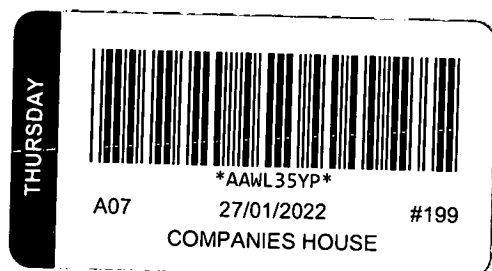


Company Registration No. OC330252

Ashurst LLP

**Annual Report and
Financial Statements**

**For the year ended
30 April 2021**



Ashurst LLP

Annual report and financial statements For the year ended 30 April 2021

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Ashurst LLP

Members' report (continued)

The Board presents its annual report and audited financial statements of Ashurst LLP for the year ended 30 April 2021.

Principal activity

The principal activities of the group is the provision of legal services and tax advice in Asia, Australia, Continental Europe, the Middle East, North America and the United Kingdom. There were no significant changes in these activities during the year.

Group structure

The group comprises Ashurst LLP and other partnerships, corporations and other undertakings, forming an international legal practice known as Ashurst.

Business review

The consolidated result for the year and financial position at the end of the year are included on pages 8 and 10 respectively. The members consider the results and financial position to be satisfactory and anticipate continued profitable trading for the foreseeable future.

The COVID-19 pandemic has not had a material impact on the results for the year or the net assets at the balance sheet date. The group has continued to serve clients with minimal disruption, adapting to remote working for almost all partners and employees where necessary.

The underlying business performance has been encouraging, exhibiting the benefits of the firm's global capability, the continued demonstration of the strength of client work across our practice areas, industry sectors and regions, and the positive impact of cautious cost control in the current economic climate.

On 31 December 2020, the UK left the European Union. This has led to some legal structural changes within the group, with each entity remaining within the Ashurst group. The Board will continue to monitor the progress of Brexit and the potential impact on the group.

Existence of branches outside the UK

The partnership has branches, as defined in section 1046(3) of the Companies Act 2006, outside the UK in Belgium, France, Germany, Luxemburg, Singapore, Spain, United Arab Emirates and the United States of America.

Designated members

The designated members during the year and up to the date of signing the financial statements are set out below.

K Davies	
P A Jenkins	
A M Pearson	
D A Jones	
T Krug	
P A Breden	(appointed 1 November 2020)
K M Lane	(appointed 1 November 2020)
B J Tidswell	(resigned 31 July 2021)

Members' capital, profit share and drawings

In these consolidated financial statements, references to members include all members of the Ashurst limited liability partnership and all partners of one or more operating entity in the Ashurst group. Members' interests therefore reflect the interests of the members in their capacity as members or partners.

Remuneration of those partners who, for regulatory or fiscal reasons, are engaged by Ashurst as employees or consultants is charged as an expense in the profit and loss account.

Members provide the capital of Ashurst LLP, in the form of loans from partners or bank loans guaranteed by partners. The level of capital is determined from time to time with reference to the financing requirements of the business. Capital can be withdrawn on retirement of a member.

Ashurst LLP

Members' report (continued)

Members' capital, profit share and drawings (continued)

The Board determines the total level of profit to be divided after the year end. These distributable profits are then allocated among the members in accordance with agreed profit sharing arrangements.

Members usually draw a proportion of their profit share in 12 monthly instalments during the year in which the profit is made, with the balance of their profits, net of a tax retention where appropriate, paid after the year end. All payments are subject to the cash requirements of the business.

Tax retentions are paid to the tax authorities on behalf of members, with any excess released to members as appropriate.

Going concern

The Board has considered the going concern assumption, including those uncertainties created by the COVID-19 pandemic, and as set out in note 1 to the financial statements has a reasonable expectation that the group will operate within its facilities for the foreseeable future. For this reason, the members continue to adopt the going concern basis in preparing the financial statements.

Energy and carbon report

In accordance with the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 as amended, the Board presents its annual report on greenhouse gas (GHG) emissions and energy usage, derived from the group's UK operations.

	GHG emissions and energy usage data	
	UK offices	
	1 May 2020 to 30 April 2021	1 April 2019 to 31 March 2020 (restated)
Emissions from combustion of gas and natural transportation fuels (Scope 1 – tonnes of CO ₂ e)	594	663
Emissions from electricity purchased for own use including for the purposes of transport (Scope 2 – tonnes of CO ₂ e)	648	1,040
Emissions from business travel in rental cars or employee-owned vehicles where company is responsible for purchasing the fuel (Scope 3 - tonnes of CO ₂ e)	-	-
Total gross CO₂e based on above	1,242	1,703
Energy consumption used to calculate emissions - kWh	6,011,218	7,734,563
Intensity ratio – per sq foot (Scope 1 and 2 tonnes of CO ₂ e)	0.00587	0.00848
Intensity ratio – per employee (Scope 1 and 2 tonnes of CO ₂ e)	0.954	1.31

Data completeness:

Electricity and gas consumption data has been entered into a fully managed energy database run by Greenstone, up to and including 30 April 2021.

At the time of preparation, electricity consumption data for our London office for the month of April 2021, and gas consumption data for our Glasgow office, for the months of November 2020 to April 2021, were unavailable. As such, this consumption has been estimated based on the average data received during the reporting period.

Ashurst LLP

Members' report (continued)

Energy and carbon report (continued)

Data completeness (continued)

In the prior year, due to the availability of underlying source data, emissions and consumption data had been reported for the period 1 April 2019 to 31 March 2020. The consumption data for this period has been restated due to amended readings and charge splits, notified after the period end date.

The firm does not have transport consumption information that falls under SECR reporting.

Reporting methodology:

Scope 1 and Scope 2 consumption and CO₂e emission data has been calculated in line with the 2019 UK Government environmental reporting guidance, using the GHG Protocol Corporate Accounting and Reporting Standard.

For Scope 2, using the location-based methodology, total energy emissions for the period up to and including 30 April 2021 were 648 tonnes of CO₂e. Under the market-based methodology, the total energy emissions for the period up to and including 30 April 2021 were 966 tonnes of CO₂e.

Intensity metrics have been calculated utilising both annualised employee numbers (2021: 1,302 employees, 2020: 1,304 employees) and complete square footage (2021: 211,498 sq foot, 2020: 200,700 sq foot) for Ashurst LLP's two UK offices. These have also been applied to the figures for UK carbon emissions.

COVID-19 effect on data:

The global COVID-19 pandemic had an impact on our energy usage and carbon foot print in the current financial year. In line with government guidance, our offices were closed for a significant proportion of the year and operated with reduced staff levels outside of these times. In addition, there was a significant reduction in the level of travel undertaken. These actions have resulted in a 27% reduction in our total gross CO₂e compared to the previous year.

