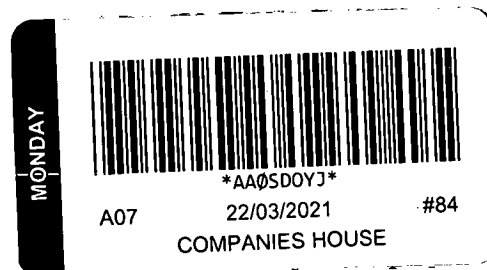


Company Registration No. OC330252

Ashurst LLP

**Annual Report and
Financial Statements**

**For the year ended
30 April 2020**



Ashurst LLP

Annual report and financial statements For the year ended 30 April 2020

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Ashurst LLP

Members' report

The Board presents its annual report and audited financial statements of Ashurst LLP for the year ended 30 April 2020.

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 7 and 9 respectively. The members consider the results and financial position to be satisfactory and anticipate continued profitable trading for the foreseeable future.

Designated members

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

B J Tidswell	
P A Jenkins	
K Davies	
A Pearson	
D Jones	(appointed 1 November 2019)
T Krug	(appointed 1 November 2019)
B Egbers	(resigned 10 June 2019)

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. 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 Capital can be withdrawn on retirement of a member.

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.

Ashurst LLP

Members' report (continued)

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 for period 1 April 2019 to 31 March 2020	
	UK offices*
	2020
Emissions from combustion of gas and natural transportation fuels (Scope 1 – tonnes of CO ₂ e)	337
Emissions from electricity purchased for own use including for the purposes of transport (Scope 2 – tonnes of CO ₂ e)	1,104
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	1,441
Energy consumption used to calculate emissions - kWh	6,152,701
Intensity ratio – per sq foot (Scope 1 and 2 tonnes of CO ₂ e)	0.00718
Intensity ratio – per employee (Scope 1 and 2 tonnes of CO ₂ e)	1.05

* Comparative information is not required for the first year in which this information is disclosed

Data completeness:

Electricity and gas consumption data for the period up to and including 31 March 2020 has been recorded in a fully managed energy database run by Greenstone.

At the time of preparation and due to source data and invoices being unavailable for April 2020, the data has been presented for the period April 2019 to March 2020.

Greenstone, an external environmental consultancy firm, has conducted an independent quality assurance review of the consumption data uploaded to its database. As part of the review, Greenstone has identified three pieces of data which could not be verified to external source documentation. Accurate estimates have been incorporated in place of this documentation, ensuring data completeness for reporting purposes.

Reporting methodology:

Scope 1 and 2 consumption and CO₂e emission data has been calculated as per the 2019 UK Government Environmental Reporting Guidance, using the GHG Protocol Corporate Accounting and Reporting Standard.

Intensity ratios have been calculated on both the annualised employee number for Ashurst LLP's UK offices (totaling 1,304 employees) and complete square footage for its UK offices (combined 200,700 sq foot).

Ashurst LLP

Members' report (continued)

Energy and carbon report (continued)

Energy efficiency improvements:

The Board is committed to operating in a sustainable manner and this is a core element of the firm's 2023 strategic plan. In June 2019 the firm appointed a new sustainability director with the aim of implementing new global measures across the firm.

Measures ongoing and undertaken through 2019/2020:

- London office – in June 2019, our two London offices were consolidated into the London Fruit and Wool Exchange. This was a strategic move which reduced office square footage;
- Smarter building technology - the new London office operates all lighting on a LED system and has a modern heating and cooling system, leading to more efficient energy usage; and
- Sustainability partners: the appointment of a partner and sustainability advocates in each office in support of the establishment of 10 Environmental Social Governance (ESG) goals and with the aim of the firm's UK operations becoming carbon neutral.

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 7 October 2020.

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 7 October 2020 and signed on their behalf by



B J Tidswell
Chairman

Ashurst LLP

Members' responsibilities statement

The members are responsible for preparing the Annual Report and the financial statements in accordance with applicable laws 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 LLP will continue in business.

