

Registered number: OC322935

Taylor Wessing Limited Liability Partnership

Annual report and financial statements

for the year ended 30 April 2017



Taylor Wessing Limited Liability Partnership

Report and financial statements 2017

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Taylor Wessing Limited Liability Partnership

Members' report

The Board is pleased to present its report to the members of Taylor Wessing Limited Liability Partnership ("Taylor Wessing LLP", "the LLP") and the audited financial statements for the LLP for the year ended 30 April 2017.

Group structure

These financial statements consolidate the financial statements of Taylor Wessing LLP and its subsidiary undertakings, joint ventures and associates (together "the Group") drawn up to 30 April 2017.

Taylor Wessing LLP is a limited liability partnership registered in England and Wales.

A list of members' names is available for inspection at 5 New Street Square, London EC4A 3TW which is also Taylor Wessing LLP's principal place of business and registered office.

More information about Taylor Wessing LLP is available on the Group's website, www.taylorwessing.com.

Principal activity and business review

The Group's principal activity is the provision of legal services in the United Kingdom. The results for the year and the financial position at the year end were considered satisfactory by the members.

Details regarding the adoption of the going concern basis can be found in note 1 to the financial statements.

Designated members

The designated members, who served throughout the year and to the date of this report, were as follows:

T G Eyles
N Shanmuganathan
J F Robertson (retired 1 May 2017)
K P Barnett (retired 1 May 2017)
J Goold (appointed 1 May 2017)
C Turley (appointed 1 May 2017)

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

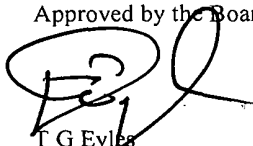
The members' policy on drawings is dependent upon the working capital requirements of the Group. A conservative level of *monthly drawings* is set at the start of the year and further distributions are made once the results for the year and allocation of profit have been finalised.

The level of members' capital is determined by the members from time to time. Capital is repaid to members six months after the year end following cessation of membership of the LLP.

Auditor

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

Approved by the Board and signed on its behalf by:



T G Eyles
Managing Partner and Designated Member

13 October 2017

Taylor Wessing Limited Liability Partnership

Members' responsibilities statement

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

The Limited Liability Partnerships (Accounts & Audit) (Application of Companies Act 2006) Regulations 2008 require the members to prepare financial statements for each financial year. Under that law the members have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. The financial statements are required by law to give a true and fair view of the state of affairs of the Partnership and of the Group and of the profit or loss of the Group for that period. In preparing these financial statements, the members are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the LLP 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 Partnership and enable them to ensure that the financial statements comply with the Companies Act 2006, as applicable to limited liability partnerships. They are also responsible for safeguarding the assets of the Partnership and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Independent auditor's report to the members of Taylor Wessing Limited Liability Partnership

We have audited the financial statements of Taylor Wessing LLP for the year ended 30 April 2017 which comprise the consolidated profit and loss account, the consolidated and LLP balance sheets, the consolidated and partnership statements of changes in members' interest, the consolidated cash flow statement and the related notes 1 to 19. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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

Respective responsibilities of members and auditor

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

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Group and Limited Liability Partnership's affairs as at 30 April 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 as applied to limited liability partnerships.

Independent auditor's report to the members of Taylor Wessing Limited Liability Partnership (continued)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 as applied to limited liability partnerships requires us to report to you 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.



Peter Saunders (Senior Statutory Auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
London, United Kingdom

13 October 2017

Taylor Wessing Limited Liability Partnership

Consolidated profit and loss account For the year ended 30 April 2017

	Note	2017 £'000	2016 £'000
Turnover	3	128,267	124,641
Other operating income		993	2,005
		<u>129,260</u>	<u>126,646</u>
Other external charges			
Staff costs	7	(45,920)	(44,317)
Depreciation	11	(2,800)	(2,732)
Other operating expenses	4	(32,936)	(29,751)
		<u>47,604</u>	<u>49,846</u>
Operating profit			
Finance income (net)	5	262	555
Share of profit of joint ventures		(8)	70
		<u>47,858</u>	<u>50,471</u>
Profit before taxation and members' remuneration and profit shares	6		
Tax on profit	9	(535)	(395)
		<u>47,323</u>	<u>50,076</u>
Profit before members' remuneration and profit shares			
Members' remuneration charged as an expense		-	(72)
		<u>47,323</u>	<u>50,004</u>
Profit for the year available for discretionary division among members		<u>47,323</u>	<u>50,004</u>

All results relate to continuing activities.