Energy efficiency improvements:

The COVID-19 pandemic impact means that the energy efficiency improvements established in the prior year remain consistent and will be further reviewed over the next financial year. These improvements included the appointment of a sustainability director; consolidation and relocation of the London office to new premises with smaller square footage and use of smarter building technology; and the appointment of a partner and sustainability advocates in each office to support the establishment of 10 Environmental Social Governance Goals (ESG), which are currently going through the final approval process.

Auditor

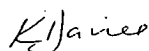
Deloitte LLP have proposed their willingness to continue in office as auditor and will be proposed for reappointment as independent auditor of Ashurst LLP on 10 August 2021.

Registered Office

The registered office, which is based in the United Kingdom, is:

London Fruit & Wool Exchange
1 Duval Square
London
E1 6PW

Approved by the members on 10 August 2021 and signed on their behalf by



K Davies
Chair

Ashurst LLP

Members' responsibilities statement

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

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

In preparing these financial statements, the members are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the firm will continue in business.

The members are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the firm and enable them to ensure that the financial statements comply with the Companies Act 2006, as applicable to limited liability partnerships. They are also responsible for safeguarding the assets of the firm and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The members are responsible for the maintenance and integrity of the corporate and financial information included on the firm's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent auditor's report to the members of Ashurst LLP

Report on the audit of the financial statements

Opinion

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

- give a true and fair view of the state of the group's and of the parent limited liability partnership's affairs as at 30 April 2021 and of the group's / its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006 as applied to limited liability partnerships.

We have audited the financial statements which comprise:

- the consolidated profit and loss account;
- the consolidated statement of comprehensive income;
- the consolidated and parent limited liability partnership balance sheets;
- the consolidated and parent limited liability partnership statements of changes in members' interests;
- the consolidated cash flow statement; and
- the related notes 1 to 24.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the group and of the parent limited liability partnership in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the members' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and parent limited liability partnership's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the members with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The members are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

Independent auditor's report to the members of Ashurst LLP (continued)

Other information (continued)

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.

Responsibilities of members

As explained more fully in the members' responsibilities statement, the members are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the members are responsible for assessing the group's and the parent limited liability partnership's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the members either intend to liquidate the group or the parent limited liability partnership or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the group's / limited liability partnership's industry and its control environment, and reviewed the group's / limited liability partnership's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management and internal audit about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory frameworks that the group / limited liability partnership operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act, pensions legislation, tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the group's / limited liability partnership's ability to operate or to avoid a material penalty. These included the group's / limited liability partnership's compliance with Solicitors Regulation Authority requirements and environmental regulations.

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

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

- The valuation of unbilled revenue: We assessed the design and implementation of relevant controls and for a sample of matters evaluated the recoverability rate applied and where available compared the valuation of unbilled time to post year end invoicing and cash collection

Independent auditor's report to the members of Ashurst LLP (continued)

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

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

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

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

Report on other legal and regulatory requirements

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept by the parent limited liability partnership, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent limited liability partnership financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in respect of these matters.

Use of our report

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



Jeremy Black ACA (Senior statutory auditor)

For and on behalf of Deloitte LLP

Statutory Auditor

London, United Kingdom

10 August 2021

Ashurst LLP

Consolidated profit and loss account For the year ended 30 April 2021

	Note	2021 £'000	2020 £'000
Income			
Turnover		708,427	642,103
Other operating income		2,134	1,827
		<u>710,561</u>	<u>643,930</u>
Operating costs			
Staff costs	4	(305,917)	(282,980)
Depreciation	8	(23,006)	(19,917)
Other operating charges		(124,687)	(147,613)
		<u>(453,610)</u>	<u>(450,510)</u>
Operating profit		256,951	193,420
Bank interest receivable		748	539
Finance costs	5	(5,483)	(5,249)
Profit before taxation	3	252,216	188,710
Taxation	6	(5,232)	(7,209)
Profit before members' remuneration and profit shares		246,984	181,501
Members' remuneration charged as an expense		(1,179)	(881)
Profit for the financial year available for division among the members	17	<u>245,805</u>	<u>180,620</u>

All activities in the current and preceding financial years are derived from continuing operations.

Ashurst LLP

**Consolidated statement of comprehensive income
For the year ended 30 April 2021**

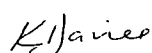
	2021 £'000	2020 £'000
Profit for the financial year available for division among members	245,805	180,620
Foreign currency translation differences arising on consolidation	<u>(5,734)</u>	<u>2,590</u>
Total comprehensive income available for discretionary division among members	<u><u>240,071</u></u>	<u><u>183,210</u></u>

Ashurst LLP

Consolidated balance sheet as at 30 April 2021

	Note	2021 £'000	2020 £'000
Fixed assets			
Tangible assets	8	116,788	124,967
Intangible assets	9	94	43
Investments	10	106	97
		<u>116,988</u>	<u>125,107</u>
Current assets			
Debtors	11	260,772	237,790
Amounts due from members	17	103,974	78,996
Cash at bank and in hand	21	137,386	154,128
		<u>502,132</u>	<u>470,914</u>
Creditors: amounts falling due within one year	12	<u>(158,809)</u>	<u>(205,204)</u>
Net current assets		<u>343,323</u>	<u>265,710</u>
Total assets less current liabilities		460,311	390,817
Creditors: amounts falling due after more than one year	13	<u>(131,546)</u>	<u>(91,863)</u>
Provisions for liabilities	15	<u>(19,757)</u>	<u>(17,706)</u>
Net assets attributable to members		<u>309,008</u>	<u>281,248</u>
Represented by:			
Loans and other debts due to members within one year			
Members' capital classified as a liability	17	<u>61,561</u>	<u>93,252</u>
Members' other interests			
Members' capital classified as equity	17	65	65
Other reserves classified as equity	17	<u>247,382</u>	<u>187,931</u>
		<u>247,447</u>	<u>187,996</u>
		<u>309,008</u>	<u>281,248</u>
Total members' interests			
Amounts due from members		(103,974)	(78,996)
Loans and other debts due to members		61,561	93,252
Members' other interests		247,447	187,996
	17	<u>205,034</u>	<u>202,252</u>

The financial statements of Ashurst LLP (registered number OC330252) were approved by the members and authorised for issue on 10 August 2021 and signed on their behalf by