The members are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the limited liability partnership and enable them to ensure that the financial statements comply with the Companies Act 2006, as applicable to limited liability partnerships. They are also responsible for safeguarding the assets of the 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 2020 and of the group's 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' interest;
- the consolidated cash flow statement; and
- the related notes 1 to 26.

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

We are required by ISAs (UK) to report in respect of the following matters where:

- the members' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the members have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent limited liability partnership's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

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 we do not express any form of assurance conclusion thereon.

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

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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 respect of these matters.

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.

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, 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

7 October 2020

Ashurst LLP

Consolidated profit and loss account For the year ended 30 April 2020

	Note	2020 £'000	2019 £'000
Income			
Turnover		642,103	640,039
Other operating income		1,827	1,330
		<u>643,930</u>	<u>641,369</u>
Operating costs			
Staff costs	4	282,980	263,494
Depreciation		19,917	15,528
Other operating charges		147,613	150,640
		<u>450,510</u>	<u>429,662</u>
Operating profit		193,420	211,707
Bank interest receivable		539	200
Finance costs	5	(5,249)	(4,633)
Profit before taxation	3	188,710	207,274
Taxation	6	(7,209)	(6,161)
Profit before members' remuneration and profit shares		181,501	201,113
Members' remuneration charged as an expense		(881)	(450)
Profit for the financial year available for division among the members	17	<u>180,620</u>	<u>200,663</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 2020**

	2020 £'000	2019 £'000
Profit for the financial year available for division among members	180,620	200,663
Foreign currency translation differences arising on consolidation	<u>2,590</u>	<u>5,523</u>
Total comprehensive income available for discretionary division among members	<u>183,210</u>	<u>206,186</u>

Ashurst LLP

Consolidated balance sheet as at 30 April 2020

	Note	2020 £'000	2019 £'000
Fixed assets			
Tangible assets	8	124,967	111,265
Intangible assets	9	43	-
Investments	10	97	291
		<u>125,107</u>	<u>111,556</u>
Current assets			
Debtors	11	237,790	235,313
Amounts due from members	17	78,996	76,458
Cash at bank and in hand		154,128	72,926
		<u>470,914</u>	<u>384,697</u>
Creditors: amounts falling due within one year	12	<u>(205,204)</u>	<u>(106,682)</u>
Net current assets		<u>265,710</u>	<u>278,015</u>
Total assets less current liabilities		390,817	389,571
Creditors: amounts falling due after more than one year	13	<u>(91,863)</u>	<u>(65,683)</u>
Provisions for liabilities	15	<u>(17,706)</u>	<u>(19,635)</u>
Net assets attributable to members		<u>281,248</u>	<u>304,253</u>
Represented by:			
Loans and other debts due to members within one year			
Members' capital classified as a liability	17	<u>93,252</u>	<u>98,804</u>
Members' other interests			
Members' capital classified as equity	17	65	65
Other reserves classified as equity	17	187,931	205,384
		<u>187,996</u>	<u>205,449</u>
		<u>281,248</u>	<u>304,253</u>
Total members' interests			
Amounts due from members		(78,996)	(76,458)
Loans and other debts due to members		93,252	98,804
Members' other interests		187,996	205,449
	17	<u>202,252</u>	<u>227,795</u>

The financial statements of Ashurst LLP (registered number OC330252) were approved by the members and authorised for issue on 7 October 2020 and signed on their behalf by



