

Clyde & Co LLP

Report and Financial Statements

Year Ended

30 April 2021

LLP Number OC326539



Clyde & Co LLP

Report and financial statements for the year ended 30 April 2021

Contents

Page:

1	Members' report
3	Streamlined energy and carbon report
5	Statement of members' responsibilities
6	Independent auditor's report
9	Consolidated income statement
10	Consolidated statement of comprehensive income
11	Consolidated balance sheet
13	Consolidated statement of changes in members' interests
15	Consolidated statement of cash flows
16	LLP balance sheet
18	LLP statement of changes in members' interests
20	Notes forming part of the financial statements

Designated members

L Bacon
C Gordon
M Knoerzer
A Nicholas
A Swangard
M Tooma

Registered office

The St Botolph Building
138 Houndsditch
London
EC3A 7AR

LLP number

OC326539

Auditors

BDO LLP
55 Baker Street
London
W1U 7EU

Clyde & Co LLP

Members' report for the year ended 30 April 2021

The members are pleased to present their report and the audited consolidated financial statements of the Clyde & Co LLP group for the year ended 30 April 2021.

Principal activity

The principal activity of Clyde & Co LLP is the provision of legal services in the UK and internationally. Clyde & Co LLP operates in over 51 offices in 21 countries including branches in France, UAE and Qatar.

Results, review of business and future developments

The results for the year are set out on page 9. The members consider the results and future prospects to be satisfactory.

In March 2020, the World Health Organisation declared the outbreak of Covid-19 a global pandemic. Measures taken since by various governments around the world to contain this virus have effected global economic activity and, while restrictions have eased in many countries in which we operate, the economic outlook continues with some uncertainty. The members have given consideration to the continued uncertainties arising from this pandemic, including the potential impact on estimates made within these financial statements and the appropriateness of their preparation on a going concern basis. The members believe the group is well placed to manage its business risks successfully, despite the current uncertain economic outlook, and therefore have a reasonable expectation that the group has adequate resources to meet its operational needs for the foreseeable future. As a result the members have continued to adopt the going concern basis in preparing the financial statements. Further detail of this going concern assessment is outlined on page 20.

Designated members

The designated members who served during the year and up to the approval of these financial statements, were as follows:

A Swangard
M Knoerzer
C Gordon (Appointed 1st July 2021)
M Tooma (Appointed 1st November 2020)
A Nicholas (Appointed 1st November 2020)
L Bacon (Appointed 1st November 2020)
D Carrigan (Resigned 1st November 2020)
E Jenkins (Resigned 1st November 2020)
P Hirst (Resigned 31st December 2020)

Members' drawings and capital policy

The members' policy on drawings is dependent upon the working capital requirements of the firm. A conservative level of monthly drawings on account of profit is set at the start of the year and further distributions are made once the results for the year and allocation of profit have been finalised. With the consent of members, the LLP retains a provision for tax from their profit shares which is paid to the tax authorities on their behalf.

The level of members' capital is determined by the members from time to time. Capital is repaid to members shortly after ceasing to be a member of the firm, or at such other time as is determined by the Management Board. There is no opportunity for the appreciation of the capital subscribed.

Donations

During the year donations of £284,419 (2020: £94,743) were made for charitable purposes. These donations form a small part of the wider CSR initiatives undertaken by the group each year, including the firm's pro bono and community investment programme. More information about these initiatives can be found on the firm's website at www.clydeco.com/firm/csr.

Employee consultation

The group places considerable value on the involvement of its employees and has continued to keep them informed on matters affecting them as employees and on the various factors affecting the performance of the group. This is achieved through formal and informal meetings, including Employee Communication and Consultation Groups.

Clyde & Co LLP

Members' report *(continued)* for the year ended 30 April 2021

Disclosure of information to auditors

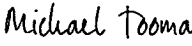
All of the current members have taken all of the steps that they ought to have taken to make themselves aware of any information needed by the auditors for the purposes of their audit and to establish that the auditors are aware of that information. The members are not aware of any relevant audit information of which the auditors are unaware.

Auditors

BDO LLP have expressed their willingness to continue in office and a resolution to re-appoint them as auditors will be proposed.

Approval

This members' report was approved by the Management Board and signed on their behalf by:

DocuSigned by:

BBA5101E365F413...

M Tooma
Designated Member
20 October 2021

Clyde & Co LLP

Streamlined energy and carbon report for the year ended 30 April 2021

The Members are pleased to present their streamlined energy and carbon report for the year ended 30 April 2021.

Background

Clyde & Co is committed to operating responsibly and seeking to minimise the firm's impact on the environment as much as possible, and as soon as possible, is part of that commitment.

In 2018 Clyde & Co became signatories of the UN Global Compact, demonstrating the firm's support for its 10 principles in the areas of human rights, labour, the environment, and anti-bribery and corruption. The firm is committed to integrating these principles into its day-to-day operations and this report includes some of the steps the firm has taken to address its environmental impact.

In 2019 the firm set up a Global Environment Committee. Partners from each region sit on this committee which aims to address the firm's environmental impact globally. Environmental working groups in the UK and in Hong Kong are also working with the aim to manage the environmental impact of the firm's day to day business activities. We now have over 100 environmental champions across all our UK offices working to implement best practice at a local level.

In 2019 Clyde & Co also joined the Legal Sustainability Alliance, an inclusive movement of law firms and associated networks, working together to take action to improve the environmental sustainability of their organisation. In 2021 Clyde & Co Australia joined the equivalent Australian Legal Sector Alliance's (AusLSA) Promoting Sustainability initiative.

In 2021 the firm formally signed up to two Board driven programmes which commit us to set ambitious environmental and carbon reduction targets which require us to monitor our performance against defined metrics. Firstly, we engaged a specialist environmental consultancy to assist us with developing credible and authentic science-based emissions targets together with a clearly defined plan, and roadmap, to deliver these targets. Secondly, we have signed up as an Accelerator Member for the Net Zero Lawyers Alliance (NZLA) which commits the firm to a number of specific actions.

Clyde & Co has a global environmental policy in place which outlines the firm's approach to minimising its environmental impact. More information can be found in the firm's Responsible Business Report available at <https://www.clydeco.com/en/about/csr>

In the UK the firm has approximately 1,750 staff, 200 partners and 200 managed service staff spread over twelve offices.

The metrics summarised below for the financial year ended 30 April 2021 have been significantly impacted by the measures taken by the UK government, and governments around the world, as a result of the Covid-19 global pandemic.

Metrics

The firm has chosen to monitor its progress via the intensity ratio of CO₂ per employee, including UK Members, which we consider to be an appropriate measure for a professional service firm. For the year ended 30 April 2021 our UK Carbon Intensity ratio, calculated as tonnes CO₂ per number of FTE employees, was 0.40 (30 April 2020: 1.27).

The firm's total UK carbon footprint for the year ended 30 April 2021 was 860.0 tonnes CO₂e (30 April 2020: 3,045.3 tonnes CO₂e), comprising business travel emissions of 30.1 CO₂e (30 April 2020: 1,728.9 CO₂e) and a buildings emissions footprint of 829.9 CO₂e (30 April 2020: 1,316.4 CO₂e).

Electricity and gas consumption

The firm's electricity and gas consumption for the year ended 30 April 2021 in the UK was 3,940MWh (30 April 2020: 5,745MWh), equivalent to a buildings emissions footprint of 829.9 tonnes of CO₂e (30 April 2020: 1,316.4 tonnes of CO₂e).

Carbon emissions from energy used directly and indirectly on our sites forms a significant proportion of our total greenhouse gas footprint. By reducing our overall footprint and by investment in energy-saving technologies, such as smart buildings fitted with building management systems and LED lighting, lead to reduced energy consumption, and therefore reduced operating costs and carbon emissions.

Similarly switching to renewable electricity tariffs not only has the immediate advantage of reducing the emissions from consumption, but also reduces our exposure to the longer-term risk of increasing prices of non-renewable electricity resulting from legislative changes to the price.

In the UK the firm has signed up to the Legal Renewable Initiative, making a commitment to source 100% renewable energy from certifiable sources, across all offices. As our strategy develops, we would expect to make similar global commitments wherever practically possible.

Clyde & Co LLP

Streamlined energy and carbon report *(continued)* for the year ended 30 April 2021

Business travel

The firm's total footprint for business travel emissions within the UK in the year to 30 April 2021 was 30.1 CO₂e (30 April 2020: 1,728.9 CO₂e).

Due to the nature of the legal services sector, it is not realistic to expect a complete cessation of business travel. Our net zero strategy will seek to deliver a reduction in business travel emissions through both reducing the amount of travel required by our people and making business travel more sustainable. Business travel can also be made more sustainable by addressing the mode and class of travel taken by employees.

To this end the firm has launched Travel wise, a UK wide program aimed at smarter travelling. This encourages early booking, alternative modes of travel, and aims to reduce our overall travel footprint. Our long-term plans include implementing IT resources to make travelling less of a necessity as we continue work done to date building a virtually enabled work environment.

