13,359	12,877
Other debtors	18,032	16,215	7,550	5,517
Amounts due from subsidiary undertakings	-	-	81,054	73,898
Derivative financial assets (note 17)	113	41	113	41
	271,896	242,458	210,542	190,069

An impairment provision of €9,316,000 (2022: €6,702,000) 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	
	2023 €'000	2022 €'000	2023 €'000	2022 €'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	
	2023 €'000	2022 €'000	2023 €'000	2022 €'000
Bank loans and overdraft	3,234	-	3,234	-
Accruals	46,331	44,509	13,379	15,536
Trade creditors	30,762	25,419	18,677	14,998
Other taxation and social security	10,098	11,235	5,876	5,119
Other creditors	5,225	6,870	2,952	3,950
Corporation tax	992	605	-	-
Amounts due to former members	2,432	1,402	2,022	1,087
Amounts due to subsidiary undertakings	-	-	22,467	17,928
	99,074	90,040	68,607	58,618

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

Bird & Bird LLP

Notes to the financial statements For the year ended 30 April 2023

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

	Consolidated		LLP	
	2023 €'000	2022 €'000	2023 €'000	2022 €'000
Other creditors	19,315	19,905	15,289	17,362
Accruals	3,655	4,149	3,655	4,149
Revolving credit facility	34,155	35,712	34,155	35,712
	57,125	59,766	53,099	57,223

Borrowings are repayable as follows:

	Consolidated		LLP	
	2023 €'000	2022 €'000	2023 €'000	2022 €'000
Due within two to five years	34,155	35,712	34,155	35,712
	34,155	35,712	34,155	35,712

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

16. PROVISIONS FOR LIABILITIES

	Onerous leases and dilapidations	Professional indemnity provision and other commercial claims	Total
	Consolidated		
	€'000	€'000	€'000
At 1 May 2022	662	1,647	2,309
Exchange movements	(57)	(71)	(128)
Charged to profit and loss account	1,047	-	1,047
Utilised in the year	-	9	9
At 30 April 2023	1,652	1,585	3,237

	LLP	
	€'000	€'000
At 1 May 2022	238	1,628
Exchange movements	(10)	(70)
Charged to profit and loss account	227	-
Utilised in the year	-	9
At 30 April 2023	455	1,567

Bird & Bird LLP

Notes to the financial statements For the year ended 30 April 2023

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: Amounts provided for are based on management's assessment of the specific circumstances in each case.

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	
	2023	2022	2023	2022
	€'000	€'000	€'000	€'000
Assets				
Forward foreign currency contracts	113	41	-	-
	113	41	-	-

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	
	2023 rate	2022 rate	2023 €'000	2022 €'000	2023 €'000	2022 €'000
Sell (2022: Buy) Euro						
Within one year	1.0862	1.1735	2,500	(8,000)	2,613	(7,959)
			2,500	(8,000)	2,613	(7,959)

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Notes to the financial statements For the year ended 30 April 2023

18. LEASING COMMITMENTS

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

	Consolidated 2023		Consolidated 2022	
	Land and buildings €'000	Furniture and Equipment €'000	Land and buildings €'000	Furniture and Equipment €'000
Within one year	33,088	803	32,283	791
Between one and five years	128,745	973	112,281	1,136
After five years	107,402	-	120,406	24
	269,235	1,776	264,970	1,951

	LLP 2023		LLP 2022	
	Land and buildings €'000	Furniture and Equipment €'000	Land and buildings €'000	Furniture and Equipment €'000
Within one year	16,203	60	16,054	58
Between one and five years	62,293	-	63,375	-
After five years	82,814	-	97,488	-
	161,310	60	176,917	58

19. ANALYSIS OF CHANGES IN NET DEBT

	Consolidated			
	At 1 May 2022 €'000	Cash flow €'000	Exchange movement €'000	At 30 April 2023 €'000
Cash at bank and in hand	36,918	(5,975)	(648)	30,295
Bank overdrafts	-	(3,234)	-	(3,234)
Cash at the end of year	36,918	(9,209)	(648)	27,061
Bank loans (due after one year)	(35,712)	-	1,557	(34,155)
Net Cash at the end of year	1,206	(9,209)	909	(7,094)
Loans and other debts due to members	(100,318)	(9,928)	2,098	(108,148)
Member's capital classified as a liability	(68,727)	(7,414)	1,214	(74,927)
Net debt including members interests	(167,839)	(26,551)	4,221	(190,169)

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Notes to the financial statements For the year ended 30 April 2023

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 €8,700,000 (2022: €8,000,000).

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.