B J Tidswell
Chairman

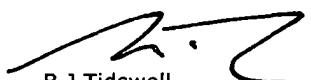
Ashurst LLP

Limited liability partnership balance sheet as at 30 April 2020

	Note	2020 £'000	2019 £'000
Fixed assets			
Tangible assets	8	43,291	33,509
Investments	10	79	79
		<u>43,370</u>	<u>33,588</u>
Current assets			
Debtors	11	189,391	168,676
Amounts due from members	17	44,100	37,911
Cash at bank and in hand		100,234	35,553
		<u>333,725</u>	<u>242,140</u>
Creditors: amounts falling due within one year	12	<u>(132,995)</u>	<u>(56,166)</u>
Net current assets		<u>200,730</u>	<u>185,974</u>
Total assets less current liabilities		244,100	219,562
Creditors: amounts falling due after more than one year	13	(64,804)	(34,320)
Provisions for liabilities	15	(8,595)	(8,844)
Net assets attributable to members		<u>170,701</u>	<u>176,398</u>
Represented by:			
Loans and other debts due to members within one year			
Members' capital classified as a liability		56,233	60,643
Members' other interests			
Members' capital classified as equity	17	65	65
Other reserves classified as equity	17	114,403	115,690
		<u>114,468</u>	<u>115,755</u>
		<u>170,701</u>	<u>176,398</u>
Total members' interests			
Amounts due from members		(44,100)	(37,911)
Loans and other debts due to members		56,233	60,643
Members' other interests		114,468	115,755
	17	<u>126,601</u>	<u>138,487</u>

The limited liability partnership profit for the year was £98,477,000 (2019: £110,490,000).

The financial statements of Ashurst LLP (registered number OC330252) were approved by the members and authorised for issue on 7 October 2020 and signed on their behalf by


B J Tidswell
Chairman

Ashurst LLP

Consolidated statement of changes in members' interests Year ended 30 April 2020

	Group		Limited liability partnership	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Members' interests at 1 May	227,795	175,378	138,487	110,994
Profit for the financial year available for division among the members	180,620	200,663	98,477	110,490
Members' interests after profit for the year	408,415	376,041	236,964	221,484
Unrealised exchange difference arising in the year	2,590	5,523	1,605	(2,962)
Drawings and distributions	(203,133)	(158,535)	(116,344)	(87,145)
Capital introduced	10,077	11,474	6,714	6,664
Capital repaid	(15,324)	(9,144)	(12,239)	(5,354)
Transfers (to)/from former member accounts	(373)	2,436	9,901	5,800
Members' interests at 30 April	<u>202,252</u>	<u>227,795</u>	<u>126,601</u>	<u>138,487</u>

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

Ashurst LLP

Consolidated cash flow statement For the year ended 30 April 2020

	Note	2020 £'000	2019 £'000
Net cash inflow from operating activities	19	226,629	233,844
Returns on investments and servicing of finance	20	(4,710)	(4,433)
Taxation	20	(6,287)	(6,684)
Capital expenditure	20	(34,783)	(50,935)
Transactions with members and former members	20	(208,380)	(156,204)
Management of liquid resources and financing	20	108,733	17,028
Increase in cash	21	<u>81,202</u>	<u>32,616</u>
Reconciliation of net cash flow to movement in net funds			
Increase in cash in the year	21	81,202	32,616
Cash inflow from movement in debt and lease financing		<u>(108,733)</u>	<u>(17,028)</u>
Change in net debt resulting from cash flows		(27,531)	15,586
New finance lease and other facilities		<u>(50)</u>	<u>(471)</u>
		(27,581)	15,115
Net funds at the start of the year	21	<u>43,341</u>	<u>28,226</u>
Net funds at the end of the year	21	<u>15,760</u>	<u>43,341</u>

Ashurst LLP

Notes to the financial statements For the year ended 30 April 2020

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) 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. The committed facilities are expected to remain in place until at least May 2025.

Despite the uncertainty in the economy and its inherent 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 the financial statements, and have therefore adopted the going concern basis of preparation for the annual report and financial statements.

The firm has accessed various government arrangements available to it to extend payment terms for sales and other business tax liabilities.

Ashurst LLP

Notes to the financial statements For the year ended 30 April 2020

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. 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 2020

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 2020

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 includes 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.

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 2020, 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. 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 2020

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 2020

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 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 which involve estimates 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 £45,905,000 (2019: £44,300,000) as set out in note 11.

(b) 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 £165,022,000 (2019: £164,806,000) as set out in note 11.

(c) 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 £17,706,000 (2019: £19,635,000).