Use of sustainable materials, waste disposal and recycling

All of our paper in the UK is FSC certified. The firm aims to ensure this standard is maintained globally in the coming years. Practice areas and business service teams are embracing electronic working reducing the need for printing in their department. Where printing is required the firm has ensured printers are set to duplex black and white printing as a default and has encouraged the use of "follow-me printing" where practical.


We established a global procurement function in 2018. We are now systematically engaging with our own suppliers to fully understand their environmental record, and ensure they have appropriate targets in place to reduce their emissions footprint in the future. We will move towards purchase decisions being partly based on the environmental record of our supply chain and their impact on our overall operational impact.

Members

A list of Members of Clyde & Co LLP during the financial year ended 30 April 2021 can be found on the Companies House website at <https://find-and-update.company-information.service.gov.uk/company/OC326539/officers>.

Approval

This streamlined energy and carbon report was approved by order of the Board of Members on 20 October 2021.

DocuSigned by:

BBA5101E365F413...
M Tooma
Designated Member

Clyde & Co LLP

Statement of members' responsibilities

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

The Limited Liability Partnerships (Accounts and Audit) (Application of the Companies Act 2006) Regulations 2008 requires the members to prepare financial statements for each financial year. Under these regulations the members have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting standards and applicable law). Under these regulations the members must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and limited liability partnership 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 limited liability partnership and group will continue in business.

The members are responsible for keeping adequate accounting records that are sufficient to show and explain the limited liability partnership's transactions, 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 Limited Liability Partnerships (Accounts and Audit) (Application of the Companies Act 2006) Regulations 2008. They are also responsible for safeguarding the assets of the limited liability partnership and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Clyde & Co LLP

Independent auditor's report to the members of Clyde & Co LLP

Opinion on the financial statements

In our opinion

- the financial statements give a true and fair view of the state of the Group's and of the Parent LLP's affairs as at 30 April 2021 and of its Group's profit for the year then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Clyde & Co ("the Parent LLP") and its subsidiaries ("the Group") for the year ended 30 April 2021 which comprise the Consolidated income statement, Consolidated statement of comprehensive income, Consolidated balance sheet, Consolidated statement of changes in members' interests, LLP balance sheet, LLP statement of changes in members' interests, the Consolidated statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group and the Parent LLP's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue. Our responsibilities and the responsibilities of the Members with respect to going concern are described in the relevant sections of this report.

Other information

The members are responsible for the other information. The other information comprises the information included in the Annual Report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Other Companies Act 2006 reporting as applied by LLP's

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Members' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Members' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Group and the Parent LLP and its environment obtained in the course of the audit, we have not identified material misstatements in the Members' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the Parent LLP, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent LLP financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Members; remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Clyde & Co LLP

Independent auditor's report to the members of Clyde & Co LLP (*continued*)

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 LLP'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 LLP or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

The objectives of our audit, in respect to fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses; and to respond appropriately to fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

Our approach was as follows:

We obtained an understanding of the legal and regulatory frameworks that are applicable to Clyde & Co ("the Parent LLP") and its subsidiaries. We determined that the most significant laws and regulations which are directly relevant to specific assertions in the financial statements are those related to the reporting framework (FRS 102 and the Companies Act 2006), regulations impacting labour regulations and tax in the jurisdiction that it operates in.

- We understood how the Group and LLP is complying with those legal and regulatory frameworks by making enquiries of management and those responsible for legal and compliance procedures. We corroborated our enquiries through our review of board minutes and any material legal matters detected through our audit procedures.
- We assessed the susceptibility of the Group and LLP financial statements to material misstatement, including how fraud might occur by meeting with management to understand where it is considered there was a susceptibility of fraud. We also considered potential fraud drivers: including financial or other pressures, opportunity, and personal or corporate motivations. We considered the programmes and controls that the Group and LLP has established to address risks identified, or that otherwise prevent, deter and detect fraud; and how senior management monitors those programmes and controls. Where the risk was considered higher, we performed audit procedures to address each identified fraud risk. These procedures included testing manual journals, testing compliance with government support schemes availed during the year and key areas of estimation uncertainty or judgement, for example; provision for claims, key assumptions used in the calculation of pension asset & liability and estimations of accrued income relating to work performed in the year and estimation of the recoverable balance of trade receivables.
- We noted the risks above were similar across the Group and the subsidiary components – the strategy applied was the same for both.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion.

There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

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

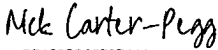
Clyde & Co LLP

Independent auditor's report to the members of Clyde & Co LLP (*continued*)

Use of our report

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

DocuSigned by:



B74585C2373744A...

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

20 October 2021

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

Clyde & Co LLP

Consolidated income statement for the year ended 30 April 2021

	Note	2021 £'000	2020 £'000
Turnover	3	640,717	627,113
Operating expenses		<u>(476,589)</u>	<u>(483,317)</u>
Operating profit		164,128	143,796
Net interest payable	7	<u>(1,622)</u>	<u>(1,472)</u>
Profit for the financial year before taxation		162,506	142,324
Taxation	8	<u>(4,710)</u>	<u>(4,774)</u>
Profit for the financial year before members' remuneration and profit shares		157,796	137,550
Members' remuneration charged as an expense		(5,486)	(12,094)
Profit for the financial year available for discretionary division among members		<u><u>152,310</u></u>	<u><u>125,456</u></u>

All results relate to continuing activities.

The notes on pages 20 to 39 form part of the consolidated financial statements.

Clyde & Co LLP

Consolidated statement of comprehensive income for the year ended 30 April 2021

	Note	2021 £'000	2020 £'000
Profit for the financial year available for discretionary division among members		<u>152,310</u>	<u>125,456</u>
Foreign exchange translation differences		(4,961)	2,928
Actuarial gain/(loss) on defined benefit pension scheme	18	2,604	(7,371)
Total comprehensive income for the year available for discretionary division among members		<u><u>149,953</u></u>	<u><u>121,013</u></u>
Profit for the financial year attributable to:			
Owners of the parent LLP		<u><u>152,310</u></u>	<u><u>125,456</u></u>
Total comprehensive income attributable to:			
Owners of the parent LLP		<u><u>149,953</u></u>	<u><u>121,013</u></u>

The notes on pages 20 to 39 form part of the consolidated financial statements.

Clyde & Co LLP

Consolidated balance sheet as at 30 April 2021

<i>LLP Number OC326539</i>	Note	2021 £'000	2020 £'000
Fixed assets			
Tangible assets	11	18,324	18,304
		<u>18,324</u>	<u>18,304</u>
Current assets			
Debtors	12	313,096	340,315
Post retirement asset	18	1,230	1,710
Amounts due from members		66,885	67,339
Cash at bank and in hand		83,015	55,902
		<u>464,226</u>	<u>465,266</u>
Creditors: amounts falling due within one year	14	(240,573)	(262,662)
Net current assets		<u>223,653</u>	<u>202,604</u>
Total assets less current liabilities		<u>241,977</u>	<u>220,908</u>
Provisions for liabilities	16	(22,103)	(14,733)
Net assets attributable to members excluding post retirement liability		219,874	206,175
Post retirement liability	18	(2,120)	(7,510)
Net assets attributable to members including post retirement liability		<u><u>217,754</u></u>	<u><u>198,665</u></u>

The notes on pages 20 to 39 form part of the consolidated financial statements.

Clyde & Co LLP

Consolidated balance sheet as at 30 April 2021 (continued)

	Note	2021 £'000	2020 £'000
Represented by:			
Loans and amounts due to members			
Members' capital classified as a liability		76,045	75,354
Other amounts		6,343	12,495
		82,388	87,849
Members' other interests			
Members' other interests – other reserves classified as equity		135,366	110,816
		217,754	198,665
Total members' interests			
Amounts due from members		(66,885)	(67,339)
Loans and other debts due to members		82,388	87,849
Members' other interests		135,366	110,816
		150,869	131,326

These financial statements were approved and authorised for issue on behalf of the Members by the Management Board of Clyde & Co LLP on 20 October 2021 and signed by:

DocuSigned by:

Michael Tooma

BBA5101E365F413

M Tooma

Designated member

The notes on pages 20 to 39 form part of the consolidated financial statements.