K Davies
Chair

Ashurst LLP

Limited liability partnership balance sheet as at 30 April 2021

	Note	2021 £'000	2020 £'000
Fixed assets			
Tangible assets	8	39,064	43,291
Investments	10	79	79
		<u>39,143</u>	<u>43,370</u>
Current assets			
Debtors	11	159,628	189,391
Amounts due from members	17	43,692	44,100
Cash at bank and in hand		91,725	100,234
		<u>295,045</u>	<u>333,725</u>
Creditors: amounts falling due within one year	12	<u>(71,445)</u>	<u>(132,995)</u>
Net current assets		<u>223,600</u>	<u>200,730</u>
Total assets less current liabilities		262,743	244,100
Creditors: amounts falling due after more than one year	13	(40,241)	(64,804)
Provisions for liabilities	15	(8,276)	(8,595)
Net assets attributable to members		<u>214,226</u>	<u>170,701</u>
Represented by:			
Loans and other debts due to members within one year			
Members' capital classified as a liability	17	<u>61,271</u>	<u>56,233</u>
Members' other interests			
Members' capital classified as equity	17	65	65
Other reserves classified as equity	17	152,890	114,403
		<u>152,955</u>	<u>114,468</u>
		<u>214,226</u>	<u>170,701</u>
Total members' interests			
Amounts due from members		(43,692)	(44,100)
Loans and other debts due to members		61,271	56,233
Members' other interests		152,955	114,468
	17	<u>170,534</u>	<u>126,601</u>

The limited liability partnership profit for the year was £140,283,000 (2020: £98,477,000).

The financial statements of Ashurst LLP (registered number OC330252) were approved by the members and authorised for issue on 10 August 2021 and signed on their behalf by

K Davies

K Davies
Chair

Ashurst LLP

Consolidated and LLP statement of changes in members' interests Year ended 30 April 2021

	Group		Limited liability partnership	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Members' interests at start of year	202,252	227,795	126,601	138,487
Profit for the financial year available for division among the members	245,805	180,620	140,283	98,477
Members' interests after profit for the year	448,057	408,415	266,884	236,964
Unrealised exchange difference arising in the year	(5,734)	2,590	159	1,605
Drawings and distributions	(199,498)	(203,133)	(112,314)	(116,344)
Capital introduced	33,787	10,077	25,398	6,714
Capital repaid	(22,788)	(15,324)	(19,557)	(12,239)
Capital converted to debt (guaranteed by partners)	(44,091)	-	-	-
Transfers (to)/from other partner accounts	(4,699)	(373)	9,964	9,901
Members' interests at 30 April	205,034	202,252	170,534	126,601

A full reconciliation of members' interests is set out in note 17.

Ashurst LLP

Consolidated cash flow statement For the year ended 30 April 2021

	Note	2021 £'000	2020 £'000
Net cash inflow from operating activities	19	287,292	226,629
Returns on investments and servicing of finance	20	(4,735)	(4,710)
Taxation	20	(5,413)	(6,287)
Capital expenditure	20	(14,734)	(34,783)
Transactions with members and former members	20	(188,499)	(208,380)
Management of liquid resources and financing	20	(90,653)	108,733
(Decrease)/increase in cash	21	<u>(16,742)</u>	<u>81,202</u>
Reconciliation of net cash flow to movement in net funds			
(Decrease)/increase in cash in the year	21	(16,742)	81,202
Cash outflow/(inflow) from movement in debt and lease financing	21	<u>46,562</u>	<u>(108,733)</u>
Change in net debt resulting from cash flows		29,820	(27,531)
New finance lease and other facilities	21	<u>(790)</u>	<u>(50)</u>
		29,030	(27,581)
Net funds at the start of the year	21	<u>15,760</u>	<u>43,341</u>
Net funds at the end of the year	21	<u>44,790</u>	<u>15,760</u>

Ashurst LLP

Notes to the financial statements For the year ended 30 April 2021

1. Accounting policies

The principal accounting policies adopted are set out below. Accounting policies have been applied consistently throughout the current and preceding financial years.

General information and basis of accounting

Ashurst LLP is incorporated in the United Kingdom and is registered in England under the Limited Liability Partnership Act 2000. The address of the registered office and the nature of the group's operations and its principal activities are set out in the Members' report.

The financial statements have been prepared under the historical cost convention, modified to include certain items at fair value, and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council and the requirements of the Statement of Recommended Practice Accounting by Limited Liability Partnerships (issued December 2018).

The functional currency of Ashurst LLP is considered to be pounds sterling as that is the currency of the primary economic environment in which the firm operates. The consolidated financial statements are also presented in pounds sterling. Foreign operations are included in accordance with the policies set out below.

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

Basis of consolidation

The financial statements consolidate the results and financial position of Ashurst LLP and its subsidiary undertakings drawn up to 30 April each year.

As permitted under section 408 of the Companies Act 2006, no separate profit and loss account is presented for Ashurst LLP. The results for Ashurst LLP are disclosed in note 17.

Going concern

The group prepares regular business forecasts and monitors its cash flow position against available facilities. Forecasts are adjusted for sensitivities that address the principal risks to which Ashurst LLP and the group are exposed (such as a deterioration in activity levels, or working capital performance) and consideration is given to the potential actions available to management to mitigate the impact of one or more of the sensitivities. This analysis is reviewed by the Board.

The group has various committed and uncommitted financing facilities, as detailed in Note 14. The committed facilities are expected to remain in place until at least May 2025.

Taking account of the inherent uncertainty in the economy and its risk and impact on the business, including those uncertainties created by the COVID-19 pandemic, the Board has concluded that Ashurst LLP and the group should be able to operate within its current facilities for the foreseeable future, being a period of twelve months from the date of approval of these financial statements, and have therefore adopted the going concern basis of preparation for the annual report and financial statements.

During the COVID-19 pandemic the firm has had access to various government support arrangements. Advances of £266,000 were received in the UK and have been fully repaid.

Ashurst LLP

Notes to the financial statements For the year ended 30 April 2021

1. Accounting policies (continued)

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost, less estimated residual value, of each asset on a straight-line basis over its expected useful life, as follows:

Leasehold improvements	The shorter of the period of the lease and the expected use of the property
Furniture	Four years
Computer equipment	Three years
Computer software	Up to ten years
Office equipment	Four years
Motor vehicles	Three years

Residual value represents the estimated amount which would currently be obtained from disposal of an asset, after deducting estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life.

Intangible assets

Research expenditure is written off as incurred. Development expenditure is also written off, except where the members are satisfied as to the technical, commercial and financial viability of individual projects. In such cases, the identifiable expenditure is capitalised as an intangible asset and amortised on a straight line basis over the period during which the group is expected to benefit. This period is five years and provision is made for any impairment.

Investments

Investments are measured at cost less impairment.

