31 March 2024

Trowers & Hamlins LLP

Members' Report and Consolidated Financial Statements

Partnership Number: OC337852

Trowers & Hamlins LLP
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trowers & hamlins

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Members' Report

The Board submit their report to the members together with the financial statements for the year ended 31 March 2024.

Group structure

These financial statements consolidate the results of Trowers & Hamlins LLP (the 'Group') and its subsidiary undertakings for the year ended 31 March 2024.

A list of members' names is available for inspection at 3 Bunhill Row, London, EC1Y 8YZ, United Kingdom, which is also Trowers & Hamlins LLP's principal place of business and registered office.

Principal activity

The principal activity of the Group is that of providing legal services. Services are provided from offices in England and through offices in the Middle East, namely United Arab Emirates, Bahrain, Oman and Malaysia. The financial results consolidate the financial statements of the Group up to 31 March 2024. All results derive from continuing activities.

Review of the business and future developments

Despite a continuing challenging economic environment which supressed utilisation primarily in Real Estate and Corporate service lines, the Group's revenue increased by 5% over the previous year due to strong growth in Litigation, Projects & Construction, Planning, Employment and Private Wealth legal services.

Expenditure also rose by 5% due to continuing inflationary pressure. As a result, profit margins were largely unchanged at 28% of revenue.

Inflationary pressure has required the Group to exercise careful management of costs and focus investment including in areas such as: building equipment required to meet some environmental aspects our Responsible Business strategy, new video conferencing technology, Innovation and Matter Planning tools. During the year the Group established a Business Transformation Team to deliver strategic projects and efficiencies.

Looking forward to the 2024/25 financial year, we expect the current challenging economic headwinds to continue which may delay an improvement to utilisation in some service lines. However, the Group has a well-diversified practice and client base and anticipates continued increased demand in core areas such as Litigation, Projects & Construction, Planning and Employment. In addition, we anticipate increased demand in the Far East in Malaysia and from our new office opening in Singapore at the start of next financial year. There is also a strong focus on growth over the next 12 months with plans and investment across a number of areas including private equity; cross-border disputes, energy and sustainability, the real estate sector and our ASEAN region strategy.

Members do not believe that there are any material liquidity risks or uncertainties over the ability of the Group to continue as a going concern.

Designated members

The following designated members have held office throughout the year and up to the date of signing the financial statements were:

S Bailey

S Benson

A Carter

P Marco

T Nye

M Pattinson

C Paul (resigned (1 April 2024)

T Secker (resigned 1 April 2024)

T Calnan (appointed 1 April 2024)

J Backhaus (appointed 1 April 2024)

Members' drawings, division of profit and subscription and repayment of members capital

The member's policy on drawings is to set drawings at a cautious level taking into consideration the working capital requirements of the business. The level of monthly drawings is set at each AGM in which the members approve the Group accounts.

An on account division of profit is then made during the year to members and a final distribution is made after the year end once the accounts have been approved by the members.

Any amounts paid to members which give rise to a liability are charged to the Income Statement under members' remuneration charged as an expense.

Members contribute to the capital of Trowers & Hamlins LLP and receive interest on capital contributed. The amount of capital contributed is agreed between the members from time to time. Capital is repaid to members after they cease to be members of Trowers & Hamlins LLP. Members' capital is classified as a financial liability in the statement of financial position.

Responsible business

The Group's strategy is shaped by a desire to grow our business in a way that is responsible and sustainable, with the principles of ESG at its core.

Trowers & Hamlins LLP embraces diversity and inclusivity as key values. The firm is committed to providing equality of opportunity through creating, implementing and monitoring the efficacy of policies, practices and procedures which both meet our legal requirements and follow good practice as provided by the Equality and Human Rights Commission and the Law Society.

Diversity is also a key facet of our Responsible Business goals. The firm's priorities, objectives and targets in this regard are set out in our Inclusion, Diversity and Equality Strategy 2022-2027, which is led and driven by the firm's senior and executive leaders. It is the firm's policy to treat all partners, employees and applicants fairly and equitably throughout the whole of their careers with the firm regardless of any protected characteristics as defined by legislation including gender, gender identity, gender expression, racial or cultural grounds, disability, marital/civil partnership status, maternity or pregnancy, religious beliefs, sexual orientation, age or any other category (whether defined by legislation or not) where discrimination cannot be reasonably justified.

The firm is also committed to creating social impact in the communities where we live and work, focusing on three priority areas: ensuring fairness and access to justice, in the UK and internationally; advancing social mobility and diversity and inclusion; and building an environmentally and socially sustainable world.

An Energy and Carbon Report is included within these financial statements. Our UK carbon emissions have reduce year on year as a result of the energy efficiency actions we have taken during 2022-2024.

Our Group environmental policy sets out our commitments and ambitions around our key impact areas, namely our carbon footprint, energy efficiency, waste management, business travel, procurement, and our premises. We are committed to achieving net zero by 2050, targeting 50% reduction in our carbon emissions by 2030, relative to our baseline.

Members' responsibilities

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

Company law as applied to LLPs requires the members to prepare financial statements for each financial year. Under that law the members have elected to prepare the financial statements in accordance with UK Accounting Standards, including FRS 102, The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland.

Under company law, as applied to LLPs, 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 LLP and the Group and of the profit or loss of the Group for that period. In preparing these financial statements, the members are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether UK Accounting Standards, including FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the LLP will continue in business.

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

Statement as to disclosure of information to auditor

The designated members who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditor is unaware. Each of the designated members have confirmed that they have taken all the steps that they ought to have taken as designated members in order to make themselves aware of any relevant audit information and to establish that is has been communicated to the auditor.

Auditor

RSM Audit UK LLP has indicated its willingness to continue in office as auditor.

Signed on behalf of the Board.

Signed by:
Sara Bailey
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S Bailey
Designated member
Date 24 July 2024

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TROWERS & HAMLINS LLP

Opinion

We have audited the financial statements of Trowers & Hamlins LLP (the 'parent limited liability partnership') and its subsidiaries (the 'group') for the year ended 31 March 2024 which comprise Consolidated Comprehensive Income Statement, the Consolidated Statement of Financial Position, the LLP Statement of Financial Position, the Consolidated Statement of Cash Flows, the Consolidated Statement of Movements in Members' Interests, the LLP Statement of Movement in Members' Interest and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and parent limited liability partnership's affairs as at 31 March 2024 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006 as applied to limited liability partnerships.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent limited liability partnership in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

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

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.

