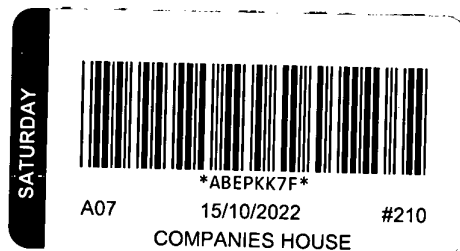


Limited Liability Partnership Registration No. OC317661

WOMBLE BOND DICKINSON (UK) LLP

Annual Report and Financial Statements

for the year ended 30 April 2022



WOMBLE BOND DICKINSON (UK) LLP

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2022**

CONTENTS	Page
Officers and professional advisers	2
Members' report	3
Streamlined energy and carbon report	9
Independent auditor's report to the members of Womble Bond Dickinson (UK) LLP	11
Consolidated profit and loss account	14
Consolidated statement of comprehensive income	14
Balance sheets	15
Consolidated cash flow statement	16
Statements of members' interests	17
Notes to the financial statements	19

OFFICERS AND PROFESSIONAL ADVISERS

DESIGNATED MEMBERS

P R Stewart
N H Barwood
C Brook
T M Beezer
S R Pierce
J A R Tresham
J D A Williams

REGISTERED OFFICE

4 More London Riverside
London
United Kingdom
SE1 2AU

BANKERS

Lloyds Bank plc
102 Grey Street
Newcastle upon Tyne
United Kingdom
NE99 1SL

INDEPENDENT AUDITORS

BDO LLP
Chartered Accountants and Statutory Auditors
55 Baker Street
London
United Kingdom
W1U 7EU

MEMBERS' REPORT

The members are pleased to present their annual report on the affairs of Womble Bond Dickinson (UK) LLP ("the LLP"), together with the audited consolidated financial statements and the auditor's report for the LLP and the companies owned by the LLP ("the Group"), for the year ended 30 April 2022.

PRINCIPAL ACTIVITIES

The principal activity of the LLP and the Group is the provision of legal services in the UK to local, national and international clients.

BUSINESS REVIEW

Members' Overview

The Group's results for the year to 30 April 2022 report a strong performance in what continues to be a challenging market, with a 9% increase in turnover and another year of good profitability.

The business saw a number of client wins across a wide range of sectors. Our combination with Womble Bond Dickinson (US) LLP, our Lex Mundi membership and our alliance with Redeker in Germany continue to generate referrals and work for us across different practice areas.

The firm was ranked in the Top 30 most innovative law firms in Europe by the Financial Times in 2021 for demonstrating innovation in the delivery of client services and in the wide range of programmes run by the firm to support talent, skills and responsible business initiatives across the UK and beyond. Shortly after the year end we were awarded the Gold Investors in People certification as a testament to the enhanced people initiatives that have been put in place over the last three years.

2021 also saw the appointment of a new Managing Partner, Paul Stewart, in succession to Jonathan Blair who has served in the role since our UK merger in 2013 and previously with Dickinson Dees. As Paul formally took over on 1st February 2022, we also launched our updated Purposes and Vision together with a strategy that seeks to build on and develop the central theme of excellence in client service.

As the UK emerges from the pandemic, we have continued to see an uptick in demand for legal services. Nevertheless, we have continued to ensure that careful cost management remains a core discipline in the firm. This will remain important as we head into an inflationary environment with significant pressure on salaries and uncertainty in the global economy. As an example, we have moved to new offices in Newcastle early in the new financial year, which represents a significant upgrade in our largest office, but which also delivers material cost savings by enabling collaborative hybrid work within less overall space.

As disclosed in last year's accounts, the firm had made use of the Government's Job Retention Scheme in the first year of the pandemic. However, the furlough grant was repaid in full in July 2021 as disclosed in Note 4 to these accounts.

The firm has managed to maintain its sound management of working capital this year, as reflected in our strong year-end cash position. We are not complacent in regard to working capital management and we continue to look for ways to improve our overall "lock up" position.

MEMBERS' REPORT (continued)

DESIGNATED MEMBERS

The designated members who served during the year and up to the date of this report were as follows:

J J Blair	(Resigned as Designated Member 31/01/2022)
N H Barwood	
C Brook	
T M Beezer	
J D Gill	(Resigned as Designated Member 01/02/2022)
T A Walsh	(Resigned as Designated Member 30/04/2022)
S R Pierce	(Appointed as Designated Member 01/02/2022)
P R Stewart	(Appointed as Designated Member 01/02/2022)
J A R Tresham	(Appointed as Designated Member 01/05/2022)
J D A Williams	(Appointed as Designated Member 01/05/2022)

MEMBERS' DRAWINGS AND CAPITAL POLICY

The policies of Womble Bond Dickinson (UK) LLP regarding the allocation of profits to members, interim drawings and on account distributions, transfers from equity to debt and the subscription and the repayment of members' capital are disclosed in the accounting policies in the notes to the financial statements.

CORPORATE SOCIAL RESPONSIBILITY

Responsible Business

As a responsible business, Womble Bond Dickinson is committed to creating better places to live, work and do business.

At the firm our Ethical Framework sits front and centre of all we do. Against a backdrop of high expectations from our clients, our colleagues and others, the Framework helps us to shape our collective identity, influencing how we do things and how we work together. Our Values, Principles and Ethical Standards help us to understand and meet those expectations, by working professionally, responsibly and always doing the right thing.

