

Limited Liability Partnership Registration No. OC317661

**WOMBLE BOND DICKINSON (UK) LLP**

**Annual Report and Financial Statements**

**for the year ended 30 April 2021**

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**ANNUAL REPORT AND FINANCIAL STATEMENTS 2021**

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**OFFICERS AND PROFESSIONAL ADVISERS**

**DESIGNATED MEMBERS**

J J Blair  
N H Barwood  
C Brook  
T M Beezer  
J D Gill  
T A Walsh

**REGISTERED OFFICE**

4 More London Riverside  
London  
United Kingdom  
SE1 2AU

**BANKERS**

Lloyds Bank plc  
102 Grey Street  
Newcastle upon Tyne  
United Kingdom  
NE99 1SL

**INDEPENDENT AUDITORS**

BDO LLP  
Chartered Accountants and Statutory Auditors  
55 Baker Street  
Marylebone  
London  
United Kingdom  
W1U 7EU

## MEMBERS' REPORT

The members are pleased to present their annual report on the affairs of Womble Bond Dickinson (UK) LLP ("the LLP"), together with the audited consolidated financial statements and the auditor's report for the LLP and the companies owned by the LLP ("the Group"), for the year ended 30 April 2021.

### PRINCIPAL ACTIVITIES

The principal activity of the LLP and the Group is the provision of legal services in the UK to local, national and international clients.

### BUSINESS REVIEW

#### Members' Overview

The Group's results for the year to 30 April 2021 report a strong performance, despite the challenging circumstances, with a slight increase in turnover and improved profitability versus the prior year. The business saw a number of client wins across a wide range of sectors. Our combination with Womble Bond Dickinson (US) LLP, our Lex Mundi membership and our alliance with Redeker in Germany continued to be beneficial in the referral of international clients.

The firm was ranked in the Top 30 most innovative law firms in Europe for demonstrating innovation for clients and in how the law is practised as well as the wide range of programmes run by the firm to support talent, skills and responsible business initiatives across the UK and beyond. As part of our COVID-19 contingency plan we mobilised the entire firm to use e-signatures, which has become a business critical tool, to help support our clients' business continuity and to keep transactions moving.

We appointed a new UK Chair, Nick Barwood, after Simon Richardson retired; promoted seven new partners and made six lateral partner hires across our locations.

As well as the immediate firmwide move to working from home in response to the global pandemic, during FY 20/21 we implemented a number of other initiatives to mitigate the uncertainty the pandemic presented and ensure our costs were managed. All of these initiatives were driven by the Board who immediately created a number of working groups to manage our response to the pandemic and effectively ensure our business resilience. We very carefully reviewed and reduced our discretionary expenditures, especially in those areas such as travel and event marketing where it was not possible to proceed with normal business activity. The pandemic accelerated a change in ways of working for our secretarial team and the firm as a whole. We therefore reviewed our secretarial resource and, very regrettably, reduced our secretarial support through a redundancy consultation exercise.

In order to protect our business and job security in what were extremely uncertain times, we utilised the Government's Job Retention Scheme where essential to manage overall remuneration costs, and reduced partner drawings to aid cash flow. Once our position became clearer, we chose to repay the furlough grant and returned partner drawings to normal. The full furlough grant was repaid in July 2021.

As a business we have always been prudent in our financial management, and for that reason, with the uncertainty of the pandemic, we reluctantly took the decision to postpone the firm-wide annual salary review due in November 2020 until May 2021. We have since been able to proceed with the salary review, with new salaries effective from 1 May 2021. The review will now take place annually in May, to enable us to align this process with the budget planning process. We also chose to award a one-off bonus to all eligible employees of 2% of their gross basic salary, in recognition of their efforts and hard work through a very challenging year.

In response to the UK government's first lockdown, we were able to get over 90% of our staff (both fee earning and non-fee earning) working very effectively from home without any significant detriment to client service. The success of the temporary changes we made to the way we work, along with feedback from colleagues, gave us the opportunity to develop a new approach to flexible working which was implemented in September 2021 allowing our people to choose whether they want to work in the office or at home, or a combination of the two.

## **MEMBERS' REPORT (continued)**

### **DESIGNATED MEMBERS**

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

J J Blair  
N H Barwood  
C Brook  
T M Beezer  
J D Gill  
T A Walsh

### **MEMBERS' DRAWINGS AND CAPITAL POLICY**

The policies of Womble Bond Dickinson (UK) LLP regarding the allocation of profits to members, interim drawings and on account distributions, transfers from equity to debt and the subscription and the repayment of members' capital are disclosed in the accounting policies in the notes to the financial statements.

### **CORPORATE SOCIAL RESPONSIBILITY**

Our commitment to being a Responsible Business is at the heart of what we do.

We care about the impact of our actions on our people, our local community and the environment. Building sustainable relationships through partnerships with charities, community projects and our own initiatives, we are determined to play a strong role in creating better places to live, work and do business.

We want our actions to have real social value impact, and so focus our activity on social inclusion and unlocking potential in the areas of Education, Employment and Entrepreneurship. We empower and encourage our people to get involved in a wide range of Responsible Business activities – and they really do.

Our three focuses are:

- Making a positive difference to our communities. This includes: pro bono, volunteering, charitable giving, environmental impact and the sustainable development goals;
- Creating a diverse and inclusive workplace. (See further under "Equality, Diversity and Inclusion Policy" below). This includes: diversity, honest conversations, supporting people to be the best they can be, healthy and safe environment and innovation in the way we work together and how we work; and
- Working professionally and responsibly in our marketplace. This includes: integrity, quality, independence, regulatory compliance, financial crime prevention, who we act for and our supply chain, privacy and information security.

Our Key Achievements in FY20/21:

- Silver EcoVadis Sustainability Rating - assessing our CSR, sustainability, ethics, labour and human rights and procurement. We are now in the 91st percentile of all companies reporting to EcoVadis; and
- A re-focus on our CSR efforts, looking at fewer, bigger, better relationships and coordinating our efforts behind the national theme of social inclusion. This is to ensure we have the strongest impact we can in our local communities to create the greatest social value.

In FY 20/21 we continued to support a number of charities across the UK, including the COVID-19 relief effort, with £111,000 donated to charities, spent on fundraising and volunteering initiatives. This includes £30,000 donated to UK foodbanks and support to domestic abuse charities at a time when there was a huge surge in domestic abuse calls.

## **MEMBERS' REPORT (continued)**

### **CORPORATE SOCIAL RESPONSIBILITY (continued)**

These grants and donations included a series of smaller payments to local charities and match funding the fundraising activities of staff. Examples of where the larger payments were made include foodbanks in cities where our offices are located, MIND, Theatre Royal Plymouth, and the Access to Justice Foundation. Many of these were made in the latter part of the financial year as part of our response to the COVID-19 crisis. We also focused our efforts at the start of 2021 on our response to COVID-19, with a donation of 130 laptops to local schools to help to tackle the digital divide, which again, had been further exacerbated due to the pandemic.

Due to COVID-19, many of our usual volunteering activities weren't able to go ahead. However, we were pleased that staff found time to give, again most notably through the foodbanks, and in Spring 2021, we had some staff volunteer with the COVID-19 Clinics, as well as helping counter the effects of the pandemic in local schools.

We are a founding member of the Legal Sustainability Alliance and are committed to reducing overall emissions per employee. WBD has successfully gained re-accreditation to the ISO 14001 standard, again with no major non-conformities. As part of its Planet Mark certification, we are committed to continuous improvement in sustainability in business operations by measuring and reducing carbon emissions and engaging with stakeholders year on year. In 2020 we changed our reporting year with Planet Mark from calendar to financial year. Please refer to our Streamlined Energy and Carbon Report on page 8.

### **EQUALITY, DIVERSITY AND INCLUSION POLICY**

Diversity and Inclusion are a central part of our firm, and being diverse and inclusive make us a better and more successful place to work. The Group is committed to creating a diverse and inclusive culture which promotes equality of opportunity and the Group's values. It encourages mutual respect and an environment where each individual is able to be themselves and is free from discrimination in relation to any job applicant, employee or principal, client or supplier of services regardless of background on the grounds of:

- colour, race, nationality, ethnic or national origin;
- religion or belief;
- sex, marital status, gender reassignment or sexual orientation;
- disability; and
- age.

Our Diversity and Inclusion group, led by our Board sponsor, and comprised of employee and partner representatives, meets regularly to work together on best practice activities, as well as leading the firm on various diversity and inclusion related initiatives. Our "#BeYourself" campaign is central to our culture and is promoted throughout the business with specific focus during our annual Diversity and Inclusion awareness week. This incorporates a programme of topical diversity initiatives run at a national and regional level and is a subject that our people have said is important to them, helping to embed the environment of being able to be one's true self whilst at work. We are also broadening the work of our D&I Group and have recently established both BAME and LGBTQ+ Groups to support our people. In 2020, we rolled out Unconscious Bias training to all staff, including new joiners, and achieved an extremely high attendance rate. In June, we hosted a firmwide Black Lives Matter webinar during which our BAME colleagues shared their reflections on the George Floyd murder and their own experiences of racism. This had the highest attendance of all internal webinars we have ever hosted. The Group has also launched a Count Me In campaign encouraging all of our people to divulge their diversity information on an attributable basis. This will help us to monitor our successes against our goals, and increase progression towards them, as well as enabling the Group to have a more focussed approach to D&I initiatives. Our work on Health and Wellbeing is making very positive progress with an annual Health and Wellbeing awareness week, health and fitness challenges, online events, mental health first aiders established across the firm, and a range of other events and initiatives taking place throughout the year. The firm is also a signatory to the Mindful Business Charter.