Fair value measurement

The best evidence of fair value is a quoted price for an identical asset in an active market. When quoted prices are unavailable, the price of a recent transaction for an identical asset provides evidence of fair value as long as there has not been a significant change in economic circumstances or a significant lapse of time since the transaction took place. If the market is not active and recent transactions of an identical asset on their own are not a good estimate of fair value, the fair value is estimated by using a valuation technique.

Impairment of assets

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

Financial assets

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

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

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

Ashurst LLP

Notes to the financial statements For the year ended 30 April 2021

1. Accounting policies (continued)

Financial instruments

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

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

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

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

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the group transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the group, despite having retained some significant risks and rewards of ownership, has transferred control of the asset to another party and the other party has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer.

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

Taxation

The taxation payable on the profits of a limited liability partnership is usually the personal liability of the members. A retention from profit distributions is made to fund the taxation payments, due worldwide, on behalf of members. These retentions are included within members' interests.

The tax expense represents the sum of the current tax relating to the corporate subsidiaries and tax which is the liability of the group.

The tax charge also takes into consideration taxation payable or recoverable but deferred due to timing differences between the assessment of profit for taxation and the profit shown in the financial statements.

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

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of the timing difference.

Ashurst LLP

Notes to the financial statements For the year ended 30 April 2021

1. Accounting policies (continued)

Taxation (continued)

Deferred tax relating to non-depreciable property, plant and equipment measured using the revaluation model and investment property is measured using the tax rates and allowances that apply to sale of the asset. In other cases, the measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Members' interests

Members' capital, including loans from partners and bank loans guaranteed by partners, comprises both capital that can be withdrawn on retirement and capital that is repayable only in the event of a winding up. The former is treated as a liability and the latter is classified as equity. Member capital in the form of bank loans guaranteed by partners is provided through a special purpose vehicle.

Members' other interests classified as equity rank after unsecured creditors and Amounts due to members classified as a liability rank alongside unsecured creditors in the event of a winding up. The rights of members in respect of Members' capital classified as a liability are subordinated to the claims of the bank in respect of an advance facility and an overdraft facility.

Divisible profits and members' remuneration

The LLP SORP recognises that the basis of calculating profits for allocation may differ from the profits reflected through the financial statements prepared in accordance with recommended practice.

There is no automatic allocation of profits among members and no current year profits were allocated during the year. Accordingly, at 30 April 2021, the profit for the financial year is included in 'Other reserves classified as equity'. The entire profit for the current financial year was allocated to members subsequent to the balance sheet date.

Turnover

Turnover represents the fair value of services provided during the period, excluding reimbursement of out-of-pocket expenses and sales tax. Turnover is only recognised where the group has a right to receive consideration for work done.

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

Services provided during the period which, at the balance sheet date have not been invoiced to clients, are included within turnover in accordance with Section 23 Revenue of Financial Reporting Standard 102.

Other operating income

Other operating income represents the reimbursement of out-of-pocket expenses and is only recognised where the group has a right to receive consideration for work done.

Government grants

Government grants are recognised based on the accrual model and are measured at the fair value of the asset received or receivable. Grants received are classified as relating to revenue, within other operating income. Grants relating to revenue are recognised in income over the period in which the related costs are recognised.

Ashurst LLP

Notes to the financial statements For the year ended 30 April 2021

1. Accounting policies (continued)

Interest revenue

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

Employee benefits

The group operates a number of defined contribution pension 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.

Foreign currency translation

Transactions denominated in foreign currencies are recorded at the applicable monthly rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rate of exchange prevailing at that date.

Certain inter office transactions represent profit clearing and funding transactions between offices and are therefore considered neither an equity investment nor a loan. There is no obligation to settle these transactions, and therefore these transactions are treated as non-monetary items.

The results of international operations are translated at the average rates of exchange during the period and their balance sheets at the rates ruling at the balance sheet date. Exchange differences arising on translation of opening net assets and results of international operations are taken directly to reserves. All other exchange differences are included in the profit and loss account.

Leases

Assets held under finance leases and hire purchase contracts are capitalised as tangible fixed assets at fair value on the inception of the lease and depreciated over their estimated 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 lease.

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.

In accordance with the transitional provisions of FRS 102, lease incentives on leases which were in existence prior to the date of the transition have been spread over the shorter of the lease and the period to the first review date on which the rent is first expected to be adjusted to the prevailing market rate.

Provisions

Provision is made for dilapidations in respect of property leases which contain requirements for the premises to be returned to their original state prior to the conclusion of the lease term.

Long term contracts, particularly those in respect of property leases are evaluated for onerous elements, if any, and provisions are made where required.

Where required by regulation, the firm provides for long service leave, based on the present value of the estimated future cash outflow to be made resulting from employee services provided up to each balance sheet date, and having regard to the probability that employees as a group will remain in the firm's employ for the period of time necessary to qualify for long service leave.

Ashurst LLP

Notes to the financial statements For the year ended 30 April 2021

1. Accounting policies (continued)

Geographical split of revenue

No geographical split of revenue is presented. The Board considers such disclosure to be seriously prejudicial to the business.

2. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group's and LLP's accounting policies, which are described in note 1, the members are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying the group's accounting policies

The following are the critical judgements that the members have made in the process of applying the group's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

(a) Revenue recognition – accrued income

The value of accrued revenue is derived on the basis of estimates and assumptions regarding the fair value of unbilled time at the year end, have regard to the group's accounting policy for revenue recognition. The carrying amount of the group's accrued income at the balance sheet date was £63,008,000 (2020: £45,905,000) as set out in note 11.

The following are areas of estimation uncertainty with the most significant impact on the financial statements.

(a) Impairment of debtors

The group makes an estimate of the recoverable value of debtors. When assessing impairment of debtors, management considers factors including the current credit rating of the debtor, the ageing profile and historic experience. The net carrying amount of the group's debtors at the balance sheet date was £164,178,000 (2020: £165,022,000) as set out in note 11.

(b) Measurement of provisions

The group's provisions, as set out in note 15 to the financial statements, are based on management's best estimate of future cash flows. The carrying amount of the group's provisions at the balance sheet date was £19,757,000 (2020: £17,706,000).