We apply the highest standards of professionalism, business ethics and risk management, building sustainable practices for the benefit of our clients, communities and colleagues.

Having achieved silver accreditation in 2021 from EcoVadis, we have been awarded a Gold Standard Certification in August 2022. We are now in the top 5% of all companies reporting globally, and the top 2% in the legal and accounting industry.

As mentioned above, we have also now achieved Gold Investors in People, which recognises the firm's continued commitment to our people. The feedback from each assessment encourages us to continue to improve across a range of areas, which will in turn help us to achieve our overall vision of delivering excellence and unlocking our peoples' potential.

Environment

Delivering social value is key and our actions empower a variety of initiatives, including reducing our own carbon footprint by launching our roadmap to achieving net zero by 2030. We have published our Carbon Reduction Plan and are continuing our work with Planet Mark to ensure that we have a net zero target that is aligned to the Science Based Targets initiative ("SBTi").

We have already reached some impressive milestones. We procure renewable energy in five of our seven UK offices, with nearly 50% of the energy we use across the UK coming from renewable sources. We reported a 39% decrease in emissions compared to the previous year as well as a 97% drop in business travel, as our business pivoted to home working during the pandemic.

We were thrilled to win the Sustainable Business of the Year award at the Bristol Law Society Dinner in 2021, and to be shortlisted for the LexisNexis Legal Awards for Sustainability in 2022. Both these awards recognise our efforts and achievements in this area.

MEMBERS' REPORT (continued)

Social

Community Engagement

In FY 21/22 we continued to support our chosen charities and causes close to our colleagues' hearts. We gave grants and donations to our chosen local charity partners, match funded the fundraising activities of colleagues, and worked with our client's to donate to their charity challenges. Examples of where the larger donations and grants were made include in response to the Ukrainian Crisis Appeal (British Red Cross and DEC Appeal, totalling over £70,000) and the Access to Justice Foundation.

We were pleased that our volunteering efforts had started to pick up after lockdown and we were able to give time to important causes across the UK (most notably through volunteering at food banks, at youth centres and in the natural environment whether it be gardening or litter picking). We hope to continue to build on our success in the next financial year.

We have also launched a partnership with the University of Law offering pro bono advice through their new Small Business Clinic. We are looking forward to further growing our pro bono efforts.

Equality, Diversity and Inclusion (EDI)

We are keeping our focus on driving forward our equality, diversity and inclusion agenda – giving voice to under-represented groups and continuing to set our expectations higher for better representation in our own firm and the legal profession. With real inclusivity, we can unlock the full potential of our colleagues to allow them to prosper.

We continue to grow our active EDI networks, having this year launched our Disability Network and our Women's Network (Thrive) due to be launched in the first half of FY22/23, adding to our already thriving LGBTQ+, BAME, and family networks. These networks meet regularly, share experiences and contribute to recruitment, inductions and talent development. This gives a fully representative staff voice to inform our people, client and business strategies. An example is the review the networks undertook of our Hybrid Working policy.

This year we also submitted our first ever entry to the Social Mobility Index and achieved Silver accreditation from Stonewall. We are working to implement feedback from both of these initiatives and building on our foundations in FY 22/23.

We were also recognised through a variety of awards in FY 21/22, such as Recognised Excellence for 'Most Inclusive Graduate Assessment Process' at the AllAboutLaw Awards 2022, and being shortlisted for the LexisNexis 2022 Award for Diversity and Inclusion.

Wellbeing

We have continued to develop our health and wellbeing offering at the firm. As signatories to the Mindful Business Charter we promote collaboration, recognising and reducing avoidable stress. This year we have also launched our new Wellbeing strategy and Wellbeing Champions network made up of partners and employees from different job groups and offices. The group will be advocates for wellbeing campaigns and events and will promote and raise awareness of the wellbeing resources that are available.

In FY 21/22 we launched a new Wellbeing day for all colleagues to take, in addition to their annual leave entitlement. This gave colleagues the opportunity to take time for themselves and look after their own wellbeing. We're pleased that this Wellbeing Day will be an annual benefit going forward.

Governance

As with any business, we strive for best practice and take our ethical responsibilities seriously. We work professionally and responsibly in our marketplace, by providing quality, integrity, regulatory compliance and leadership for our clients and stakeholders.

We have refocused our efforts on our supply chain and have launched our new sustainable procurement policy. This policy outlines our approach to embedding environmental, economic and social criteria into contractual documents with the aim of motivating suppliers to offer more sustainable products and services.

MEMBERS' REPORT (continued)

Governance (continued)

With a focus on innovation, we were pleased to be ranked 22nd in the most innovative law firms in Europe by the Financial Times for demonstrating innovation in the delivery of client services, as well as in the wide range of programmes that we run to support talent, skills and ESG initiatives across the UK and beyond.

We are proud of all the awards and accreditations we have gained, and will continue to work with all of our stakeholders to keep learning.

EQUALITY, DIVERSITY AND INCLUSION POLICY

Diversity and Inclusion are a central part of our firm, and being diverse and inclusive make us a better and more successful place to work. The Group is committed to creating a diverse and inclusive culture which promotes equality of opportunity and the Group's values. We encourage mutual respect and an environment where each individual is able to be themselves and is free from discrimination on the grounds of:

- colour, race, nationality, ethnic or national origin;
- religion or belief;
- sex, marital status, gender reassignment or sexual orientation;
- disability; and
- age.