Clyde & Co LLP

Consolidated statement of changes in members' interests
for the year ended 30 April 2021

	EQUITY		DEBT			Total members' interests £'000
	Members' other interests £'000	Members' capital £'000	Loans and other debts due to members less any amounts due from members in debtors			
			Other reserves £'000	Other amounts £'000	Total £'000	
Amounts due to members	110,816	75,354	12,495	-	87,849	198,665
Amounts due from members	-	-	-	(67,339)	(67,339)	(67,339)
Balance at 1 May 2020	110,816	75,354	12,495	(67,339)	20,510	131,326
Members' remuneration charged as an expense	-	-	5,486	-	5,486	5,486
Profit for the year available for discretionary division among members	152,310	-	-	-	-	152,310
Members' interests after profit for the year	263,126	75,354	17,981	(67,339)	25,996	289,122
Allocated profits	(125,457)	-	58,118	67,339	125,457	-
Capital introduced	-	8,980	(3,137)	-	5,843	5,843
Repayments of capital	-	(6,660)	-	-	(6,660)	(6,660)
Drawings	-	-	(60,435)	(66,885)	(127,320)	(127,320)
Actuarial loss on defined benefit pension schemes (note 18)	2,604	-	-	-	-	2,604
Foreign exchange translation differences	(4,961)	-	-	-	-	(4,961)
Transfer to creditors	-	(1,629)	(6,187)	-	(7,816)	(7,816)
Movement on reserves	54	-	3	-	3	57
Amounts due to members	135,366	76,045	6,343	-	82,388	217,754
Amounts due from members	-	-	-	(66,885)	(66,885)	(66,885)
Balance at 30 April 2021	135,366	76,045	6,343	(66,885)	15,503	150,869

Members' capital is repayable in accordance with the terms set out in the members' agreement. Members' capital, Members other interests and other amounts are subordinated to unsecured creditors.

The notes on pages 20 to 39 form part of the consolidated financial statements.

Clyde & Co LLP

Consolidated statement of changes in members' interests
for the year ended 30 April 2021

	EQUITY		DEBT			Total members' interests £'000	
	Members' other interests £'000	Members' capital £'000	Loans and other debts due to members less any amounts due from members in debtors				
			Other reserves £'000	Other amounts £'000	Total £'000		
Amounts due to members	127,941	77,823	16,572	-	94,395	222,336	
Amounts due from members	-	-	-	(71,867)	(71,867)	(71,867)	
Balance at 1 May 2019	127,941	77,823	16,572	(71,867)	22,528	150,469	
Members' remuneration charged as an expense	-	-	12,094	-	12,094	12,094	
Profit for the year available for discretionary division among members	125,456	-	-	-	-	125,456	
Members' interests after profit for the year	253,397	77,823	28,666	(71,867)	34,622	288,019	
Allocated profits	(143,683)	-	71,817	71,866	143,683	-	
Capital introduced	-	10,096	(1,413)	-	8,683	8,683	
Repayments of capital	-	(9,491)	-	-	(9,491)	(9,491)	
Drawings	-	-	(73,814)	(67,338)	(141,152)	(141,152)	
Actuarial loss on defined benefit pension schemes (note 18)	(7,371)	-	-	-	-	(7,371)	
Foreign exchange translation differences	2,928	-	-	-	-	2,928	
Transfer to creditors	-	(3,074)	(7,734)	-	(10,808)	(10,808)	
Movement on reserves	5,545	-	(5,027)	-	(5,027)	518	
Amounts due to members	110,816	75,354	12,495	-	87,849	198,665	
Amounts due from members	-	-	-	(67,339)	(67,339)	(67,339)	
Balance at 30 April 2020	110,816	75,354	12,495	(67,339)	20,510	131,326	

The notes on pages 20 to 39 form part of the consolidated financial statements.

Clyde & Co LLP

Consolidated statement of cash flows
for the year ended 30 April 2021

	Note	2021 £'000	2020 £'000
Cash flows from operating activities			
Profit for the financial year before members' remuneration and profit shares		157,796	137,550
Adjustments for:			
Depreciation, impairment and amortisation of fixed assets	11	11,730	7,815
Net interest payable	7	1,622	1,472
Taxation expense	8	4,710	4,774
Loss on sale of fixed assets	11	120	65
Decrease in trade and other debtors		21,659	2,150
Increase in trade and other creditors		15,371	7,535
Increase in provisions		7,370	386
Pension contributions	18	(2,486)	(1,971)
Unwinding of discount on provisions	7	(62)	(126)
Cash from operations		217,830	159,650
Taxation paid		(5,058)	(4,524)
Annuity payments to former members		(425)	(415)
Members' drawings in relation to remuneration		(127,320)	(141,152)
Net cash generated from operating activities		85,027	13,559
Cash flows from investing activities			
Purchases of tangible fixed assets	11	(12,036)	(8,928)
Interest received	7	366	1,186
Net cash from investing activities		(11,670)	(7,742)
Cash flows from financing activities			
Capital introduced by members		5,843	8,683
Capital repaid to members		(6,660)	(9,491)
Interest paid	7	(1,746)	(2,462)
Revolving Credit Facility (repayment)/ drawdown	15	(41,000)	4,000
Net cash used in financing activities		(43,563)	730
Net increase in cash and cash equivalents		29,794	6,547
Cash and cash equivalents at beginning of year		55,902	49,529
Foreign exchange gains and losses		(2,681)	(174)
Cash and cash equivalents at end of year		83,015	55,902
Cash and cash equivalents comprise:			
Cash at bank and in hand		83,015	55,902
		83,015	55,902

The notes on pages 20 to 39 form part of the consolidated financial statements.

Clyde & Co LLP

LLP balance sheet
as at 30 April 2021

<i>LLP Number OC326539</i>	Note	2021 £'000	2020 £'000
Fixed assets			
Tangible assets	11	10,803	12,289
		<u>10,803</u>	<u>12,289</u>
Current assets			
Debtors	12	245,277	273,848
Amounts due from members		23,599	25,406
Investments	13	456	456
Cash at bank and in hand		28,099	19,703
		<u>297,431</u>	<u>319,413</u>
Creditors: amounts falling due within one year	14	(171,765)	(205,570)
Net current assets		<u>125,666</u>	<u>113,843</u>
Total assets less current liabilities		<u>136,469</u>	<u>126,132</u>
Provisions for liabilities	16	(20,105)	(12,984)
Net assets attributable to members		<u><u>116,364</u></u>	<u><u>113,148</u></u>

The notes on pages 20 to 39 form part of the consolidated financial statements.

Clyde & Co LLP

LLP balance sheet as at 30 April 2021 (continued)

	Note	2021 £'000	2020 £'000
Represented by:			
Loans and amounts due to members			
Members' capital classified as a liability		56,217	54,041
Other amounts		16,137	18,645
		<u>72,354</u>	<u>72,686</u>
Members' other interests			
Members' other interests – other reserves classified as equity		44,010	40,462
		<u>116,364</u>	<u>113,148</u>
Total members' interests			
Amounts due from members		(23,599)	(25,406)
Loans and other debts due to members		72,354	72,686
Members' other interests		44,010	40,462
		<u>92,765</u>	<u>87,742</u>

The LLP has taken advantage of section 408 of the Companies Act 2006 as applied by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 and has not included its own Profit and Loss Account in these financial statements. The LLP's profit available for discretionary division among members for the year was £74,570k (2020: £62,371k).

These financial statements were approved and authorised for issue on behalf of the Members by the Management Board of Clyde & Co LLP on 20 October 2021 and signed by:

DocuSigned by:



—BBA5101E365F413...

M Tooma

Designated member

The notes on pages 20 to 39 form part of the consolidated financial statements.

Clyde & Co LLP

LLP statement of changes in members' interests for the year ended 30 April 2021

	EQUITY		DEBT			Total members' interests £'000
	Members' other interests £'000	Members' capital £'000	Loans and other debts due to members less any amounts due from members in debtors			
			Other reserves £'000	Other amounts £'000	Total £'000	
Amounts due to members	40,462	54,041	18,645	-	72,686	113,148
Amounts due from members	-	-	-	(25,406)	(25,406)	(25,406)
Balance at 1 May 2020	40,462	54,041	18,645	(25,406)	47,280	87,742
Members' remuneration charged as an expense	-	-	3,515	-	3,515	3,515
Profit for the year available for discretionary division among members	74,570	-	-	-	-	74,570
Members' interests after profit for the year	115,032	54,041	22,160	(25,406)	50,795	165,827
Allocated profits	(66,559)	-	41,153	25,406	66,559	-
Capital introduced	-	7,931	(896)	-	7,035	7,035
Repayments of capital	-	(4,590)	-	-	(4,590)	(4,590)
Drawings	-	-	(43,117)	(23,599)	(66,716)	(66,716)
Foreign exchange translation differences	(3,471)	-	-	-	-	(3,471)
Transfer to creditors	-	(1,165)	(3,955)	-	(5,120)	(5,120)
Movement on reserves	(992)	-	792	-	792	(200)
Amounts due to members	44,010	56,217	16,137	-	72,354	116,364
Amounts due from members	-	-	-	(23,599)	(23,599)	(23,599)
Balance at 30 April 2021	44,010	56,217	16,137	(23,599)	48,755	92,765

The notes on pages 20 to 39 form part of the consolidated financial statements.