There are no other items of comprehensive income or expense in the current or prior year. Therefore no statement of other comprehensive income is presented.

Taylor Wessing Limited Liability Partnership


Consolidated balance sheet 30 April 2017

	Note	2017 £'000	2016 £'000
Fixed assets			
Tangible assets	11	4,973	6,601
Investments	12	251	515
		<u>5,224</u>	<u>7,116</u>
Current assets			
Debtors	13	72,655	70,095
Cash at bank and in hand		12,334	19,087
		<u>84,989</u>	<u>89,182</u>
Creditors: amounts falling due within one year	14	(18,848)	(20,040)
Net current assets		<u>66,141</u>	<u>69,142</u>
Net assets attributable to members and total assets less current liabilities		<u>71,365</u>	<u>76,258</u>
Represented by:			
Loans and other debt due to members			
Members' capital classified as a liability		19,809	19,345
Amount owed to members		4,493	6,909
		<u>24,302</u>	<u>26,254</u>
Members' other interests classified as equity			
Other reserves		47,063	50,004
		<u>71,365</u>	<u>76,258</u>
Total members' interests			
Amounts owed to members		4,493	6,909
Amounts due from members		(10,161)	(10,877)
		<u>(5,668)</u>	<u>(3,968)</u>
Members' capital classified as a liability		19,809	19,345
Other reserves classified as equity		47,063	50,004
		<u>61,204</u>	<u>65,381</u>

The financial statements of Taylor Wessing Limited Liability Partnership (registered number OC322935) were approved by the members and authorised for issue on 13 October 2017.

Signed on behalf of the members by:


T G Eyles
Managing Partner and Designated Member


N Shanmuganathan
Designated Member

Taylor Wessing Limited Liability Partnership

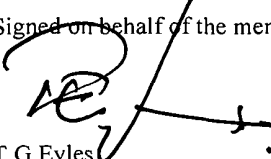
LLP balance sheet 30 April 2017

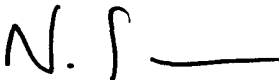
	Note	2017 £'000	2016 £'000
Fixed assets			
Tangible assets	11	4,973	6,601
Investments	12	427	434
		<u>5,400</u>	<u>7,035</u>
Current assets			
Debtors	13	71,937	69,299
Cash at bank and in hand		10,219	17,470
		<u>82,156</u>	<u>86,769</u>
Creditors: amounts falling due within one year	14	(18,641)	(19,223)
Net current assets		<u>63,515</u>	<u>67,546</u>
Net assets attributable to members and total assets less current liabilities		<u>68,915</u>	<u>74,581</u>
Represented by:			
Loans and other debts due to members			
Members' capital classified as a liability		19,809	19,345
Amount owed to members		4,493	6,909
		<u>24,302</u>	<u>26,254</u>
Members' other interests classified as equity			
Other reserves		44,613	48,327
		<u>68,915</u>	<u>74,581</u>
Total members' interests			
Amounts owed to members		4,493	6,909
Amounts due from members		(10,161)	(10,877)
		<u>(5,668)</u>	<u>(3,968)</u>
Members' capital classified as a liability		19,809	19,345
Other reserves classified as equity		44,613	48,327
		<u>58,754</u>	<u>63,704</u>

The Limited Liability Partnership's profit for the year available for discretionary division among members was £46,911,000 (2016: £49,931,000).

The financial statements of Taylor Wessing Limited Liability Partnership (registered number OC322935) were approved by the members and authorised for issue on 13 October 2017.