Our Diversity and Inclusion group, led by our Board sponsor, and comprised of employee and partner representatives, meets regularly to work together on best practice activities, as well as leading the firm on various diversity and inclusion related initiatives.

Our "#BeYourself" campaign is central to our culture and is promoted throughout the business with specific focus during our annual Diversity and Inclusion awareness week. This incorporates a programme of topical diversity initiatives run at a national and regional level and is a subject that our people have said is important to them, helping to embed the environment of being able to be one's true self whilst at work. The Group also launched a Count Me In campaign encouraging all of our people to divulge their diversity information on an attributable basis. This helps us to monitor our successes against our goals, and increase progression towards them, as well as enabling the Group to have a more focussed approach to D&I initiatives.

We have also recently introduced a new network group focussing on supporting women to achieve their full potential as a result of feedback from one of our regular pulse surveys.

Our work on Health and Wellbeing has made positive progress with our first strategy being introduced this year which focusses on how we will support the health and wellbeing of all our people. We have also assessed ourselves against the Investors in People Health and Wellbeing standard and have received a silver award for this in September 2022.

EMPLOYEES WITH A DISABILITY OR LONG TERM HEALTH ISSUE

The Group will make reasonable adjustments within our recruitment processes to ensure that applications from people with a disability are not disadvantaged. Our aim is to create an environment where all people can achieve their full potential regardless of disability. The Group will ensure that people with a disability are treated fairly and appropriately, that reasonable adjustments are made and, where applicable, that training and support is provided in order to allow all of our people to reach their potential. We are a Disability Confident Employer, an initiative developed by the DWP which offers resources and guidance on supporting those with disabilities in the workplace. We are currently working towards Disability Leader Status.

MEMBERS' REPORT (continued)

EMPLOYEE PARTICIPATION

The Group places considerable value on the involvement of its employees and keeps them informed on matters affecting them as employees and on the various factors affecting the performance of the Group. This is achieved through various means including the Group's Employee Forum, which is made up of employees drawn from all job groups, disciplines and geographies across the Group. The Forum meets three times a year to discuss topical issues and is used on a regular basis to provide a platform to consult with the wider employee group.

The Group also arranges business briefings which are open to everyone in the business to attend. In addition, there are also a number of additional methods of communication including informal meetings as well as sports and social events, which are organised by office Sports and Social Committees. The Group's key communication tool, the Hub (intranet), is regularly updated and refreshed with key updates as well as the creation of new communities to support various initiatives. The Group also runs periodic surveys to seek feedback on employees' views on important topics and since the pandemic has converted key aspects of its Learning and Development resources into on-line resources, widening access to more people.

In achieving the Gold Investors in People standard this year, we received particular commendation for our employee communication activities.

The firm continues to focus on apprenticeships, growing the number of programmes available. Apprentices have successfully gained qualifications in IT, Facilities, Business Administration, HR and Law through the Solicitor Apprenticeship and CILEX Paralegal Apprenticeship with a number of ongoing programmes in other areas. The firm also has an established Early Careers Programme which offers insights into careers with the firm for early talent aged 14 and above and work experience for early talent aged 16 and above.

The firm's established graduate programme has been recognised again in 2022, receiving Best Training Contract in the All About Awards 2022.

MEMBERS' RESPONSIBILITIES STATEMENT

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

The Limited Liability Partnerships (Accounts and Audit) (Application of the Companies Act 2006) Regulations 2008 require the members to prepare financial statements for each financial year. Under these regulations the members have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under these regulations the members must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and LLP and of the profit or loss of the Group and LLP for that period. In preparing these financial statements, the members are required to:

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

The members are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's and the LLP's transactions, disclose with reasonable accuracy at any time the financial position of the Group and the LLP, and enable them to ensure that the financial statements comply with the Limited Liability Partnerships (Accounts and Audit) (Application of the Companies Act 2006) Regulations 2008. They are also responsible for safeguarding the assets of the Group and the LLP and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

MEMBERS' REPORT (continued)

DISCLOSURE OF INFORMATION TO AUDITOR

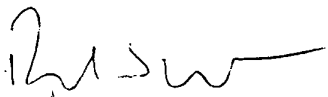
The members confirm that:

- so far as each member is aware, there is no relevant audit information of which the Group's auditor is unaware; and
- the members have taken all the steps that they ought to have taken as members in order to make themselves aware of any relevant audit information and to establish that the Group's auditor is aware of that information.

INDEPENDENT AUDITOR

The Auditors, BDO LLP, have indicated their willingness to continue in office.

Approved by the members and signed on their behalf by



P R Stewart
Designated member
10 October 2022



N H Barwood
Designated member
10 October 2022

STREAMLINED ENERGY AND CARBON REPORT

The Group has successfully certified to The Planet Mark for the year to 30 April 2022, which is our sixth year of certification. This is a sustainability certification which recognises continuous improvements, encourages action and builds an empowered community of like-minded individuals. As a Group we have made a commitment to achieve a minimum 2.5% reduction in measured carbon footprint year on year and have taken action to protect one acre of rainforest with Cool Earth.

During the year the Group committed to measuring our whole scope 3 footprint with Planet Mark and at the year end this is approximately 50% complete. We also conducted a number of training sessions for staff to continuously upskill our employees on environmental matters.

During the year we have set a target of becoming net zero by 2030. This is a key priority for the firm.

The Group has a detailed environmental policy which is fundamental to our business strategy and an accompanying energy efficiency strategy document which is both instrumental in continuing to drive down energy usage and the Group's impact on the environment. By implementing this policy, the Group strives to continually improve its ISO 14001:2015 environmental management system. Internal and external auditing is in place to frequently assess our 14001 compliance and identify new opportunities.