Clyde & Co LLP

LLP statement of changes in members' interests
for the year ended 30 April 2021

	EQUITY		DEBT			Total members' interests £'000	
	Members' other interests £'000	Members' capital £'000	Loans and other debts due to members less any amounts due from members in debtors				
			Other reserves £'000	Other amounts £'000	Total £'000		
Amounts due to members	51,581	54,455	27,581	-	82,036	133,617	
Amounts due from members	-	-	-	(26,590)	(26,590)	(26,590)	
Balance at 1 May 2019	51,581	54,455	27,581	(26,590)	55,446	107,027	
Members' remuneration charged as an expense	-	-	5,970	-	5,970	5,970	
Profit for the year available for discretionary division among members	62,371	-	-	-	-	62,371	
Members' interests after profit for the year	113,952	54,455	33,551	(26,590)	61,416	175,368	
Allocated profits	(76,375)	-	49,785	26,590	76,375	-	
Capital introduced	-	5,613	(1,658)	-	3,955	3,955	
Repayments of capital	-	(3,968)	-	-	(3,968)	(3,968)	
Drawings	-	-	(59,035)	(25,406)	(84,441)	(84,441)	
Foreign exchange translation differences	(661)	-	-	-	-	(661)	
Transfer to creditors	-	(2,059)	(546)	-	(2,605)	(2,605)	
Movement on reserves	3,546	-	(3,452)	-	(3,452)	94	
Amounts due to members	40,462	54,041	18,645	-	72,686	113,148	
Amounts due from members	-	-	-	(25,406)	(25,406)	(25,406)	
Balance at 30 April 2020	40,462	54,041	18,645	(25,406)	47,280	87,742	

The notes on pages 20 to 39 form part of the consolidated financial statements.

Clyde & Co LLP

Notes forming part of the financial statements for the year ended 30 April 2021

1. Accounting policies

Clyde & Co LLP is a Limited Liability partnership ('LLP') incorporated in England and Wales under the Companies Act. The financial statements have been prepared in accordance with FRS 102 the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland, including the Statement of Recommended Practice (2019), 'Accounting by Limited Liability Partnerships'.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgement in applying the Group's accounting policies (see note 2).

Parent LLP disclosure exemptions

In preparing the separate financial statements of the parent LLP, advantage has been taken of the following disclosure exemptions available in FRS 102:

- No cash flow statement has been presented for the parent LLP;
- Disclosures in respect of the parent LLP's financial instruments have not been presented as equivalent disclosures have been provided in respect of the group as a whole; and
- No disclosure has been given for the aggregate remuneration of the key management personnel of the parent LLP as their remuneration is included in the totals for the group as a whole.

The following principal accounting policies have been applied:

Basis of consolidation

The consolidated financial statements present the results of Clyde & Co LLP and its subsidiaries ("the Group") as if they formed a single entity. Control over these subsidiaries is achieved when the firm is exposed, or has rights, to variable returns from its involvement and has the ability to affect those returns through its power over them. Intergroup transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the balance sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date control ceases.

Going concern

As at 30 April 2021, the group's financing arrangements consisted of bank facilities (see note 15), including revolving credit facilities and overdraft facilities, as well as members' capital and undrawn members' interests. The group monitors its performance and cash requirements through review of regular financial and management information, detailed budgets and regular forecasts and projections. The group's projections, taking account of reasonable possible changes in trading performance, show that the group will be able to operate within current banking facilities and covenants for a forecast period of at least 12 months from approval of these financial statements. Accordingly, the group continues to adopt the going concern basis in preparing its LLP and consolidated financial statements.

The continued economic uncertainty, due to the Covid-19 global pandemic in particular, has been considered as part of the group's adoption of the going concern basis. Following developments in relation to Covid-19, in April 2020 the members approved the option available to extend one of the groups' revolving credit facilities by £45m on 1 July 2020. This was undertaken as a prudent measure early in the pandemic to increase headroom and provide greater resilience to future events should it be needed. The group has not drawn on these additional funds and therefore has taken the opportunity, as part of a scheduled renewal of one of its revolving credit facilities, to remove this additional £45m from its committed facilities. This renewal dated 30 September 2021 extends £105m of committed facilities to at least 27 April 2025 with options to extend to 27 April 2027.

Certain government assistance packages have been utilised in the pandemic including the UK VAT payment deferral and furlough schemes. US and Canadian offices also took up government schemes that were available in relation to short term deferment of statutory payments. The impact of these schemes on the results for the year ended 30 April 2021 were minimal with the exception of the UK VAT payment deferral which totalled £8.8m at that date and continues to be repaid at a rate of £0.9m per month. Funds received through the UK governments furlough schemes were repaid in full before 30 April 2021.

The members are satisfied that performance of the group since the pandemic has been well managed and there have been no significant observations of any material adverse impacts on the group's trading performance. Whilst forecasting the precise financial impact of current economic uncertainties on the group's future trading performance is difficult, scenario planning, sensitivity analysis and stress testing has been performed on forecasts and projections. The members are confident that the group would be able to take sufficient mitigating action, even in the worst case downside scenario modelled, to ensure it remains within current banking facilities and covenants for a forecast period of at least 12 months from approval of these financial statements.

Clyde & Co LLP

Notes forming part of the financial statements for the year ended 30 April 2021 *(continued)*

1. Accounting policies *(continued)*

Financial liabilities and equity

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form.

Turnover

Turnover represents amounts chargeable to clients for professional services provided during the year, net of any sales tax. Services provided to clients, which at the balance sheet date have not been billed, have been recognised within turnover. Turnover is recognised by reference to an assessment of the fair value of the services provided at the balance sheet date as a proportion of the total value of the engagement. Turnover is not recognised in respect of unbilled amounts on those engagements where the right to receive payment is contingent on factors outside the control of the Group.

Segmental information is not disclosed as the members believe that to do so would be prejudicial to the interests of the firm.

Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Depreciation

Depreciation on assets is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method. The estimated useful lives range as follows:

- | | |
|------------------------------------|-----------------------------------|
| • Leasehold land and buildings | The term of the lease or 10 years |
| • Motor vehicles | 4 years |
| • Fixtures, fittings and equipment | 3 years |

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'other operating income or losses' in the income statement.

Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in 'sterling', which is the LLP's functional and the group's presentation currency.

On consolidation, the results of overseas operations are translated into sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date, including any goodwill in relation to that entity. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income.

(b) Transactions and balances

Foreign currency transactions are translated into the group entity's functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in profit or loss within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'operating expenses'.

Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest rate method so that the amount charged is at a constant rate on the carrying amount.

Clyde & Co LLP

Notes forming part of the financial statements for the year ended 30 April 2021 (*continued*)

1. Accounting policies (*continued*)

Profit allocations

Profit allocations are recognised in the year in which they are declared and become a present obligation of the LLP.

Drawings

Drawings represent payments on account of profits which may be allocated to members. The amount of such drawings is set at the beginning of each financial year, taking into account the anticipated cash needs of the LLP and may be reclaimed from members until profits have been allocated to them. Unallocated profits are included within members' other interests, classified as equity, advanced drawings in excess of allocated profits are included within 'Amounts due from members' in debtors, and allocated profits in excess of drawings are included within 'Amounts due to members' as a liability.

Members' capital

Initial capital contributions ('principal capital') of each of the members are amounts as set out in the LLP agreement. Further members shall contribute upon admission to the LLP such capital as determined by the Board.

Subsequent capital is repaid to members shortly after ceasing to be a member of the LLP, or at such other time as is determined by the Board. Members' subsequent capital is therefore classified as a liability due within one year. There is no opportunity for the appreciation of capital subscribed.

Professional indemnity insurance

Insurance premiums are expensed to the profit and loss account over the period of the insurance cover. Provision is made for any uninsured excess that is likely to be payable in respect of claims made. These are based on best estimates of the expected cash outflows, discounted to present value where appropriate.

Segmental reporting

No segmental analysis has been shown. The LLP considers such disclosure to be unfairly prejudicial to the business since it would be helpful to competitors who generally do not provide similar information publicly.

Leased assets: Lessee

All current leases are treated as operating leases. Their annual rentals are charged to profit or loss on a straight-line basis over the term of the lease.

The group has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard (1 May 2014) to continue to be charged over the shorter period to the first market rent review rather than the term of lease.

For leases entered into on or after 1 May 2014, reverse premiums and similar incentives received to enter into operating lease agreements are released to profit or loss over the term of the lease.

Where the Group has a legal obligation, a dilapidations provision is created on inception of a lease. These provisions are a best estimate of the cost required to return leased properties to their original condition upon termination of the lease. Where the obligation arises from 'wear and tear', the provision is accrued as the 'wear and tear' occurs.

Tangible fixed assets

Tangible fixed assets are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The group adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred if the replacement part is expected to provide incremental future benefits to the group. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Government grants

Government grants have been recognised in the same period as related expenditure (the "accrual model"). Income from the Government Coronavirus Job Retention Scheme ('Furlough') of £1,338k was recognised in "Other operating income", however the amounts were voluntarily repaid in full during the financial year before 30 April 2021.