Signed on behalf of the members by:


T G Eyles
Managing Partner and Designated Member


N Shanmuganathan
Designated Member

Taylor Wessing Limited Liability Partnership

Consolidated statement of changes in members' interests At 30 April 2017

	Members' capital classified as a liability £'000	Amount due to/from members £'000	Total Amount due to members £'000	Equity – Other reserves £'000	Total members' interest £'000
Members' interest at 1 May 2015	16,858	4,036	20,894	38,853	59,747
Members' remuneration charged as an expense	-	72	72	-	72
Profit for the year available for discretionary division among members	-	-	-	50,004	50,004
Members' interest after profit for the year	16,858	4,108	20,966	88,857	109,823
Division of profits	-	38,853	38,853	(38,853)	-
Payments to and on behalf of members	-	(46,929)	(46,929)	-	(46,929)
Members' capital introduced	3,587	-	3,587	-	3,587
Members' capital repaid	(1,100)	-	(1,100)	-	(1,100)
Members' interest at 1 May 2016	19,345	(3,968)	15,377	50,004	65,381
Profit for the year available for discretionary division among members	-	-	-	47,323	47,323
Members' interest after profit for the year	19,345	(3,968)	15,377	97,327	112,704
Division of profits	-	50,625	50,625	(50,625)	-
Payments to and on behalf of members	-	(52,325)	(52,325)	-	(52,325)
Other movements	-	-	-	361	361
Members' capital introduced	1,730	-	1,730	-	1,730
Members' capital repaid	(1,266)	-	(1,266)	-	(1,266)
Members' interest at 30 April 2017	19,809	(5,668)	14,141	47,063	61,204

Taylor Wessing Limited Liability Partnership

LLP statement of changes in members' interest At 30 April 2017

	Members' capital classified as a liability £'000	Amount due to/from members £'000	Total Amount due to members £'000	Equity – Other reserves £'000	Total members' interest £'000
Members' interest at 1 May 2015	16,858	3,378	20,236	37,907	58,143
Members' remuneration charged as an expense	-	72	72	-	72
Profit for the year available for discretionary division among members	-	-	-	49,931	49,931
Members' interest after profit for the year	16,858	3,450	20,308	87,838	108,146
Division of profits	-	39,511	39,511	(39,511)	-
Payments to and on behalf of members	-	(46,929)	(46,929)	-	(46,929)
Members' capital introduced	3,587	-	3,587	-	3,587
Members' capital repaid	(1,100)	-	(1,100)	-	(1,100)
Members' interest at 1 May 2016	19,345	(3,968)	15,377	48,327	63,704
Profit for the year available for discretionary division among members	-	-	-	46,911	46,911
Members' interest after profit for the year	19,345	(3,968)	15,377	95,238	110,615
Division of profits	-	50,625	50,625	(50,625)	-
Payments to and on behalf of members	-	(52,325)	(52,325)	-	(52,325)
Members' capital introduced	1,730	-	1,730	-	1,730
Members' capital repaid	(1,266)	-	(1,266)	-	(1,266)
Members' interest at 30 April 2017	19,809	(5,668)	14,141	44,613	58,754

Taylor Wessing Limited Liability Partnership

Consolidated cash flow statement For the year ended 30 April 2017

	Note	2017 £'000	2016 £'000
Net cash flows from operating activities	15	45,406	52,182
Cash flows from investing activities			
Purchase of tangible fixed assets	11	(1,172)	(896)
Net interest received	5	262	555
Cash introduced on consolidation*		612	-
Net cash flows used in investing activities		<u>(298)</u>	<u>(341)</u>
Cash flows from financing activities			
Payments to and behalf of members		(52,325)	(46,929)
Capital contributions by members		1,730	3,587
Capital repayments to former members		(1,266)	(1,100)
Net cash flows used in financing activities		<u>(51,861)</u>	<u>(44,442)</u>
Net (decrease) / increase in cash and cash equivalents		(6,753)	7,399
Cash and cash equivalents at beginning of year		19,087	11,688
Cash and cash equivalents at end of year**		<u>12,334</u>	<u>19,087</u>
Reconciliation to cash at bank and in hand:			
Cash at bank and in hand		12,334	19,087
Cash and cash equivalents		<u>12,334</u>	<u>19,087</u>

*As disclosed in note 1, page 11, in the current year Carmelite Insurance Limited was consolidated for the first time.