**MEMBERS' REPORT (continued)**

**EMPLOYEES WITH A DISABILITY OR LONG TERM HEALTH ISSUE**

The Group will make reasonable adjustments within our recruitment processes to ensure that applications from people with a disability are not disadvantaged. Our aim is to create an environment where all people can achieve their full potential regardless of disability. The Group will ensure they are treated fairly and appropriately, reasonable adjustments are made and, where applicable, training and support is provided in order to allow all of our people to reach their potential. We are a Disability Confident Employer, an initiative developed by the DWP which offers resources and guidance on supporting those with disabilities in the workplace.

**EMPLOYEE PARTICIPATION**

The Group places considerable value on the involvement of its employees and keeps them informed on matters affecting them as employees and on the various factors affecting the performance of the Group. This is achieved through various means including the Group's Employee Forum, which is made up of employees drawn from all job groups, disciplines and geographies across the Group. The Forum meets on a quarterly basis to discuss topical issues and is used on a regular basis to provide a platform to consult with the wider employee group. The Group also arranges quarterly business briefings which are open to everyone in the business to attend. In addition, there are also a number of additional methods of communication including informal meetings as well as sports and social events, which are organised by office Sports and Social Committees. The Group's key communication tool, the intranet, is regularly updated and refreshed with key updates as well as the creation of new communities to support various initiatives. The Group also runs periodic surveys to seek feedback on employees' views on important topics and since the pandemic has converted key aspects of its Learning and Development resources into on-line resources, widening access to more people. The Group is accredited with the Investors in People standard (Silver), receiving particular commendation for its employee communication activities.

The firm continues to focus on apprenticeships, growing the number of programmes available. Apprentices have successfully gained qualifications in IT, Facilities, Business Administration, HR and Law through the Solicitor Apprenticeship and CILEX Paralegal Apprenticeship with a number of ongoing programmes in other areas. The firm's apprenticeship success has continued to gain external recognition which includes the Top 100 School Leaver Employers, finalist for the Most Innovative Recruitment Campaign for our Bristol Solicitor Apprenticeship Programme, and in 2019 we were awarded The Job Crowd Top Company For Apprentices to Work For Award - No 1 Employer in Law. The firm also has an established Early Careers Programme with various offerings which offers insights into careers with the firm for early talent aged 14 and above and work experience for early talent aged 16 and above.

The firm's established graduate programme has been recognised again in 2021, receiving nominations for Legal Cheek Best Law Firm for Peer Support, Partner Approachability and winning Best Law Firm for Work / Life Balance. The scheme continues to be viewed highly by students entering the graduate market, ranking 169th in the Guardian UK top 300 graduate employers.

**MEMBERS' REPORT (continued)**

**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 and Audit) (Application of the Companies Act 2006) Regulations 2008 require the members to prepare financial statements for each financial year. Under these regulations 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). Under these regulations the members 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 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:

- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the partnership and Group will continue in business.

The members are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and LLP's transactions, disclose with reasonable accuracy at any time the financial position of the Group and LLP, and enable them to ensure that the financial statements comply with the Limited Liability Partnerships (Accounts and Audit) (Application of the Companies Act 2006) Regulations 2008. They are also responsible for safeguarding the assets of the Group and LLP and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**DISCLOSURE OF INFORMATION TO AUDITOR**

The members confirm that:

- so far as each member is aware, there is no relevant audit information of which the Group's auditor is unaware; and
- the members have taken all the steps that they ought to have taken as members in order to make themselves aware of any relevant audit information and to establish that the Group's auditor is aware of that information.

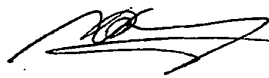
**INDEPENDENT AUDITOR**

The Auditors, BDO LLP, have indicated their willingness to continue in office.

Approved by the members and signed on their behalf by



J Blair  
Designated member  
18 October 2021



N H Barwood  
Designated member  
18 October 2021

**STREAMLINED ENERGY AND CARBON REPORT FOR THE YEAR ENDED 30 APRIL 2021**

The Group has successfully certified to The Planet Mark for the year to 30 April 2021. This is a sustainability certification which recognises continuous improvements, encourages action and builds an empowered community of like-minded individuals. Through the Planet Mark, the Group has taken action to protect one acre of rainforest with Cool Earth. The Group's data is reviewed regularly by Planet Mark to ensure there are no large areas of increased energy consumption and to help reduce energy consumption and the impact on the environment.

During the year the Group saw a drop of 97% in business travel, 26% reduction in electricity usage and 38% decrease in emissions compared to the previous year. The Group puts sustainability at the forefront of our business and has identified that with a more flexible workforce further reductions in emissions can be achieved, particularly scope 1 and 2 emissions. Some of the scope 3 emissions reductions such as business travel are in part attributable to the Covid pandemic, however we are committed to ensuring any increase in this area during the coming year is mitigated with the investment in technology and a robust travel policy implemented Firmwide.

The Group has a detailed environmental policy which is fundamental to our business strategy and an accompanying energy efficiency strategy document which is both instrumental in continuing to drive down energy usage and the Group's impact on the environment. By implementing this policy, the Group strives to continually improve its ISO 14001:2015 environmental management system. Internal auditing is in place to frequently assess our 14001 compliance and identify new opportunities.

The Group has a sustainability team who are responsible for day to day energy management and continually driving energy reductions across the business. During the reporting period they were responsible for leading many initiatives to encourage employees to improve their impact on the environment.

The Group procures renewable energy for our offices in London, Southampton, Bristol, Leeds and Newcastle. Across the Group 49.6% of energy is procured from renewable sources.

The Group's UK Carbon Footprint for the year to 30 April 2021 was as follows:

| Type of emission                                       | 2021           |                    | 2020*          |                    |
|--|----------------|--------------------|----------------|--------------------|
|  | Tonnes of CO2e | Total kWh          | Tonnes of CO2e | Total kWh          |
| Scope 1 – Direct<br>(Gas emission and owned transport) | 581.1          | 3,269,597.5        | 658.5          | 3,259,548.3        |
| Scope 2 – Indirect<br>(Purchased electricity and heat) | 323.4          | 1,703,412.0        | 425.8          | 2,315,715.2        |
| Scope 3 – Indirect<br>(Business travel)                | 65.1           | 26,917.0           | 472.6          | 141,897.4          |
| <b>Total</b>   | <b>969.6</b>   | <b>4,999,926.5</b> | <b>1,556.9</b> | <b>5,717,160.9</b> |

*\*A correction was made to prior year figures and as such the figures quoted above for 2020 differ to those reported in the prior year statutory accounts.*

**Intensity metrics for the period 1 May 2020 to 30 April 2021:**

0.9 (2020: 1.4) Tonnes of tCO2e per employee

9.2 (2020: 14.9) Tonnes of tCO2e per total £m turnover

The Group has taken several specific actions in our offices throughout the UK:

- During the year there have been upgrades to video conferencing technology, which offers better functionality and will help with the reduction of travel across the Group;
- In our Plymouth and Bristol offices, halogen lights were replaced by new more efficient LED lights;
- In our Plymouth office a new heating system was installed, which has reduced the energy consumption of this office; and

**STREAMLINED ENERGY AND CARBON REPORT FOR THE YEAR ENDED 30 APRIL  
2021 (continued)**

- The Group has purchased a new electric van.

A list of members of the LLP can be found at <https://find-and-update.company-information.service.gov.uk/company/OC317661/officers>

Approved by the members and signed on their behalf by:



J Blair  
Designated member  
18 October 2021



N H Barwood  
Designated member  
18 October 2021

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WOMBLE BOND DICKINSON (UK) LLP**

**Opinion on the financial statements**

In our opinion, the financial statements:

- give a true and fair view of the state of the Group and the Limited Liability Partnership's affairs as at 30 April 2021 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 applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of the Companies Act 2006) Regulations 2008.

We have audited the financial statements of Womble Bond Dickinson (UK) LLP ("the Limited Liability Partnership") and its subsidiaries ("the Group") for the year ended 30 April 2021 which comprise the consolidated profit and loss account, consolidated statement of comprehensive income, balance sheets, consolidated cash flow statement, statements of members' interest and notes to the financial statements, including a summary of significant accounting policies. 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

*Independence*

We are independent of the Group and the Limited Liability Partnership in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

**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 or the 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 Members are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, 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.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WOMBLE BOND DICKINSON (UK) LLP  
(continued)**

**Other Companies Act 2006 reporting as applied to limited liability partnerships**

We have nothing to report in respect of the following matters in relation to which 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, 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
- we have not received all the information and explanations we require for our audit.