Clyde & Co LLP

Notes forming part of the financial statements for the year ended 30 April 2021 (*continued*)

1. Accounting policies (*continued*)

Onerous leases

Where the unavoidable costs of a lease exceed the economic benefit expected to be received from it, a provision is made for the present value of the obligations under the lease.

Current and deferred taxation

Taxation on a members' share of the LLP's profits is solely the personal liability of the individual members and consequently is not dealt with in these financial statements. The tax within these consolidated financial statements relate to the corporate subsidiaries of the group.

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the LLP's subsidiaries operate and generate taxable income.

Deferred balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where timing differences relate to interests in subsidiaries, associates, branches and joint ventures and the group can control their reversal and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax.

Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

Defined benefit pension schemes

Operating and finance costs of pensions are charged to the Income statement in the period in which they arise and are recognised separately. The costs of past service enhancements, settlements and curtailments are also recognised in the period in which they arise. The difference between actual and expected returns on assets during the year, including changes in actuarial assumptions, is recognised in other comprehensive income. Pension costs are assessed in accordance with the advice of independent qualified actuaries.

The schemes are funded with the assets held separately from those of the Clyde & Co LLP group ("the Group"), in separate trustee administered funds. Pension scheme assets are valued at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent currency and term to the scheme liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The resulting defined benefit asset or liability, is presented separately after other net assets on the face of the balance sheet.

Annuities

Annuities payable to certain former partners of the predecessor partnership are provided for in full. The amount provided is recognised as the best estimate of the expenditure required to settle that obligation, and is discounted to present value. The annuity is payable to certain former partners at a fixed amount per annum for their remaining life, with no terminal payment. The annuity is accounted for as an insurance contract in accordance with FRS 103. The increase of discounted amount in the period is charged to the profit and loss account as interest payable, changes due to changes in assumptions are charged to the profit and loss account as administrative expenses.

As these are historic transactions and no new annuities are entered into, the Group does not have specific policies to manage the risks arising from these contracts.

Clyde & Co LLP

Notes forming part of the financial statements for the year ended 30 April 2021 (*continued*)

1. Accounting policies (*continued*)

Financial instruments

The LLP has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102, in full, to all of its financial instruments.

Financial assets and financial liabilities are recognised when the LLP becomes a party to a contractual provisions of the instrument, and are offset only when the LLP currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets

Basic financial assets, including trade and other receivables and cash and bank balances are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Financial liabilities

Trade and other payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Bank loans are initially recognised at the transaction price, including transaction costs, and subsequently measured at amortised cost using the effective interest method. Interest expense is recognised on the basis of the effective interest method and is included in interest payable.

Derecognition of financial assets and liabilities

A financial asset is derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or substantially all the risks and rewards of the ownership are transferred to another party or if some significant risks and rewards of ownership are retained but control of the asset has been transferred to another party that is able to sell the asset in its entirety to an unrelated third party. A financial liability (or part thereof) is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

Business combinations

Acquisitions of subsidiaries and businesses are accounted for using the purchase method. The cost of the business combination is measured at the aggregate of the fair values (at the date of exchange) of assets given, liabilities incurred or assumed, and equity instruments issued by the group in exchange for control of the acquiree plus costs directly attributable to the business combination.

Any excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets and liabilities is recognised as goodwill. If the net fair value of the identifiable assets and liabilities exceeds the cost of the business combination the excess is recognised separately on the face of the consolidated balance sheet immediately below goodwill.

Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which has accrued at the balance sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the balance sheet date.

Clyde & Co LLP

Notes forming part of the financial statements for the year ended 30 April 2021 *(continued)*

2. Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the members have made the following judgements:

- Significant judgement is taken by the members in assessing the recoverable amount of unbilled work performed in respect of client work. Consideration is given to the historic recovery rates of unbilled work when making this judgement. See note 12 for the carrying amount of amounts recoverable from clients in respect of unbilled work performed.
- Significant judgement is taken by the members in assessing the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience. See note 12 for the net carrying amount of the debtors and associated impairment provision.
- Determine whether leases entered into by the group either as a lessor or a lessee are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.

Other key sources of estimation uncertainty

Tangible fixed assets (see note 11)

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

Tangible fixed assets are stated net of any accumulated impairment losses. Indicators of impairment of the LLP's tangible assets are assessed annually. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.

Other provisions (see note 16)

Provisions represent an estimate of the potential cost of defending claims and, where appropriate, the estimated cost of settling claims up to the excess terms of the LLP's professional indemnity insurance.

Factors taken into consideration when making this estimation include the likelihood of an unfavourable ruling as well as the potential cost.

Defined benefit pension scheme (see note 18)

The group has an obligation to pay pension benefits to certain employees. The cost of these benefits and the present value of the obligation depend on a number of factors, including, life expectancy, salary increases, asset valuations and the discount rate on corporate bonds. Management estimates these factors in determining the net pension obligation in the balance sheet. The assumptions reflect historical experience and current trends. See note 18 for the disclosures relating to the defined benefit pension scheme.

3. Analysis of turnover

	2021	2020
	£'000	£'000
Fee income	640,717	627,113
	640,717	627,113

Clyde & Co LLP

Notes forming part of the financial statements for the year ended 30 April 2021 (continued)

4. Entities included in the consolidation	Registered Office and Country of incorporation
Entities providing legal services	
Clyde & Co US LLP	The Chrysler Building, 405 Lexington Avenue, New York, 10174, United States
Clyde & Co (Greece) LLP	The St Botolph Building , 138 Houndsditch, London, EC3A 7AR, United Kingdom
Clyde & Co Hong Kong (partnership)*	58th Floor, Central Plaza, 18 Harbour Road, Wanchai, Hong Kong, China
Clyde & Co Canada LLP	630 Rene-Levesque Blvd. West, Suite 1700, Montréal, Quebec, H3B 1S6, Canada
Clyde & Co Claims LLP	The St Botolph Building , 138 Houndsditch, London, EC3A 7AR, United Kingdom
Clyde & Co Singapore PTE Limited	12 Marina Boulevard, #30-03, Marina Bay Financial Centre Tower 3, 018982, Singapore
Clyde Abogados SLP	Plaza Marqués de Salamanca 3-4, planta 5 , Madrid, 28006, Spain
Clyde & Co Incorporated	6th Floor, Katherine & West Building, 114 West Street, Johannesburg, Sandton 2196, P.O. Box 786448, South Africa
Clyde & Co (Tanzania) LLP	The St Botolph Building , 138 Houndsditch, London, EC3A 7AR, United Kingdom
Clyde & Co (East Africa) LLP	The St Botolph Building , 138 Houndsditch, London, EC3A 7AR, United Kingdom
Clyde & Co (Australia) LLP	The St Botolph Building , 138 Houndsditch, London, EC3A 7AR, United Kingdom
Clyde & Co (France) LLP	The St Botolph Building , 138 Houndsditch, London, EC3A 7AR, United Kingdom
Clyde & Co Europe LLP	The St Botolph Building , 138 Houndsditch, London, EC3A 7AR, United Kingdom
Clyde & Co India Limited	The St Botolph Building , 138 Houndsditch, London, EC3A 7AR, United Kingdom
Indian Business Law Limited	The St Botolph Building , 138 Houndsditch, London, EC3A 7AR, United Kingdom
Trident (Claims & Recoveries) LLP	Royal Exchange Building, St Ann's Square, Manchester, M2 7EF, United Kingdom
Clyde & Co (Scotland) LLP	Albany House, 58 Albany Street, Edinburgh, EH1 3QR, United Kingdom
Clyde & Co Technical Services JSC	Tripoli Tower No. 2, Room 148/149, 14th Floor, Tripoli, Libya
Despacho de Abogados, miembros de la Firma Internacional de Abogados Clyde & Co	Avenida Circunvalación del Sol, Edificio Santa Paula Plaza I, Piso 4, Oficina 405. Urbanización Santa Paula, Caracas, 1061, Venezuela
Clasis LLC	12 Marina Boulevard, #30-03, Marina Bay Financial Centre Tower 3, 018982, Singapore
Clyde & Co Clasis Singapore Pte Limited	12 Marina Boulevard, #30-03, Marina Bay Financial Centre Tower 3, 018982, Singapore
Clyde & Co Sociedade de Consultores em Direito Estrangeiro/Direito Ingles	Rua Padre João Manuel, 199, 2º andar, cj 24, Cerqueira Cesar, CEP 01411-001, Sao Paulo-SP, Brazil
Clasis Law Limited	The St Botolph Building , 138 Houndsditch, London, EC3A 7AR, United Kingdom
Clyde & Co Canada Holdings Inc	630 Rene-Levesque Blvd. West, Suite 1700, Montréal, Quebec, H3B 1S6, Canada
Clyde & Co Australia*	Level 15, 333 George Street, Sydney, New South Wales, 2000, Australia
Clyde & Co Westlink*	701, Tower 5, Corporate Avenue, 56 Ruitian Road, Yuzhong District, Chongqing, 400010, China

