31 March 2023

Trowers & Hamlins LLP

Members' Report and Consolidated Financial Statements

Partnership Number: OC337852

Trowers & Hamlins LLP
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trowers & hamlins

Contents

Trowers & Hamlins LLP
Members' Report

The Board submit their report to the members together with the financial statements for the year ended 31 March 2023.

Group structure

These financial statements consolidate the results of Trowers & Hamlins LLP (the 'Group') and its subsidiary undertakings for the year ended 31 March 2023.

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 2023. All results derive from continuing activities.

Review of the business and future developments

Despite a challenging economic environment which supressed utilisation, the Group's revenue increased by 8% over the previous year.

Expenditure however rose by 17% due to increased headcount and inflationary pressure. As a result, profit margins fell slightly and underlying profit before members remuneration represented 28% of revenue, compared to 33% in 2022. Inflationary pressure has also required the Group to exercise careful management of costs and focus investment on key strategic priorities including: building equipment required to meet some environmental aspects our Responsible Business strategy, a refresh of all IT servers and enhanced Innovation and Matter Planning tools.

Looking forward to the 2023/24 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. We also anticipate increased demand in core areas such as Litigation, Projects & Construction, Employment, as well as from our international offices.

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:

S Bailey

S Benson

A Carter

P Marco

T Nye

M Pattinson

C Paul

T Secker

S Dorling (resigned as designated member 1 April 2022)

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: communities close to our offices, children and young people and fairness and access to justice.

An Energy and Carbon Report is included within these financial statements. Showing a decrease in emissions compared against the previous year, the report contains our energy consumption and associate greenhouse gas emissions, across all regions.

The Group has committed to achieving a target of net-zero emissions by 2050, with an interim target of 50% reduction in baseline emissions by 2030. We are working with external consultants, Achill Management, to support our trajectory and develop a carbon reduction plan. This will require us to make changes to firmwide policies and practices, such as those covering business travel and how we run our buildings, whilst also working with our colleagues, clients and suppliers to deliver against localised sustainability objectives. We have recently hired a dedicated Sustainability Manager who will oversee this program of work and help the Group achieve its objectives.

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.

Auditor

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

Signed on behalf of the Board.

DocuSigned by:
Sara Bailey
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S Bailey
Designated member
Date 27 July 2023

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 2023 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 2023 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 substantive analytical review and data analysis in relation to revenue, and performed detailed substantive testing over the valuation of revenue and amounts receivable 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.

Trowers & Hamlins LLP
Independent Auditors' 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.

DocuSigned 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
Date 31 July 2023

Trowers & Hamlins LLP (Partnership Number: OC337852)
Consolidated Comprehensive Income Statement
Year ended 31 March 2023

	Notes	2023 £'000	As restated 2022 £'000
Revenue		135,578	126,002
Other Operating Income		782	591
		136,360	126,593
Staff costs	4	(61,613)	(52,554)
Depreciation and amortisation		(2,701)	(2,380)
Other operating expenses		(33,896)	(28,775)
Operating profit	3	38,150	42,884
Interest receivable and similar income	5	794	45
Interest payable and similar charges	5	(633)	(628)
Profit before taxation		38,311	42,301
Taxation	6	(312)	(255)
Profit for the financial year before members' remuneration and profit shares		37,999	42,046

		2023 £'000	As restated 2022 £'000
Profit for the financial year before members' remuneration & profit shares		37,999	42,046
Members' remuneration charged as an expense		(37,999)	(42,046)
Result for the financial year available for discretionary division among members		-	-
Actuarial (loss)/gain less expected return on pension scheme assets		(751)	2,431
Exchange (loss)/gain on translation of overseas operations		(279)	588
Total Comprehensive (Expense) / Income		(1,030)	3,019

Trowers & Hamlins LLP (Partnership Number: OC337852)
Consolidated Statement of Financial Position
As at 31 March 2023