Ashurst LLP

Notes to the financial statements For the year ended 30 April 2021

3. Profit before taxation

	2021 £'000	2020 £'000
Profit before taxation is stated after charging/(crediting):		
Depreciation of tangible fixed assets - owned assets (note 8)	23,006	19,917
Loss on disposal of tangible fixed assets	1,124	180
Provision for impairment in current asset investment	-	950
Operating lease payments - land and buildings	36,956	33,954
Government grants	(1,108)	(627)
Foreign exchange loss	607	1,079
	<u>23,585</u>	<u>57,553</u>
Analysis of auditor's remuneration:		
Fees payable to the auditor of Ashurst LLP for the audit of its annual financial statements	241	225
Fees payable to the auditor of Ashurst LLP and their associates for other services to the group		
- Audit of Ashurst LLP's subsidiary undertakings pursuant to legislation	21	35
- Other services	50	45
Total audit fees	<u>312</u>	<u>305</u>
- Tax advisory services	493	473
Total non-audit fees	<u>493</u>	<u>473</u>
Total auditor's remuneration	<u>805</u>	<u>778</u>

Ashurst LLP

Notes to the financial statements For the year ended 30 April 2021

4. Staff costs

	2021 £'000	2020 £'000
Staff costs during the period in respect of employees		
Salaries	265,972	246,388
Social security costs	21,291	20,113
Pension costs	8,351	8,167
Other costs	10,303	8,312
	<u>305,917</u>	<u>282,980</u>

Monthly average number of people employed during the period (excluding members)

	2021 No.	2020 No.
Monthly average number of persons employed		
Fee earning staff	1,788	1,735
Other staff	1,358	1,310
	<u>3,146</u>	<u>3,045</u>

The pension costs relate to defined contribution pension schemes. The contributions outstanding at the year end amounted to £857,000 (2020: £1,015,000).

The total remuneration of key management personnel in the year was £14,149,000 (2020: £13,069,000). Remuneration of key management personnel includes remuneration payable in respect of time spent on client and fee earning activities.

5. Finance costs

	2021 £'000	2020 £'000
Bank interest	2,828	2,758
Other interest	2,655	2,491
	<u>5,483</u>	<u>5,249</u>

Ashurst LLP

Notes to the financial statements For the year ended 30 April 2021

6. Taxation

The taxation payable on profits of the partnership is the personal liability of the partners and is not dealt with in these financial statements. Accordingly, the disclosures provided below relate only to current and deferred tax in respect of the corporate subsidiaries.

The tax charge comprises:

	2021 £'000	2020 £'000
Current year tax charge	5,646	6,387
Prior year tax adjustment	(580)	527
Deferred tax charge	166	295
Total tax	5,232	7,209
Profit before taxation	252,216	188,710
Less: Amounts subject to personal tax	(225,101)	(155,889)
Profits subject to taxation	27,115	32,821
UK corporation tax at the blended rate of 19.0% (2020: 19.0%)	5,152	6,236
Tax effect of:		
- Prior year adjustments	(580)	527
- Timing differences	(333)	(647)
- Losses not recognised for deferred tax	103	662
- Different tax rates and bases in other jurisdictions	890	431
Tax charge for the year	5,232	7,209
Deferred tax		
- Origination and reversal of timing differences	166	211
- Effect of increase in tax rate on opening liability	-	84
Total deferred tax charge (note 16)	166	295

The rate of corporation tax is currently 19%. This is expected to remain at 19% until 31 March 2022.

7. Members' remuneration

	2021 No.	2020 No.
Average number of members	340	333

Profits are allocated on a gross basis before income tax charges.

Where a member receives remuneration as a director of a company within the group, employee or consultant, this is shown as Members' remuneration charged as an expense in the consolidated profit and loss account.

The profit share attributable to the member with the highest entitlement to profit for the year was £2,081,000 (2020: £1,747,000).

Ashurst LLP

Notes to the financial statements For the year ended 30 April 2021

8. Tangible fixed assets

Group	Leasehold improve- ments £'000	Furniture £'000	Computer equipment £'000	Office equipment £'000	Motor vehicles £'000	Total £'000
Cost						
At 1 May 2020	96,811	47,158	98,932	6,773	271	249,945
Exchange differences	206	1,312	517	88	(28)	2,095
Additions	7,405	350	6,837	54	37	14,683
Disposals	(1,942)	(199)	(100)	(178)	-	(2,419)
At 30 April 2021	<u>102,480</u>	<u>48,621</u>	<u>106,186</u>	<u>6,737</u>	<u>280</u>	<u>264,304</u>
Accumulated depreciation						
At 1 May 2020	37,177	25,580	55,261	6,739	221	124,978
Exchange differences	(41)	543	278	70	(23)	827
Charge for the year	6,612	4,287	11,996	94	17	23,006
Disposals	(818)	(199)	(100)	(178)	-	(1,295)
At 30 April 2021	<u>42,930</u>	<u>30,211</u>	<u>67,435</u>	<u>6,725</u>	<u>215</u>	<u>147,516</u>
Net book value						
At 30 April 2021	<u>59,550</u>	<u>18,410</u>	<u>38,751</u>	<u>12</u>	<u>65</u>	<u>116,788</u>
At 30 April 2020	<u>59,634</u>	<u>21,578</u>	<u>43,671</u>	<u>34</u>	<u>50</u>	<u>124,967</u>

Tangible fixed assets which are held under finance leases included above are:

Cost						
At 30 April 2021	<u>13,019</u>	<u>-</u>	<u>2,032</u>	<u>-</u>	<u>-</u>	<u>15,051</u>
At 30 April 2020	<u>12,286</u>	<u>-</u>	<u>1,918</u>	<u>-</u>	<u>-</u>	<u>14,204</u>
Net book value						
At 30 April 2021	<u>5,637</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,637</u>
At 30 April 2020	<u>6,659</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,659</u>

Ashurst LLP

Notes to the financial statements For the year ended 30 April 2021

8. Tangible fixed assets (continued)

Limited liability partnership	Leasehold improvements £'000	Furniture £'000	Computer equipment £'000	Office equipment £'000	Motor vehicles £'000	Total £'000
Cost						
At 1 May 2020	16,928	10,886	81,907	3,957	40	113,718
Exchange differences	(970)	(194)	(196)	(48)	(5)	(1,413)
Additions	2,295	162	5,525	45	-	8,027
Disposals	-	(199)	(13)	(31)	-	(243)
At 30 April 2021	18,253	10,655	87,223	3,923	35	120,089
Accumulated depreciation						
At 1 May 2020	12,301	9,704	44,495	3,893	34	70,427
Exchange differences	(722)	(138)	(126)	(47)	(5)	(1,038)
Charge for the year	1,534	409	9,898	38	-	11,879
Disposals	-	(199)	(13)	(31)	-	(243)
At 30 April 2021	13,113	9,776	54,254	3,853	29	81,025
Net book value						
At 30 April 2021	5,140	879	32,969	70	6	39,064
At 30 April 2020	4,627	1,182	37,412	64	6	43,291

The group has leases mainly for office fit-outs which are considered to meet the definition of finance leases and are accounted for accordingly. Under the terms of the relevant lease agreements, the lessor owns the leased assets to which it has a right of re-possession in the event of specific default by the lessee, unless that default is otherwise remedied.