**Included within the cash there is an amount of £862,000, which is restricted for use by Carmelite Insurance Limited.

Taylor Wessing Limited Liability Partnership

Notes to the financial statements For the year ended 30 April 2017

1. Accounting policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and to the preceding year.

General information and basis of accounting

Taylor Wessing Limited Liability Partnership (“the LLP”) is incorporated in the United Kingdom under the Limited Liability Partnership Act 2000. The address of the registered office is given on page 1. The nature of the Group’s operations and its principal activities are set out in the members’ report on page 1.

The financial statements have been prepared under the historical cost convention, and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council and the requirements of the Statement of Recommended Practice Accounting by Limited Liability Partnerships (issued July 2014).

The LLP meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements, which are presented alongside the consolidated financial statements. Exemptions have been taken in relation to the presentation of a cash flow, financial instruments, intra-group transactions and remuneration of key management personnel.

Basis of consolidation

The LLP financial statements consolidate the financial statements of the LLP and its subsidiary undertakings, joint ventures and associates (together “the Group”), drawn up to 30 April 2017. Taylor Wessing Services Limited and Carmelite Insurance Limited are fully consolidated. This is the first year of consolidation for Carmelite Insurance Limited; it has previously been excluded on the grounds of materiality.

Carmelite Insurance Limited has a 31 March year end; however, adjustments have not been made to align their results with the LLP as any adjustment would be considered immaterial.

Going concern

The going concern basis has been adopted in preparing the financial statements. Having considered the Group’s forecasts and projections, the members are satisfied that the Group has adequate resources to continue in operational existence for the foreseeable future.

Tangible fixed assets

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment. Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset over its expected useful life, as follows:

Leasehold improvements	over the shorter of ten years and the remaining period of the lease
Furniture	four to ten years on a straight-line basis
Computer equipment	three to ten years on a straight-line basis
Office equipment	three to five years on a straight-line basis

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.

Financial instruments and equity

All financial assets and liabilities are initially measured at transaction price (including transaction costs). The business holds no financial assets classified as at fair value through profit or loss.

Financial assets and liabilities are only offset in the statement of financial position 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.

Taylor Wessing Limited Liability Partnership

Notes to the financial statements (continued) For the year ended 30 April 2017

1. Accounting policies (continued)

Financial instruments and equity (continued)

Debt instruments that have no stated interest rate (and do not constitute financing transaction) and are classified as payable or receivable within one year are initially measured at an undiscounted amount of the cash or other consideration expected to be paid or received, net of 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.

Members are required under the terms of the Members' Agreement to provide capital in proportion to the profit sharing points allocated to them. Capital is repayable to members six months after the end of the financial year in which the cessation of membership of the LLP occurs and is therefore disclosed as a liability.

Investments

Investments are measured at cost less impairment.

Impairment of assets

The Group assesses at the end of each reporting period whether there is objective evidence that an asset or group of assets is impaired. A financial asset or group of assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the assets (a 'loss event') and that loss event (or events) have an impact on the estimated future cash flows of the asset or group of assets that can be reliably estimated.

Joint ventures

In the consolidated financial statements investments in joint ventures are accounted for using the equity method. Investments in joint ventures are initially recognised at the transaction price (including transaction costs) and are subsequently adjusted to reflect the Group's share of the profit or loss and other comprehensive income of the joint ventures.

Taxation

The tax payable on the profits of the LLP is a personal liability of the members for year and therefore not a charge on the LLP. An amount is retained from each member's profit share within the LLP to cover the member's estimated liability for income tax and social security contributions on their profit share. The consolidated tax charge comprises tax payable in respect of subsidiary undertakings, joint ventures and associates.

Members' interests

Members are required under the terms of the Members' Agreement to provide capital in proportion to the profit sharing points allocated to them. The amount per point is assessed annually, with any changes being effective on 1 May. Capital is repaid to members six months after cessation of membership of the LLP and is shown in amounts due to members.

The members vote to approve the division of profit after the balance sheet date. As a result, the balance of profit available for division among the members as at 30 April 2017 is included in members' other interests.

Drawings by members on account of profits for the year are included in amounts due from members.