Matters on which we are required to report by exception

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

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

Responsibilities of members

As explained more fully in the Members' Responsibilities Statement set out on page 3, 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 parent limited liability partnership's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the members either intend to liquidate the group or parent limited liability partnership or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk 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, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the group audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory framework that the group and parent limited liability partnership operate in and how the group and parent limited liability partnership is complying with the legal and regulatory framework;

- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;

- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, the Companies Act 2006 and the LLP SORP 2021. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures.

The most significant laws and regulations that have an indirect impact on the financial statements are compliance with the Solicitors Regulation Authority Code of Conduct, including the Solicitors Accounts Rules as regulated by the Solicitors Regulation Authority in the UK. We performed audit procedures to inquire of management and those charged with governance whether the group and limited liability partnership is in compliance with these law and regulations. We inspected compliance documentation, enquired over any risk and breaches in the year and reviewed regulatory returns.

The group audit engagement team identified the risk of management override of controls, and the valuation of revenue and amounts recoverable on contracts as the areas where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments and evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business. The audit team also performed detailed substantive testing over the valuation of revenue and amounts recoverable on contracts.

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

Use of our report

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

Signed by:
Hywel Pegler
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HYWEL PEGLER (Senior Statutory Auditor)
For and on behalf of RSM UK AUDIT LLP, Statutory Auditor
Chartered Accountants
Second Floor,
1 The Square,
Temple Quay,
Bristol,
BS1 6DG
Date29 July 2024

Trowers & Hamlins LLP (Partnership Number: OC337852)
Consolidated Comprehensive Income Statement
Year ended 31 March 2024

	Notes	2024 £'000	2023 £'000
Revenue		142,342	135,578
Other Operating Income		811	782
		143,153	136,360
Staff costs	4	(66,604)	(61,613)
Depreciation and amortisation		(2,286)	(2,701)
Other operating expenses		(34,463)	(33,896)
Operating profit	3	39,800	38,150
Interest receivable and similar income	5	4,173	794
Interest payable and similar charges	5	(4,181)	(633)
Profit before taxation		39,792	38,311
Taxation	6	(561)	(312)
Profit for the financial year before members' remuneration and profit shares		39,231	37,999

Profit for the financial year before members' remuneration & profit shares		39,231	37,999
Members' remuneration charged as an expense		(39,231)	(37,999)
Result for the financial year available for discretionary division among members		-	-
Actuarial loss less expected return on pension scheme assets		(813)	(751)
Exchange gain/(loss) on translation of overseas operations		108	(279)
Total Comprehensive Expense		(705)	(1,030)

Trowers & Hamlins LLP (Partnership Number: OC337852)
Consolidated Statement of Financial Position
As at 31 March 2024

	Notes	2024 £'000	2023 £'000
Non-current assets			
Intangible assets	9	85	936
Property, plant and equipment	10	2,562	2,963
Investments	11	1	1
		2,648	3,900
Current assets			
Trade and other receivables	12	73,028	69,858
Cash at bank and in hand		5,521	1,764
		78,549	71,622
Current liabilities	13	(37,242)	(28,581)
Net current assets		41,307	43,041
Total assets less current liabilities		43,955	46,941
Non-current liabilities	14	(4,819)	(5,513)
Provisions	15	(470)	(1,942)
Net assets attributable to members before pension surplus		38,666	39,486
Pension surplus	16	2,613	3,017
Net assets attributable to members after pension surplus		41,279	42,503
Represented by:			
Loans and other debts due to members			
Members' capital classified as a liability		20,031	18,869
Other amounts		22,007	23,688
		42,038	42,557
Equity			
Members' other interests		(759)	(54)
Total members' interests		41,279	42,503

These financial statements on pages 8 to 29 were approved by the members and authorised for issue on 24 July 2024.

Signed on behalf of the members

Signed by:
Sara Bailey
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S Bailey
Designated member

Signed by:
Adrian Carter
197BBED680E44F3...
A Carter
Designated member

The Notes on pages 14 to 29 form part of these accounts.

Trowers & Hamlins LLP (Partnership Number: OC337852)
LLP Statement of Financial Position
As at 31 March 2024

	Notes	2024 £'000	2023 £'000
Non-current assets			
Property, plant and equipment	10	208	477
Investments	11	15	15
		223	492
Current assets			
Trade and other receivables	12	67,233	63,740
Cash at bank and in hand		4,694	1,029
		71,927	64,769
Current liabilities	13	(31,158)	(22,007)
Net current assets		40,769	42,762
Total assets less current liabilities		40,992	43,254
Non-current liabilities	14	(854)	(882)
Provisions	15	(470)	(1,942)
Net assets attributable to members before pension surplus		39,668	40,430
Pension surplus	16	2,613	3,017
Net assets attributable to members after pension surplus		42,281	43,447
Represented by:			
Loans and other debts due to members			
Members' capital classified as a liability		20,031	18,869
Other amounts		21,994	23,673
		42,025	42,542
Equity			
Members' other interests - other reserves		256	905
Total members' interests		42,281	43,447

The LLP's profit for the financial year before members' remuneration and profit shares available for discretionary division among members for the year ended 31 March 2024 was £38,685,777 (2023: £37,529,000).

The LLP has taken advantage of the exemption contained within 408 of the Companies Act 2006 as applied to LLPs not to present its own Income Statement and the exemptions within FRS 102 not to present its own Statement of Cashflows or analysis of financial assets and liabilities.

These financial statements on pages 8 to 29 were approved by the members and authorised for issue on 24 July 2024.

Signed on behalf of the members

Signed by:
Sara Bailey
6D7B85AE750E4A0...
S Bailey
Designated member

Signed by:
Adrian Carter
197BBED680E44F3...
A Carter
Designated member

The Notes on pages 14 to 29 form part of these accounts.