	Notes	2023 £'000	As restated 2022 £'000
Non-current assets			
Intangible assets	9	936	2,173
Property, plant and equipment	10	2,963	1,729
Investments	11	1	1
		3,900	3,903
Current assets			
Trade and other receivables	12	69,858	67,450
Cash at bank and in hand		1,764	3,320
		71,622	70,770
Current liabilities	13	(31,940)	(29,462)
Net current assets		39,682	41,308
Total assets less current liabilities		43,582	45,211
Non-current liabilities	14	(2,154)	(1,618)
Provisions	15	(1,942)	(1,906)
Net assets attributable to members before pension surplus		39,486	41,687
Pension surplus	16	3,017	3,370
Net assets attributable to members after pension surplus		42,503	45,057
Represented by:			
Loans and other debts due to members			
Members' capital classified as a liability		18,869	17,522
Other amounts		23,688	26,559
		42,557	44,081
Equity			
Members' other interests		(54)	976
Total members' interests		42,503	45,057

These financial statements on pages 8 to 29 were approved by the members and authorised for issue on 27 July 2023.

Signed on behalf of the members

DocuSigned by:
Sara Bailey
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S Bailey
Designated member

DocuSigned by:
Adrian Carter
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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 2023

	Notes	2023 £'000	As restated 2022 £'000
Non-current assets			
Property, plant and equipment	10	477	376
Investments	11	15	15
		492	391
Current assets			
Trade and other receivables	12	63,740	60,545
Cash at bank and in hand		1,029	2,740
		64,769	63,285
Current liabilities	13	(22,069)	(18,610)
Net current assets		42,700	44,675
Total assets less current liabilities		43,192	45,066
Non-current liabilities	14	(820)	(571)
Provisions	15	(1,942)	(1,906)
Net assets attributable to members before pension surplus		40,430	42,589
Pension surplus	16	3,017	3,370
Net assets attributable to members after pension surplus		43,447	45,959
Represented by:			
Loans and other debts due to members			
Members' capital classified as a liability		18,869	17,522
Other amounts		23,673	26,539
		42,542	44,061
Equity			
Members' other interests - other reserves		905	1,898
Total members' interests		43,447	45,959

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 2023 was £37,529,000 (2022: £41,620,000).

These financial statements on pages 8 to 29 were approved by the members and authorised for issue on 27 July 2023.

Signed on behalf of the members

DocuSigned by:
Sara Bailey
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S Bailey
Designated member

DocuSigned by:
Adrian Carter
197BBED680E44F3...
AJ 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 2023

	2023 £'000	2022 £'000
Cash flows from operating activities		
Operating profit	38,097	42,884
Adjustments for		
Amortisation of intangible assets	1,260	1,264
Depreciation of tangible assets	1,441	1,116
(Gain) on disposal of fixed assets	(4)	-
Defined benefit scheme cost	(59)	42
Pension scheme contributions	(348)	(348)
Operating cash flows before movements in working capital	**40,387**	**44,958**
(Increase) in receivables	(3,017)	(5,925)
(Decrease) in payables	(1,541)	(946)
Increase/(decrease) in provisions	36	(5,224)
Income taxes paid	(436)	(255)
Interest received	794	45
Interest paid	(633)	(628)
Net cash generated from operations before transactions with members	**35,590**	**32,025**
Members' drawings on account and distributions of profits	(43,048)	(37,548)
Return on capital	2,178	1,729
Net cash used by operating activities	**(5,280)**	**(3,794)**
Cash flows from investing activities		
Purchase of intangible fixed assets	(23)	(76)
Purchase of tangible fixed assets	(2,647)	(686)
Proceeds from sale tangible assets	6	-
Net cash used in investing activities	**(2,664)**	**(762)**
Cash flows from financing activities		
New bank loans	26,019	16,109
Repayment of bank loans	(20,732)	(11,665)
Members' capital subscribed	2,281	1,843
Members' capital re-paid	(934)	(1,388)
Net cash generated by financing activities	**6,634**	**4,899**
Net (decrease)/increase in cash and cash equivalents	**(1,310)**	**343**
Foreign exchange translation adjustment	(246)	609
Cash and cash equivalents at the beginning of the year	3,320	2,368
Cash and cash equivalents at the end of the year	1,764	3,320

Cash and cash equivalents	**2023 £'000**	**2022 £'000**
Cash at bank and in hand	1,764	3,320
	1,764	3,320

Trowers & Hamlins LLP (Partnership Number: OC337852)
Consolidated Statement of Movement in Members' Interests
(incorporating the Statement of Changes in Equity)
Year ended 31 March 2023