Ashurst LLP

Notes to the financial statements For the year ended 30 April 2020

3. Profit before taxation

	2020 £'000	2019 £'000
Profit before taxation is stated after charging/(crediting):		
Depreciation of tangible fixed assets - owned assets (note 8)	19,917	15,528
Loss on disposal of tangible fixed assets	180	61
Provision for impairment in current asset investment	950	-
Operating lease payments – land and buildings	33,954	49,241
Government grants	(627)	-
Foreign exchange loss	1,079	2,664
	<u> </u>	<u> </u>
Analysis of auditor's remuneration:		
Fees payable to the auditor of Ashurst LLP for the audit of its annual financial statements	225	215
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	35	34
	<u> </u>	<u> </u>
Total audit fees	260	249
	<u> </u>	<u> </u>
- Tax advisory services	473	335
- Other services	45	8
	<u> </u>	<u> </u>
Total non-audit fees	518	343
	<u> </u>	<u> </u>
Total auditor's remuneration	778	592
	<u> </u>	<u> </u>

Ashurst LLP

Notes to the financial statements For the year ended 30 April 2020

4. Staff costs

	2020	2019
	£'000	£'000
Staff costs during the period in respect of employees		
Salaries	246,388	228,697
Social security costs	20,113	17,582
Pension costs	8,167	7,037
Other costs	8,312	10,178
	<u>282,980</u>	<u>263,494</u>

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

	2020	2019
	No.	No.
Monthly average number of persons employed		
Fee earning staff	1,735	1,582
Other staff	1,310	1,266
	<u>3,045</u>	<u>2,848</u>

The pension costs relate to defined contribution pension schemes. The contributions outstanding at the year end amounted to £1,015,000 (2019: £248,000).

The total remuneration of key management personnel in the year was £13,069,000 (2019: £13,264,000). Remuneration of key management personnel includes remuneration payable in respect of time spent on client and fee earning activities.

5. Finance costs

	2020	2019
	£'000	£'000
Bank interest	2,758	1,544
Other interest	2,491	3,089
	<u>5,249</u>	<u>4,633</u>

Ashurst LLP

Notes to the financial statements For the year ended 30 April 2020

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:

	2020	2019
	£'000	£'000
Current year tax charge	6,387	5,508
Prior year tax adjustment	527	(58)
Deferred tax charge	295	711
Total current tax	7,209	6,161
Profit before taxation	188,709	207,274
Less: Amounts subject to personal tax	(155,888)	(178,318)
Profits subject to taxation	32,821	28,956
UK corporation tax at the blended rate of 19.0% (2019: 19.0%)	6,236	5,502
Tax effect of:		
- Prior year adjustments	527	(58)
- Timing differences	(647)	(1,372)
- Losses not recognised for deferred tax	662	733
- Different tax rates and bases in other jurisdictions	431	1,356
Tax charge for the year	7,209	6,161
Deferred Tax		
- Origination and reversal of timing differences	211	711
- Effect of increase in tax rate on opening liability	84	-
Total deferred tax (note 16)	295	711

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

7. Members' remuneration

	2020	2019
	No.	No.
Average number of members	333	322

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 £1,747,000 (2019: £1,926,000).