**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 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 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.

*Extent to which the audit was 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:

Our approach was as follows:

We obtained an understanding of the legal and regulatory frameworks that are applicable to Womble Bond Dickinson (UK) LLP. We determined that the most significant laws and regulations which are directly relevant to specific assertions in the financial statements are those related to the reporting framework (FRS 102 and the Companies Act 2006), regulations impacting labour regulations and the Solicitors Regulation Authority rules in the United Kingdom.

- We understood how the Group and Limited Liability Partnership is complying with those legal and regulatory frameworks by making enquiries of management and those responsible for legal and compliance procedures. We corroborated our enquiries through our review of board minutes and confirmation from insurers of the status of and completeness of professional indemnity claims ongoing at year end. Our review of legal expense accounts was performed to ensure no other material legal matters were identified through our audit procedures.
- We assessed the susceptibility of the Group and Limited Liability Partnership's financial statements to material misstatement, including how fraud might occur by meeting with management to understand where it is considered there was a susceptibility of fraud. Our considerations included enquiries with management and group management.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WOMBLE BOND DICKINSON (UK) LLP  
(continued)**


- We also considered potential fraud drivers: including financial or other pressures, opportunity, and personal or corporate motivations. We considered the programmes and controls that the Group and Limited Liability Partnership has established to address risks identified, or that otherwise prevent, deter and detect fraud; and how senior management monitors those programmes and controls. Where the risk was considered higher, we performed audit procedures to address each identified fraud risk. These procedures included testing manual journals, testing compliance with the coronavirus job retention scheme criteria and key areas of estimation uncertainty or judgement, for example; estimations of valuation of work in progress relating to work performed in the year, key assumptions used in the calculation of the pension liability and estimation of provisions in place for trade receivables.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

**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 by Limited Liability Partnerships (Accounts and Audit) (Application of the 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 Partnership and the Limited Liability Partnership's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:  
  
B74585C2373744A...

Nicholas Carter-Pegg (Senior Statutory Auditor)  
For and on behalf of BDO LLP, statutory auditor  
London  
United Kingdom  
19 October 2021

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

**CONSOLIDATED PROFIT AND LOSS ACCOUNT**  
Year ended 30 April 2021

|   | Note | 2021<br>£ '000  | 2020<br>£ '000 |
|---|------|-----------------|----------------|
| <b>TURNOVER</b>   | 3    | <b>105,656</b>  | 104,806        |
| Other operating income  | 4    | <b>2,607</b>    | 1,489          |
|   |      | <b>108,263</b>  | 106,295        |
| Operating expenses  | 5    | <b>(76,289)</b> | (83,216)       |
| <b>OPERATING PROFIT</b>   | 6    | <b>31,974</b>   | 23,079         |
| Interest payable and similar charges  | 8    | <b>(139)</b>    | (180)          |
| <b>PROFIT FOR THE FINANCIAL YEAR BEFORE TAXATION</b>                                    |      | <b>31,835</b>   | 22,899         |
| Taxation on profit on ordinary activities (in corporate subsidiaries)                   | 9    | <b>(112)</b>    | (152)          |
| <b>PROFIT FOR THE FINANCIAL YEAR BEFORE MEMBERS' REMUNERATION</b>                       |      | <b>31,723</b>   | 22,747         |
| Members' remuneration charged as an expense   |      | <b>(31,723)</b> | (22,747)       |
| <b>PROFIT FOR THE FINANCIAL YEAR AVAILABLE FOR DISCRETIONARY DIVISION AMONG MEMBERS</b> |      | <b>-</b>        | -              |

All results relate to continuing activities.

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
Year ended 30 April 2021

|   | Note | 2021<br>£ '000 | 2020<br>£ '000 |
|---|------|----------------|----------------|
| <b>PROFIT FOR THE FINANCIAL YEAR AVAILABLE FOR DISCRETIONARY DIVISION AMONG MEMBERS</b> |      | <b>-</b>       | -              |
| Other comprehensive expense:  |      |                |                |
| Defined benefit pension scheme cost   | 22   | <b>(460)</b>   | (460)          |
| <b>Total comprehensive expense for the year</b>   |      | <b>(460)</b>   | (460)          |

The notes on pages 18 to 35 form part of these financial statements.

**WOMBLE BOND DICKINSON (UK) LLP**

**BALANCE SHEETS**


**As at 30 April 2021**


|  | Note | Group           |                 | LLP             |                 |
|--|------|-----------------|-----------------|-----------------|-----------------|
|  |      | 2021<br>£ '000  | 2020<br>£ '000  | 2021<br>£ '000  | 2020<br>£ '000  |
| <b>FIXED ASSETS</b>  |      |                 |                 |                 |                 |
| Tangible assets  | 12   | 6,328           | 8,459           | 6,328           | 8,459           |
| Intangible assets  |      | 20              | 26              | 20              | 26              |
| Investments  | 13   | -               | -               | 1,000           | 1,000           |
|  |      | <u>6,348</u>    | <u>8,485</u>    | <u>7,348</u>    | <u>9,485</u>    |
| <b>CURRENT ASSETS</b>  |      |                 |                 |                 |                 |
| Debtors  | 14   | 43,418          | 44,250          | 43,358          | 44,015          |
| Cash at bank and in hand                                       |      | 7,846           | 1,171           | 6,917           | 189             |
|  |      | <u>51,264</u>   | <u>45,421</u>   | <u>50,275</u>   | <u>44,204</u>   |
| <b>CREDITORS: amounts falling due within one year</b>          | 15   | <u>(13,694)</u> | <u>(16,587)</u> | <u>(13,749)</u> | <u>(16,593)</u> |
| <b>NET CURRENT ASSETS</b>                                      |      | <u>37,570</u>   | <u>28,834</u>   | <u>36,526</u>   | <u>27,611</u>   |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>                   |      | <u>43,918</u>   | <u>37,319</u>   | <u>43,874</u>   | <u>37,096</u>   |
| <b>CREDITORS: amounts falling due after more than one year</b> | 16   | <u>(5,996)</u>  | <u>(6,205)</u>  | <u>(5,996)</u>  | <u>(6,205)</u>  |
| <b>Provisions for liabilities and charges</b>                  | 17   | <u>(2,682)</u>  | <u>(3,634)</u>  | <u>(2,682)</u>  | <u>(3,634)</u>  |
| <b>NET ASSETS ATTRIBUTABLE TO MEMBERS</b>                      |      | <u>35,240</u>   | <u>27,480</u>   | <u>35,196</u>   | <u>27,257</u>   |
| <b>REPRESENTED BY:</b>   |      |                 |                 |                 |                 |
| <b>Loans and other debts due to members:</b>                   |      |                 |                 |                 |                 |
| Amounts due to members   | 19   | 20,144          | 11,389          | 20,144          | 11,389          |
| Members' capital   | 19   | 15,052          | 15,868          | 15,052          | 15,868          |
| <b>Equity: Members' other interests</b>                        |      |                 |                 |                 |                 |
| Members' other interests: other                                | 19   | 44              | 223             | -               | -               |
|  |      | <u>35,240</u>   | <u>27,480</u>   | <u>35,196</u>   | <u>27,257</u>   |
| <b>TOTAL MEMBERS' INTERESTS</b>                                |      |                 |                 |                 |                 |
| Loans and other debts due to members                           | 19   | 20,144          | 11,389          | 20,144          | 11,389          |
| Members' capital classified as a liability                     | 19   | 15,052          | 15,868          | 15,052          | 15,868          |
| Members' other interests classified as equity                  | 19   | 44              | 223             | -               | -               |
|  |      | <u>35,240</u>   | <u>27,480</u>   | <u>35,196</u>   | <u>27,257</u>   |

The exemption under section 408 of the Companies Act 2006 from presenting the parent LLP's income statement has been taken. The LLP's profit for the year ended 30 April 2021 was £31,442,000 (2020: £22,132,000).

These financial statements of Womble Bond Dickinson (UK) LLP (Limited Liability Partnership Registration No. OC317661) on pages 13 - 35 were approved by the members on 18 October 2021.

