

Company Registration No. 05094078

Baker & McKenzie Global Services (UK) Limited

Report and Financial Statements

For the year ended 30 June 2014

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Baker & McKenzie Global Services (UK) Limited

Report and financial statements 2014

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Baker & McKenzie Global Services (UK) Limited

Report and financial statements 2014

Officers and professional advisers

Directors

C Courter
P Eichelman
P Rawlinson
G Senior

Secretary

Abogado Nominees Limited

Registered office

100 New Bridge Street
London
EC4V 6JA

Bankers

National Westminster Bank Plc
Aldwych Branch
London

Auditor

Deloitte LLP
London

Baker & McKenzie Global Services (UK) Limited

Strategic report

The directors present their annual report on the affairs of the company, together with the financial statements and auditor's report for the year ended 30 June 2014. The directors, in preparing this strategic report, have complied with s414C of the Companies Act 2006.

Principal activity

The principal activity of the company is that of the provision of support services to member firms of Baker & McKenzie International.

Results and future prospects

There was a profit for the year after taxation amounting to £279,867 (2013: profit of £496,805).

The entity will continue with its principal activity for the foreseeable future.

Principal risks and uncertainties

The Company is exposed to financial risk through its financial assets and liabilities. The key financial risk is that the proceeds from financial assets are not sufficient to fund the obligations arising from liabilities as they fall due. The most important components of financial risk are interest rate risk, currency risk, credit risk, liquidity risk, cash flow risk and price risk. Due to the nature of the Company's business the only financial risks that the directors consider relevant to the Company are cash flow risk.

The Company addresses cash flow risk carefully, managing its working capital inflows and outflows.

Baker & McKenzie Global Services (UK) Limited

Directors' report

Directors

The directors of the company who served during the year, and since the year end, were as follows:

C Courter (Appointed 21 January 2015)
P Eichelman (Appointed 21 January 2015)
R Enriquez (Resigned 21 January 2015)
B Hambrett (Resigned 21 January 2015)
J Holloway (Resigned 21 January 2015)
E Leite (Resigned 21 January 2015)
B Pessoa de Araujo (Resigned 27 August 2014)
P Rawlinson (Appointed 21 January 2015)
G Senior (Appointed 27 August 2014)
K Vanhaerents (Resigned 21 January 2015)

Going concern

The directors consider that the company has adequate financial resources and the nature of the service agreement with its parent company means that it will remain profitable for the foreseeable future. As a consequence, the directors believe that the company is well placed to manage its business risks successfully despite the current uncertain economic outlook.

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Other information

There were no dividend payments made for the year ended 30 June 2014 (30 June 2013: £nil).

During the year ended 30 June 2014 the Company made no charitable donations (2013: £nil). There were no political donations during the year (2013: £nil).

Applications for employment by disabled persons are always fully considered in the light of the respective skills and abilities of those concerned. Training and career development for such a person would, wherever possible, be similar to that of a person fortunate enough not to suffer from a disability.

Audit information

Each of the directors at the date of approval of this report confirms that:

- 1) so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- 2) the director has taken all the steps that he/she ought to have taken as a director to make himself/herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

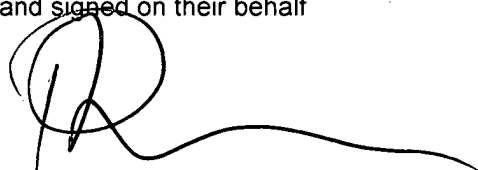
Baker & McKenzie Global Services (UK) Limited

Directors' report (continued)

Auditor

Deloitte LLP have indicated their willingness to be reappointed for another term and appropriate arrangements are being made for them to be deemed reappointed as auditor in the absence of an Annual General Meeting.

Approved by the Board of Directors
and signed on their behalf

A handwritten signature in black ink, consisting of a large, stylized 'P' followed by a long, sweeping horizontal line that tapers to the right.