The Group has a sustainability team who are responsible for day to day energy management and continually driving energy reductions across the business. During the reporting period they were responsible for leading many initiatives to encourage employees to improve their impact on the environment.

The Group procures renewable energy for our offices in London, Southampton, Bristol, Leeds and Newcastle. At these offices 77.2% of their total electricity supply is procured from renewable sources.

The Group's UK Carbon Footprint for the year to 30 April 2022 was as follows:

Type of emission	2022		2021	
	Tonnes of CO2e	Total kWh	Tonnes of CO2e	Total kWh
Scope 1 – Direct (Gas emission and owned transport)	587.4	3,225,351.0	581.1	3,269,597.5
Scope 2 – Indirect (Purchased electricity and heat)	159.0	1,797,970.5	323.4	1,703,412.0
Scope 3 – Indirect (Business travel, Paper)	107.1	63,008.7	65.1	26,917.0
Total	853.5	5,086,330.2	969.6	4,999,926.5

Intensity metrics for the period 1 May 2021 to 30 April 2022:

0.8 (2021: 0.9) Tonnes of tCO2e per employee

7.43 (2021: 9.2) Tonnes of tCO2e per total £m turnover

Actions taken by the Group during the year include:

- Replacing the thermal insulation of the Plymouth office in partnership with the Landlord at Ballard House, with the aim to reduce the energy required for heating;
- Performed a review of our full range of stationery and print products we purchase in order to find sustainable alternatives wherever possible;
- Engaged with key suppliers, monitoring improvements and measures taken to reduce quantities;

STREAMLINED ENERGY AND CARBON REPORT (continued)

- Investing in the further development of our sustainability team, with several members successfully completing IEMA (Institute of Environmental Management and Assessment) courses – enhancing the skills, knowledge and resource in this area;
- Launched our annual EnviroNovember initiative, aimed at encouraging a sustainable action each day through November (both at home and in the workplace). This initiative has not only helped drive positive change, but raised awareness around key sustainability issues and Firm objectives;
- Published our Carbon Reduction Plan in-line with PPN 06/21 requirements. This outlined key environmental targets in relation to our Net Zero by 2030 commitment;
- Signing a lease on a new office space in Newcastle. This will consolidate our space in the city reducing from two sites to one, with a reduction of 50% in overall floor space. The new building is BREEM excellent, with an EPC rating of A. The building will also benefit from a centralised energy system, providing heating to a 732 sqm area in the Helix development; and
- Investment in an electric van at our Plymouth office, replacing the diesel van we had in place. This is off the back of investment in electric vehicle charging points at the Plymouth site.

A list of members of the LLP can be found at <https://find-and-update.company-information.service.gov.uk/company/OC317661/officers>

Approved by the members and signed on their behalf by:



P R Stewart
Designated member
10 October 2022



N H Barwood
Designated member
10 October 2022

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WOMBLE BOND DICKINSON (UK) LLP

Opinion on the financial statements

In our opinion, the financial statements:

- give a true and fair view of the state of the Group and Limited Liability Partnership's affairs as at 30 April 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of the Companies Act 2006) Regulations 2008.

We have audited the financial statements of Womble Bond Dickinson (UK) LLP ("the Limited Liability Partnership") for the year ended 30 April 2022 which comprise the consolidated profit and loss account, consolidated statement of comprehensive income, balance sheets, consolidated cash flow statement, statements of members' interest and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the 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 Members are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WOMBLE BOND DICKINSON (UK) LLP
(continued)**

Other Companies Act 2006 reporting as applied to limited liability partnerships

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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, 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 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 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.

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

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

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

Our approach was as follows:

We obtained an understanding of the legal and regulatory frameworks that are applicable to Womble Bond Dickinson (UK) LLP. We determined that the most significant laws and regulations which are directly relevant to specific assertions in the financial statements are those related to the reporting framework (FRS 102 and the Companies Act 2006), regulations impacting labour regulations, Financial Conduct Authority regulations and the Solicitors Regulation Authority rules in the United Kingdom.

- We understood how the Group and Limited Liability Partnership is complying with those legal and regulatory frameworks by making enquiries of management and those responsible for legal and compliance procedures. We corroborated our enquiries through our review of board minutes and confirmation from brokers of the status of and completeness of professional indemnity claims ongoing at year end. Our review of legal expense accounts was performed to ensure no other material legal matters were identified through our audit procedures.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WOMBLE BOND DICKINSON (UK) LLP (continued)

- We assessed the susceptibility of the Group and Limited Liability Partnership's financial statements to material misstatement, including how fraud might occur by meeting with management to understand where it is considered there was a susceptibility of fraud. Our considerations included enquiries with management. We considered the fraud risk areas to be management override of controls and revenue recognition, specifically in relation to the valuation of accrued income at year-end.
- In response to the risk of management override, we tested the appropriateness of journal entries made through the year and post year end, by applying specific criteria to detect possible irregularities and fraud, we performed a detailed review of the Group's year-end adjusting consolidation entries, and assessed whether the judgements made in significant accounting estimates (such as the recoverability of accounts receivable, the valuation of accrued income and the completeness of provisions) were indicative of potential bias.
- In response to risk of revenue recognition, we tested accrued income by selecting a sample of accrued income transactions, agreeing back to contract with the customer, underlying timesheet data, invoice, and subsequent receipt of payment.


Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at:

<https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

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 by Limited Liability Partnerships (Accounts and Audit) (Application of the Companies Act 2006) Regulations 2008. 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 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:

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Nicholas Carter-Pegg (Senior Statutory Auditor)
For and on behalf of BDO LLP, statutory auditor
London
10 October 2022

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

WOMBLE BOND DICKINSON (UK) LLP

CONSOLIDATED PROFIT AND LOSS ACCOUNT
Year ended 30 April 2022

	Note	2022 £ '000	2021 £ '000
TURNOVER	3	114,890	105,656
Other operating income	4	<u>708</u>	<u>2,607</u>
		115,598	108,263
Operating expenses	5	<u>(85,824)</u>	<u>(76,289)</u>
OPERATING PROFIT	6	29,774	31,974
Interest payable and similar charges	8	<u>(168)</u>	<u>(139)</u>
PROFIT FOR THE FINANCIAL YEAR BEFORE TAXATION		29,606	31,835
Taxation on profit on ordinary activities (in corporate subsidiaries)	9	<u>(198)</u>	<u>(112)</u>
PROFIT FOR THE FINANCIAL YEAR BEFORE MEMBERS' REMUNERATION		29,408	31,723
Members' remuneration charged as an expense		<u>(29,408)</u>	<u>(31,723)</u>
PROFIT FOR THE FINANCIAL YEAR AVAILABLE FOR DISCRETIONARY DIVISION AMONG MEMBERS		<u>-</u>	<u>-</u>

All results relate to continuing activities.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
Year ended 30 April 2022

	Note	2022 £ '000	2021 £ '000
PROFIT FOR THE FINANCIAL YEAR AVAILABLE FOR DISCRETIONARY DIVISION AMONG MEMBERS		-	-
Other comprehensive expense:			
Defined benefit pension scheme cost	21	<u>(460)</u>	<u>(460)</u>
Total comprehensive expense for the year		<u><u>(460)</u></u>	<u><u>(460)</u></u>

The notes on pages 19 to 34 form part of these financial statements.

WOMBLE BOND DICKINSON (UK) LLP

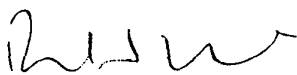
BALANCE SHEETS As at 30 April 2022

	Note	Group		LLP	
		2022 £ '000	2021 £ '000	2022 £ '000	2021 £ '000
FIXED ASSETS					
Tangible assets	12	7,828	6,328	7,828	6,328
Intangible assets		14	20	14	20
Investments	13	-	-	1,000	1,000
		<u>7,842</u>	<u>6,348</u>	<u>8,842</u>	<u>7,348</u>
CURRENT ASSETS					
Debtors	14	47,015	43,418	46,764	43,358
Cash at bank and in hand		15,830	7,846	14,555	6,917
		<u>62,845</u>	<u>51,264</u>	<u>61,319</u>	<u>50,275</u>
CREDITORS: amounts falling due within one year	15	<u>(18,703)</u>	<u>(13,694)</u>	<u>(18,595)</u>	<u>(13,749)</u>
NET CURRENT ASSETS		<u>44,142</u>	<u>37,570</u>	<u>42,724</u>	<u>36,526</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>51,984</u>	<u>43,918</u>	<u>51,566</u>	<u>43,874</u>
CREDITORS: amounts falling due after more than one year	16	<u>(8,964)</u>	<u>(5,996)</u>	<u>(8,964)</u>	<u>(5,996)</u>
Provisions for liabilities and charges	17	<u>(2,503)</u>	<u>(2,682)</u>	<u>(2,503)</u>	<u>(2,682)</u>
NET ASSETS ATTRIBUTABLE TO MEMBERS		<u>40,517</u>	<u>35,240</u>	<u>40,099</u>	<u>35,196</u>
REPRESENTED BY:					
Loans and other debts due to members:					
Amounts due to members		24,045	20,144	24,045	20,144
Members' capital		16,054	15,052	16,054	15,052
Equity: Members' other interests					
Members' other interests: other		418	44	-	-
		<u>40,517</u>	<u>35,240</u>	<u>40,099</u>	<u>35,196</u>
TOTAL MEMBERS' INTERESTS					
Loans and other debts due to members		24,045	20,144	24,045	20,144
Members' capital classified as a liability		16,054	15,052	16,054	15,052
Members' other interests classified as equity		418	44	-	-
		<u>40,517</u>	<u>35,240</u>	<u>40,099</u>	<u>35,196</u>

The exemption under section 408 of the Companies Act 2006 from presenting the parent LLP's income statement has been taken. The LLP's profit for the year ended 30 April 2022 was £28,574,000 (2021: £31,442,000).

These financial statements of Womble Bond Dickinson (UK) LLP (Limited Liability Partnership Registration No. OC317661) on pages 14 - 34 were approved by the members on 10 October 2022.