	Debt: Loans and other debts due to members			Equity: Members' other interests	
Group	**Members' capital**	**Other amounts**	**Total**	**Other reserves**	**Total Members Interests As restated**
	£'000	**£'000**	**£'000**	**£'000**	**£'000**
At 1 April 2021	17,067	20,332	37,399	(2,043)	35,356
Members' remuneration charged as an expense	-	42,046	42,046	-	42,046
Members interests after profit for the year	17,067	62,378	79,445	(2,043)	77,402
Transactions with members					
Drawings on account and distribution of profit		(35,819)	(35,819)	-	(35,819)
Capital introduced	1,843	-	1,843	-	1,843
Repayments of capital	(1,388)	-	(1,388)	-	(1,388)
Other comprehensive income					
Actuarial gain on pension scheme	-	-	-	2,431	2,431
Exchange gain on translation of overseas operations	-	-	-	588	588
At 31 March 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

Trowers & Hamlins LLP (Partnership Number: OC337852)
LLP Statement of Movement in Members' Interests
(incorporating the Statement of Changes in Equity)
Year ended 31 March 2023

LLP	Debt: Loans and other debts due to members: Members' capital	Other amounts	Total	Equity: Members' other interests: Other reserves	Total Members Interests As restated
	£'000	£'000	£'000	£'000	£'000
At 1 April 2021	17,067	20,388	37,455	(1,436)	36,019
Members' remuneration charged as an expense	-	41,620	41,620	-	41,620
Members interests after profit for the year	17,067	62,008	79,075	(1,436)	77,639
Transactions with members					
Drawings on account and distribution of profit	-	(35,469)	(35,469)	-	(35,469)
Capital introduced	1,843	-	1,843	-	1,843
Repayments of capital	(1,388)	-	(1,388)	-	(1,388)
Other comprehensive income					
Actuarial gain on pension scheme	-	-	-	2,431	2,431
Exchange gain on translation of overseas operations	-	-	-	903	903
At 31 March 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

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 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.

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

A restatement of the comparative for current liabilities has been made to ensure consistent presentation within the group. There is no impact on previously reported profit. Details of the presentation adjustments are provided in note 23.

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.

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. The profit for the year of the LLP is disclosed on the face of the LLP Statement of Financial Position.

2.3 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.

2.4 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.

2.5 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'.

2.6 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.

2.7 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.

2.8 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.

2.9 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.

2.10 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.

2.11 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.

2.12 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.

2.13 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.

2.14 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.

2.15 Geographic analysis

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

2.16 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

	2023 £'000	2022 £'000
The following items have been charged/(credited) in the Income Statement in arriving at Operating Profit:		
Amortisation of intangibles	1,260	1,264
Depreciation of Property, Plant and Equipment		
- Owned assets	1,148	882
- Assets held under finance leases	293	234
Operating lease rentals	6,147	5,828
Foreign exchange (gains)	(638)	(106)
Impairment of trade receivables	1,269	1,436

4 Staff costs

	2023 No	2022 No
The average monthly number of persons employed during the year (excluding members) was:		
Fee earners	465	413
Support staff	356	330
	821	743

	£'000	£'000
Staff costs incurred during the year in respect of these employees were:		
Salaries and wages	51,193	44,093
Social security	5,543	4,469
Pension (defined contribution scheme)	4,877	3,992
	61,613	52,554

5 Interest

	2023 £'000	2022 £'000
Interest receivable and similar income		
On bank balances	700	29
On pension scheme	94	16
	794	45
Interest payable and similar charges		
On bank loans and overdrafts	432	295
On finance leases	93	181
On amounts due to former partners	108	152
	633	628
Net interest received / (paid)	161	(583)

6 Tax on profit on ordinary activities

	2023	2022
The tax charge arises within the subsidiary undertakings of the Group	£'000	£'000
U.K. corporation tax	322	372
Adjustment for prior periods	(72)	-
Current tax charge	250	372
Deferred tax		
Deferred tax credit for the current year	(14)	(129)
Restatement of opening balance due to change in tax rate	-	12
Adjustment for prior periods	76	-
Deferred tax charge/(credit)	62	(118)
Taxation on profit on ordinary activities	312	255

	2023	2022
	£'000	£'000
Factors affecting tax charge for the year:		
Profit on ordinary activities before taxation subject to UK corporation tax	1,591	1,327
Profit earned in corporate subsidiaries before taxation multiplied by the standard rate of UK corporation tax of 19% (2022: 19%)	302	252
Effects of:		
Non-deductible expenses	31	22
Difference in rates of tax	(24)	(19)
Prior year adjustments	3	-
	10	3
Tax charge for the year	312	255

Deferred tax is provided at 25% (2022: 25%). The main rate of corporation tax.