In the event of a winding up, members' capital ranks in order of priority, subordinate to any bank or other external provider of finance or capital. Loans and other debts due to members rank equally with unsecured creditors. Members' other interests rank after unsecured creditors.

Taylor Wessing Limited Liability Partnership

Notes to the financial statements (continued) For the year ended 30 April 2017

1. Accounting policies (continued)

Turnover

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

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

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

Finance Income

Finance income represents income received as a result of financing activity. The balance consists of interest received from bank and is recognised on an accrual basis in line with the financial period.

Employee benefits

The LLP operates a defined contribution pension scheme. The amount charged to the profit and loss account in respect of pension costs and other retirement benefits is the total contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

Foreign currency

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that 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 spread on a straight-line basis over the lease term.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease.

2. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies, which are described in note 1, the members are required to make judgements, estimates and assumptions about 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 ongoing 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. We have considered and concluded that there are no key sources of estimation uncertainty.

Critical judgements in applying the Group's accounting policies

The following are the critical judgements, apart from those involving estimations, that the members have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Taylor Wessing Limited Liability Partnership

Notes to the financial statements (continued) For the year ended 30 April 2017

2. Critical accounting judgements and key sources of estimation uncertainty (continued)

Revenue recognition – unbilled turnover

The value of accrued turnover is derived on the basis of estimations and assumptions regarding the fair value of unbilled time at the year end, in accordance with the Group's accounting policy for turnover.

Impairment of debtors

The Group makes an estimate of the recoverable value of debtors, other debtors and unbilled revenue. When assessing impairment of trade receivables, other debtors and unbilled revenue, management considers factors including the current credit rating of the debtor, the ageing profile and historic experience.

3. Turnover

All turnover is derived from the provision of legal services in the United Kingdom and accordingly no separate geographical or business segment information is provided.

4. Other operating expenses

	2017 £'000	2016 £'000
Expenses and sub-contractor costs on client assignments	7,014	2,400
Other operating costs	25,922	27,351
	<u>32,936</u>	<u>29,751</u>

Other operating costs primarily comprise property, IT and personnel related expenditure

5. Finance income (net)

	2017 £'000	2016 £'000
Interest receivable	325	625
Interest payable and similar charges	(63)	(70)
	<u>262</u>	<u>555</u>

6. Profit before taxation and members' remuneration and profit shares

Profit before taxation is stated after charging:

	2017 £'000	2016 £'000
Depreciation of tangible fixed assets (note 11)	2,800	2,732
Impairment of investments (note 12)	7	10
Operating lease costs	6,233	7,076
	<u>9,040</u>	<u>9,818</u>

Taylor Wessing Limited Liability Partnership

Notes to the financial statements (continued) For the year ended 30 April 2017

6. Profit before taxation and members' remuneration and profit shares (continued)

The analysis of the auditor's remuneration is as follows:

	2017 £'000	2016 £'000
Fees payable to the auditor and its associates for the audit of the Limited Liability Partnership's annual financial statements	62	60
Audit of subsidiary undertakings	3	3
Total audit fees payable	65	63
Other assurance services pursuant to legislation	21	31
Other taxation advisory services	51	76
Total fees payable	137	170

7. Staff numbers and costs

The average number of employees (excluding members) was:

	2017 Number	2016 Number
Fee-earners	292	288
Non fee earning professionals	16	14
Business services	257	250
	565	552

Their aggregate remuneration comprised:

	2017 £'000	2016 £'000
Wages and salaries	36,036	35,688
Social security costs	3,925	3,832
Other pension costs	1,837	1,751
Other costs	4,122	3,046
	45,920	44,317

8. Members' remuneration and transactions

Profits are shared among the members in accordance with agreed profit sharing arrangements after the financial statements have been approved by the members.

The profit attributable after the year end to the member with the largest entitlement was £1,039,000 (2016: £1,172,000). The average number of members during the year was 102 (2016: 100).

Taylor Wessing Limited Liability Partnership

Notes to the financial statements (continued) For the year ended 30 April 2017

9. Tax on profit

The tax charge on the profits for the year is split between tax payable by the Group and tax payable by the members personally.

The tax charge represents tax payable by the Group.