Director

26 March 2015

P RAWLINSON

Baker & McKenzie Global Services (UK) Limited

Statement of directors' responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent auditor's report to the members of Baker & McKenzie Global Services (UK) Limited

We have audited the financial statements of Baker & McKenzie Global Services Limited for the year ended 30 June 2014 which comprise the Profit and Loss Account, the Balance Sheet, the Cashflow Statement and the related notes 1 to 15. 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).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company'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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement, the directors 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 company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; 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 company's affairs as at 30 June 2014 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report and Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent auditor's report to the members of Baker & McKenzie Global Services (UK) Limited (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 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; 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
Chartered Accountants and Statutory Auditor
London

27 March 2015

Baker & McKenzie Global Services (UK) Limited

Profit and Loss Account Year ended 30 June 2014

	Notes	2014 £	2013 £
Turnover		11,298,070	10,876,567
Administrative expenses		<u>(10,914,992)</u>	<u>(10,210,327)</u>
Operating profit and profit on ordinary activities before taxation	3	383,078	666,240
Tax on profit on ordinary activities	4	<u>(103,211)</u>	<u>(169,435)</u>
Retained profit for the financial year	9	<u><u>279,867</u></u>	<u><u>496,805</u></u>

All activities relate to continuing operations.

There were no recognised gains or losses in the current or preceding period other than the results stated above, and therefore no separate statement of total recognised gains and losses is presented.

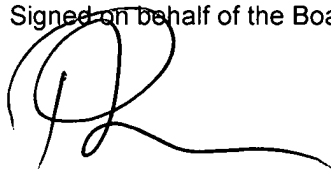
Baker & McKenzie Global Services (UK) Limited

Balance sheet At 30 June 2014

	Notes	2014 £	2013 £
Fixed assets			
Investments	5	<u>9</u>	<u>9</u>
Current assets			
Debtors	6	4,212,965	4,213,960
Cash at bank and in hand		<u>174,801</u>	<u>159,907</u>
		4,387,766	4,373,867
Creditors: amounts falling due within one year	7	<u>(1,220,019)</u>	<u>(1,485,987)</u>
Net current assets		<u>3,167,747</u>	<u>2,887,880</u>
Net assets		<u>3,167,756</u>	<u>2,887,889</u>
Capital and reserves			
Called up share capital	8	1,000	1,000
Profit and loss account	9	<u>3,166,756</u>	<u>2,886,889</u>
Shareholders' funds	9	<u>3,167,756</u>	<u>2,887,889</u>

The financial statements of Baker & McKenzie Global Services (UK) Limited (registered number 05094078) were approved by the Board of Directors and authorised for issue on 26 March 2015.

Signed on behalf of the Board of Directors



Director

P RAWLINSON

Baker & McKenzie Global Services (UK) Limited

Cash flow statement Year ended 30 June 2014

	Notes	2014 £	2013 £
Net cash inflow from operating activities	10	196,593	74,110
Taxation	11	(181,699)	(137,355)
Increase/(decrease) in cash	12,13	<u>14,894</u>	<u>(63,245)</u>

Baker & McKenzie Global Services (UK) Limited

Notes to the accounts Year ended 30 June 2014

1. Accounting policies

Basis of preparation

The financial statements are prepared in accordance with applicable United Kingdom law and accounting standards and under the historical cost convention. The accounting policies have been applied consistently throughout the current and preceding year.

Going concern

As described in the Directors' Report, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Turnover

Turnover represents amount receivable for goods and services provided in the normal course of business excluding value added tax. All sales are made from within the United Kingdom. Turnover is recognised as per the contractual terms of the recharge agreement.

Taxation

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

Deferred taxation is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements.

Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be reversed. Deferred tax assets and liabilities are not discounted.

Foreign currency transactions

Transactions in foreign currencies are recorded at the rate of exchange prevailing at the date of 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. Exchange differences are included in the profit and loss account.

Pension costs

Baker & McKenzie Global Services (UK) Limited operates a defined contribution pension scheme for staff. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

Investments

Fixed asset investments are shown at cost less provision for impairment.

Baker & McKenzie Global Services (UK) Limited

Notes to the accounts Year ended 30 June 2014

2. Directors and employees

	2014 £	2013 £
Staff costs (including directors) during the year were as follows:		
Wages and salaries	5,831,370	5,481,306
Redundancy costs	-	258,600
Social security costs	749,503	739,407
Pension costs	225,021	194,298
	<u>6,805,894</u>	<u>6,673,611</u>
	No.	No.
The average weekly number of employees (excluding directors) utilised during the year was as follows:		
Administration	<u>52</u>	<u>51</u>

The directors received no remuneration in respect of their services to the company during the period (2013: £nil).