Signed on behalf of the members



P R Stewart
Designated member



N H Barwood
Designated member

CONSOLIDATED CASH FLOW STATEMENT
Year ended 30 April 2022

	Note	2022 £'000	2021 £'000
Cash flows from operating activities			
Profit for the year before members' remuneration		29,408	31,723
Adjustments for:			
Depreciation of tangible assets	12	1,950	2,560
Amortisation of intangible assets		6	6
Loss on disposal of fixed assets		69	244
Pension funding	21	(460)	(460)
Interest paid	8	168	139
Taxation	9	198	112
Decrease in Government grant receivable		-	288
(Increase)/decrease in debtors		(3,597)	544
Increase/(decrease) in creditors		6,158	(762)
Decrease in provisions		(179)	(952)
Corporation tax paid		(110)	(155)
Net cash generated from operating activities before transactions with members		33,611	33,287
Payments to and on behalf of members		(24,670)	(22,688)
Net cash generated from operating activities		8,941	10,599
Cash flows from investing activities			
Purchases of tangible assets	12	(3,520)	(673)
Net cash used in investing activities		(3,520)	(673)
Cash flows from financing activities			
Repayment of bank loans	17	(2,441)	(1,049)
Repayment of finance lease obligations	18	(404)	(374)
New bank loans		4,000	1,000
New finance lease obligations		574	225
Capital introduced by members		3,074	1,653
Repayment of capital or debt to members		(2,072)	(2,469)
Interest paid		(168)	(139)
Net cash from/(used in) financing activities		2,563	(1,153)
Net increase in cash and cash equivalents		7,984	8,773
Cash and cash equivalents at the beginning of the year		7,846	(927)
Cash and cash equivalents at the end of the year	19	15,830	7,846

The notes on pages 19 to 34 form part of these financial statements.

WOMBLE BOND DICKINSON (UK) LLP

STATEMENTS OF MEMBERS' INTERESTS
Year ended 30 April 2022

	Note	Equity Members' other interests - other £ '000	Debt Members' capital classified as a liability £ '000	Debt Loans and other debts due to members £ '000	Total £ '000
Group					
At 1 May 2020		223	15,868	11,389	27,480
Members' remuneration charged as an expense		-	-	31,723	31,723
Defined benefit pension scheme costs		-	-	(460)	(460)
Total comprehensive income for the year		-	-	31,263	31,263
Capital introduced		-	1,653	-	1,653
Capital repaid		-	(2,469)	-	(2,469)
Drawings		-	-	(9,137)	(9,137)
Distributions		-	-	(2,472)	(2,472)
Tax paid		-	-	(11,436)	(11,436)
Amounts due to former members		-	-	358	358
Other allocation of profit		(179)	-	179	-
At 1 May 2021		44	15,052	20,144	35,240
Members' remuneration charged as an expense		-	-	29,408	29,408
Defined benefit pension scheme costs	21	-	-	(460)	(460)
Total comprehensive income for the year		-	-	28,948	28,948
Capital introduced		-	3,074	-	3,074
Capital repaid		-	(1,860)	-	(1,860)
Drawings		-	-	(9,209)	(9,209)
Distributions		-	-	(7,278)	(7,278)
Tax paid		-	-	(7,709)	(7,709)
Amounts due to former members		-	(212)	(477)	(689)
Other allocation of profit		374	-	(374)	-
At 30 April 2022		418	16,054	24,045	40,517

The notes on pages 19 to 34 form part of these financial statements.

STATEMENTS OF MEMBERS' INTERESTS
Year ended 30 April 2022

	Note	Equity Members' other interests - other £ '000	Debt Members' capital classified as a liability £ '000	Debt Loans and other debts due to members £ '000	Total £ '000
LLP					
At 1 May 2020		-	15,868	11,389	27,257
Members' remuneration charged as an expense		-	-	31,902	31,902
Defined benefit pension scheme costs		-	-	(460)	(460)
Total comprehensive income for the year		-	-	31,442	31,442
Capital introduced		-	1,653	-	1,653
Capital repaid		-	(2,469)	-	(2,469)
Drawings		-	-	(9,137)	(9,137)
Distributions		-	-	(2,472)	(2,472)
Tax paid		-	-	(11,436)	(11,436)
Amounts due to former members		-	-	358	358
At 1 May 2021		-	15,052	20,144	35,196
Members' remuneration charged as an expense		-	-	29,034	29,034
Defined benefit pension scheme costs	21	-	-	(460)	(460)
Total comprehensive income for the year		-	-	28,574	28,574
Capital introduced		-	3,074	-	3,074
Capital repaid		-	(1,860)	-	(1,860)
Drawings		-	-	(9,209)	(9,209)
Distributions		-	-	(7,278)	(7,278)
Tax paid		-	-	(7,709)	(7,709)
Amounts due to former members		-	(212)	(477)	(689)
At 30 April 2022		-	16,054	24,045	40,099

The notes on pages 19 to 34 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 30 April 2022

1. ACCOUNTING POLICIES

General information

Womble Bond Dickinson (UK) LLP is a limited liability partnership and is incorporated and domiciled in England. The address of its registered office is 4 More London Riverside, London, United Kingdom, SE1 2AU.

Basis of consolidation

The consolidated financial statements include the results of the LLP and its subsidiaries up to 30 April 2022 on the equity basis of accounting. In addition to providing legal services, the Group provides Independent Financial Advice through its wholly owned subsidiary, Womble Bond Dickinson Wealth Limited.

Statement of compliance

The individual financial statements of Womble Bond Dickinson (UK) LLP have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland" ("FRS 102") and the Companies Act 2006.

Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of preparation

The financial statements have been prepared on a going concern basis under the historical cost convention and in accordance with United Kingdom applicable law, accounting standards and the requirements of the Statement of Recommended Practice 'Accounting by Limited Liability Partnerships' (issued 2021).

The financial statements are prepared in accordance with the Companies Act 2006 as applied to limited liability partnerships.