Trowers & Hamlins LLP (Partnership Number: OC337852)
Consolidated Statement of Cash Flows
Year ended 31 March 2024

	2024	2023
	£'000	£'000
Cash flows from operating activities		
Operating profit	39,800	38,097
Adjustments for		
Amortisation of intangible assets	912	1,260
Depreciation of tangible assets	1,374	1,441
(Gain) on disposal of fixed assets	-	(4)
Defined benefit scheme cost	(90)	(59)
Pension scheme contributions	(319)	(348)
Operating cash flows before movements in working capital	**41,677**	**40,387**
(Increase) in receivables	(3,033)	(3,017)
(Decrease) in payables	(745)	(1,541)
(Decrease)/increase in provisions	(1,472)	36
Income taxes paid	(282)	(436)
Interest received	4,173	794
Interest paid	(4,181)	(633)
Net cash generated from operations before transactions with members	**36,137**	**35,590**
Members' drawings on account and distributions of profits	(43,801)	(43,048)
Return on capital	2,889	2,178
Net cash used by operating activities	**(4,775)**	**(5,280)**
Cash flows from investing activities		
Purchase of intangible fixed assets	(61)	(23)
Purchase of tangible fixed assets	(998)	(2,647)
Proceeds from sale tangible assets	-	6
Net cash used in investing activities	**(1,059)**	**(2,664)**
Cash flows from financing activities		
New bank loans	18,394	26,019
Repayment of bank loans	(10,098)	(20,732)
Members' capital subscribed	2,864	2,281
Members' capital re-paid	(1,702)	(934)
Net cash generated by financing activities	**9,458**	**6,634**
Net increase/(decrease) in cash and cash equivalents	**3,624**	**(1,310)**
Foreign exchange translation adjustment	133	(246)
Cash and cash equivalents at the beginning of the year	1,764	3,320
Cash and cash equivalents at the end of the year	5,521	1,764

Cash and cash equivalents	**2024**	**2023**
	£'000	**£'000**
Cash at bank and in hand	5,521	1,764
	5,521	1,764

Trowers & Hamlins LLP (Partnership Number: OC337852)
Consolidated Statement of Movement in Members' Interests
(incorporating the Statement of Changes in Equity)
Year ended 31 March 2024

Group	Debt: Loans and other debts due to members			Equity: Members' other interests	
	Members' capital	Other amounts	Total	Other reserves	Total Members Interests
	£'000	£'000	£'000	£'000	£'000
At 1 April 2022	17,522	26,559	44,081	976	45,057
Members' remuneration charged as an expense	-	37,999	37,999	-	37,999
Members interests after profit for the year	17,522	64,558	82,080	976	83,056
Transactions with members					
Drawings on account and distribution of profit		(40,870)	(40,870)	-	(40,870)
Capital introduced	2,281	-	2,281	-	2,281
Repayments of capital	(934)	-	(934)	-	(934)
Other comprehensive income					
Actuarial (loss) on pension scheme	-	-	-	(751)	(751)
Exchange (loss) on translation of overseas operations	-	-	-	(279)	(279)
At 31 March 2023	18,869	23,688	42,557	(54)	42,503
Members' remuneration charged as an expense	-	39,231	39,231	-	39,231
Members interests after profit for the year	18,869	62,919	81,788	(54)	81,734
Transactions with members					
Drawings on account and distribution of profit	-	(40,912)	(40,912)	-	(40,912)
Capital introduced	2,864	-	2,864	-	2,864
Repayments of capital	(1,702)	-	(1,702)	-	(1,702)
Other comprehensive income					
Actuarial (loss) on pension scheme	-	-	-	(813)	(813)
Exchange gain on translation of overseas operations	-	-	-	108	108
At 31 March 2024	20,031	22,007	42,038	(759)	41,279

Trowers & Hamlins LLP (Partnership Number: OC337852)
LLP Statement of Movement in Members' Interests
(incorporating the Statement of Changes in Equity)
Year ended 31 March 2024

	Debt: Loans and other debts due to members			Equity: Members' other interests	
LLP	**Members' capital**	**Other amounts**	**Total**	**Other reserves**	**Total Members Interests**
	£'000	**£'000**	**£'000**	**£'000**	**£'000**
At 1 April 2022	17,522	26,539	44,061	1,898	45,959
Members' remuneration charged as an expense	-	37,529	37,529	-	37,529
Members interests after profit for the year	17,522	64,068	81,590	1,898	83,488
Transactions with members					
Drawings on account and distribution of profit		(40,395)	(40,395)	-	(40,395)
Capital introduced	2,281	-	2,281	-	2,281
Repayments of capital	(934)	-	(934)	-	(934)
Other comprehensive income					
Actuarial (loss) on pension scheme	-	-	-	(751)	(751)
Exchange (loss) on translation of overseas operations	-	-	-	(242)	(242)
At 31 March 2023	18,869	23,673	42,542	905	43,447
Members' remuneration charged as an expense	-	38,686	38,686	-	38,686
Members interests after profit for the year	18,869	62,359	81,228	905	82,133
Transactions with members					
Drawings on account and distribution of profit	-	(40,365)	(40,365)	-	(40,365)
Capital introduced	2,864	-	2,864	-	2,864
Repayments of capital	(1,702)	-	(1,702)	-	(1,702)
Other comprehensive income					
Actuarial (loss) on pension scheme	-	-	-	(813)	(813)
Exchange gain on translation of overseas operations	-	-	-	164	164
At 31 March 2024	20,031	21,994	42,025	256	42,281

It is a term of the Members' Agreement that on administration, winding up or dissolution (whether such administration, winding up or dissolution is voluntary, or by creditors, or by the Court) no member shall be entitled to receive any repayment of Members Capital until after payment of the debts and liabilities of Trowers & Hamlins LLP (including any amounts due to members other than amounts in respect of Members Capital) and the payment of all expenses of such administration, winding up or dissolution.

1 Information about the firm

Trowers and Hamlins LLP is a limited liability partnership, registered in England and Wales with number OC337852. Its registered office is 3 Bunhill Row, London EC1Y 8YZ. Together with its subsidiaries, the firm operates from four offices in England and Wales with further offices in the United Arab Emirates, Bahrain, Malaysia and Oman.

The firm's principal activity is the provision of legal services and in the UK it is regulated by the Solicitors' Regulation Authority. It carries appropriate local registrations in other jurisdictions.