Ashurst LLP

Notes to the financial statements For the year ended 30 April 2020

8. Tangible fixed assets

Group	Leasehold improvements £'000	Furniture £'000	Computer equipment £'000	Office equipment £'000	Asset in construction £'000	Motor vehicles £'000	Total £'000
Cost							
At 1 May 2019	67,296	43,757	90,810	7,165	45,896	301	255,225
Exchange differences	(594)	(979)	(762)	(83)	-	5	(2,413)
Additions	9,812	3,497	21,318	102	-	11	34,740
Reclassification of assets	44,689	1,207	-	-	(45,896)	-	-
Disposals	(24,392)	(324)	(12,434)	(411)	-	(46)	(37,607)
At 30 April 2020	<u>96,811</u>	<u>47,158</u>	<u>98,932</u>	<u>6,773</u>	<u>-</u>	<u>271</u>	<u>249,945</u>
Accumulated depreciation							
At 1 May 2019	52,121	26,249	58,657	6,699	-	234	143,960
Exchange differences	(261)	(331)	(1,232)	346	-	6	(1,472)
Charge for the year	5,425	4,106	10,264	103	-	19	19,917
Reclassification of assets	4,151	(4,155)	5	(1)	-	-	-
Disposals	(24,259)	(289)	(12,433)	(408)	-	(38)	(37,427)
At 30 April 2020	<u>37,177</u>	<u>25,580</u>	<u>55,261</u>	<u>6,739</u>	<u>-</u>	<u>221</u>	<u>124,978</u>
Net book value							
At 30 April 2020	<u>59,634</u>	<u>21,578</u>	<u>43,671</u>	<u>34</u>	<u>-</u>	<u>50</u>	<u>124,967</u>
At 30 April 2019	<u>15,175</u>	<u>17,508</u>	<u>32,153</u>	<u>466</u>	<u>45,896</u>	<u>67</u>	<u>111,265</u>

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

Cost							
At 30 April 2020	<u>12,286</u>	<u>-</u>	<u>1,918</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,204</u>
At 30 April 2019	<u>12,758</u>	<u>-</u>	<u>1,992</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,750</u>
Net book value							
At 30 April 2020	<u>6,659</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,659</u>
At 30 April 2019	<u>8,314</u>	<u>-</u>	<u>249</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,563</u>

Ashurst LLP

Notes to the financial statements For the year ended 30 April 2020

8. Tangible fixed assets (continued)

	Leasehold improve- ments	Furniture	Computer equipment	Office equipment	Motor vehicles	Total
Limited liability partnership	£'000	£'000	£'000	£'000	£'000	£'000
Cost						
At 1 May 2019	36,306	9,884	67,746	4,017	84	118,037
Exchange differences	235	75	21	19	2	352
Additions	4,440	1,005	14,388	30	-	19,863
Reclassification of assets	-	-	-	-	-	-
Disposals	(24,053)	(78)	(248)	(109)	(46)	(24,534)
At 30 April 2020	16,928	10,886	81,907	3,957	40	113,718
Accumulated depreciation						
At 1 May 2019	35,216	9,413	35,930	3,900	69	84,528
Exchange differences	239	72	(147)	18	2	184
Charge for the year	781	252	8,956	70	1	10,060
Disposals	(23,935)	(33)	(244)	(95)	(38)	(24,345)
At 30 April 2020	12,301	9,704	44,495	3,893	34	70,427
Net book value						
At 30 April 2020	4,627	1,182	37,412	64	6	43,291
At 30 April 2019	1,090	471	31,816	117	15	33,509

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

Cost						
At 30 April 2020	-	-	-	-	-	-
At 30 April 2019	-	-	-	-	-	-
Net book value						
At 30 April 2020	-	-	-	-	-	-
At 30 April 2019	-	-	-	-	-	-

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 2020

9 Intangible assets

	Group Development costs £'000	Limited liability partnership Development costs £'000
Cost and net book value		
At 1 May 2019	-	-
Additions	43	-
At 30 April 2020	<u>43</u>	<u>-</u>

Development costs have been capitalised in accordance with the requirements of FRS102.

10 Investments held as fixed assets

	Group Other investments £'000	Limited liability partnership Other investments £'000
Cost and net book value		
At 1 May 2019	291	79
Additions	750	-
Exchange differences	6	-
Provision for impairment	(950)	-
At 30 April 2020	<u>97</u>	<u>79</u>

All investments are unlisted.

Ashurst LLP

Notes to the financial statements For the year ended 30 April 2020

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 Holdings AB	Sweden (+)	A and B Shares	100%	Holding company
Ashurst Advokatbyrå AB	Sweden (+)	Ordinary	100%	Provision of legal services
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
Csymco Pty Limited	Australia (+++)	Ordinary	100%	Nominee company
Ashurst Boardroom Advisory Pty Ltd	Australia (+++)	Ordinary	100%	Nominee company
Ashurst Risk Advisory Pty Ltd	Australia (+++)	Ordinary	100%	Nominee 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.