Clyde & Co LLP

Notes forming part of the financial statements for the year ended 30 April 2021 (continued)

4. Entities included in the consolidation (continued)	Registered Office and Country of incorporation
Entities providing legal services (continued)	
CCIP Limited	Craigmuir Chamber, Road Town, Tortola, VG1110, British Virgin Islands
Clyde IP Services Limited	Craigmuir Chamber, Road Town, Tortola, VG1110, British Virgin Islands
Clyde IP Services W.L.L.	Office 209, Building 125 Trust Tower, Block 317, Road 1702, Diplomatic Area, P.O. Box 2215, Manama, Bahrain
Clyde IP Services L.L.C	Building 458, Street 41, Alwattayah, Mutrah, Muscat Governorate. P.O. Box 1982, 111, Muscat, Oman
Clyde IP Services for Trade Mark and Patent Registration L.L.C.	Plot 218, Building 7, Al Rifai Complex, Hawalli, Kuwait
Gulf Recoveries Limited (BVI Pvt. Ltd. Co.)	Craigmuir Chamber, Road Town, Tortola, VG1110, British Virgin Islands
Clyde and Co LLP Lawyers and Legal Consultants	The Business Gate, Building 14, Airport Road, Qurtubah District, Riyadh, 11474, PO Box 16743, Saudi Arabia
Garza Tello & Asociados, S.C.	Camino a Santa Teresa 187 C, 5 Piso, Parques del Pedregal, Tlalpan, 14010, Ciudad de México
Clyde & Co (Mexico) Limited	The St Botolph Building, 138 Houndsditch, London, EC3A 7AR, United Kingdom
Clyde & Co (Garza Tello) Limited	The St Botolph Building, 138 Houndsditch, London, EC3A 7AR, United Kingdom
Clyde & Co (Mejico) Limited	The St Botolph Building, 138 Houndsditch, London, EC3A 7AR, United Kingdom
Clyde & Co (United Mexican States) Limited	The St Botolph Building, 138 Houndsditch, London, EC3A 7AR, United Kingdom
Beaumont and Son Limited	The St Botolph Building, 138 Houndsditch, London, EC3A 7AR, United Kingdom
Garrett Moore trading as Clyde & Co Ireland*	Regus Pembroke House, 28-32 Pembroke Street Upper, D02EK84, Dublin, Ireland
Service companies	
Clyde UK Services Company (unlimited)	The St Botolph Building, 138 Houndsditch, London, EC3A 7AR, United Kingdom
Clyde Overseas Service Company (unlimited)	The St Botolph Building, 138 Houndsditch, London, EC3A 7AR, United Kingdom
Padova Enterprises Limited	58th Floor, Central Plaza, 18 Harbour Road, Wanchai, Hong Kong, China
Beaumont and Son Consultoria de Seguros Limitada	Av. Rio Branco, 257 sala 808, Centro, 20040-009 Rio de Janeiro RJ, Brazil
Clyde & Co Consultores Limitada	Rua Padre João Manuel, 199, 2º andar, cj 24, Cerqueira Cesar, CEP 01411-001, Sao Paulo-SP, Brazil
Clyde & Co Consultores SA	Avenida Circunvalación del Sol, Edificio Santa Paula Plaza I, Piso 4, Oficina 405. Urbanización Santa Paula, Caracas, 1061, Venezuela
Clyde & Co Australia Services PTY Limited	Level 15, 333 George Street, Sydney, New South Wales, 2000, Australia
Nicholl Paskell-Mede Inc	630 Rene-Levesque Blvd. West, Suite 1700, Montréal, Quebec, H3B 1S6, Canada
NPM Toronto Limited	401 Bay Street, Suite 2500 P.O. Box 25, Toronto, Ontario, M5H 2Y4, Canada
Clyde & Co (SMS) Limited	Albany House, 58 Albany Street, Edinburgh, EH1 3QR, United Kingdom

* Principal place of business - not country of incorporation, as the entity is unincorporated.

Members of Clyde & Co LLP have beneficial ownership of the above consolidated entities.

The service companies provide services to members of the group.

Clyde & Co LLP

Notes forming part of the financial statements for the year ended 30 April 2021 (*continued*)

5. Operating profit	2021	2020
	£'000	£'000
This is arrived at after charging/(crediting):		
Depreciation of tangible fixed assets	11,730	7,815
Loss on disposal of fixed assets	120	65
Rentals under operating leases		
Property	34,407	32,863
Other	363	383
Fees payable to the LLP's auditor and its associates for the audit of the LLP's annual accounts	300	300
Fees payable to the LLP's auditor and its associates for other services to the group:		
Other services pursuant to legislation	58	58
Taxation compliance services	447	482
Taxation advisory services	70	117
Other	97	72
Exchange differences	256	(393)
	295,730	291,985
6. Employees	2021	2020
	£'000	£'000
Staff costs consist of:		
Wages and salaries	261,416	258,194
Social security costs	17,082	16,650
Pension costs	17,232	17,141
	295,730	291,985
The pension costs relate to defined contribution pension schemes.		
The average number of employees during the year was as follows:		
	2021	2020
	Number	Number
Practice	1,962	2,044
Support staff	1,500	1,594
	3,462	3,638
7. Net interest payable	2021	2020
	£'000	£'000
Bank interest receivable	(366)	(1,186)
Bank interest payable	1,746	2,462
Net finance charge on pension schemes	180	70
Unwinding of discount on provisions	62	126
	1,622	1,472

Clyde & Co LLP

Notes forming part of the financial statements for the year ended 30 April 2021 (*continued*)

8. Taxation

The taxation charge which arises in the corporate entities included within these financial statements is:

	2021	2020
	£'000	£'000
Current year tax charge	4,131	4,811
Prior year adjustment	579	(37)
Total current tax charge	<u>4,710</u>	<u>4,774</u>

In most locations, income tax payable on profits allocated to partners is the personal liability of the partners. In some locations the tax payable is the liability of the Clyde & Co LLP Group. Only the latter amounts are reflected in these financial statements.

	2021	2020
	£'000	£'000
Profit on ordinary activities before taxation	162,506	142,324
Less: amounts subject to personal taxation	(148,897)	(130,667)
Profits subject to Corporate taxation	<u>13,609</u>	<u>11,657</u>

The tax assessed for the period differs to that resulting from applying the standard rate of corporation tax in the UK of 19% (2019: 19%). The differences are explained below:

Profits subject to Corporate taxation	<u>13,609</u>	<u>11,657</u>
At UK standard rate of 19% (2019: 19%)	2,586	2,215
Factors affecting the charge for the year:		
- Non-taxable movements on pension liability	(269)	(375)
- Deferred tax assets not recognised	419	743
- Prior year adjustments	579	(55)
- Short term timing differences	368	(284)
- Difference in local tax rates	1,030	2,495
- Expenses not deductible for tax purposes	(3)	35
Total current tax charge	<u>4,710</u>	<u>4,774</u>

Deferred tax assets have not been recognised where there is uncertainty over the recoverability of these losses through future profits.

Clyde & Co LLP

Notes forming part of the financial statements for the year ended 30 April 2021 (continued)

9. Members' remuneration

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

	2021 Number	2020 Number
Average number of members during the year	336	323
	<u>2021</u> £'000	<u>2020</u> £'000
Profit attributable to the member with the largest entitlement	2,020	1,683

10. Parent LLP profit for the year

The LLP has taken advantage of the exemption allowed under the Companies Act 2006 as applied to LLP's and has not presented its own statement of comprehensive income in these financial statements. The profit available for discretionary division among members of the parent LLP for the year was £74,570k (2020: - £62,371k).