2 Accounting policies

2.1 Basis of accounting

The financial statements have been prepared in accordance with UK Accounting Standards, including FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland, the Statement of Recommended Practice, Accounting by Limited Liability Partnerships (published December 2021) and the Companies Act 2006, as applied to LLPs.

The financial statements are presented in Sterling, rounded to the nearest thousand pounds.

2.2 Basis of consolidation

The financial statements consolidate the accounts of Trowers & Hamlins LLP and all of its subsidiary undertakings (the 'Group').

Subsidiaries acquired during the year are included from the date that control is assumed. Acquisitions are accounted for using the acquisition method of accounting. Where subsidiaries are disposed of, results are included until the date that control ceases to be held.

2.3 Going concern

The financial statements are prepared on the going concern basis. The Group's results for the year reflected growth in revenue, however profit margins were affected by additional expenditure due to inflation and increased headcount. A detailed and thorough assessment has been made on forecast income and expenditure which are rebalanced to improve profit margins and supported by a well-diversified service offering both in the UK and overseas. Our cashflow forecasts demonstrate the Group is adequately financed by current levels of capital, retained profits, bank loans, finance leases and long-term revolving credit facilities.

After an assessment of the Group's liquidity, the members are satisfied that it is appropriate to prepare these accounts on a going concern basis.

2.4 Revenue

Revenue represents the fair value of services provided during the year on client assignments. Revenue is recognised as contract activity progresses and the right to consideration is earned. The degree of completion service contracts is assessed based on time spent on the contract by fee earners. Fair value reflects the amount expected to be recoverable from clients and is based on the time spent, skills and expertise provided and expenses incurred. Revenue excludes VAT and recharged disbursements.

In circumstances where the Group has arrangements where the rendering of a fee is only assured after the occurrence of a specified event, revenue is recognised in the period when the event occurs and collectability of the fee is assured.

Revenue earned but unbilled at the year end is included in accrued income within receivables. Where individual on-account billings exceed revenue recognised on client assignments, the excess is classified as deferred income within current liabilities.

2.5 Members' remuneration

Profits are automatically divided as they arise, so the LLP does not have an unconditional right to refuse payment and the amounts arising that are due to members are in the nature of liabilities. They are therefore treated as an expense and presented as members remuneration charged as an expense in arriving at the result for the relevant year. To the extent that they remain unpaid at the period end, they are shown as liabilities.

2.6 Members' drawings, division of profit and subscription and repayment of members' capital

The member's policy on drawings is to set drawings at a cautious level taking into consideration the working capital requirements of the business. The level of monthly drawings is set at each AGM in which the members approve the Group accounts.

An on account division of profit is then made during the year to members and a final distribution is made after the year end once the accounts have been approved by the members.

Any amounts paid to members which give rise to a liability are charged to the Statement of Income under 'Members' remuneration charged as an expense'.

Members contribute to the capital of Trowers & Hamlins LLP and receive interest on capital contributed. The amount of capital contributed is agreed between the members from time to time. Capital is repaid to members after they cease to be members of Trowers & Hamlins LLP. Members' capital is classified as a financial liability in the Statement of Financial Position on the basis that LLP does not have an unconditional right to refuse repayment to the holder, under any circumstances. Losses shall not be divided amongst the members and *therefore shall not represent a debt owing from the Members to the LLP. Where a loss of any nature has been* incurred by the LLP, the Members' obligation to contribute any amount to the LLP to reduce or extinguish that loss shall not exceed the extent of their obligation to contribute Capital to the LLP. Undivided amounts that are classified as equity are shown within 'Members' other interests'.

2.7 Intangible assets

The cost of software and licenses are amortised over their useful life of 4 years on a straight line basis. Software and licenses are reviewed for impairment where there is an indication that the useful economic life has changed since the previous period.

2.8 Property, plant and equipment

The cost of fixed assets less the estimated residual value are depreciated over their estimated economic lives on a straight line basis for all classes of fixed assets other than motor vehicles. The expected economic life of these fixed asset categories are as follows:

Fixtures and fittings, furniture, and other equipment - 3 - 8 years

Office equipment - 4 years

Motor vehicles are depreciated on a reducing balance basis at the rate of 25% per annum.

The carrying value of tangible fixed assets is reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

2.9 Financial instruments

Investments in subsidiaries are valued at cost less provision for impairment. Basic financial instruments are recognised at amortised cost.

The LLP only Group enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities such as accrued income, trade and other receivable, accruals and trade and other payables. Short term receivables are measured at transaction price, less any impairment. Short term payables are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.10 Leased assets and obligations

Where assets are financed by leasing agreements that give rights approximating to ownership ('finance leases'), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable during the lease term. The corresponding leasing commitments are included in liabilities.

Lease payments are treated as consisting of capital and interest elements, and the interest is charged to the statement of income in proportion to the remaining balance outstanding.

All other leases are "operating leases" and the annual rentals are charged to the income statement on a straight line basis over the lease term.

Lease incentives are recognised over the expected minimum lease term at inception of the lease.

2.11 Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction.

Monetary assets and liabilities in foreign currencies are translated at the rates of exchange ruling at the statement of financial position date and any gains or losses on translation are included in the statement of income.

Assets and liabilities of overseas operations are translated at the rate of exchange ruling at the statement of financial position date. The profit arising from the overseas operations are translated at the rate ruling at the date of the transaction. Exchange gains or losses arising from translation of opening assets and liabilities representing our investment in overseas operations are reported in the statement of other comprehensive income. All other exchange gains or losses arising from the translation of overseas assets and liabilities are taken to the statement of income.

2.12 Short term employee benefits

The firm makes provision for accrued holiday earned but not taken at the statement of financial position date, inclusive of associated costs.

2.13 Retirement benefits

The Group operated a defined contribution scheme which was closed during the 2005/6 financial year and all individual members assets were transferred to a Group Personal Pension Plan/Section 32 policy with Friends Provident or individual pension policies.

The Group continues to contribute to the Group Personal Pension Plan at the same level as for the predecessor defined contribution scheme. Contributions are charged in the statement of income as they become payable in accordance with the rules of the scheme. The Group contributions to the Group Personal Pension Plan include contributions previously paid by employees but now paid by the employer under a salary sacrifice scheme.

The Group also has a defined benefit scheme which closed to new entrants on 2 January 1996 and closed to future accrual with effect from 1 December 2007.