3. Operating profit and profit on ordinary activities before taxation

	2014 £	2013 £
The operating profit and profit on ordinary activities before taxation is stated after charging:		
Fees payable to the company auditor for the audit of the annual financial statements.	7,780	7,850
Fees payable to the company auditor for other services		
- Tax compliance	<u>7,355</u>	<u>4,600</u>

Baker & McKenzie Global Services (UK) Limited

Notes to the accounts Year ended 30 June 2014

4. Tax on profit on ordinary activities

The tax charge comprises:

	2014 £	2013 £
Current tax		
UK corporation tax	100,379	169,626
Adjustment in respect of prior year	2,832	(191)
Total current tax	<u>103,211</u>	<u>169,435</u>

The differences between the total current tax shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax is as follows:

	2014 £	2013 £
Profit on ordinary activities before tax	<u>383,078</u>	<u>666,240</u>
Tax at 22.5% (2013: 23.8%)	86,193	158,236
Adjustment for non-deductible items	14,186	11,390
Adjustment in respect of prior year	2,832	(191)
Current tax charge for year	<u>103,211</u>	<u>169,435</u>

5. Fixed asset investments

	2014 £	2013 £
Investments	<u>9</u>	<u>9</u>

Baker & McKenzie Global Services (UK) Limited has an investment in Baker & McKenzie Ofis Yönetimi ve Hizmetleri Limited Şirketi.

Investment	Country of incorporation	Principal activity	Holding	%
Baker & McKenzie Ofis Yönetimi ve Hizmetleri Limited Şirketi	Turkey	Provision of support services	Ordinary shares	0.5

On 21 October 2014 the investment was sold to Baker and McKenzie International BV for a value of £6

Baker & McKenzie Global Services (UK) Limited

Notes to the accounts Year ended 30 June 2014

6. Debtors

	2014 £	2013 £
Amounts due from group undertakings	3,905,224	3,787,640
Other debtors	15,649	97,104
Prepayments	292,092	329,216
	<u>4,212,965</u>	<u>4,213,960</u>

7. Creditors: amounts falling due within one year

	2014 £	2013 £
Corporation tax	3,374	81,862
Other taxation and social security	518,707	547,468
Other creditors	65,396	54,103
Accruals	346,191	322,611
Amounts due to group undertakings	286,351	479,943
	<u>1,220,019</u>	<u>1,485,987</u>

8. Called up share capital

	2014 £	2013 £
Allotted, called up and fully paid		
1,000 ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

9. Combined statement of reconciliation of movements in reserves and equity shareholders' funds

	Profit and loss account £	Share capital £	Shareholders' funds £
At 1 July 2013	2,886,889	1,000	2,887,889
Retained profit for the financial year	279,867	-	279,867
	<u>3,166,756</u>	<u>1,000</u>	<u>3,167,756</u>
At 30 June 2014			

Baker & McKenzie Global Services (UK) Limited

Notes to the accounts Year ended 30 June 2014

10. Net cash inflow from operating activities

	2014 £	2013 £
Operating profit	383,078	666,240
Decrease/(increase) in debtors	995	(824,549)
(Decrease)/increase in creditors	(187,480)	232,419
Net cash inflow from operating activities	<u>196,593</u>	<u>74,110</u>

11. Analysis of cash flows

	2014 £	2013 £
Taxation		
UK corporation tax paid	<u>(181,699)</u>	<u>(137,355)</u>

12. Analysis of changes in net funds

	1 July 2013 £	Cash flow £	30 June 2014 £
Cash at bank and in hand	159,907	14,894	174,801
Total	<u>159,907</u>	<u>14,894</u>	<u>174,801</u>

13. Reconciliation of net cash flow to movement in net funds

	2014 £	2013 £
Increase/(decrease) in cash in the year	14,894	(63,245)
Change in net funds resulting from cash flows	14,894	(63,245)
Net funds at start of year	159,907	223,152
Net funds at end of year	<u>174,801</u>	<u>159,907</u>

Baker & McKenzie Global Services (UK) Limited

Notes to the accounts Year ended 30 June 2014

14. Related party transactions

During the course of the year Baker & McKenzie Global Services (UK) Limited invoiced £12,132,736 (2013: £11,437,074) to Baker & McKenzie International BV, its ultimate controlling party.

Included within debtors is £3,905,224 (2013: £3,787,640) due from Baker & McKenzie International BV, the ultimate controlling party of Baker & McKenzie Global Services (UK) Limited.

15. Ultimate controlling party

The immediate and ultimate parent company and ultimate controlling party of Baker & McKenzie Global Services (UK) Limited is Baker & McKenzie International BV, a company incorporated in the Netherlands.

No entity prepares consolidated accounts which include the company.