Factors that may affect future tax charges

The main rate of corporation tax in the UK will rise from 19% to 25% with effect from 1 April 2023. The change in rate was substantively enacted on 24 May 2021.

7 Auditors' remuneration

	2023	2022
	£'000	£'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	108	95
Fees payable to the LLP's auditor for other services		
The audit of LLP's subsidiaries pursuant to legislation	40	63
Audit-related assurance services	45	48
Tax advisory services	33	35
Fees in respect of the Trowers & Hamlins LLP defined benefit pension scheme payable to Crowe U.K. LLP		
Audit fee	15	13

8 Members' share of profits

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

	2023 No	2022 No
Average monthly number of members	148	139

The estimated entitlement of the highest paid member for the current year is £480,000 (2022: £622,000).

9 Intangible assets

Group	**Software and licences £'000**
Cost:	
At 1 April 2022	5,526
Additions	23
Disposals	(175)
At 31 March 2023	5,374
	£'000
Depreciation	
At 1 April 2022	3,353
Charge in the year	1,260
Disposals	(175)
At 31 March 2023	4,438
Net book value	
31 March 2023	**936**
31 March 2022	2,173

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 2022	11,606	7,040	60	18,706
Additions	915	1,732	-	2,647
Disposals	(166)	(2,573)	(35)	(2,774)
Exchange adjustment	73	49	-	122
At 31 March 2023	12,428	6,248	25	18,701
Depreciation				
At 1 April 2022	10,733	6,186	58	16,977
Charged in the year	606	835	-	1,441
Disposals	(166)	(2,573)	(33)	(2,772)
Exchange adjustment	51	41	-	92
At 31 March 2023	11,224	4,489	25	15,738
Net book value				
31 March 2023	**1,204**	**1,759**	**-**	**2,963**
31 March 2022	873	854	2	1,729

LLP

	Fixtures and fittings, furniture & other equipment £'000	Office equipment £'000	Motor vehicles £'000	Total £'000
Cost:				
At 1 April 2022	3,982	262	59	4,303
Additions	382	22	-	404
Disposals	(166)	(85)	(35)	(286)
Exchange adjustment	45	9	-	54
At 31 March 2023	4,243	208	24	4,475
	£000	**£000**	**£000**	**£000**
Depreciation:				
At 1 April 2022	3,694	177	56	3,927
Charged in the year	271	54	-	325
Disposals	(166)	(85)	(33)	(284)
Exchange adjustment	25	5	-	30
At 31 March 2023	3,824	151	23	3,998
Net book value				
31 March 2023	**419**	**57**	**1**	**477**
31 March 2022	288	85	3	376

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

	Group		LLP	
	2023	**2022**	**2023**	**2022**
	£'000	**£'000**	**£'000**	**£'000**
Fixtures, fittings, furniture and other equipment	49	109	-	-
Office equipment	828	41	-	-

11 Investments

Group

	Total £'000
Cost:	
1 April 2022 and 31 March 2023	1

LLP

	Shares in Subsidiary undertaking £'000	**Other £'000**	**Total £'000**
Cost:			
1 April 2022 and 31 March 2023	14	1	15

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 (Services) Limited	100%	Trading
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.