11. Tangible fixed assets

	Leasehold Improvements £'000	Fixtures, fittings and equipment £'000	Motor vehicles £'000	Total £'000
Cost				
As at 1 May 2020	60,749	61,603	59	122,411
Foreign exchange revaluation	(972)	(1,818)	(2)	(2,792)
Reclassification	4,552	(4,552)	-	-
Additions	794	11,241	1	12,036
Disposals	(5,365)	(20,736)	-	(26,101)
At 30 April 2021	<u>59,758</u>	<u>45,738</u>	<u>58</u>	<u>105,554</u>
Accumulated depreciation				
As at 1 May 2020	47,702	56,384	21	104,107
Foreign exchange revaluation	(802)	(1,820)	(4)	(2,626)
Reclassification	5,496	(5,521)	25	-
Charge for the year	3,222	8,502	6	11,730
Disposals	(5,365)	(20,616)	-	(25,981)
At 30 April 2021	<u>50,253</u>	<u>36,929</u>	<u>48</u>	<u>87,230</u>
Net book value				
At 30 April 2021	<u>9,505</u>	<u>8,809</u>	<u>10</u>	<u>18,324</u>
At 30 April 2020	<u>13,047</u>	<u>5,219</u>	<u>38</u>	<u>18,304</u>

Clyde & Co LLP

Notes forming part of the financial statements
for the year ended 30 April 2021 (continued)

11. Tangible fixed assets (continued)		Leasehold Improvements £'000	Fixtures, fittings and equipment £'000	Total £'000
LLP				
Cost				
As at 1 May 2020		42,578	48,676	91,254
Foreign exchange revaluation		(862)	(881)	(1,743)
Reclassification		2,749	(2,749)	-
Additions		1,330	5,745	7,075
Disposals		(3,672)	(16,287)	(19,959)
At 30 April 2021		<u>42,123</u>	<u>34,504</u>	<u>76,627</u>
Accumulated depreciation				
As at 1 May 2020		35,215	43,750	78,965
Foreign exchange revaluation		(794)	(832)	(1,626)
Reclassification		2,829	(2,829)	-
Charge for the year		3,949	4,439	8,388
Disposals		(3,672)	(16,231)	(19,903)
At 30 April 2021		<u>37,527</u>	<u>28,297</u>	<u>65,824</u>
Net book value				
At 30 April 2021		<u>4,596</u>	<u>6,207</u>	<u>10,803</u>
At 30 April 2020		<u>7,363</u>	<u>4,926</u>	<u>12,289</u>

12. Debtors	Group 2021 £'000	Group 2020 £'000	LLP 2021 £'000	LLP 2020 £'000
Trade debtors	246,161	275,622	125,170	146,001
Amounts recoverable from clients in respect of unbilled work performed	38,344	36,646	19,492	20,237
Amounts due from group undertakings	-	-	79,160	86,485
Other debtors	4,763	4,622	2,115	2,310
Prepayments and accrued income	23,828	23,425	19,340	18,815
	<u>313,096</u>	<u>340,315</u>	<u>245,277</u>	<u>273,848</u>

The impairment loss recognised in the profit or loss for the period in respect of bad and doubtful trade debtors was as set out below:

	Group 2021 £'000	Group 2020 £'000	LLP 2021 £'000	LLP 2020 £'000
Charge recognised	<u>(2,554)</u>	<u>(11,165)</u>	<u>(1,192)</u>	<u>(9,454)</u>

All amounts shown under debtors fall due for payment within one year.

Clyde & Co LLP

Notes forming part of the financial statements
for the year ended 30 April 2021 (continued)

13. Current asset investments

	Group 2021 £'000	Group 2020 £'000	LLP 2021 £'000	LLP 2020 £'000
Opening fair value	-	-	456	456
Additions	-	-	-	-
Closing fair value	<u>-</u>	<u>-</u>	<u>456</u>	<u>456</u>

14. Creditors: amounts falling due within one year

	Group 2021 £'000	Group 2020 £'000	LLP 2021 £'000	LLP 2020 £'000
Bank loans and overdrafts (see Note 15)	60,000	101,000	60,000	101,000
Trade creditors	52,173	50,866	37,484	38,961
Amounts owed to group undertakings	-	-	8,113	5,520
Corporation tax	248	598	-	31
Taxation and social security	16,910	11,383	11,778	7,485
Other creditors	61,596	58,952	39,895	38,958
Accruals and deferred income	49,646	39,863	14,495	13,615
	<u>240,573</u>	<u>262,662</u>	<u>171,765</u>	<u>205,570</u>

Other creditors includes amounts due to former members; of the Group of £9,596k (2020: £11,449k) and of the LLP of £7,414k (2020 £7,806k)

15. Borrowings

	Group 2021 £'000	Group 2020 £'000	LLP 2021 £'000	LLP 2020 £'000
Bank loans	<u>60,000</u>	<u>101,000</u>	<u>60,000</u>	<u>101,000</u>
	<u>60,000</u>	<u>101,000</u>	<u>60,000</u>	<u>101,000</u>
Maturity analysis				
Within one year or on demand	<u>60,000</u>	<u>101,000</u>	<u>60,000</u>	<u>101,000</u>
	<u>60,000</u>	<u>101,000</u>	<u>60,000</u>	<u>101,000</u>

Of the bank loans and overdrafts, £30,000k relates to a fully drawn revolving loan facility expiring on 30 April 2023 at a rate of 0.85% above LIBOR. £30,000k relates to the drawn amount on a £150,000k revolving loan facility at 30 April 2021 due to expire on 27 April 2022. On 30 September 2021 this revolving credit facility was renewed at a reduced £105,000k expiring on 27 April 2025 at a rate of 1.55% above SONIA, with options to extend to 27 April 2027. No security over any of the group's assets is given in relation to these loans and overdrafts.

Clyde & Co LLP

Notes forming part of the financial statements
for the year ended 30 April 2021 (continued)

16. Provisions for liabilities

Group	2020	Charge for	Utilised in	2021
	£'000	the year	year	£'000
Property provisions	9,640	7,019	(820)	15,839
Provision for annuities	1,870	359	(425)	1,804
Other provisions	3,223	1,728	(491)	4,460
	<u>14,733</u>	<u>9,106</u>	<u>(1,736)</u>	<u>22,103</u>

LLP	2020	Charge for	Utilised in	2021
	£'000	the year	year	£'000
Property provisions	7,966	6,196	(246)	13,916
Provision for annuities	1,870	359	(425)	1,804
Other provisions	3,148	1,728	(491)	4,385
	<u>12,984</u>	<u>8,283</u>	<u>(1,162)</u>	<u>20,105</u>

Property provisions

This represents an estimate of the dilapidations costs in respect of requirements for the premises to be returned to their original state and on conclusion of lease terms and onerous lease provisions relating to the firms pre year end exit of two properties in advance of the lease expiry dates. The provision is expected to be utilised at the end of the respective leases between 2021 and 2030.

Annuities provision

The provision for annuities represents amounts payable to one former partner of Clyde & Co (2020: one former partner). The provision is estimated to be utilised over a 5 year period between 2021 and 2026.

Other provisions

Other provisions represent an estimate of the potential cost of defending claims and, where appropriate, the estimated cost of settling claims up to the excess terms of the LLP's professional indemnity insurance.

17. Financial Instruments

	Group	Group
	2021	2020
	£'000	£'000
Financial assets		
Financial assets that are debt instruments measured at amortised cost	<u>440,398</u>	<u>441,841</u>
Financial liabilities		
Financial liabilities measured at amortised cost	<u>307,923</u>	<u>346,040</u>

Financial assets measured at fair value through profit or loss comprise trade and other debtors, amounts recoverable from clients, amounts due from members, post retirement asset and cash at bank and in hand.

Financial liabilities measured at amortised cost comprise bank loans and overdrafts, trade and other creditors, accruals, post retirement liability, Members capital and Members other amounts.

Clyde & Co LLP

Notes forming part of the financial statements for the year ended 30 April 2021 (continued)

18. Pensions

The group operates two final salary pension schemes, the Clyde & Co Pension Scheme and the Beaumont and Son Pension Scheme. They are administered separately and therefore information about the schemes is presented separately below. Both schemes are closed to future accrual of benefit. The combined pension asset/(liability), as shown in the financial statements, is comprised of:

	2021	2020
	£'000	£'000
Net pension (liability)/asset		
Clyde & Co Pension Scheme	(2,120)	(7,510)
Beaumont and Son Pension Scheme	1,230	1,710
	(890)	(5,800)
Actuarial gain/(loss)		
Clyde & Co Pension Scheme	3,100	(7,245)
Beaumont and Son Pension Scheme	(496)	(126)
	2,604	(7,371)

Clyde & Co Pension Scheme

The LLP operates a funded pension Scheme providing benefits based on pensionable service and final pensionable pay. The Scheme closed to the accrual of future benefits on 5 August 2003. The assets of the Scheme are held in a Trustee administered fund, which is separate from LLP assets.

The funding plan for the Scheme is to hold assets equal to the value of the benefits earned by members of the Scheme, based on a set of assumptions used for funding the Scheme. The funding assumptions differ from the assumptions used to calculate the figures for these accounts, and therefore produce different results. If there is a shortfall against the funding plan, then the LLP and Trustee agree on deficit contributions to make good the deficit over a period of time. As part of the latest triennial actuarial funding valuation, with an effective date of 5 April 2020, monthly deficit contributions of £175k were paid from April 2020 to April 2021 (inclusive) with an additional one of payment of £350k being made in June 2020. Additional monthly deficit contributions were agreed to be payable from May 2021 to September 2026 (inclusive), starting at £190,000 per month and then increasing annually by £15,000 per month.