Womble Bond Dickinson (UK) LLP meets the definition of a qualifying entity under FRS 102. It has therefore taken advantage of the disclosure exemptions available, which include the presentation of a cash flow statement.

The financial statements are prepared in Sterling, which is the Group's reporting and functional currency and rounded to the nearest £'000.

Going concern

In FY20/21 the business performed strongly, which was due to both an increase in fee income and also cost savings made during the pandemic. During FY21/22 the business has again seen an increase in fee income, but costs have also increased as we come out of the other side of the pandemic and seen a return to more of a "business as usual" position. This has led to a small reduction in profit compared to the prior year, but still a strong performance.

The Board continues to closely monitor and manage its cash flow and our on-going modelling clearly shows that we are comfortably able to meet our obligations as they fall due.

The Group's balance sheet remains robust and we have significant committed facilities in place with our main bankers should they be required. See note 18 for details of maturity dates for facilities in place. The Board are confident that facilities will be renewed.

The Board has produced cash flow forecasts for a period of 3 years from the balance sheet date. They have reviewed the Group's business resilience and continuity planning and believe that the LLP has more than adequate resources to continue in operational existence for at least 12 months from the date of signing these financial statements. The LLP therefore continues to adopt the going concern basis in preparing its consolidated financial statements.

NOTES TO THE FINANCIAL STATEMENTS (continued)
Year ended 30 April 2022

1. ACCOUNTING POLICIES (continued)

Turnover

Turnover in respect of the accounting period represents fees billed, excluding disbursements and value added tax, together with accrued revenue for services provided but not yet billed to clients during the year.

Revenue has been recognised in accordance with section 23.14 of FRS102. Income is recognised when the LLP has performed services in accordance with the agreement with the relevant client and has obtained a right to consideration for those services.

Where services have been performed, but not yet billed, these are included in turnover based on an assessment of the fair value of the time recorded at that point in time (see note 2).

Where revenue is recognised from contingent fee arrangements, it is only recognised when it is considered highly unlikely that there is a significant risk of reversal of those revenues.

Provision is made against unbilled amounts on those client engagements where the right to receive consideration is contingent on factors outside the control of the LLP.

Professional disbursements are costs passed straight on to the client with net nil impact to the profit and loss account.

Tax provisions

The trading subsidiaries dealt with in these consolidated financial statements are subject to corporation tax based on their taxable profits for the financial year. The tax liability and any deferred taxation of these companies are recorded in the consolidated profit and loss account under the relevant heading and any related liability recorded as a creditor in the balance sheet.

Members are personally liable for taxation on their share of the LLP's profits and consequently no reserve for taxation is made in these financial statements.

Tangible fixed assets

Tangible fixed assets are stated at cost or valuation, net of depreciation and any provision for impairment.

Depreciation is provided on cost over the estimated useful lives of the assets on a straight line basis. The rates of depreciation are as follows:

Short leasehold buildings	Anticipated period of occupation
Office furniture and equipment	7 years
Computer equipment	4 years

Investments

Investments held as fixed assets are stated at cost less any provision for diminution in value.

Capital

The capital requirements of the LLP are determined from time to time by the members, following recommendations from management. Each member is required to subscribe to a proportion of this capital. Capital is repayable within 12 months of the cessation date for a member and at this point is classified as a liability. Interest is paid on this capital during that period.

Allocation of profits and drawings

Members receive monthly drawings, and, from time to time, additional profit distributions. The monthly drawings represent profit paid on account of the current year. The level and timing of the additional distributions is decided by management, taking into account the Group's cash requirements for operating and investing activities. The allocation to the members of LLP profits for a financial year occurs following the finalisation of the financial statements for that period, although as the LLP has an obligation to allocate 100% of the profits recorded in the adjusted accounts, the amount is presented as members' remuneration charged as an expense and forms part of the loans and other debts due to members in the balance sheet. Unallocated profits at group level are included in "Members' other interests" and classified as equity.

NOTES TO THE FINANCIAL STATEMENTS (continued)
Year ended 30 April 2022

1. ACCOUNTING POLICIES (continued)

Leases

Assets held under finance leases and other similar contracts, which confer rights and obligations similar to those attached to owned assets, are capitalised as tangible fixed assets and are depreciated over the shorter of the lease terms and their useful lives. The capital elements of future lease obligations are recorded as liabilities, while the interest elements are charged to the profit and loss account over the period of the leases using the effective interest method. Hire purchase transactions are dealt with similarly, except that assets are depreciated over their useful lives.

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term, except where the period to the review date on which the rent is first expected to be adjusted to the prevailing market rate is shorter than the full lease term, in which case the shorter period is used.

Provisions for property commitments

Provision is made for the value of unavoidable dilapidation costs payable at the end of the Group's leases. Management make an assessment of any dilapidation costs payable no later than four years from the end of a lease and their best estimate of the liability is spread over the remainder of the lease period.

Pension costs

For defined benefit schemes the amounts charged to operating profit are gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the profit and loss account if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The interest cost and the expected return on assets are shown as a net amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in the consolidated statement of comprehensive income.

Defined benefit schemes are funded, with the assets of the scheme held separately from those of the Group in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent currency and term to the scheme liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The resulting defined benefit liability, net of the related deferred tax, is presented separately after other net assets on the face of the balance sheet. A defined benefit asset is not recognised in the balance sheet. The defined benefit scheme is closed to new members and the accrual of extra service years.

For defined contribution schemes the amount charged to the profit and loss account in respect of pension costs and other post-retirement benefits is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

Interest receivable and payable

Interest receivable and payable is accounted for on an accruals basis.