The assets of the deferred benefit pension scheme are measured at fair value and the liabilities are measured on an actuarial basis discounted at a rate equivalent to yields on 'high quality' corporate bonds of appropriate duration and currency, or a suitable proxy. The resulting net asset or liability is then presented separately on the face of the statement of financial position. Current service costs, curtailment and settlement gains and losses and net financial returns are included in the statement of income in the period to which they relate. Any actuarial gains or losses are taken to the statement of other comprehensive income for the year.

2.14 Provisions for liabilities

Provisions are recognised when the Group has a present obligation arising from a past event, and it is probable that the Group will be required to settle that obligation. Provisions are measured at the best estimate of the amount required to settle the obligation at the statement of financial position date. Where the impact is material long term provisions are discounted and the present value of a liability is included in these financial statements.

The firm may be involved in disputes in the ordinary course of business, which may give rise to claims. Provision is made in the financial statements on a prudent basis for all known claims, where costs are likely to be incurred, and represents an assessment of the cost of defending and concluding claims. Where claims are covered by professional indemnity insurance, an equivalent insurance recoverable is recognised in debtors. No separate disclosure is made of the cost and nature of claims covered by insurance, as to do so would severely prejudice the position of the firm.

2.15 Taxation

The taxation payable on the LLP profits is the personal liability of the members and consequently is not accounted for in these financial statements.

Amounts relating to taxation included within these financial statements relate to corporation and deferred tax arising on corporate subsidiary undertakings.

Full provision is made for deferred tax assets and liabilities arising from timing differences between the recognition of gains and losses in the financial statements and their recognition in the tax computation. No provision is made for taxation on permanent timing differences.

2.16 Geographic analysis

No geographic analysis of revenue is shown as the Board considers that such disclosure would be seriously prejudicial to the business.

2.17 Key estimates and judgements

In preparing these financial statements, management has needed to make estimates and assumptions that impact the reported amounts of revenue, expenses, assets and liabilities. In making these estimates and judgements, management has used its knowledge and experience to consider the expected outcome of future events and arrive at decisions that are believed to be reasonable and constitute management's best judgement at the date of the financial statements.

The principal estimates and judgements exercised by management that could have a significant effect upon the results for the year and its state of affairs at the year end date include:

- estimates surrounding the recoverable value of unbilled revenue on client assignments;
- estimates surrounding the adequacy of any provision against receivables; and
- judgement over the recognition of the defined benefit scheme surplus.

The significant elements of estimation uncertainty are described in the associated accounting policies except for the defined benefit pension scheme where the principal estimates are in the selection of appropriate actuarial assumptions, in particular the discount rate, inflation and mortality.

3 Operating Profit

The following items have been charged/(credited) in the Income Statement in arriving at Operating Profit:

	2024 £'000	2023 £'000
Amortisation of intangibles	912	1,260
Depreciation of Property, Plant and Equipment		
- Owned assets	1,031	1,148
- Assets held under finance leases	343	293
Operating lease rentals	6,053	6,147
Foreign exchange loss/(gain)	510	(638)
Impairment of trade receivables	699	1,269

4 Staff costs

	2024 No	2023 No
The average monthly number of persons employed during the year (excluding members) was:		
Fee earners	474	465
Support staff	362	356
	836	821

	£'000	£'000
Staff costs incurred during the year in respect of these employees were:		
Salaries and wages	55,279	51,193
Social security	5,843	5,543
Pension (defined contribution scheme)	5,482	4,877
	66,604	61,613

5 Interest

	2024 £'000	2023 £'000
Interest receivable and similar income		
On bank balances	4,024	700
On pension scheme	149	94
	4,173	794
Interest payable and similar charges		
On bank loans, overdrafts and client money	3,956	432
On finance leases	69	93
On amounts due to former partners	156	108
	4,181	633
Net interest (paid) / received	(8)	161

6 Tax on profit on ordinary activities

The tax charge arises within the subsidiary undertakings of the Group	2024 £'000	2023 £'000
U.K. corporation tax	697	322
Adjustment for prior periods	1	(72)
Current tax charge	698	250
Deferred tax		
Deferred tax credit for the current year	(137)	(14)
Restatement of opening balance due to change in tax rate	-	-
Adjustment for prior periods	-	76
Deferred tax (credit)/charge	(137)	62
Taxation on profit on ordinary activities	561	312

	2024 £'000	2023 £'000
Factors affecting tax charge for the year:		
Profit on ordinary activities before taxation subject to UK corporation tax	1,824	1,591
Profit earned in corporate subsidiaries before taxation multiplied by the standard rate of UK corporation tax of 25% (2023: 19%)	456	302
Effects of:		
Non-deductible expenses	111	31
Difference in rates of tax	(7)	(24)
Prior year adjustments	1	3
	105	10
Tax charge for the year	561	312

Deferred tax is provided at 25% (2023: 25%). The main rate of corporation tax.

7 Auditors' remuneration

	2024 £'000	2023 £'000
Auditors remuneration comprising:		
Amounts payable to RSM Audit UK LLP and its associated firms in respect of both audit and non-audit services:		
Fees payable to the LLP's auditors for the audit of the LLP's annual accounts	120	108
Fees payable to the LLP's auditor for other services		
The audit of LLP's subsidiaries pursuant to legislation	43	40
Audit-related assurance services	43	45
Tax advisory services	62	33
Fees in respect of the Trowers & Hamlins LLP defined benefit pension scheme payable to Crowe U.K. LLP		
Audit fee	15	15

8 Members' share of profits

Profits are shared among the members in accordance with agreed profit sharing arrangements.

	2024 No	2023 No
Average monthly number of members	141	148

The estimated entitlement of the highest paid member for the current year is £1,158,363 (2023: £480,000).