Refer to note 14 for details of related lease commitments.

Ashurst LLP

Notes to the financial statements For the year ended 30 April 2021

9 Intangible assets

	Group Development costs £'000	Limited liability partnership Development costs £'000
Cost and net book value		
At 1 May 2020	43	-
Additions	51	-
	<hr/>	<hr/>
At 30 April 2021	94	-
	<hr/> <hr/>	<hr/> <hr/>

Development costs have been capitalised in accordance with the requirements of FRS 102.

10 Investments held as fixed assets

	Group Other investments £'000	Limited liability partnership Other investments £'000
Cost and net book value		
At 1 May 2020	97	79
Exchange differences	9	-
	<hr/>	<hr/>
At 30 April 2021	106	79
	<hr/> <hr/>	<hr/> <hr/>

All investments are unlisted.

Ashurst LLP

Notes to the financial statements For the year ended 30 April 2021

10. Investments held as fixed assets (continued)

The group has holdings in the entities listed below.

Entity	Country of incorporation	Holding	%	Activity
Ashurst Business Services Limited	England and Wales (+)	Ordinary	100%	Service company
Classplot Limited	England and Wales (+)	Ordinary	100%	Service company
Ashurst Group Limited	England and Wales (+)	Ordinary	100%	Holding company
Ashurst Commercial Services Limited	England and Wales (+)	Ordinary	100%	Service company
Ashurst (Hong Kong) Services Limited	Hong Kong (++)	Ordinary	100%	Service company
Ashurst Australia Nominees Pty Limited	Australia (+++)	Ordinary	100%	Nominee company
Ashurst Australia Services Pty Limited	Australia (+++)	Ordinary	100%	Service company
Blake and Riggall Pty Limited	Australia (+++)	Ordinary	100%	Nominee company
Roville Pty Limited	Australia (+++)	Ordinary	100%	Service company
Travinto Nominees (ACT) Pty Limited	Australia (+++)	Ordinary	100%	Nominee company
Travinto Nominees Pty Limited	Australia (+++)	Ordinary	100%	Nominee company
ACN 004 552 363 Pty Limited	Australia (+++)	Ordinary	100%	Nominee company
Ashurst Boardroom Advisory Pty Ltd	Australia (+++)	Ordinary	100%	Provision of legal services
Ashurst Risk Advisory Pty Ltd	Australia (+++)	Ordinary	100%	Provision of legal services
AA Partner Capital Pty. Limited	Australia (+++)	Ordinary	100%	Service company

The registered office of the entities marked with (+) is London Fruit & Wool Exchange, 1 Duval Square, London E1 6PW. This address is based in the United Kingdom.

The registered office of the entity marked with (++) is 11/F, Jardine House, 1 Connaught Place, Central, Hong Kong.

The registered office of the entities marked with (+++) is Level 26, 181 William Street, Melbourne, VIC 3000, Australia.

On 9 April 2021 the firm completed the sale of its 100% shareholdings in Ashurst Holdings AB and Ashurst Advokatbyrå AB, two dormant entities. The value of assets disposed by the firm as part of this transaction is judged to be immaterial.

Ashurst LLP

Notes to the financial statements For the year ended 30 April 2021

10. Investments held as fixed assets (continued)

The group also has the power to exercise, and/or actually exercises, control over the entities listed below and accordingly they have been included in the consolidated results of Ashurst LLP.

Entity	Country of formation	Principal place of business	Activity
Ashurst Horitsu Jimusho Gaikokuho Kyodo Jigyo	Japan	Shiroyama Trust Tower, 30th Floor 4-3-1 Toranomon Minato-ku, Tokyo 105-6030	Provision of legal services
Studio Legale Associato ad Ashurst LLP	Italy	Via Sant'Orsola, 3 20123 Milan	Provision of legal services
Ashurst Hong Kong	Hong Kong	11/F, Jardine House, 1 Connaught Place Central, Hong Kong	Provision of legal services
Ashurst PNG	Papua New Guinea	Level 11, MRDC Haus, Cnr of Musgrove Street and Champion Parade, Port Moresby, Papua New Guinea	Provision of legal services
Office Services Limited	Papua New Guinea	Level 11, MRDC Haus, Cnr of Musgrove Street and Champion Parade, Port Moresby, Papua New Guinea	Service company
Corporate Services Limited	Papua New Guinea	Level 11, MRDC Haus, Cnr of Musgrove Street and Champion Parade, Port Moresby, Papua New Guinea	Service company
Oentoeng, Suria and Partners	Indonesia	Level 37, Equity Tower, Sudirman Central Business District, Indonesia	Provision of legal services
PT Roville	Indonesia	Level 37, Equity Tower, Sudirman Central Business District, Indonesia	Service company
Ashurst Australia Partnership	Australia	5 Martin Place, Sydney NSW, Australia	Provision of legal services
Dr Faisal Adnan Baassiri Law Firm in association with Ashurst LLP	Saudi Arabia	Alesayi Building, Madinah Road, Al Andalus district/1, PO Box 55339, Jeddah 21534, Saudi Arabia	Provision of legal services
ADTLaw LLC	Singapore	12 Marina Boulevard, 24-01 Marina Bay Financial Centre Tower 3, Singapore	Provision of legal services
Ashurst Ireland LLP	Ireland	The Victorians – 306, 15 - 18 Earlsfort Terrace, Dublin 2	Provision of legal services

Principal place of business and registered office for the entities listed are the same.

Ashurst LLP

Notes to the financial statements For the year ended 30 April 2021

11. Debtors

	Group		Limited liability partnership	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Trade debtors	164,178	165,022	87,353	100,065
Amounts due from subsidiary undertakings	-	-	13,347	46,275
Other debtors	16,281	14,213	6,145	6,104
Prepayments	17,305	12,650	7,436	3,252
Accrued income	63,008	45,905	45,347	33,695
	<u>260,772</u>	<u>237,790</u>	<u>159,628</u>	<u>189,391</u>

Other debtors for the group include amounts due after more than one year of £7,234,000 (2020: £7,840,000), and for Ashurst LLP of £1,369,000 (2020: £1,550,000).

The amounts due from subsidiary undertakings are non-interest bearing and are repayable on demand.

12. Creditors: amounts falling due within one year

	Group		Limited liability partnership	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Bank loans and overdrafts (note 14)	8,000	89,021	8,000	68,000
Obligations under finance leases (note 14)	1,268	1,208	-	-
Amounts due to subsidiary undertakings	-	-	671	1,908
Trade creditors	18,199	15,803	6,207	9,565
Taxation and social security	12,867	13,600	6,225	8,895
Other creditors	48,030	39,060	26,953	16,124
Accruals and deferred income	70,445	46,512	23,389	28,503
	<u>158,809</u>	<u>205,204</u>	<u>71,445</u>	<u>132,995</u>

The amounts due to subsidiary undertakings are non-interest bearing and are repayable on demand.