	2017 £'000	2016 £'000
Tax on profit	535	395

The difference between the total tax charge and the amount calculated by applying the rate of UK corporation tax to the profit before tax is as follows:

	2017 £'000	2016 £'000
Profit before tax	47,858	50,471
Less amounts subject to personal taxation on the members	(45,172)	(48,496)
Profits subject to UK corporation tax	2,686	1,975
Tax on profits subject to taxation at UK corporation tax rate of 19.92 % (2016: 20%)	535	395

No deferred tax assets or liabilities have been recognised.

Factors that may affect future tax charges

The standard rate of tax applied to reported profit on ordinary activities is 20% (2016: 20%). Reductions in the UK corporation tax rate from 20% to 19% (effective from 1 April 2017) and 18% (effective from 1 April 2020) were substantively enacted on 26 October 2015, and an additional reduction to 17% (effective from 1 April 2020) was substantively enacted on 6 September 2016.

10. Profit of the LLP

The LLP has taken advantage of Section 408 of the Companies Act 2006 as applied by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 and has not included its own profit and loss account in these financial statements. Its own profit for the year available for discretionary division among members was £46,911,000 (2016: £49,931,000).

Taylor Wessing Limited Liability Partnership

Notes to the financial statements (continued) For the year ended 30 April 2017

11. Tangible fixed assets

Group and LLP	Leasehold improvements £'000	Furniture and equipment £'000	Total £'000
Cost or valuation			
At 1 May 2016	18,337	18,471	36,808
Reclassification*	202	(202)	-
Additions	18	1,154	1,172
Disposals	-	(9,320)	(9,320)
At 30 April 2017	<u>18,557</u>	<u>10,103</u>	<u>28,660</u>
Depreciation			
At 1 May 2016	14,241	15,966	30,207
Reclassification*	(454)	454	-
Charge for the year	1,838	962	2,800
Disposals	-	(9,320)	(9,320)
At 30 April 2017	<u>15,625</u>	<u>8,062</u>	<u>23,687</u>
Net book value			
At 30 April 2017	<u>2,932</u>	<u>2,041</u>	<u>4,973</u>
At 30 April 2016	<u>4,096</u>	<u>2,505</u>	<u>6,601</u>

* A number of obsolete fully depreciated assets were written off in the year and the original cost and prior year depreciation treatment of some other assets were reclassified by asset class.

Taylor Wessing Limited Liability Partnership

Notes to the financial statements (continued) For the year ended 30 April 2017

12. Investments

	LLP £'000	Group £'000
Cost and net book value		
At 1 May 2016	1,243	1,324
Share of profit of joint venture	-	(8)
Elimination of Carmelite Insurance Limited on consolidation	-	(249)
At 30 April 2017	<u>1,243</u>	<u>1,067</u>
Provision for impairment		
At 1 May 2016	(809)	(809)
Impairment charge in the year	(7)	(7)
At 30 April 2017	<u>(816)</u>	<u>(816)</u>
Net book value		
At 30 April 2017	<u>427</u>	<u>251</u>
At 30 April 2016	<u>434</u>	<u>515</u>

The Group has investments in the following subsidiary undertakings, joint ventures and associates:

Entity	Country of incorporation	Nature of business	% holding
Taylor Wessing Services Limited	England and Wales	Service company	100%
Carmelite Insurance Limited*	Guernsey	Insurance company	100%
TW (US) Limited	England and Wales	Intermediate holding company	50%
Taylor Wessing Overseas Investments (Dubai) Limited	England and Wales	Intermediate holding company	100%
Taylor Wessing Inc.**	USA	Business development	50%
Carmelite Services Company	England and Wales	Dormant	100%
Huntsmoor Limited	England and Wales	Dormant	100%
Huntsmoor Nominees Limited	England and Wales	Dormant	100%
Huntsmoor Nominees (Carmelite) Limited	England and Wales	Dormant	100%
Huntsmoor Property Limited	England and Wales	Dormant	100%
Taylor Joynson Garrett Limited	England and Wales	Dormant	100%
Taylor Wessing Pension Trustee Limited	England and Wales	Dormant	100%
TW Trustee Company Limited	England and Wales	Dormant	100%
TJG Secretaries Limited	England and Wales	Dormant	100%
Taylor Wessing UK Staff Trustee Limited	England and Wales	Dormant	100%
Taylor Wessing Process Service Limited	England and Wales	Dormant	100%
Taylor Wessing (London) Ltd	England and Wales	Dormant	100%
Taylor Wessing Secretaries Limited	England and Wales	Dormant	100%
TW Life Cover Trustee Limited	England and Wales	Dormant	100%
TW ShareCo Limited	England and Wales	Intermediate holding company	100%
Taylor Wessing SCRL***	Belgium	Law firm	49%