9 Intangible assets

Group	Software and licences £'000	Assets under construction £'000	Software and licences £'000
Cost:			
At 1 April 2023	5,374	-	5,374
Additions	24	37	61
At 31 March 2024	5,398	37	5,435
Depreciation			
At 1 April 2023	4,438	-	4,438
Charge in the year	912	-	912
At 31 March 2024	5,350	-	5,350
Net book value			
31 March 2024	**48**	**37**	**85**
31 March 2023	936	-	936

10 Property, plant and equipment

Group	Fixtures and fittings, furniture & other equipment £'000	Office equipment £'000	Motor vehicles £'000	Total £'000
Cost:				
At 1 April 2023	12,428	6,248	25	18,701
Additions	485	513	-	998
Disposals	-	(108)	-	(108)
Exchange adjustment	(61)	(16)	-	(77)
At 31 March 2024	12,852	6,637	25	19,514
Depreciation				
At 1 April 2023	11,224	4,489	25	15,738
Charged in the year	508	866	-	1,374
Disposals	-	(108)	-	(108)
Exchange adjustment	(37)	(15)	-	(52)
At 31 March 2024	11,695	5,232	25	16,952
Net book value				
31 March 2024	**1,157**	**1,405**	**-**	**2,562**
31 March 2023	1,204	1,759	-	2,963

LLP	Fixtures and fittings, furniture & other equipment £'000	Office equipment £'000	Motor vehicles £'000	Total £'000
Cost:				
At 1 April 2023	4,243	208	24	4,475
Additions	-	23	-	23
Disposals	-	(36)	-	(36)
Exchange adjustment	(53)	(3)	-	(56)
At 31 March 2024	4,190	192	24	4,406
Depreciation:				
At 1 April 2023	3,824	151	23	3,998
Charged in the year	226	43	-	269
Disposals	-	(36)	-	(36)
Exchange adjustment	(31)	(2)	-	(33)
At 31 March 2024	4,019	156	23	4,198
Net book value				
31 March 2024	**171**	**36**	**1**	**208**
31 March 2023	419	57	1	477

The carrying value of property, plant equipment includes the following amounts in respects of assets held under finance leases:

	Group		LLP	
	2024	**2023**	**2024**	**2023**
	£'000	**£'000**	**£'000**	**£'000**
Fixtures, fittings, furniture and other equipment	-	49	-	-
Office equipment	927	828	-	-

11 Investments

Group

	Total
	£'000
Cost:	
1 April 2023 and 31 March 2024	1

LLP	**Shares in Subsidiary undertaking**	**Other**	**Total**
	£'000	**£'000**	**£'000**
Cost:			
1 April 2023 and 31 March 2024	14	1	15

During the year, the LLP subscribed to £1 of share capital of Trowers & Hamlins (Asia) Limited.

The LLP's subsidiaries in the year, all of which are wholly owned within the Group, were:

	% held by LLP	**Nature of Business**
Trowers & Hamlins (Asia) Limited	100%	Holding
Trowers & Hamlins (Services) Limited	100%	Trading
Trowers & Hamlins (Singapore) LLP	0.00%	Dormant
Trowers & Hamlins	99.9%	Trading
Trowers & Hamlins Limited	100%	Dormant
Trowers & Hamlins International Limited	100%	Trading
T&H Directors Limited	100%	Dormant
Trowers & Hamlins Nominees	100%	Nominee
Trowers Limited	100%	Dormant
Stillness Limited	100%	Dormant
T&H Secretarial Services Limited	100%	Dormant
T&H Secretarial Services (Park Resorts) Limited	100%	Dormant
T&H Secretarial Services (Middle East) Limited	100%	Dormant

The registered office of companies incorporated in the UK is 3 Bunhill Row, London EC1Y 8YZ.

Trowers & Hamlins (Asia) Limited registered number 14958948 is exempt from the requirements of the Companies Act 2006 relating to the audit of the financial statements under section 479A of the Companies Act 2006. In order for Trowers & Hamlins (Asia) Limited to take exemption from audit by virtue of S479A of the Companies Act 2006, the LLP company has guaranteed all outstanding liabilities of those subsidiaries until those liabilities are satisfied in full.

12 Receivables

	Group 2024 £'000	Group 2023 £'000	LLP 2024 £'000	LLP 2023 £'000
Amounts owed by group undertakings	-	-	3,301	2,509
Trade receivables	45,600	45,638	41,995	42,324
Accrued income	17,548	17,197	16,426	15,501
Other receivables	4,507	2,663	4,356	2,398
Prepayments	5,216	4,340	1,155	1,008
Deferred tax	157	20	-	-
	73,028	69,858	67,233	63,740

All receivables are due within one year. Amounts due from group undertakings are interest free and repayable on demand.

Deferred tax asset comprises:	Group 2024 £'000	Group 2023 £'000	LLP 2024 £'000	LLP 2023 £'000
Decelerated capital allowances	157	20	-	-
	157	20	-	-

13 Current liabilities

	Group 2024 £'000	Group 2023 £'000	LLP 2024 £'000	LLP 2023 £'000
Bank loan	18,541	10,348	18,500	10,000
Finance leases	313	246	-	-
Trade payables	6,211	5,005	4,919	3,467
Corporation tax	452	36	-	-
Other taxation and social security	3,905	4,804	3,091	3,590
Other payables	3,711	473	989	949
Accruals and deferred income	4,109	7,669	3,659	4,001
	37,242	28,581	31,158	22,007

14 Non-current liabilities

	Group		LLP	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Bank loan	7	38	-	-
Finance leases	736	669	-	-
Property accruals	2,598	3,359	19	62
Other payables	1,478	1,447	835	820
	4,819	5,513	854	882

All bank loans are unsecured. Finance leases are secured on the underlying assets. The non-current element of bank loans and finance leases are all repayable within five years. Property accruals have previously been categorised as a current liability. The current and prior financial years have been reclassified to show the non-current element of the property accruals.

15 Provisions and contingent liabilities

Group and LLP		2024	
	Claims	Property	Total
	£'000	£'000	£'000
At 1 April 2023	1,705	237	1,942
(Released)/Charged to the Income Statement	(1,558)	27	(1,531)
Paid	59	-	59
At 31 March 2024	206	264	470

The Group leases office space held under operating leases. As is normal practice operating leases may provide for lessees to return office space to lessors at the end of the lease in the same condition as when the lease was entered into. A provision is recognised where it is considered such a liability will crystallise. For leases on properties that have been vacated and are considered surplus to operational requirements, a provision has been recognised to the extent that the continuing rental obligations are not expected to be recovered through sub-letting.