12 Receivables

	Group		LLP	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Amounts owed by group undertakings	-	-	2,509	717
Trade receivables	45,638	41,262	42,324	38,941
Accrued income	17,197	18,269	15,501	17,029
Other receivables	2,663	2,566	2,398	2,519
Prepayments	4,340	5,272	1,008	1,339
Deferred tax	20	81	-	-
	69,858	67,450	63,740	60,545

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

	Group		LLP	
Deferred tax asset comprises:	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Decelerated capital allowances	20	81	-	-
	20	81	-	-

13 Current liabilities

	Group		LLP	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Bank loan	10,348	5,503	10,000	5,000
Finance leases	246	57	-	-
Trade payables	5,005	4,536	3,467	3,342
Corporation tax	36	222	-	-
Other taxation and social security	4,804	2,953	3,590	2,715
Other payables	473	2,893	949	2,766
Accruals and deferred income	11,028	13,298	4,063	4,787
	31,940	29,462	22,069	18,610

A prior year restatement of £4,117k was made from other payables to accruals to ensure consistent presentation within the group.

14 Non-current liabilities

	Group		LLP	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Bank loan	38	375	-	-
Finance leases	669	77	-	-
Other payables	1,447	1,166	820	571
	2,154	1,618	820	571

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.

15 Provisions and contingent liabilities

Group and LLP	2023		
	Claims	Property	Total
	£'000	£'000	£'000
At 1 April 2022	1,633	273	1,906
(Released)/Charged to the Income Statement	216	(36)	180
Paid	(144)	-	(144)
At 31 March 2023	1,705	237	1,942

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 2023 is £707,895 (2022: £648,000). 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 2023 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:

	2023 £'000	2022 £'000
Present value of funded obligations	19,511	26,092
Fair value of scheme assets	(22,528)	(29,462)
(Surplus)	(3,017)	(3,370)

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:	2023 £'000	2022 £'000
Scheme administration expenses	44	58
Net interest on the defined benefit (liability)	(94)	(16)
Total	(50)	42
Return on scheme assets	(6,150)	59

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

Opening defined benefit obligation	26,092	29,034
Interest cost	677	575
Actuarial losses (gains)	(6,163)	(2,970)
Benefits paid	(1,095)	(547)
Closing defined benefit obligation	19,511	26,092

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

Opening fair value of scheme assets	29,462	29,667
Interest income / Expected Return	771	591
Return on scheme assets	(6,921)	(532)
Scheme administration expenses	(37)	(65)
Contributions by employer	348	348
Benefits paid	(1,095)	(547)
Closing fair value of scheme assets	22,528	29,462

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

	2023	**2022**
Diversified Growth Fund	28.9%	25.4%
Alternative Growth Portfolio	0.0%	0.0%
Liability Driven Investments	31.7%	19.8%
Diversified Credit	8.7%	21.7%
Asset-back securities	23.9%	27.5%
Cash/Other	6.8%	5.6%

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

		2023	**2022**
Discount rate		4.75%	2.65%
Price inflation	RPI	3.45%	3.75%
	CPI	2.75%	2.95%
Future salary increases		n/a	n/a
Pension increases	- RPI max 2.5%	2.10%	2.35%
	- RPI max 5%	3.20%	3.60%
Cash commutation		Members commute 25% of pension	Members commute 25% of pension

Mortality assumptions	**Current pensioners**		**Future pensioners**	
	2023	**2022**	**2023**	**2022**
Actuarial tables used	97% of S3P*A Year of Birth CMI 2021 [1.25%]	94% of S2P*A Year of Birth CMI 2021 [1.5%]	97% of S3P*A Year of Birth CMI 2021 [1.25%]	94% of S2P*A Year of Birth CMI 2021 [1.5%]
Male life expectancy at age 65 (future pensioners assumed to be currently aged 45)	21.8 years	21.8 years	23.0 years	23.4 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	
	2023	**2022**	**2023**	**2022**
	£'000	**£'000**	**£'000**	**£'000**
Within one year	6,530	6,447	308	265
In the second to fifth year inclusive	23,689	24,166	566	592
After more than five years	13,970	19,493	-	-
	44,189	50,106	874	857

17.2 Finance leases

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

	Group		LLP	
	2023	**2022**	**2023**	**2022**
	£'000	**£'000**	**£'000**	**£'000**
Within one year	268	54	-	-
In the second to fifth year inclusive	706	68	-	-
	974	122	-	-

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	
	2023	**2022**
	£'000	**£'000**
Financial assets		
Client receivables	45,638	41,262
Accrued income	17,197	19,762
Other receivables	2,663	1,073
Cash at bank and in hand	1,764	3,320
Financial assets measured at amortised cost	67,262	65,417
Financial liabilities		
Bank loans and overdrafts	(10,386)	(5,375)
Finance leases	(915)	(134)
Trade and other payables	(5,478)	(7,429)
Accruals	(11,028)	(13,298)
Financial liabilities measured at amortised cost	(27,807)	(26,236)

19 Capital commitments

Capital expenditure contracted for but not provided for in these financial statements amounts to £nil (2022: £1,030,000).