13. Creditors: amounts falling due after more than one year

	Group		Limited liability partnership	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Bank loans (note 14)	78,091	42,000	34,000	42,000
Obligations under finance leases (note 14)	5,237	6,139	-	-
Amounts due to subsidiary undertakings	-	-	4,420	5,320
Accruals and deferred income	48,218	43,724	1,821	17,484
	<u>131,546</u>	<u>91,863</u>	<u>40,241</u>	<u>64,804</u>

Ashurst LLP

Notes to the financial statements For the year ended 30 April 2021

14. Bank loans and finance leases

Borrowings are repayable as follows:

	Group		Limited liability partnership	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Amounts falling due within one year				
Bank loans and overdrafts	8,000	89,021	8,000	68,000
Finance leases	1,268	1,208	-	-
	<u>9,268</u>	<u>90,229</u>	<u>8,000</u>	<u>68,000</u>
Amounts falling due between one and two years				
Bank loans and overdrafts	8,000	8,000	8,000	8,000
Finance leases	1,325	1,172	-	-
	<u>9,325</u>	<u>9,172</u>	<u>8,000</u>	<u>8,000</u>
Amounts falling due between two and five years				
Bank loans and overdrafts	60,891	19,200	16,800	19,200
Finance leases	3,912	4,967	-	-
	<u>64,803</u>	<u>24,167</u>	<u>16,800</u>	<u>19,200</u>
Amounts falling due after five years				
Bank loans and overdrafts	9,200	14,800	9,200	14,800
	<u>9,200</u>	<u>14,800</u>	<u>9,200</u>	<u>14,800</u>
Total				
Bank loans and overdrafts	86,091	131,021	42,000	110,000
Finance leases	6,505	7,347	-	-
	<u>92,596</u>	<u>138,368</u>	<u>42,000</u>	<u>110,000</u>

The terms of the bank loans restrict the group from making significant disposals of assets without the consent of the lender. Interest is payable on a nine year bank loan at a fixed rate on the principal amount.

Bank loans include £44,091,000 in respect of amounts borrowed on behalf of partners in Australia to provide loan capital to the firm. These bank borrowings are guaranteed by individual partners and are equivalent to "members capital classified as a liability" provided by other partners (note 17).

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Notes to the financial statements For the year ended 30 April 2021

15. Provisions for liabilities

	Group	Limited liability partnership
	£'000	£'000
At 1 May 2020	17,706	8,595
Charged to profit and loss account	3,013	72
Released unused	(120)	(306)
Utilisation of provision	(478)	-
Exchange difference	(364)	(85)
	<hr/>	<hr/>
At 30 April 2021	<u>19,757</u>	<u>8,276</u>

Provisions comprise amounts related to property and other items, all incurred in the normal course of business.

As permitted by FRS 102, disclosure exemption has been taken in relation to provisions where the members consider that further disclosure could be prejudicial.

16. Deferred taxation

Deferred tax is provided as follows:

	Group	
	2021	2020
	£'000	£'000
Accelerated capital allowances	1,641	1,021
Deferred tax arising in relation to retirement benefit obligations	(137)	(15)
Other timing differences	(332)	-
	<hr/>	<hr/>
Provision for deferred tax	<u>1,172</u>	<u>1,006</u>

	Group	
	2021	2020
	£'000	£'000
At start of year	1,006	711
Movement in the year	166	295
	<hr/>	<hr/>
As at 30 April	<u>1,172</u>	<u>1,006</u>

Deferred tax assets and liabilities are offset only where the group has a legally enforceable right to do so and where the assets and liabilities relate to income taxes levied by the same taxation authority on the same taxable entity or another entity within the group.

There is no expiry date on timing differences, unused tax losses or tax credits.

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Notes to the financial statements For the year ended 30 April 2021

17. Members' interests

Group

	Amounts due from members £'000	Loans and other debts due to/(from) members	Members' other interests			Total members' interests £'000
		Members' capital classified as a liability £'000	Members' capital classified as equity £'000	Other reserves £'000	Total £'000	
Members' interests at 1 May 2020	(78,996)	93,252	65	187,931	187,996	202,252
Profit for the financial year available for division among members	-	-	-	245,805	245,805	245,805
Members' interests after profit for the year	(78,996)	93,252	65	433,736	433,801	448,057
Allocated profit	180,620	-	-	(180,620)	(180,620)	-
Unrealised exchange difference arising in the year	-	-	-	(5,734)	(5,734)	(5,734)
Drawings and distributions	(199,498)	-	-	-	-	(199,498)
Capital introduced	(5,566)	39,353	-	-	-	33,787
Capital repaid	-	(22,788)	-	-	-	(22,788)
Capital converted to debt (guaranteed by partners)	-	(44,091)	-	-	-	(44,091)
Transfers to other partner accounts	(534)	(4,165)	-	-	-	(4,699)
Members' interests at 30 April 2021	<u>(103,974)</u>	<u>61,561</u>	<u>65</u>	<u>247,382</u>	<u>247,447</u>	<u>205,034</u>

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Notes to the financial statements For the year ended 30 April 2021

17. Members' interests (continued)

Group

	Amounts due from members £'000	Loans and other debts due to/(from) members	Members' other interests			Total members' interests £'000
		Members' capital classified as a liability £'000	Members' capital classified as equity £'000	Other reserves £'000	Total £'000	
Members' interests at 1 May 2019	(76,458)	98,804	65	205,384	205,449	227,795
Profit for the financial year available for division among members	-	-	-	180,620	180,620	180,620
Members' interests after profit for the year	(76,458)	98,804	65	386,004	386,069	408,415
Allocated profit	200,663	-	-	(200,663)	(200,663)	-
Unrealised exchange difference arising in the year	-	-	-	2,590	2,590	2,590
Drawings and distributions	(203,133)	-	-	-	-	(203,133)
Capital introduced	(746)	10,823	-	-	-	10,077
Capital repaid	-	(15,324)	-	-	-	(15,324)
Capital converted to debt (guaranteed by partners)	-	-	-	-	-	-
Transfers to other partner accounts	678	(1,051)	-	-	-	(373)
Members' interests at 30 April 2020	(78,996)	93,252	65	187,931	187,996	202,252