The firm may be involved in disputes in the ordinary course of business, which may give rise to claims. Provision is made in the financial statements on a prudent basis for all known claims, where costs are likely to be incurred, and represents an assessment of the cost of defending and concluding claims. Where claims are covered by professional indemnity insurance, an equivalent insurance recoverable is recognised in other receivables. The net claims liability for 2024 is £206,098 (2023: £707,895). No separate disclosure is made of the cost and nature of claims covered by insurance, as to do so would severely prejudice the position of the firm.

16 Pensions

Defined Benefit Scheme

The Group operates a defined benefit scheme that pays out pensions at retirement based on service and final pay. The defined benefit scheme closed to new entrants on 2 January 1996 and closed to future accrual with effect from 1 December 2007.

The Group has applied Section 28 of FRS 102 and the following disclosures relate to this standard.

The Group recognises any gains or losses in each period in Other Comprehensive Income.

The funding policy is agreed between the scheme trustees and the Group and is formally set out in a Statement of Funding Principles, Schedule of Contributions and Recovery Plan following each full actuarial valuation.

A full actuarial valuation of the scheme was carried out at 1 January 2022 and the defined benefit obligation has been adjusted to the reporting date of 31 March 2024 using an approximate roll-forward approach, allowing for benefits paid to members over the period.

The amounts recognised in the Group and LLP statement of financial position are as follows:

	2024 £'000	2023 £'000
Present value of funded obligations	19,353	19,511
Fair value of scheme assets	(21,966)	(22,528)
(Surplus)	(2,613)	(3,017)

The pension scheme assets include no assets from the Group's own financial instruments. The pension scheme assets include no property occupied by, or other assets used by, the Group.

Analysis of the amounts recognised in statement of income are as follows:	2024 £'000	2023 £'000
Scheme administration expenses	59	44
Net interest on the defined benefit (liability)	(149)	(94)
Total	(90)	(50)
Return on scheme assets	293	(6,150)

Changes in the present value of the defined benefit obligation are as follows:

	2024	2023
Opening defined benefit obligation	19,511	26,092
Interest cost	901	677
Actuarial losses (gains)	56	(6,163)
Benefits paid	(1,115)	(1,095)
Closing defined benefit obligation	19,353	19,511

Changes in the fair value of scheme assets are as follows:

	2024	2023
Opening fair value of scheme assets	22,528	29,462
Interest income / Expected Return	1,050	771
Return on scheme assets	(757)	(6,921)
Scheme administration expenses	(59)	(37)
Contributions by employer	319	348
Benefits paid	(1,115)	(1,095)
Closing fair value of scheme assets	21,966	22,528

The major categories of scheme assets as a percentage of total scheme assets are as follows:

	2024	2023
Diversified Growth Fund	23.9%	28.9%
Alternative Growth Portfolio	0.0%	0.0%
Liability Driven Investments	33.9%	31.7%
Diversified Credit	9.1%	8.7%
Asset-back securities	24.9%	23.9%
Cash/Other	8.2	6.8%

Principal actuarial assumptions at the statement of financial position date (expressed as weighted averages):

		2024	2023
Discount rate		4.80%	4.75%
Price inflation	RPI	3.40%	3.45%
	CPI	2.75%	2.75%
Future salary increases		n/a	n/a
Pension increases	- RPI max 2.5%	2.00%	2.10%
	- RPI max 5%	3.15%	3.20%
Cash commutation		Members commute 25% of pension	Members commute 25% of pension

Mortality assumptions	**Current pensioners**		**Future pensioners**	
	2024	**2023**	**2024**	**2023**
Actuarial tables used	97% of S3P*A Year of Birth CMI 2023 [1.25%]	97% of S3P*A Year of Birth CMI 2021 [1.25%]	97% of S3P*A Year of Birth CMI 2023 [1.25%]	97% of S3P*A Year of Birth CMI 2021 [1.25%]
Male life expectancy at age 65 (future pensioners assumed to be currently aged 45)	21.3 years	21.8 years	22.6 years	23.0 years
Female life expectancy at age 65 (future pensioners assumed to be currently aged 45)	23.9 years	24.3 years	25.3 years	25.7 years

17 Lease commitments

17.1 Operating leases

The firm's minimum lease payments payable under non-cancellable operating leases are as follows:

	Group		LLP	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Within one year	7,077	6,530	283	308
In the second to fifth year inclusive	22,192	23,689	143	566
After more than five years	8,619	13,970	-	-
	37,888	44,189	426	874

17.2 Finance leases

The firm's minimum lease payments payable under finance leases are as follows:

	Group		LLP	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Within one year	345	268	-	-
In the second to fifth year inclusive	771	706	-	-
	1,116	974	-	-

Assets due under finance leases are secured on the underlying assets.

18 Financial assets and liabilities

The firm had the following financial instruments at the end of the year:

	Group	
	2024	2023
	£'000	£'000
Financial assets		
Client receivables	45,600	45,638
Other receivables	4,507	2,663
Cash at bank and in hand	5,521	1,764
Financial assets measured at amortised cost	55,628	50,065
Financial liabilities		
Bank loans and overdrafts	(18,548)	(10,386)
Finance leases	(1,049)	(915)
Trade and other payables	(9,840)	(5,478)
Financial liabilities measured at amortised cost	(29,519)	(16,779)

19 Related party transactions

The firm has taken the exemption provided in Section 33 of FRS 102, not to disclose transactions between itself and its wholly owned subsidiary undertakings.

The firm has identified that the Key Management of the firm are the members of the Strategic Board which include the Senior Partner, six designated members and two other partners. Also included are the Directors of Finance, Human Resources, Information Services and Operations. The total remuneration of the Strategic Board (which reflects the total profit share received by the members plus the remuneration of the Directors) amounts to £5,218,536 (2023: £5,446,563).