20 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, five designated members and three 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 £5,446,563 (2022: £5,985,000).

21 Restatement arising on application of Statement of Recommended Practice "Accounting by Limited Liability Partnerships" (published December 2021)

In applying the LLP SORP 2022 the members have reviewed the terms of their members' agreement relating to the allocation, division and distribution of profits. As a result of this review profits previously presented as profits available for distribution to members are presented as members' remuneration charged as an expense in the profit and loss account. The corresponding amounts have been restated accordingly.

22 Reconciliation of movement in net debt

	At 31 March 2021	Arising from cash flows	New finance leases	Other non-cash changes	Changes in market value and foreign exchange movements	At 31 March 2022
	£'000	£'000	£'000	£'000	£'000	£'000
Cash at bank	2,368	954	-	-	(2)	3,320
Bank borrowings (less than 1 year)	(522)	(4,981)	-	-	-	(5,503)
Bank borrowings (more than 1 year)	(788)	413	-	-	-	(375)
Finance leases	(238)	104	-	-	-	(134)
Net debt (before members' debt)	**820**	**(3,510)**	**-**	**-**	**(2)**	**(2,692)**
Loans and other debts due to members						
Members' capital	(17,067)	(455)	-	-	-	(17,522)
Other amounts due to members	(20,332)	(6,267)	-	-	-	(26,599)
Net debt	**(36,579)**	**(10,232)**	**-**	**-**	**(2)**	**(46,813)**

	At 31 March 2022	Arising from cash flows	New finance leases	Other non-cash changes	Changes in market value and foreign exchange movements	At 31 March 2023
	£'000	£'000	£'000	£'000	£'000	£'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)**

Trowers & Hamlins LLP (Partnership Number: OC337852)
Energy and Carbon Report
Year ended 31 March 2023

Parameter	Units	Current reporting year 01/04/22 - 31/03/23	Comparative reporting year 01/04/21-31/03/22
Energy consumption used to calculate emissions	**kWh**	**4,651,467**	**4,645,962**
Emissions from combustion of gas (Scope 1)	tCO_2e	252	289
Emissions from combustion of fuel for transport purposes (Scope 1)	tCO_2e	-	-
Emissions from purchased electricity (Scope 2)	tCO_2e	-	24
Emissions from business travel (Scope 3)	tCO_2e	139	117
Total emissions:	**tCO_2e**	**391**	**430**
Intensity ratio: ***Total emissions / Total Office Floor space***	**tCO_2e/m^2**	**0.027**	**0.030**

Quantification and Reporting Methodology	This report has been prepared following the *GHG Reporting Protocol – Corporate Standard* and using the guidance set out in *Environmental Reporting Guidelines: Including streamlined energy and carbon reporting guidance – HM Government (March 2019).* Energy consumption data has been sourced from utility supplier invoices, or where this is not available calculated from site-based records and travel expense data. Conversion from energy to emissions was completed by application of the relevant emissions factor from *UK Government GHG Conversion Factors for Company Reporting* for the appropriate year. Electricity data for the Birmingham office in March 2023 was not available, so an average of the past eleven months was taken to determine an estimated electricity usage for this month.
Energy Efficiency Action	The LLP continues to increase its energy efficiency across the offices by installing new equipment to decrease their energy consumption and the use of fossil fuels. In the London office, some of the lighting has undergone PIR changes which reduces the energy consumed by the lights. An electrically heated calorifier has also been installed in an effort to reduce the demand of natural gas to head DHW for the office. In the Manchester office, LED lighting has been installed, increasing the energy efficiency of the lights around the office.

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.

DocuSigned by:
Sara Bailey
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S Bailey
Designated member
Date 27 July 2023