The Group's net book value reflects investments in Taylor Wessing SCRL, Taylor Wessing Inc., a joint venture with Taylor Wessing Partnerschaftsgesellsch mbB and a 5% interest in Taylor Wessing (Middle East) LLP. The carrying value of our joint venture investment is £74,000 (2016: £82,000). The registered office for the companies incorporated in England and Wales is 5 New Street Square, London, EC4A 3TW.

*The registered office for Carmelite Insurance Limited is St Martins House Le Bordage St Peter Port Guernsey.

**The registered office for Taylor Wessing Inc. is 19C Trolley Street, Wilmington, Delaware 19806, USA.

***The registered office for Taylor Wessing SCRL is Rue de Livoume 7, Box 4, 1060 Brussels Belgium.

Taylor Wessing Limited Liability Partnership

Notes to the financial statements (continued) For the year ended 30 April 2017

13. Debtors

	LLP		Group	
	2017 £'000	2016 £'000	2017 £'000	2016 £'000
Amounts falling due within one year:				
Trade debtors	47,991	45,626	47,995	45,626
Unbilled revenue	7,769	7,415	7,769	7,415
Amounts due from members	10,161	10,877	10,161	10,877
Other debtors	1,931	598	2,520	1,248
Prepayments and accrued income	4,085	4,783	4,210	4,929
	<u>71,937</u>	<u>69,299</u>	<u>72,655</u>	<u>70,095</u>

Amounts due from members include amounts which are interest free and are repayable on demand.

14. Creditors: amounts falling due within one year

	LLP		Group	
	2017 £'000	2016 £'000	2017 £'000	2016 £'000
Trade creditors	6,333	4,808	6,461	4,955
Amounts owed to group undertakings	5,344	4,815	-	-
Other taxation and social security	2,436	1,917	3,946	2,982
Other creditors	629	105	1,231	358
Accruals and deferred income	3,899	7,578	7,210	11,745
	<u>18,641</u>	<u>19,223</u>	<u>18,848</u>	<u>20,040</u>

Amounts owed to group undertakings include amounts which are interest free and are repayable on demand.

15. Cash flow statement

Reconciliation of operating profit to cash generated by operations:

	2017 £'000	2016 £'000
Operating profit	47,604	49,846
Adjustment for:		
Impairment loss on investments	7	10
Depreciation	2,800	2,732
Operating cash flow before movement in working capital	<u>50,411</u>	<u>52,588</u>
Increase in debtors	(3,276)	(939)
(Decrease)/increase in creditors	(1,241)	999
Cash generated by operations	<u>45,894</u>	<u>52,648</u>
Income taxes paid	(488)	(466)
Net cash from operating activities	<u>45,406</u>	<u>52,182</u>

Taylor Wessing Limited Liability Partnership

Notes to the financial statements (continued) For the year ended 30 April 2017

16. Financial commitments

Total future minimum lease payments under non-cancellable operating leases in respect of land and buildings are as follows:

	2017 £'000	2016 £'000
Group and LLP		
- within one year	7,667	7,667
- between one and five years	30,666	38,332
- after five years	25,598	25,598
	<u>63,931</u>	<u>71,597</u>

17. Employee benefits

The total expense charged to the profit and loss in the year ended 30 April 2017 in respect of defined contribution pension schemes was £1,837,000 (2016: £1,751,000). No contributions were outstanding at either year end.

18. Related party transactions

The total remuneration for key management personnel in the year was £5,773,000 (2016: £6,076,000).

19. Controlling party

The LLP is controlled by its members and as such there is no single controlling party.