Signed on behalf of the members

  
J J Blair  
Designated member

  
N H Barwood  
Designated member

**CONSOLIDATED CASH FLOW STATEMENT**  
**Year ended 30 April 2021**

|  | Note | 2021<br>£'000  | 2020<br>£'000  |
|--|------|----------------|----------------|
| <b>Cash flows from operating activities</b>  |      |                |                |
| Profit for the year before members' remuneration                                     |      | 31,723         | 22,747         |
| <b>Adjustments for:</b>  |      |                |                |
| Depreciation of tangible assets  | 12   | 2,560          | 3,011          |
| Amortisation of intangible assets  |      | 6              | 4              |
| Loss on disposal of fixed assets   |      | 244            | 275            |
| Pension funding  | 22   | (460)          | (460)          |
| Interest paid  | 8    | 139            | 180            |
| Taxation   | 9    | 112            | 152            |
| Decrease/(increase) in Government grant receivable                                   |      | 288            | (288)          |
| Decrease in debtors  |      | 544            | 3,288          |
| Decrease in creditors  |      | (762)          | (1,044)        |
| Increase in provisions   |      | (952)          | (45)           |
| Corporation tax paid   |      | (155)          | (74)           |
| <b>Net cash generated from operating activities before transactions with members</b> |      | <b>33,287</b>  | <b>27,746</b>  |
| Payments to and on behalf of members   |      | (22,688)       | (27,136)       |
| <b>Net cash generated from operating activities</b>                                  |      | <b>10,599</b>  | <b>610</b>     |
| <b>Cash flows from investing activities</b>  |      |                |                |
| Purchases of tangible assets   |      | (673)          | (3,583)        |
| Purchases of intangible assets   |      | -              | (30)           |
| <b>Net cash used in investing activities</b>   |      | <b>(673)</b>   | <b>(3,613)</b> |
| <b>Cash flows from financing activities</b>  |      |                |                |
| Repayment of bank loans  |      | (1,049)        | (1,758)        |
| Repayment of finance lease obligations   |      | (374)          | (503)          |
| New bank loans   |      | 1,000          | 2,490          |
| New finance lease obligations  |      | 225            | 218            |
| Capital introduced by members  |      | 1,653          | 909            |
| Repayment of capital or debt to members  |      | (2,469)        | (1,016)        |
| Interest paid  |      | (139)          | (180)          |
| <b>Net cash (used)/from financing activities</b>                                     |      | <b>(1,153)</b> | <b>160</b>     |
| <b>Net increase/(decrease) in cash and cash equivalents</b>                          |      | <b>8,773</b>   | <b>(2,843)</b> |
| <b>Cash and cash equivalents at the beginning of the year</b>                        |      | <b>(927)</b>   | <b>1,916</b>   |
| <b>Cash and cash equivalents at the end of the year</b>                              | 20   | <b>7,846</b>   | <b>(927)</b>   |

The notes on pages 18 to 35 form part of these financial statements.

**STATEMENTS OF MEMBERS' INTERESTS**  
**Year ended 30 April 2021**

| Group  | Note | Equity  | Debt  | Debt  | Total<br>£ '000 |
|--|------|---|---|---|-----------------|
|  |      | Members'<br>other<br>interests -<br>other<br>£ '000 | Members'<br>capital<br>classified as<br>a liability<br>£ '000 | Loans and<br>other debts<br>due to<br>members<br>£ '000 |                 |
| <b>At 1 May 2019</b>                           |      | 68  | 15,975  | 16,394  | 32,437          |
| Members' remuneration charged as an expense    |      | -   | -   | 22,747  | 22,747          |
| Defined benefit pension scheme costs           |      | -   | -   | (460)   | (460)           |
| <b>Total comprehensive income for the year</b> |      | -   | -   | 22,287  | 22,287          |
| Capital introduced                             |      | -   | 909   | -   | 909             |
| Capital repaid                                 |      | -   | (1,016)   | -   | (1,016)         |
| Drawings                                       |      | -   | -   | (11,426)  | (11,426)        |
| Distributions                                  |      | -   | -   | (4,176)   | (4,176)         |
| Tax paid                                       |      | -   | -   | (11,320)  | (11,320)        |
| Amounts due to former members                  |      | -   | -   | (215)   | (215)           |
| Other allocation of profit                     |      | 155   | -   | (155)   | -               |
| <b>At 1 May 2020</b>                           | 19   | <b>223</b>  | <b>15,868</b>   | <b>11,389</b>   | <b>27,480</b>   |
| Members' remuneration charged as an expense    | 19   | -   | -   | 31,723  | 31,723          |
| Defined benefit pension scheme costs           | 22   | -   | -   | (460)   | (460)           |
| <b>Total comprehensive income for the year</b> |      | -   | -   | 31,263  | 31,263          |
| Capital introduced                             |      | -   | 1,653   | -   | 1,653           |
| Capital repaid                                 |      | -   | (2,469)   | -   | (2,469)         |
| Drawings                                       |      | -   | -   | (9,137)   | (9,137)         |
| Distributions                                  |      | -   | -   | (2,472)   | (2,472)         |
| Tax paid                                       |      | -   | -   | (11,436)  | (11,436)        |
| Amounts due to former members                  |      | -   | -   | 358   | 358             |
| Other allocation of profit                     |      | (179)   | -   | 179   | -               |
| <b>At 30 April 2021</b>                        | 19   | <b>44</b>   | <b>15,052</b>   | <b>20,144</b>   | <b>35,240</b>   |

The notes on pages 18 to 35 form part of these financial statements.

**STATEMENTS OF MEMBERS' INTERESTS**  
**Year ended 30 April 2021**

|  |      | Equity                                  | Debt  | Debt  |               |
|--|------|---|---|---|---------------|
|  | Note | Members' other interests - other £ '000 | Members' capital classified as a liability £ '000 | Loans and other debts due to members £ '000 | Total £ '000  |
| <b>LLP</b>                                     |      |   |   |   |               |
| <b>At 1 May 2019</b>                           |      | -                                       | 15,975  | 16,394                                      | 32,369        |
| Members' remuneration charged as an expense    |      | -                                       | -   | 22,592                                      | 22,592        |
| Defined benefit pension scheme costs           |      | -                                       | -   | (460)                                       | (460)         |
| <b>Total comprehensive income for the year</b> |      | -                                       | -   | 22,132                                      | 22,132        |
| Capital introduced                             |      | -                                       | 909   | -   | 909           |
| Capital repaid                                 |      | -                                       | (1,016)   | -   | (1,016)       |
| Drawings                                       |      | -                                       | -   | (11,426)                                    | (11,426)      |
| Distributions                                  |      | -                                       | -   | (4,176)                                     | (4,176)       |
| Tax paid                                       |      | -                                       | -   | (11,320)                                    | (11,320)      |
| Amounts due to former members                  |      | -                                       | -   | (215)                                       | (215)         |
| <b>At 1 May 2020</b>                           | 19   | -                                       | <b>15,868</b>                                     | <b>11,389</b>                               | <b>27,257</b> |
| Members' remuneration charged as an expense    | 19   | -                                       | -   | 31,902                                      | 31,902        |
| Defined benefit pension scheme costs           | 22   | -                                       | -   | (460)                                       | (460)         |
| <b>Total comprehensive income for the year</b> |      | -                                       | -   | 31,442                                      | 31,442        |
| Capital introduced                             |      | -                                       | 1,653   | -   | 1,653         |
| Capital repaid                                 |      | -                                       | (2,469)   | -   | (2,469)       |
| Drawings                                       |      | -                                       | -   | (9,137)                                     | (9,137)       |
| Distributions                                  |      | -                                       | -   | (2,472)                                     | (2,472)       |
| Tax paid                                       |      | -                                       | -   | (11,436)                                    | (11,436)      |
| Amounts due to former members                  |      | -                                       | -   | 358   | 358           |
| <b>At 30 April 2021</b>                        | 19   | -                                       | <b>15,052</b>                                     | <b>20,144</b>                               | <b>35,196</b> |

The notes on pages 18 to 35 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS**  
**Year ended 30 April 2021**

**1. ACCOUNTING POLICIES**

**General information**

Womble Bond Dickinson (UK) LLP is a limited liability partnership and is incorporated and domiciled in England. The address of its registered office is 4 More London Riverside, London, United Kingdom, SE1 2AU.

**Basis of consolidation**

The consolidated financial statements include the results of the LLP and its subsidiaries up to 30 April 2021 on the equity basis of accounting. In addition to providing legal services, the Group provides Independent Financial Advice through its wholly owned subsidiary, Womble Bond Dickinson Wealth Limited.

**Statement of compliance**

The individual financial statements of Womble Bond Dickinson (UK) LLP have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland" ("FRS 102") and the Companies Act 2006.

**Summary of significant accounting policies**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

**Basis of preparation**

The financial statements have been prepared on a going concern basis under the historical cost convention and in accordance with United Kingdom applicable law, accounting standards and the requirements of the Statement of Recommended Practice 'Accounting by Limited Liability Partnerships' (issued 2017).

The financial statements are prepared in accordance with the Companies Act 2006 as applied to limited liability partnerships.

Womble Bond Dickinson (UK) LLP meets the definition of a qualifying entity under FRS 102. It has therefore taken advantage of the disclosure exemptions available, which include the presentation of a cash flow statement and key management compensation.

The financial statements are prepared in Sterling, which is the Group's reporting and functional currency and rounded to the nearest £'000.

**Going concern**

After the initial uncertainty created by the Covid19 pandemic, the business has performed strongly especially in the second half of the financial year such that revenues were flat for FY20/21 versus prior year despite the impact of the pandemic. At the same time, cost savings made during the lockdown periods, along with use of the Government furlough scheme, have contributed to a significant uptick in overall firm profitability.

The Board continues to closely monitor and manage its cash flow and our on-going modelling clearly shows that we are comfortably able to meet our obligations as they fall due, including having fully repaid our "furlough grant" in July 2021, which was taken in the early stages of the response to the uncertainty of the pandemic.