The results of the formal actuarial valuation as at 5 April 2017 have been updated to the accounting date by an independent qualified actuary in accordance with FRS102, allowing for contributions, benefit payments, and changes in market conditions. The results, based on assumptions used for FRS102, are as follows.

i) Key FRS102 assumptions:

	2021	2020
Salary growth	2.4% p.a.	1.6% p.a.
Pension increases - pre 1997 service	4.0% p.a.	4.0% p.a.
Pension increases - post 1997 service	4.2% p.a.	4.2% p.a.
Discount rate	1.9% p.a.	1.6% p.a.
Retail Price inflation	3.3% p.a.	2.6% p.a.
Consumer Price inflation	2.4% p.a.	1.6% p.a.

On the basis of the assumptions used for life expectancy, a pensioner currently aged 60 would be expected to live for a further 27.7 years (2020: 27.2 years). Allowance is made for future improvements in life expectancy. The mortality table adopted is the S3NA table multiplied by a factor of 90% to reflect the profile of the Scheme's membership, with future improvements in line with the CMI 2020 core projections with a long-term rate of improvement of 1.25% pa and a smoothing parameter of 7.5 for both males and females.

The expected return on assets is derived by taking a weighted average of the long term expected rate of return on each of the asset classes that the plan was invested in at the balance sheet date, as follows:

Clyde & Co LLP

Notes forming part of the financial statements
for the year ended 30 April 2021 (*continued*)18. Pensions (*continued*)

ii) Asset distribution:

	2021 Fair value £'000
Equities	12,860
Diversified growth funds	16,700
Liability driven investments	19,350
Annuities	21,440
All other assets	1,670
	<u>72,020</u>
Fair value of assets	72,020
Present value of liabilities	(74,140)
	<u>(2,120)</u>

The Scheme does not invest in property used by the Group or the Group's own financial instruments.

iii) Movement in net defined benefit liability:

	2021 £'000	2020 £'000
Opening net defined benefit liability	(7,510)	(2,170)
Net finance charge – see Note 18 (iv)	(160)	(30)
Employer contributions	2,450	1,935
Actuarial loss	3,100	(7,245)
Closing net defined benefit liability	<u>(2,120)</u>	<u>(7,510)</u>

Over the year to 30 April 2021, contributions by the Group of £2,450k (2020: £1,935k) were made to the Scheme.

iv) Amount included as net finance charge:

	2021 £'000	2020 £'000
Past service cost	(60)	-
Interest expense	(100)	(30)
Net finance charge	<u>(160)</u>	<u>(30)</u>

Clyde & Co LLP

Notes forming part of the financial statements for the year ended 30 April 2021 (*continued*)

18. Pensions (*continued*)

v) Reconciliation of the present value of the defined benefit obligation:

	2021	2020
	£'000	£'000
Opening defined benefit obligation	(76,060)	(66,870)
Past Service cost	(60)	-
Interest on obligation	(1,200)	(1,690)
Actuarial gains/(losses)	1,220	(11,120)
Benefits paid	1,960	3,620
Closing defined benefit obligation	<u>(74,140)</u>	<u>(76,060)</u>

vi) Reconciliation of the fair value of the scheme assets:

	2021	2020
	£'000	£'000
Opening fair value of the Scheme assets	68,550	64,700
Interest on Scheme assets	1,100	1,660
Actual return less interest on Scheme assets	1,880	3,875
Contributions by the employer	2,450	1,935
Benefits paid	(1,960)	(3,620)
Closing fair value of Scheme assets	<u>72,020</u>	<u>68,550</u>

The actual return on the scheme's assets over the year was a gain of £2,980k (2020: £5,535k).

Beaumont and Son Pension Scheme

The LLP operates a funded pension Scheme providing benefits based on pensionable service and final pensionable pay. The Scheme closed to the accrual of future benefits on 30 June 2005. The assets of the Scheme are held in a Trustee administered fund, which is separate from LLP assets.

The funding plan for the Scheme is to hold assets equal to the value of the benefits earned by members of the Scheme, based on a set of assumptions used for funding the Scheme. The funding assumptions differ from the assumptions used to calculate the figures for these accounts, and therefore produce different results. If there is a shortfall against the funding plan, then the LLP and Trustee agree on deficit contributions to make good the deficit over a period of time. As part of the latest triennial actuarial funding valuation, with an effective date of 31 December 2018 and ongoing monthly contributions of £3,000 were agreed to cover administration expenses.

The results of the formal actuarial valuation as at 31 December 2018 have been updated to the accounting date by an independent qualified actuary in accordance with FRS102, allowing for contributions, benefit payments, and changes in market conditions. The results, based on assumptions used for FRS102, are as follows.

Clyde & Co LLP

Notes forming part of the financial statements for the year ended 30 April 2021 (*continued*)

18. Pensions (*continued*)

i) Key FRS102 assumptions:

	2021	2020
Salary growth	n/a	n/a
Pension increases - pre 1997 service	2.5% p.a.	2.1% p.a.
Pension increases - post 1997 service	3.2% p.a.	2.6% p.a.
Discount rate	1.9% p.a.	1.6% p.a.
Retail Price inflation	3.3% p.a.	2.6% p.a.
Consumer Price inflation	2.4% p.a.	1.6% p.a.

On the basis of the assumptions used for life expectancy, a pensioner currently aged 60 would be expected to live for a further 27.7 years (2020: 27.2 years). Allowance is made for future improvements in life expectancy. The mortality table adopted is the S3NA table multiplied by a factor of 90% to reflect the profile of the Scheme's membership, with future improvements in line with the CMI 2020 core projections with a long-term rate of improvement of 1.25% pa and a smoothing parameter of 7.5 for both males and females.

The expected return on assets is derived by taking a weighted average of the long term expected rate of return on each of the asset classes that the plan was invested in at the balance sheet date, as follows:

ii) Asset distribution:

	2021
	Fair value
	£'000
Equities	1,840
Liability driven investments	2,050
Bonds	2,300
All other assets	1,690
	7,880
Fair value of assets	7,880
Present value of liabilities	(6,650)
	1,230
Gross pension asset	1,230

The Scheme does not invest in property used by the Group or the Group's own financial instruments.

iii) Movement in net defined benefit asset:

	2021	2020
	£'000	£'000
Opening net defined benefit asset	1,710	1,840
Net finance charge – see Note 18 (iv)	(20)	(40)
Employer contributions	36	36
Actuarial loss	(496)	(126)
Closing net defined benefit asset	1,230	1,710

Over the year to 30 April 2021, contributions by the Group of £36k (2020: £36k) were made to the Scheme.

Clyde & Co LLP

Notes forming part of the financial statements
for the year ended 30 April 2021 (continued)

18. Pensions (continued)

iv) Amount included as net finance charge:

	2021 £'000	2020 £'000
Running costs paid by the Scheme	(50)	(80)
Interest income	30	40
Net finance charge	<u>(20)</u>	<u>(40)</u>

v) Reconciliation of the present value of the defined benefit obligation:

	2021 £'000	2020 £'000
Opening defined benefit obligation	(6,250)	(5,700)
Interest on obligation	(100)	(150)
Actuarial losses	(430)	(530)
Benefits paid	130	130
Closing defined benefit obligation	<u>(6,650)</u>	<u>(6,250)</u>

vi) Movement in fair value of Scheme assets:

	2021 £'000	2020 £'000
Opening fair value of the Scheme assets	7,960	7,540
Interest on Scheme assets	130	190
Actual (loss)/return less interest on Scheme assets	(66)	404
Running costs paid by the Scheme	(50)	(80)
Contributions by the employer	36	36
Benefits paid	(130)	(130)
Closing fair value of Scheme assets	<u>7,880</u>	<u>7,960</u>

The actual return on the scheme's assets over the year was a gain of £60k (2020:loss of £594k).

Clyde & Co LLP

Notes forming part of the financial statements for the year ended 30 April 2021 *(continued)*

19. Commitments under operating lease

The group had minimum lease payments under non-cancellable operating leases as set out below:

	2021	2020
	£'000	£'000
Not later than 1 year	29,559	30,188
Later than 1 year and not later than 5 years	72,899	83,948
Later than 5 years	39,112	50,258
	141,570	164,394

The LLP had no commitments under non-cancellable operating leases as at the balance sheet date.

20. Related party disclosures

Clyde & Co LLP has taken advantage of the exemptions provided by Section 33 of FRS 102 'Related Party Disclosures' and has not disclosed transactions or balances with entities that are included in these consolidated financial statements.

Key management personnel include all designated members and a number of senior members and senior managers across the group who together have authority and responsibility for planning, directing and controlling the activities of the group, including Non-Executive Directors. The total compensation paid to key management personnel for services provided to the group was £8,399k (2020: £9,082k).

21. Bank guarantees

At 30 April 2021 the LLP has entered into fourteen bank guarantee contracts in relation to rent on eleven properties, for Euro 143k, Euro 100k, US dollars 1,873k, US dollars 150k, US dollars 177k, US dollars 215k, US dollars 275k, AUD 2,907k, AUD 417k, AUD 711k, AUD 590k, AUD 394k AED 50k and AED 50k. At year end exchange rates, this commitment amounts to £4,969k (2020: £4,881k).