Ashurst LLP

Notes to the financial statements For the year ended 30 April 2020

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	England and Wales	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

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

11. Debtors

	Group		Limited liability partnership	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Trade debtors	165,022	164,806	100,065	93,774
Amounts due from subsidiary undertakings	-	-	46,275	34,817
Other debtors	14,213	12,023	6,104	3,781
Prepayments	12,650	14,184	3,252	5,366
Accrued income	45,905	44,300	33,695	30,938
	<u>237,790</u>	<u>235,313</u>	<u>189,391</u>	<u>168,676</u>

Other debtors for the group include amounts due after more than one year of £7,840,000 (2019: £7,474,000), and for Ashurst LLP of £1,550,000 (2019: £1,138,000).

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

Ashurst LLP

Notes to the financial statements For the year ended 30 April 2020

12. Creditors: amounts falling due within one year

	Group		Limited liability partnership	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Bank loans and overdraft (note 14)	89,021	1,051	68,000	642
Obligations under finance leases (note 14)	1,208	1,547	-	-
Amounts due to subsidiary undertakings	-	-	1,908	2,735
Trade creditors	15,803	18,965	9,565	10,530
Taxation and social security	13,600	4,475	8,895	2,478
Other creditors	39,060	36,379	16,124	12,211
Accruals and deferred income	46,512	44,265	28,503	27,570
	<u>205,204</u>	<u>106,682</u>	<u>132,995</u>	<u>56,166</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	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Bank loans (note 14)	42,000	19,358	42,000	19,358
Obligations under finance leases (note 14)	6,139	7,629	-	-
Amounts due to subsidiary undertakings	-	-	5,320	6,220
Accruals and deferred income	43,724	38,696	17,484	8,742
	<u>91,863</u>	<u>65,683</u>	<u>64,804</u>	<u>34,320</u>

Ashurst LLP

Notes to the financial statements For the year ended 30 April 2020

14. Bank loans and finance leases

Borrowings are repayable as follows:

	Group		Limited liability partnership	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Amounts falling due within one year				
Bank loans and overdraft	89,021	1,051	68,000	642
Finance leases	1,208	1,547	-	-
	<u>90,229</u>	<u>2,598</u>	<u>68,000</u>	<u>642</u>
Amounts falling due between one and two years				
Bank loans and overdraft	8,000	3,205	8,000	3,205
Finance leases	1,172	1,254	-	-
	<u>9,172</u>	<u>4,459</u>	<u>8,000</u>	<u>3,205</u>
Amounts falling due between two and five years				
Bank loans and overdraft	19,200	8,445	19,200	8,445
Finance leases	4,967	6,375	-	-
	<u>24,167</u>	<u>14,820</u>	<u>19,200</u>	<u>8,445</u>
Amounts falling due after five years				
Bank loans and overdraft	14,800	7,708	14,800	7,708
Finance leases	-	-	-	-
	<u>14,800</u>	<u>7,708</u>	<u>14,800</u>	<u>7,708</u>
Total				
Bank loans and overdraft	131,021	20,409	110,000	20,000
Finance leases	7,347	9,176	-	-
	<u>138,368</u>	<u>29,585</u>	<u>110,000</u>	<u>20,000</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 9 year bank loan at a fixed rate on the principal amount.

Ashurst LLP

Notes to the financial statements For the year ended 30 April 2020

15. Provisions for liabilities

	Group	Limited liability partnership
	£'000	£'000
At 1 May 2019	19,635	8,844
Charged to profit and loss account	1,653	308
Released unused	(725)	(164)
Utilisation of provision	(3,107)	(432)
Exchange difference	250	39
	<hr/>	<hr/>
At 30 April 2020	<u>17,706</u>	<u>8,595</u>

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

As permitted by FRS 102 Section 21.9.5, 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	
	2020	2019
	£'000	£'000
Accelerated capital allowances	1,021	720
Deferred tax arising in relation to retirement benefit obligations	(15)	(9)
	<hr/>	<hr/>
Provision for deferred tax	<u>1,006</u>	<u>711</u>

	Group	
	2020	2019
	£'000	£'000
At 1 May	711	-
Movement in the year	295	711
	<hr/>	<hr/>
As at 30 April	<u>1,006</u>	<u>711</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.