The LLP has seen an uptick in activity levels in the second half of the financial year just ended and this has continued into the new financial year with a strong performance in Q1. The Group's balance sheet remains robust and we have significant committed facilities in place with our main bankers should they be required.

The Board has produced cash flow forecasts for a period of 3 years from the balance sheet date. They have reviewed the Group's business resilience and continuity planning, taking into account the impact of the global pandemic and believe that the LLP has more than adequate resources to continue in operational existence for the foreseeable future. The LLP therefore continues to adopt the going concern basis in preparing its consolidated financial statements.

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**Year ended 30 April 2021**

**1. ACCOUNTING POLICIES (continued)**

**Turnover**

Turnover in respect of the accounting period represents fees billed, excluding disbursements and value added tax, together with accrued revenue for services provided but not yet billed to clients during the year.

Revenue has been recognised in accordance with section 23.14 of FRS102. Income is recognised when the LLP has performed services in accordance with the agreement with the relevant client and has obtained a right to consideration for those services.

Where services have been performed, but not yet billed, these are included in turnover based on an assessment of the fair value of the time recorded at that point in time (See note 2).

Where revenue is recognised from contingent fee arrangements, it is only recognised when it is considered highly unlikely that there is a significant risk of reversal of those revenues.

Provision is made against unbilled amounts on those client engagements where the right to receive consideration is contingent on factors outside the control of the LLP.

Professional disbursements are costs passed straight on to the client with net nil impact to the profit and loss account.

**Tax provisions**

The trading subsidiaries dealt with in these consolidated financial statements are subject to corporation tax based on their taxable profits for the financial year. The tax liability and any deferred taxation of these companies are recorded in the consolidated profit and loss account under the relevant heading and any related liability recorded as a creditor in the balance sheet.

Members are personally liable for taxation on their share of the LLP's profits and consequently no reserve for taxation is made in these financial statements.

**Tangible fixed assets**

Tangible fixed assets are stated at cost or valuation, net of depreciation and any provision for impairment.

Depreciation is provided on cost over the estimated useful lives of the assets on a straight line basis. The rates of depreciation are as follows:

|                                |                                  |
|--------------------------------|----------------------------------|
| Short leasehold buildings      | Anticipated period of occupation |
| Office furniture and equipment | 7 years                          |
| Computer equipment             | 4 years                          |

**Investments**

Investments held as fixed assets are stated at cost less any provision for diminution in value.

**Capital**

The capital requirements of the LLP are determined from time to time by the members, following recommendations from management. Each member is required to subscribe to a proportion of this capital. No interest is paid on capital. Capital is repayable once a member leaves the LLP and at this point is classified as a liability.

**Allocation of profits and drawings**

Members receive monthly drawings, and, from time to time during the year, additional profit distributions. The monthly drawings represent profit paid on account of the current year. The level and timing of the additional distributions is decided by management, taking into account the Group's cash requirements for operating and investing activities. The allocation to the members of LLP profits for a financial year occurs following the finalisation of the financial statements for that period, although 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 balance sheet. Unallocated profits at group level are included in "Members' other interests" and classified as equity.

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**Year ended 30 April 2021**

**1. ACCOUNTING POLICIES (continued)**

**Leases**

Assets held under finance leases and other similar contracts, which confer rights and obligations similar to those attached to owned assets, are capitalised as tangible fixed assets and are depreciated over the shorter of the lease terms and their useful lives. The capital elements of future lease obligations are recorded as liabilities, while the interest elements are charged to the profit and loss account over the period of the leases using the effective interest method. Hire purchase transactions are dealt with similarly, except that assets are depreciated over their useful lives.

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 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.

**Provisions for property commitments**

Provision is made for the value of unavoidable dilapidation costs payable at the end of the Group's leases. Management make an assessment of any dilapidation costs payable no later than four years from the end of a lease and their best estimate of the liability is spread over the remainder of the lease period.

**Pension costs**

For defined benefit schemes the amounts charged to operating profit are gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the profit and loss account if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The interest cost and the expected return on assets are shown as a net amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in the consolidated statement of comprehensive income.

Defined benefit schemes are funded, with the assets of the scheme held separately from those of the Group in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent currency and term to the scheme liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The resulting defined benefit liability, net of the related deferred tax, is presented separately after other net assets on the face of the balance sheet. A defined benefit asset is not recognised in the balance sheet. The defined benefit scheme is closed to new members and the accrual of extra service years, therefore any pension asset is not recognised on the balance sheet.

For defined contribution schemes the amount charged to the profit and loss account in respect of pension costs and other post-retirement benefits is the 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.

**Interest receivable and payable**

Interest receivable and payable is accounted for on an accruals basis.

**Financial liabilities and equity**

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.

**Bank borrowings**

Interest bearing bank loans and overdrafts are recorded at the proceeds received, net of direct issue costs.

**Debtors**

Trade debtors are measured at transaction price less any provision. See note 2 for amounts recoverable from clients in respect of unbilled work performed.

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**Year ended 30 April 2021**

**1. ACCOUNTING POLICIES (continued)**

**Grants receivable**

Grants receivable are recognised as income in the period in which they become receivable. They are recognised on an accruals basis and included within other operating income (note 4).

**Creditors**

Trade creditors are measured at transaction price. Financial liabilities are measured at fair value less transactions cost and are subsequently measured at amortised cost using the effective interest method.

**Provisions**

Provisions are recognised when the Group has a present obligation as a result of a past event, and it is probable that the Group will be required to settle that obligation. Provisions are measured at the members' best estimate of the expenditure required to settle the obligation at the balance sheet date.

**2. SIGNIFICANT JUDGEMENTS AND ESTIMATES**

**Critical accounting judgements and estimation uncertainty**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined above within the accounting policies.

**Amounts recoverable from clients in respect of unbilled work performed**

At 30 April 2021 services provided to clients, who at the balance sheet date have not been billed, have been recognised as fee income. Fee income recognised in this manner is based 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. Provision is made against unbilled amounts on those engagements where the right to receive payment is contingent on factors outside the control of the LLP. Unbilled revenue is included in debtors.

**Defined benefit pension obligations**

The present value of the defined benefit pension obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. Any changes in these assumptions will impact the carrying amount of retirement benefit obligations.

An appropriate discount rate is determined at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the retirement benefit obligations. Other key assumptions for retirement benefit obligations are based in part on current market conditions (see note 22 for further disclosures).

**Trade debtor balances**

The members take decisions on a case by case basis in assessing individual debtor recoverability and whether a provision is necessary.

**3. TURNOVER**

|                | 2021           | 2020           |
|----------------|----------------|----------------|
|                | £ '000         | £ '000         |
| Legal services | <u>105,656</u> | <u>104,806</u> |

Legal services fee income is mainly derived from the Group's principal activity as described in the Members' Report. All income is derived from UK operations.

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**Year ended 30 April 2021**

**4. OTHER OPERATING INCOME**

|                 | 2021<br>£ '000 | 2020<br>£ '000 |
|-----------------|----------------|----------------|
| Other income    | 824            | 1,201          |
| Furlough Income | 1,783          | 288            |
|                 | <u>2,607</u>   | <u>1,489</u>   |

The average number of furloughed employees was 105 employees (2020: 25). The full furlough grant has been repaid in July 2021.

**5. OPERATING EXPENSES**

|                         | 2021<br>£ '000 | 2020<br>£ '000 |
|-------------------------|----------------|----------------|
| Staff costs (note 7)    | 49,194         | 48,824         |
| Depreciation (note 6)   | 2,560          | 3,011          |
| Other operating charges | 24,535         | 31,381         |
|                         | <u>76,289</u>  | <u>83,216</u>  |

**6. OPERATING PROFIT**

|   | 2021<br>£ '000    | 2020<br>£ '000    |
|---|-------------------|-------------------|
| Operating profit is stated after charging:  |                   |                   |
| Depreciation of tangible fixed assets   | 2,560             | 3,011             |
| Rentals under operating leases  |                   |                   |
| Hire of plant and machinery   | 345               | 356               |
| Rental of land and buildings  | 5,169             | 5,170             |
| Auditor's remuneration  |                   |                   |
| Fees payable to BDO LLP for the audit of the LLP's annual financial statements          | 62                | 60                |
| Fees payable to BDO LLP for the audit of the LLP's subsidiaries pursuant to legislation | 20                | 15                |
| Fees payable to BDO LLP for other services pursuant to legislation                      | 26                | 26                |
|   | <u>          </u> | <u>          </u> |

NOTES TO THE FINANCIAL STATEMENTS (continued)  
Year ended 30 April 2021

7. STAFF COSTS

|  | 2021<br>No.   | 2020<br>No.   |
|--|---------------|---------------|
| Average monthly number of persons employed<br>(excluding members) during the year: |               |               |
| Fee earners  | 498           | 527           |
| Support staff  | 426           | 484           |
|  | <u>924</u>    | <u>1,011</u>  |
|  |               |               |
|  | 2021          | 2020          |
| Employee costs during the year amounted to:  | £ '000        | £ '000        |
| Wages and salaries   | 40,499        | 40,154        |
| Social security costs  | 4,043         | 4,089         |
| Other pension costs  | 4,652         | 4,581         |
|  | <u>49,194</u> | <u>48,824</u> |

The Group operates both a defined benefit and defined contribution pension scheme (note 22).