20 Reconciliation of movement in net debt

	At 31 March 2022 £'000	Arising from cash flows £'000	New finance leases £'000	Other non-cash changes £'000	Changes in market value and foreign exchange movements £'000	At 31 March 2023 £'000
Cash at bank	3,320	(1,657)	-	-	101	1,764
Bank borrowings (less than 1 year)	(5,503)	(4,845)	-	-	-	(10,348)
Bank borrowings (more than 1 year)	(375)	337	-	-	-	(38)
Finance leases	(134)	238	(1,019)	-	-	(915)
Net debt (before members' debt)	**(2,692)**	**(5,927)**	**(1,019)**	**-**	**101**	**(9,537)**
Loans and other debts due to members						
Members' capital	(17,522)	(1,347)	-	-	-	(18,869)
Other amounts due to members	(26,599)	2,911	-	-	-	(23,688)
Net debt	**(46,813)**	**(4,363)**	**(1,019)**	**-**	**101**	**(52,094)**

	At 31 March 2023 £'000	Arising from cash flows £'000	New finance leases £'000	Other non-cash changes £'000	Changes in market value and foreign exchange movements £'000	At 31 March 2024 £'000
Cash at bank	1,764	3,704	-	-	53	5,521
Bank borrowings (less than 1 year)	(10,348)	(8,193)	-	-	-	(18,541)
Bank borrowings (more than 1 year)	(38)	31	-	-	-	(7)
Finance leases	(915)	260	(394)	-	-	(1,049)
Net debt (before members' debt)	**(9,537)**	**(4,198)**	**(394)**	**-**	**-**	**(14,076)**
Loans and other debts due to members						
Members' capital	(18,869)	(1,162)	-	-	-	(20,031)
Other amounts due to members	(23,688)	1,681	-	-	-	(22,007)
Net debt	**(52,094)**	**(3,679)**	**(394)**	**-**	**53**	**(56,114)**

Energy and Carbon Report

The Companies (Director's Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 requires Trowers & Hamlins LLP to report on our energy and carbon performance.

The report is limited to our UK energy, refrigerant, company car and grey fleet data and includes data for the most recent financial year ending 31 March 2024 against our previous year's data in-line with the requirements set out in the UK (March 2019) for large unquoted companies and LLPs.

UK Scope 1, 2 and 3 Energy Consumption (kWh) and Carbon Emissions (tCO_2e)

Year ended	31 March 2024		31 March 2023	
Units	kWh	tCO2e	kWh	tCO2e
Natural Gas Scope 1	1,041,235	190	1,557,018	284
Refrigerants* Scope 1	0	0	26.4**	50
Company Cars (ICE, Hybrid & PHEV) *** Scope 1	539,316	130	556,610	137
Electricity Consumption (Location based) Scope 2	2,451,347	508	2,781,786	547
Electricity Consumption (Market based) Scope 2	2,451,347	0	2,781,786	0
Company Cars (EV & PHEV) Scope 2	12,831	3	7,962	2
Business travel in employee-owned vehicles Scope 3	22,891	6	22,678	6
Total Gross 1, 2 and 3 (Location Based)	**4,067,620**	**827**	**4,926,053**	**1,027**
Total Gross 1, 2 and 3 (Market Based)	**4,067,620**	**329**	**4,926,053**	**479**

* Our 31 March 2023 data has been restated to reflect improvements in data availability, calculation and estimation methodologies
** Refrigerant gas losses are reported in kilograms
*** Company cars that consume petrol and diesel, including hybrid and plug-in hybrid vehicles

UK Intensity Ratios

	31 March 2024	31 March 2023
kWh per FTE (Scope 1, 2 & 3)	4,480	5,360
Energy Usage Intensity (EUI)* (kWh per M^2)	262	325
tCO_2e per FTE (Scope 1, 2 & 3 - Location Based)	0.92	1.17
tCO_2e per M^2 – Net Internal Area (Location Based - Per EUI Calculation)	0.05	0.65

* Energy Usage Intensity is the amount of energy (natural gas and electricity) used per square metre of office space (Net Internal Area)

Energy Efficiency Measures Taken

The firm continues to purchase renewable electricity, backed by Renewable Energy Guarantees of Origin (REGO) certificates for the UK offices that we operate. Our landlord-owned buildings have also switched to renewable tariffs, and we will continue to encourage them to maintain this approach.

Whilst renewable energy is zero carbon, we recognise that we must continue to focus on improving the energy efficiency of our buildings. Between 2024 and 2023 the firm has reduced its UK absolute kWh electricity use by 12% and natural gas use by 33% year on year, resulting in a 19.5% improvement in our Energy Usage Intensity from 325 to 262 kWh per M^2 of Net Internal Area (NIA) year on year.

We have realised these improvements by implementing the below energy efficiency actions during the FY22/23 and FY23/24 reporting years:

- Replacing our fluorescent lighting with LED panels in our Exeter office.
- Installing dedicated air-conditioning in our Main Equipment Room (MER) allowing us to turn off our central air conditioning system overnight and at weekends which was previously running 24/7. We also increased the temperature set points across our MER and Satellite Equipment Rooms (SERs) from 19-21°C to 24-25°C.
- The installation of electrically heated calorifiers to provide our hot water in 2023 is now fully operational in our London office, reducing the demand on our natural gas central boilers enabling us to make further reductions to our central plant operating hours.
- We have continued to make changes to our building management system, restricting individual office thermostats to +/- 2°C and introducing consistent summer and winter temperatures across our open-plan floors, improving the energy efficiency of our HVAC plant by reducing the occurrence of simultaneous heating and cooling.
- We have upgraded our Audio-Visual systems, improving the quality and availability of remote meeting capabilities across our offices.
- We have a rolling programme of replacing natural gas catering equipment with electric alternatives when equipment reaches its end of life.
- Our London catering team has completed environmental awareness training on reducing energy use, improving resource efficiency and correct waste management.
- The adoption of EV, PHEV & hybrid cars under our company car scheme continues to increase.

Data Methodology

The GHG emissions data presented in this report has been prepared using the operational control reporting boundary, in-line with the requirements of:

- The World Resources institute 'GHG Protocol Corporate Accounting and Reporting Standard (revised edition)'
- GHG Protocol Scope 2 Guidance for market-based reporting; and
- 'Environmental Reporting Guidelines: Including streamlined energy and carbon reporting guidance' (March 2019)

We have applied the latest emission factors from the BEIS UK Government GHG Conversion Factors for Company Reporting and AIB electricity residual mix factor for the appropriate reporting year.

Whilst we have used all reasonable endeavours to obtain accurate and complete primary data, where there have been data gaps, we have applied relevant calculation methodologies and estimations where necessary, such as the use of expenditure data or historic values where data was not readily available.

A list of the members of the LLP during the financial year can be found online at Companies House.

Approved and signed on behalf of the Board.

Signed by:
Sara Bailey
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S Bailey
Designated member
Date 24 July 2024