Ashurst LLP

Notes to the financial statements For the year ended 30 April 2021

17. Members' interests (continued)

Limited liability partnership

	Amounts due from members £'000	Loans and other debts due to/(from) members	Members' other interests			Total members' interests £'000
		Members' capital classified as a liability £'000	Members' capital classified as equity £'000	Other reserves £'000	Total £'000	
Members' interests at 1 May 2020	(44,100)	56,233	65	114,403	114,468	126,601
Profit for the financial year available for division among members	-	-	-	140,283	140,283	140,283
Members' interests after profit for the year	(44,100)	56,233	65	254,686	254,751	266,884
Allocated profit	101,955	-	-	(101,955)	(101,955)	-
Unrealised exchange difference arising in the year	-	-	-	159	159	159
Drawings and distributions	(112,314)	-	-	-	-	(112,314)
Capital introduced	(5,567)	30,965	-	-	-	25,398
Capital repaid	-	(19,557)	-	-	-	(19,557)
Transfers to other partner accounts	16,334	(6,370)	-	-	-	9,964
Members' interests at 30 April 2021	(43,692)	61,271	65	152,890	152,955	170,534

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Notes to the financial statements For the year ended 30 April 2021

17. Members' interests (continued)

Limited liability partnership

	Loans and other debts due to/(from) members	Members' other interests				Total members' interests £'000
		Members' capital classified as a liability £'000	Members' capital classified as equity £'000	Other reserves £'000	Total £'000	
Members' interests at 1 May 2019	(37,911)	60,643	65	115,690	115,755	138,487
Profit for the financial year available for division among members	-	-	-	98,477	98,477	98,477
Members' interests after profit for the year	(37,911)	60,643	65	214,167	214,232	236,964
Allocated profit	110,490	-	-	(110,490)	(110,490)	-
Unrealised exchange difference arising in the year	-	-	-	1,605	1,605	1,605
Drawings and distributions	(116,344)	-	-	-	-	(116,344)
Capital introduced	(746)	7,460	-	-	-	6,714
Capital repaid	-	(12,239)	-	-	-	(12,239)
Transfers to other partner accounts	411	369	-	9,121	9,121	9,901
Members' interests at 30 April 2020	(44,100)	56,233	65	114,403	114,468	126,601

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Notes to the financial statements For the year ended 30 April 2021

18. Financial instruments

The carrying values of the group's financial assets and liabilities are summarised by category below:

	Group	
	2021	2020
	£'000	£'000
Financial assets		
Instruments measured at amortised cost:		
Trade and other debtors (note 11)	180,459	179,235
	<u>180,459</u>	<u>179,235</u>
	2021	2020
	£'000	£'000
Financial liabilities		
Measured at amortised cost:		
Obligations under finance leases (note 14)	6,505	7,347
Measured at undiscounted amount payable:		
Trade and other creditors (note 12)	66,229	54,863
Loans payable (note 14)	86,091	131,021
	<u>158,825</u>	<u>193,231</u>

The group's income, expense, gains and losses in respect of financial instruments are summarised as follows:

	Group	
	2021	2020
	£'000	£'000
Interest expense		
Total interest expense for financial liabilities at amortised cost	5,483	5,249
	<u>5,483</u>	<u>5,249</u>

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Notes to the financial statements For the year ended 30 April 2021

19. Reconciliation of operating profit to net cash inflow from operating activities

	2021 £'000	2020 £'000
Operating profit	256,951	193,420
Adjustment for:		
Depreciation of tangible fixed assets	23,006	19,917
Loss on disposal of tangible fixed assets	1,124	180
Provision for impairment of investment	-	200
Operating cash flow before movement in working capital	281,081	213,717
Increase in debtors	(22,982)	(2,477)
Increase in creditors	33,365	13,741
Increase/(decrease) in provisions	2,051	(1,929)
Exchange differences on working capital balances	(6,223)	3,577
Net cash inflow from operating activities	287,292	226,629

20. Analysis of consolidated cash flow statement

	2021 £'000	2020 £'000
Returns on investments and servicing of finance		
Interest received	748	539
Interest paid	(5,483)	(5,249)
Net cash outflow from returns on investments and servicing of finance	(4,735)	(4,710)
Taxation		
Tax paid by group undertakings	(5,413)	(6,287)
Net cash outflow from taxation	(5,413)	(6,287)
Capital expenditure		
Payments to acquire tangible fixed assets	(14,683)	(34,740)
Payments to acquire intangible fixed assets	(51)	(43)
Net cash outflow from capital expenditure	(14,734)	(34,783)
Transactions with members and former members		
Capital contributions from members	33,787	10,077
Capital repaid to and on behalf of members	(22,788)	(15,324)
Payments to and on behalf of members	(198,335)	(198,741)
Payments to former members	(1,163)	(4,392)
Net cash outflow from transactions with members and former members	(188,499)	(208,380)
Management of liquid resources and financing		
Loan advances	-	111,025
Repayment of amounts borrowed	(89,021)	(410)
Repayment of finance leases	(1,632)	(1,882)
Net cash (outflow)/inflow from management of liquid resources and financing	(90,653)	108,733

Ashurst LLP

Notes to the financial statements For the year ended 30 April 2021

21. Analysis of changes in net funds

	2020 £'000	Cash flows £'000	Other changes £'000	2021 £'000
Cash at bank and in hand	154,128	(16,742)	-	137,386
Bank loans and overdrafts due within one year	(89,021)	81,021	-	(8,000)
Finance leases due within one year	(1,208)	-	(60)	(1,268)
Bank loans due after more than one year	(42,000)	(36,091)	-	(78,091)
Finance leases due after more than one year	(6,139)	1,632	(730)	(5,237)
	<u>15,760</u>	<u>29,820</u>	<u>(790)</u>	<u>44,790</u>

22. Financial commitments

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

	Group		Limited liability partnership	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Within one year	46,504	46,940	26,299	25,211
Between one to five years	155,668	163,822	86,009	84,271
After five years	208,070	237,996	183,535	199,253
	<u>410,242</u>	<u>448,758</u>	<u>295,843</u>	<u>308,735</u>

The LLP-only commitments detailed above include those either held directly by the LLP, or by way of guarantee.

There were no operating lease commitments other than for land and buildings.

The firm is due to receive the following income in relation to subletting:

	Group		Limited liability partnership	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Within one year	6,007	1,378	5,762	220
Between one to five years	30,505	28,978	29,931	28,305
After five years	88,702	96,238	88,702	96,094
	<u>125,214</u>	<u>126,594</u>	<u>124,395</u>	<u>124,619</u>

23. Related party disclosures

As permitted by FRS 102, Related party disclosures, no disclosures have been made of transactions with wholly-owned entities included in these consolidated financial statements. Remuneration paid to key management personnel is set out in note 4.

24. Controlling party

Ashurst LLP is controlled by its members and as such there is no one controlling party.