Ashurst LLP

Notes to the financial statements For the year ended 30 April 2020

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 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)
Transfer from permanent capital reserve	-	-	-	-	-	-
Capital introduced	(746)	10,823	-	-	-	10,077
Capital repaid	-	(15,324)	-	-	-	(15,324)
Transfers to former member accounts	678	(1,051)	-	-	-	(373)
Members' interests at 30 April 2020	<u>(78,996)</u>	<u>93,252</u>	<u>65</u>	<u>187,931</u>	<u>187,996</u>	<u>202,252</u>

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Notes to the financial statements For the year ended 30 April 2020

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 2018	(92,933)	93,861	65	174,385	174,450	175,378
Profit for the financial year available for division among members	-	-	-	200,663	200,663	200,663
Members' interests after profit for the year	(92,933)	93,861	65	375,048	375,113	376,041
Allocated profit	171,866	-	-	(171,866)	(171,866)	-
Unrealised exchange difference arising in the year	-	-	-	5,523	5,523	5,523
Drawings and distributions	(158,535)	-	-	-	-	(158,535)
Transfer from permanent capital reserve	3,321	-	-	(3,321)	(3,321)	-
Capital introduced	(1,179)	12,653	-	-	-	11,474
Capital repaid	-	(9,144)	-	-	-	(9,144)
Transfers from former member accounts	1,002	1,434	-	-	-	2,436
Members' interests at 30 April 2019	(76,458)	98,804	65	205,384	205,449	227,795

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Notes to the financial statements For the year ended 30 April 2020

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 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)
Transfer from permanent capital reserve	-	-	-	-	-	-
Capital introduced	(746)	7,460	-	-	-	6,714
Capital repaid	-	(12,239)	-	-	-	(12,239)
Transfers from former member accounts	411	369	-	9,121	9,121	9,901
Members' interests at 30 April 2020	<u>(44,100)</u>	<u>56,233</u>	<u>65</u>	<u>114,403</u>	<u>114,468</u>	<u>126,601</u>

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Notes to the financial statements For the year ended 30 April 2020

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 2018	(51,820)	57,045	65	105,704	105,769	110,994
Profit for the financial year available for division among members	-	-	-	110,490	110,490	110,490
Members' interests after profit for the year	(51,820)	57,045	65	216,194	216,259	221,484
Allocated profit	94,998	-	-	(94,998)	(94,998)	-
Unrealised exchange difference arising in the year	-	-	-	(2,962)	(2,962)	(2,962)
Drawings and distributions	(87,145)	-	-	-	-	(87,145)
Transfer from permanent capital reserve	3,321	-	-	(3,321)	(3,321)	-
Capital introduced	(1,179)	7,843	-	-	-	6,664
Capital repaid	-	(5,354)	-	-	-	(5,354)
Transfers from former member accounts	3,914	1,109	-	777	777	5,800
Members' interests at 30 April 2019	<u>(37,911)</u>	<u>60,643</u>	<u>65</u>	<u>115,690</u>	<u>115,755</u>	<u>138,487</u>

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Notes to the financial statements For the year ended 30 April 2020

18. Financial instruments

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

	Group	
	2020	2019
	£'000	£'000
Financial assets		
Instruments measured at amortised cost:		
Trade and other debtors (note 11)	<u>179,235</u>	<u>176,829</u>
	2020	2019
	£'000	£'000
Financial liabilities		
Measured at amortised cost:		
Obligations under finance leases (note 14)	7,347	9,176
Measured at undiscounted amount payable:		
Trade and other creditors (note 12)	54,863	55,344
Loans payable (note 14)	<u>131,021</u>	<u>20,409</u>
	<u>193,231</u>	<u>84,929</u>