Key management includes the Board members. The compensation paid or payable to key management for services is shown below:

|                             | 2021<br>£ '000 | 2020<br>£ '000 |
|-----------------------------|----------------|----------------|
| Key management compensation | <u>2,885</u>   | <u>2,082</u>   |

8. INTEREST PAYABLE AND SIMILAR CHARGES

|                       | 2021<br>£ '000 | 2020<br>£ '000 |
|-----------------------|----------------|----------------|
| Bank interest payable | <u>139</u>     | <u>180</u>     |

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**Year ended 30 April 2021**

**9. TAXATION ON PROFIT ON ORDINARY ACTIVITIES**

A tax charge arises in the year of £112,000 (2020: £152,000).

The tax assessed for the year is higher (2020: higher) than that resulting from applying the standard rate of corporation tax in the UK of 19% (2020: 19%). The differences are explained below:

|   | 2021<br>£ '000  | 2020<br>£ '000  |
|---|-----------------|-----------------|
| Profit for the financial year before taxation | 31,835          | 22,899          |
| Less amounts subject to income tax            | <u>(31,679)</u> | <u>(22,524)</u> |
| Profit of the group not subject to income tax | 156             | 375             |
| Tax at 19% (2020: 19%)                        | <u>112</u>      | <u>152</u>      |

The following table reconciles the total tax expense at the standard rate to the actual tax paid:

|  | 2021<br>£ '000 | 2020<br>£ '000 |
|--|----------------|----------------|
| Profit on ordinary activities of corporate entities before taxation    | 156            | 375            |
| Tax at UK standard rate 19% (2020: 19%)                                | 30             | 71             |
| Net of non-taxable income and expenses not deductible for tax purposes | 80             | 81             |
| Adjustments in respect of prior years                                  | <u>2</u>       | <u>-</u>       |
| Total tax charge for the year  | <u>112</u>     | <u>152</u>     |

**Tax rate changes**

The main rate of corporation tax in the UK is 19% with effect from 1 April 2017. Accordingly, the company's profits for this accounting year are taxed at an effective rate of 19%. An increase in the main rate of corporation tax to 25% is proposed from 1 April 2023 and will be introduced in Finance Bill 2021. This rate has not been substantively enacted at the balance sheet date. There are no other factors which are expected to significantly affect the future tax charge.

**10. MEMBERS' SHARE OF PROFITS**

Profits are shared among the members in accordance with agreed profit sharing arrangements. Members are required to make their own provision for pensions from their profit shares.

|   | 2021<br>No. | 2020<br>No. |
|---|-------------|-------------|
| Average number of members during the year | <u>114</u>  | <u>129</u>  |

The share of profit which has been allocated since the year end to the member with the largest entitlement to profit was £442,000 (2020: £267,000).

**11. PROFIT ATTRIBUTABLE TO THE LIMITED LIABILITY PARTNERSHIP**

As permitted under Section 408 of the Companies Act 2006, as applicable to limited liability partnerships, the individual profit and loss account for Womble Bond Dickinson (UK) LLP has not been presented. Its profit for the financial year was £31,442,000 (2020: £22,132,000).

NOTES TO THE FINANCIAL STATEMENTS (continued)  
Year ended 30 April 2021

12. TANGIBLE ASSETS

Group and LLP

|                                 | Short<br>leasehold<br>buildings<br>£ '000 | Office<br>furniture<br>and<br>equipment<br>£ '000 | Computer<br>equipment<br>£ '000 | Total<br>£ '000 |
|---------------------------------|---|---|---------------------------------|-----------------|
| <b>Cost</b>                     |   |   |                                 |                 |
| At 1 May 2020                   | 11,561                                    | 2,861   | 10,078                          | 24,500          |
| Additions in year               | 272                                       | 95  | 306                             | 673             |
| Disposals                       | (866)                                     | (7)   | (1,736)                         | (2,609)         |
| At 30 April 2021                | <u>10,967</u>                             | <u>2,949</u>                                      | <u>8,648</u>                    | <u>22,564</u>   |
| <b>Accumulated depreciation</b> |   |   |                                 |                 |
| At 1 May 2020                   | 6,402                                     | 1,724   | 7,915                           | 16,041          |
| Charge for the year             | 1,154                                     | 245   | 1,161                           | 2,560           |
| Disposals                       | (622)                                     | (7)   | (1,736)                         | (2,365)         |
| At 30 April 2021                | <u>6,934</u>                              | <u>1,962</u>                                      | <u>7,340</u>                    | <u>16,236</u>   |
| <b>Net book value</b>           |   |   |                                 |                 |
| At 30 April 2021                | <u>4,033</u>                              | <u>987</u>  | <u>1,308</u>                    | <u>6,328</u>    |
| At 30 April 2020                | <u>5,159</u>                              | <u>1,137</u>                                      | <u>2,163</u>                    | <u>8,459</u>    |

Included within the net book value of computer equipment is £631,000 (2020: £878,000) relating to assets held under finance lease or hire purchase contracts. The depreciation charged to the financial statements in the year in respect of such assets amounted to £472,000 (2020: £498,000).

NOTES TO THE FINANCIAL STATEMENTS (continued)  
Year ended 30 April 2021

13. INVESTMENTS

LLP

|  |              |
|--|--------------|
| Subsidiary undertakings                                    | £ '000       |
| Cost and net book value as at 1 May 2020 and 30 April 2021 | <u>1,000</u> |

The LLP has direct investments in the following principal subsidiary undertakings:

| Subsidiary undertakings                            | Holding         | Proportion of voting rights and shares | Nature of business |
|--|-----------------|--|--------------------|
| St Ann's Pension Trustees Limited*                 | Ordinary Shares | 100%                                   | Pensions Trustees  |
| Womble Bond Dickinson Holdings Limited*            | Ordinary Shares | 100%                                   | Holding Company    |
| Womble Bond Dickinson (Trust Corporation) Limited* | Ordinary Shares | 100%                                   | Dormant            |
| Prima Secretary Limited*                           | Ordinary Shares | 100%                                   | Dormant            |
| Prima Director Limited*                            | Ordinary Shares | 100%                                   | Dormant            |
| Dickinson Dees Limited*                            | Ordinary Shares | 100%                                   | Dormant            |
| Dickinson Dees (Trinity Gardens) Limited*          | Ordinary Shares | 100%                                   | Dormant            |
| Bondlaw Secretaries Limited*                       | Ordinary Shares | 100%                                   | Dormant            |
| Bondlaw Nominees Limited*                          | Ordinary Shares | 100%                                   | Dormant            |
| Bondlaw Nominees (No 2) Limited*                   | Ordinary Shares | 100%                                   | Dormant            |

The LLP has indirect investments in the following subsidiary undertakings:

| Subsidiary undertakings                 | Holding         | Proportion of voting rights and shares | Nature of business                        |
|---|-----------------|--|---|
| Womble Bond Dickinson Wealth Limited*   | Ordinary Shares | 100%                                   | Provision of regulated financial services |
| Bond Dickinson Service Company Limited* | Ordinary Shares | 100%                                   | Dormant                                   |
| North Nominees Limited*                 | Ordinary Shares | 100%                                   | Dormant                                   |
| Lawside Limited*                        | Ordinary Shares | 100%                                   | Dormant                                   |

\*Registered address is 4 More London Riverside, London, United Kingdom, SE1 2AU

The cost of these investments as at 30 April 2021 was £1,000,000 (2020: £1,000,000) and their net assets at that date were £1,000,000 (2020: £1,000,000). Womble Bond Dickinson Holdings Limited holds the investment in Womble Bond Dickinson Wealth Limited. The members believe that the carrying value of the investments is supported by their underlying net assets. All the above subsidiaries are included in consolidation.

14. DEBTORS

|  | Group          |                | LLP            |                |
|--|----------------|----------------|----------------|----------------|
|  | 2021<br>£ '000 | 2020<br>£ '000 | 2021<br>£ '000 | 2020<br>£ '000 |
| Trade debtors  | 24,323         | 24,771         | 24,243         | 24,645         |
| Amounts recoverable from clients in respect of unbilled work performed | 12,758         | 12,862         | 12,746         | 12,794         |
| Other debtors  | 1,329          | 1,941          | 1,329          | 1,941          |
| Prepayments and accrued income   | 5,008          | 4,676          | 4,823          | 4,538          |
| Amounts owed by Group undertakings                                     | -              | -              | 217            | 97             |
|  | <u>43,418</u>  | <u>44,250</u>  | <u>43,358</u>  | <u>44,015</u>  |

All amounts are due within one year.

NOTES TO THE FINANCIAL STATEMENTS (continued)

Year ended 30 April 2021

14. DEBTORS (continued)

An impairment provision of £925,000 (2020: £705,000) and £114,000 (2020: £96,000) was recognised against trade debtors and disbursements respectively for the Group.

An impairment provision of £911,000 (2020: £701,000) and £114,000 (2020: £81,000) was recognised against trade debtors and disbursements respectively for the LLP.

Included within other debtors is a grant receivable in relation to the Coronavirus Job Retention Scheme amounting to £nil (2020: £288,000).

Amounts owed by Group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

|                                    | Group          |                | LLP            |                |
|------------------------------------|----------------|----------------|----------------|----------------|
|                                    | 2021<br>£ '000 | 2020<br>£ '000 | 2021<br>£ '000 | 2020<br>£ '000 |
| Bank loans and leases              | 1,176          | 1,387          | 1,176          | 1,387          |
| Overdraft                          | -              | 2,098          | -              | 2,098          |
| Trade creditors                    | 2,526          | 3,309          | 2,526          | 3,310          |
| Amounts owed to Group undertakings | -              | -              | 250            | 250            |
| Other creditors                    | 293            | 402            | 287            | 364            |
| Other taxation and social security | 5,203          | 5,679          | 5,182          | 5,652          |
| Corporation tax                    | 109            | 153            | -              | -              |
| Accruals and deferred income       | 4,387          | 3,559          | 4,328          | 3,532          |
|                                    | <u>13,694</u>  | <u>16,587</u>  | <u>13,749</u>  | <u>16,593</u>  |

Amounts owed to Group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

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

Group and LLP

|  | 2021<br>£ '000 | 2020<br>£ '000 |
|--|----------------|----------------|
| Amounts falling due between one and five years |                |                |
| Bank loans and leases                          | 4,730          | 4,717          |
| Accruals and deferred income                   | 1,266          | 1,488          |
|  | <u>5,996</u>   | <u>6,205</u>   |

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**Year ended 30 April 2021**

**17. PROVISIONS FOR LIABILITIES AND CHARGES**

**Group and LLP**

|                                 | <b>Provision for<br/>dilapidations</b> | <b>Other</b>      | <b>Total</b>        |
|---------------------------------|--|-------------------|---------------------|
|                                 | <b>£'000</b>                           | <b>£'000</b>      | <b>£'000</b>        |
| As at 1 May 2020                | 2,756                                  | 878               | 3,634               |
| Provisions created in the year  | -                                      | 109               | 109                 |
| Provisions released in the year | <u>(931)</u>                           | <u>(130)</u>      | <u>(1,061)</u>      |
| <b>As at 30 April 2021</b>      | <b><u>1,825</u></b>                    | <b><u>857</u></b> | <b><u>2,682</u></b> |
|                                 | <b>=====</b>                           | <b>=====</b>      | <b>=====</b>        |

Dilapidation costs provided for are incurred at the end of property leases. Included in the above dilapidation provision is an amount of £218,000 that is due in less than one year. The remaining provision is due in more than one year.

**18. BORROWINGS**

**Group and LLP**

|  | <b>2021</b>         | <b>2020</b>         |
|--|---------------------|---------------------|
|  | <b>£ '000</b>       | <b>£'000</b>        |
| Unsecured bank loans                           | 1,637               | 2,686               |
| Revolving loan                                 | 3,600               | 2,600               |
| Overdraft facility                             | -                   | 2,098               |
|  | <u>5,237</u>        | <u>7,384</u>        |
|  | <b><u>5,237</u></b> | <b><u>7,384</u></b> |
|  | <b>=====</b>        | <b>=====</b>        |
|  | <b>2021</b>         | <b>2020</b>         |
|  | <b>£ '000</b>       | <b>£'000</b>        |
| Not later than one year                        | 862                 | 3,146               |
| Later than one year and not later than 5 years | 4,375               | 4,238               |
|  | <u>5,237</u>        | <u>7,384</u>        |
|  | <b><u>5,237</u></b> | <b><u>7,384</u></b> |
|  | <b>=====</b>        | <b>=====</b>        |

Details of the unsecured bank loans are as follows:

- A £1,500,000 loan was drawn down in December 2017 of which £260,000 was outstanding at 30 April 2021. The loan is repayable in 48 equal monthly instalments up to December 2021 and incurs interest at a fixed rate of 2.34%.
- A £1,510,000 loan was drawn down in April 2019 of which £775,000 was outstanding at 30 April 2021. The loan is repayable in 48 equal monthly instalments up to April 2023 and incurs interest at a fixed rate of 2.39%.
- A £890,000 loan was drawn down in December 2019 of which £602,000 was outstanding at 30 April 2021. The loan is repayable in 48 equal monthly instalments up to December 2023 and incurs interest at a fixed rate of 2.26%.

Details of the revolving loan are as follows:

- A £8,000,000 revolving credit facility was drawn down in July 2020, of which £3,600,000 was outstanding at 30 April 2021. Interest is charged at the Base Rate + 1.85%.

NOTES TO THE FINANCIAL STATEMENTS (continued)  
Year ended 30 April 2021

18. BORROWINGS (continued)

Details of the overdraft facility are as follows:

- The Group's financing facility also includes a £12,000,000 overdraft facility, of which £nil was outstanding at 30 April 2021. The facility has been renewed in September 2021. Interest is charged at the Base Rate + 1.5%.

Group and LLP

|  | 2021<br>£ '000 | 2020<br>£ '000 |
|--|----------------|----------------|
| Finance leases                                 |                |                |
| Not later than one year                        | 314            | 339            |
| Later than one year and not later than 5 years | 355            | 479            |
|  | <u>669</u>     | <u>818</u>     |

The finance leases primarily relate to computer equipment. There are no contingent rental clauses. Rents payable are agreed at a fixed amount.

19. TOTAL MEMBERS' INTERESTS

| Group  | Equity  | Debt  | Debt  |  |
|--|---|---|---|--|
|  | Members'<br>other<br>interests -<br>other<br>£ '000 | Members'<br>capital<br>classified as<br>a liability<br>£ '000 | Loans and<br>other debts<br>due to<br>members<br>£ '000 | Total<br>members'<br>interests<br>£ '000 |
| Balance as at 1 May 2020                               | 223   | 15,868  | 11,389  | 27,480                                   |
| Members' remuneration charged as an expense            | -   | -   | 31,723  | 31,723                                   |
| Members' interests after profit for the financial year | <u>223</u>  | <u>15,868</u>   | <u>43,112</u>   | <u>59,203</u>                            |
| Capital introduced                                     | -   | 1,653   | -   | 1,653                                    |
| Capital repaid   | -   | (2,469)   | -   | (2,469)                                  |
| Drawings   | -   | -   | (9,137)   | (9,137)                                  |
| Distributions  | -   | -   | (2,472)   | (2,472)                                  |
| Tax paid   | -   | -   | (11,436)  | (11,436)                                 |
| Defined benefit pension scheme cost                    | -   | -   | (460)   | (460)                                    |
| Amounts due to former members                          | -   | -   | 358   | 358                                      |
| Other allocation of profit                             | (179)   | -   | 179   | -  |
| At 30 April 2021                                       | <u>44</u>   | <u>15,052</u>   | <u>20,144</u>   | <u>35,240</u>                            |

Under the terms of the Members' Agreement, any distributions made to members which exceed the aggregate amount of profits due to them may, in the event of a winding up, be offset by the members against amounts due on capital account. Beyond this, amounts due to members rank pari passu with other creditors, save that any remaining amounts designated as capital shall be subject to any law that may apply relating to ranking of capital.

NOTES TO THE FINANCIAL STATEMENTS (continued)  
Year ended 30 April 2021

19. TOTAL MEMBERS' INTERESTS (continued)

| LLP  | Equity                                  | Debt  | Debt  |                                 |
|--|---|---|---|---------------------------------|
|  | Members' other interests - other £ '000 | Members' capital classified as a liability £ '000 | Loans and other debts due to members £ '000 | Total members' interests £ '000 |
| Balance as at 1 May 2020                               | -                                       | 15,868  | 11,389                                      | 27,257                          |
| Members' remuneration charged as an expense            | -                                       | -   | 31,902                                      | 31,902                          |
| Members' interests after profit for the financial year | -                                       | 15,868  | 43,291                                      | 59,159                          |
| Capital introduced                                     | -                                       | 1,653   | -   | 1,653                           |
| Capital repaid   | -                                       | (2,469)   | -   | (2,469)                         |
| Drawings   | -                                       | -   | (9,137)                                     | (9,137)                         |
| Distributions  | -                                       | -   | (2,472)                                     | (2,472)                         |
| Tax paid   | -                                       | -   | (11,436)                                    | (11,436)                        |
| Defined benefit pension scheme cost                    | -                                       | -   | (460)                                       | (460)                           |
| Amounts due to former members                          | -                                       | -   | 358   | 358                             |
| At 30 April 2021                                       | -                                       | 15,052  | 20,144                                      | 35,196                          |

20. ANALYSIS AND RECONCILIATION OF NET DEBT

|                               | 1 May 2020<br>£ '000 | Cash flow<br>£ '000 | 30 April 2021<br>£ '000 |
|-------------------------------|----------------------|---------------------|-------------------------|
| Cash at bank and in hand      | 1,171                | 6,675               | 7,846                   |
| Overdraft                     | (2,098)              | 2,098               | -                       |
| Bank loans and finance leases | (927)                | 8,773               | 7,846                   |
|                               | (6,104)              | 198                 | (5,906)                 |
| Net debt                      | (7,031)              | 8,971               | 1,940                   |

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**Year ended 30 April 2021**

**21. OBLIGATIONS UNDER OPERATING LEASES**

Total commitments under non-cancellable operating leases are as follows:

| <b>Group and LLP</b>                           | <b>2021</b>   | <b>2020</b>   |
|--|---------------|---------------|
|  | <b>£ '000</b> | <b>£ '000</b> |
| Leases which expire:                           |               |               |
| Not later than one year                        | 6,069         | 5,337         |
| Later than one year and not later than 5 years | 15,908        | 11,005        |
| Later than 5 years                             | 19,119        | 10,491        |
|  | <u>41,096</u> | <u>26,833</u> |

**22. PENSION COSTS**

The Group operates a defined benefit scheme for eligible employees and a defined contribution scheme for employees.