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

	Group	
	2020	2019
	£'000	£'000
Interest expense		
Total interest expense for financial liabilities at amortised cost	<u>5,249</u>	<u>4,633</u>

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Notes to the financial statements For the year ended 30 April 2020

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

	2020 £'000	2019 £'000
Operating profit	192,959	211,707
Adjustment for:		
Depreciation of tangible fixed assets	19,917	15,528
Loss on disposal of tangible fixed assets	180	61
Provision for impairment of investment	200	-
Operating cash flow before movement in working capital	<u>213,256</u>	<u>227,296</u>
Increase in debtors	(2,477)	(33,444)
Increase in creditors	14,202	28,697
(Decrease)/increase in provisions	(1,929)	5,490
Exchange differences on working capital balances	3,577	5,805
Net cash inflow from operating activities	<u><u>226,629</u></u>	<u><u>233,844</u></u>

20. Analysis of consolidated cash flow statement

	2020 £'000	2019 £'000
Returns on investments and servicing of finance		
Interest received	539	200
Interest paid	(5,249)	(4,633)
Net cash outflow from returns on investments and servicing of finance	<u>(4,710)</u>	<u>(4,433)</u>
Taxation		
Tax paid by group undertakings	(6,287)	(6,684)
Net cash outflow from taxation	<u>(6,287)</u>	<u>(6,684)</u>
Capital expenditure		
Payments to acquire tangible fixed assets	(34,740)	(50,935)
Payments to acquire intangible fixed assets	(43)	-
Net cash outflow from capital expenditure	<u>(34,783)</u>	<u>(50,935)</u>
Transactions with members and former members		
Capital contributions from members	10,077	11,474
Capital repaid on behalf of members	(15,324)	(9,144)
Payments to and on behalf of members	(198,741)	(156,416)
Payments to former members	(4,392)	(2,118)
Net cash outflow from transactions with members and former members	<u>(208,380)</u>	<u>(156,204)</u>
Management of liquid resources and financing		
Loan advances	111,025	20,409
Repayment of amounts borrowed	(410)	-
Repayment of finance leases	(1,882)	(3,381)
Net cash inflow from management of liquid resources and financing	<u><u>108,733</u></u>	<u><u>17,028</u></u>

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Notes to the financial statements For the year ended 30 April 2020

21. Analysis of changes in net funds

	2019 £'000	Cash flows £'000	Other changes £'000	2020 £'000
Cash at bank and in hand	72,926	81,202	-	154,128
Bank loans and overdraft due within one year	(1,051)	(87,973)	3	(89,021)
Finance leases due within one year	(1,547)	392	(53)	(1,208)
Bank loans due after more than one year	(19,358)	(22,642)	-	(42,000)
Finance leases due after more than one year	(7,629)	1,490	-	(6,139)
	<u>43,341</u>	<u>(27,531)</u>	<u>(50)</u>	<u>15,760</u>

During the year, the group entered into finance leases and other financing transactions in respect of assets with a total value at inception of £50,000 (2019: £471,000).

22. Financial commitments

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

Group	2020 £'000	2019 £'000
Within one year	46,940	43,881
Between one to five years	163,822	143,711
After five years	237,996	237,105
	<u>448,758</u>	<u>424,697</u>

Limited liability partnership	2020 £'000	2019 £'000
Within one year	25,211	25,838
Between one to five years	84,271	87,759
After five years	199,253	215,552
	<u>308,735</u>	<u>329,149</u>

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

23. Subsequent events

There were no subsequent events noted.

24. Contingent liabilities

There are no contingent liabilities.

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Notes to the financial statements For the year ended 30 April 2020

25. Related party disclosures

As permitted by FRS 102 – 33.1A, Related party disclosures, no disclosures have been made of transactions with wholly-owned entities included in these consolidated financial statements.

26. Controlling party

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