The amount recognised in the balance sheet is as follows:

|  | <b>2021</b>   | <b>2020</b>   |
|--|---------------|---------------|
|  | <b>£ '000</b> | <b>£ '000</b> |
| Fair value of scheme assets  | 30,070        | 29,729        |
| Present value of obligations                                       | (26,437)      | (25,327)      |
|  | <u>3,633</u>  | <u>4,402</u>  |
| Surplus in the scheme  | 3,633         | 4,402         |
| Restriction to amount that can be recognised under 28.22 of FRS102 | (3,633)       | (4,402)       |
|  | <u>-</u>      | <u>-</u>      |
| Net pension asset  | -             | -             |

The amount recognised in the profit and loss account:

|                             | <b>2021</b>    | <b>2020</b>    |
|-----------------------------|----------------|----------------|
|                             | <b>£ '000</b>  | <b>£ '000</b>  |
| Defined benefit scheme      |                |                |
| - Administration costs      | (154)          | (165)          |
| - Net interest              | 70             | 101            |
| Defined contribution scheme | (4,652)        | (4,581)        |
|                             | <u>(4,736)</u> | <u>(4,645)</u> |
| Other finance cost          | (4,736)        | (4,645)        |

NOTES TO THE FINANCIAL STATEMENTS (continued)  
Year ended 30 April 2021

22. PENSION COSTS (continued)

The amount recognised in other comprehensive income:

|   | 2021<br>£ '000 | 2020<br>£ '000 |
|---|----------------|----------------|
| Return on plan assets less interest income                            | 96             | 1,285          |
| Experience losses on liabilities                                      | 196            | -              |
| Actuarial losses  | (1,437)        | (1,184)        |
| Actuarial (loss)/gain   | (1,145)        | 101            |
| Adjustment due to surplus cap   | 685            | (561)          |
| Net loss recognised in consolidated statement of comprehensive income | (460)          | (460)          |

i) Defined benefit scheme

A comprehensive actuarial valuation was carried out on 31 December 2017 by the Scheme Actuary, which was then updated on 30 April 2021 by a qualified independent actuary. The major assumptions used by the actuary were (in nominal terms):

|   | 2021  | 2020  |
|---|-------|-------|
| Rates of increase in salaries (see below)                   |       |       |
| Rates of increase in pensions payment prior to 6 April 1997 | 2.65% | 2.25% |
| Rates of increase in pensions payment post 5 April 1997     | 3.35% | 2.6%  |
| Discount rate   | 1.85% | 1.55% |
| Rate of inflation   | 3.5%  | 2.7%  |

The mortality assumptions used were as follows:

|   | 2021 | 2020 |
|---|------|------|
| <b>Longevity at age 65 for future pensioners</b>  |      |      |
| Men   | 23.1 | 23.0 |
| Women   | 25.1 | 25.0 |
| <b>Longevity at age 65 for current pensioners</b> |      |      |
| Men   | 21.6 | 21.5 |
| Women   | 23.5 | 23.4 |

Reconciliation of scheme assets and liabilities:

|   | Assets<br>£ '000 | Liabilities<br>£ '000 | Total<br>£ '000 |
|---|------------------|-----------------------|-----------------|
| At 1 May 2020                                   | 29,729           | (25,327)              | 4,402           |
| Benefits paid                                   | (520)            | 520                   | -               |
| Employer contributions                          | 460              | -                     | 460             |
| Administration costs                            | (154)            | -                     | (154)           |
| Interest income / (expense)                     | 459              | (389)                 | 70              |
| Re-measurement losses                           | -                | (1,437)               | (1,437)         |
| Experience losses on liabilities                | -                | 196                   | 196             |
| Return on plan assets excluding interest income | 96               | -                     | 96              |
| At 30 April 2021                                | 30,070           | (26,437)              | 3,633           |

NOTES TO THE FINANCIAL STATEMENTS (continued)  
Year ended 30 April 2021

22. PENSION COSTS (continued)

The fair values of the plan assets were:

|                | 2021<br>£ '000 | 2020<br>£ '000 |
|----------------|----------------|----------------|
| Equities       | 17,339         | 14,567         |
| Gilts and cash | 9,832          | 12,189         |
| Annuity policy | 2,899          | 2,973          |
|                | <u>30,070</u>  | <u>29,729</u>  |

The return on plan assets was:

|  | 2021<br>£ '000 | 2020<br>£ '000 |
|--|----------------|----------------|
| Interest income                            | 459            | 696            |
| Return on plan assets less interest income | 96             | 1,285          |
|  | <u>555</u>     | <u>1,981</u>   |

**Analysis of the amount charged to operating profit**

The scheme is closed to new members and future accrual. Accordingly there is no service cost in the profit and loss account.

**Total cost recognised as an expense**

|                      | 2021<br>£ '000 | 2020<br>£ '000 |
|----------------------|----------------|----------------|
| Administration costs | (154)          | (165)          |
| Net interest         | 70             | 101            |
| Other finance cost   | <u>(84)</u>    | <u>(64)</u>    |

**ii) Defined contribution scheme**

The Group also operates a defined contribution pension scheme for which the pension charge for the year was £4,652,000 (2020: £4,581,000). There was £184,000 (2020: £188,000) outstanding in relation to this pension scheme at year end.

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**Year ended 30 April 2021**

**23. FINANCIAL INSTRUMENTS**

|  | Group  |        | LLP    |        |
|--|--------|--------|--------|--------|
|  | 2021   | 2020   | 2021   | 2020   |
|  | £ '000 | £ '000 | £ '000 | £ '000 |
| <b>Financial assets</b>                          |        |        |        |        |
| Financial assets measured at amortised cost      | 45,970 | 40,018 | 45,166 | 38,939 |
| <b>Financial liabilities</b>                     |        |        |        |        |
| Financial liabilities measured at amortised cost | 12,926 | 15,086 | 13,111 | 15,272 |

Financial assets measured at amortised cost includes cash, trade debtors, other debtors, amounts recoverable from clients in respect of unbilled work performed and amounts owed by group undertakings (LLP only).

Financial liabilities measured at amortised cost includes bank overdraft, bank loans, finance leases, trade creditors, accruals and amounts owed to group undertakings (LLP only).

**24. FINANCIAL RISK MANAGEMENT**

The Group has exposures to two main areas of risk – liquidity risk and client credit exposure. To a lesser extent the Group is exposed to interest rate risk.

**Liquidity risk**

The Group's objective 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 and in the event that the operating cash flows do not cover the financial obligations the Group has credit facilities available. The Group is in the position to meet its commitments and obligations as they fall due.

**Client credit exposure**

The Group is at risk of clients being unable to pay their debt on specified due dates. This risk is mitigated by due diligence procedures performed when the Group engages with a client, the strong client relationships built and also by credit insurance.

**Interest rate risk**

The Group borrows from its bankers using overdrafts, term loans or revolving credit facilities whose tenure depends on the nature of the asset and management's view of the future direction of interest rates.

**25. RELATED PARTY TRANSACTIONS**

The LLP undertakes a number of transactions with its members during the normal course of business, including the subscription and repayment of capital, the payment of drawings, distributions and tax liabilities. These transactions are all governed by, and made in compliance with, the Members' Agreement. There were no transactions with members requiring disclosure under the guidance in FRS102 in the current or previous financial year.

The LLP has taken advantage of the exemption under FRS102 to not disclose transactions with wholly owned subsidiaries.

In 2020 the Group established the Womble Bond Dickinson (UK) Charitable Incorporated Organisation as a vehicle by which to make charitable grants. Donations from Womble Bond Dickinson (UK) LLP to Womble Bond Dickinson (UK) Charitable Incorporated Organisation (not consolidated within the group) in the year to 30 April 2021 were £47,750 (2020: £41,500).

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**Year ended 30 April 2021**

**26. CONTROLLING PARTY**

In the opinion of the members there is no controlling party as defined by FRS 102 section 33.5 "Related party disclosures" as the members consider themselves, as a body, to be the ultimate controlling party.