Financial liabilities and equity

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

Bank borrowings

Interest bearing bank loans and overdrafts are recorded at the proceeds received, net of direct issue costs.

Debtors

Trade debtors are measured at transaction price less any provision.

NOTES TO THE FINANCIAL STATEMENTS (continued)
Year ended 30 April 2022

1. ACCOUNTING POLICIES (continued)

Grants receivable

Grants receivable are recognised as income in the period in which they become receivable. They are recognised on an accruals basis and included within other operating income (see note 4).

Creditors

Trade creditors are measured at transaction price. Financial liabilities are measured at fair value less transactions cost and are subsequently measured at amortised cost using the effective interest method.

Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event, and it is probable that the Group will be required to settle that obligation. Provisions are measured at the members' best estimate of the expenditure required to settle the obligation at the balance sheet date.

2. SIGNIFICANT JUDGEMENTS AND ESTIMATES

Critical accounting judgements and estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined above within the accounting policies.

Amounts recoverable from clients in respect of unbilled work performed

At 30 April 2022 services provided to clients, who at the balance sheet date have not been billed, have been recognised as fee income. Fee income recognised in this manner is based on an assessment of the fair value of the services provided at the balance sheet date as a proportion of the total value of the engagement. Provision is made against unbilled amounts on those engagements where the right to receive payment is contingent on factors outside the control of the LLP. Unbilled revenue is included in debtors.

Defined benefit pension obligations

The present value of the defined benefit pension obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. Any changes in these assumptions will impact the carrying amount of retirement benefit obligations.

An appropriate discount rate is determined at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the retirement benefit obligations. Other key assumptions for retirement benefit obligations are based in part on current market conditions (see note 21 for further disclosures).

Trade debtor balances

The members take decisions on a case by case basis in assessing individual debtor recoverability and whether a provision is necessary.

3. TURNOVER

	2022 £ '000	2021 £ '000
Legal services	<u>114,890</u>	<u>105,656</u>

Legal services fee income is mainly derived from the Group's principal activity as described in the Members' Report. All income is derived from UK operations.

WOMBLE BOND DICKINSON (UK) LLP

NOTES TO THE FINANCIAL STATEMENTS (continued)
Year ended 30 April 2022

4. OTHER OPERATING INCOME

	2022	2021
	£ '000	£ '000
Other income	708	824
Furlough Income	-	1,783
	708	2,607
	708	2,607

The average number of furloughed employees was nil (2021: 105). The full furlough grant was repaid in July 2021 and the payment is included within operating expenses in the year.

5. OPERATING EXPENSES

	2022	2021
	£ '000	£ '000
Staff costs (note 7)	53,014	49,194
Depreciation (note 6)	1,950	2,560
Other operating charges	30,860	24,535
	85,824	76,289
	85,824	76,289

6. OPERATING PROFIT

	2022	2021
	£ '000	£ '000
Operating profit is stated after charging:		
Depreciation of tangible fixed assets	1,950	2,560
Rentals under operating leases		
Hire of plant and machinery	475	345
Rental of land and buildings	5,526	5,169
Auditor's remuneration		
Fees payable to BDO LLP for the audit of the LLP's annual financial statements	65	62
Fees payable to BDO LLP for the audit of the LLP's subsidiaries pursuant to legislation	24	20
Fees payable to BDO LLP for other services pursuant to legislation	26	26
Fees payable to BDO LLP for tax compliance	87	-
	87	-
	87	-

WOMBLE BOND DICKINSON (UK) LLP

NOTES TO THE FINANCIAL STATEMENTS (continued)
Year ended 30 April 2022

7. STAFF COSTS

	2022	2021
	No.	No.
Average monthly number of persons employed (excluding members) during the year:		
Fee earners	582	550
Support staff	478	503
	1,060	1,053

	2022	2021
	£ '000	£ '000
Employee costs during the year amounted to:		
Wages and salaries	43,181	40,499
Social security costs	4,650	4,043
Other pension costs	5,183	4,652
	53,014	49,194

The Group operates both a defined benefit and defined contribution pension scheme (see note 21).

Key management includes the Board members. The compensation paid or payable to key management for services is shown below:

	2022	2021
	£ '000	£ '000
Key management compensation	3,940	2,885

8. INTEREST PAYABLE AND SIMILAR CHARGES

	2022	2021
	£ '000	£ '000
Bank interest payable	168	139

NOTES TO THE FINANCIAL STATEMENTS (continued)
Year ended 30 April 2022

9. TAXATION ON PROFIT ON ORDINARY ACTIVITIES

A tax charge arises in the year of £198,000 (2021: £112,000).

The tax assessed for the year is higher (2021: higher) than that resulting from applying the standard rate of corporation tax in the UK of 19% (2021: 19%). The differences are explained below:

	2022 £ '000	2021 £ '000
Profit for the financial year before taxation	29,606	31,835
Less amounts subject to income tax	<u>(28,990)</u>	<u>(31,679)</u>
Profit of the group not subject to income tax	616	156
Tax at 19% (2021: 19%)	<u>198</u>	<u>112</u>

The following table reconciles the total tax expense at the standard rate to the actual tax paid:

	2022 £ '000	2021 £ '000
Profit on ordinary activities of corporate entities before taxation	616	156
Tax at UK standard rate 19% (2021: 19%)	117	30
Net of non-taxable income and expenses not deductible for tax purposes	80	80
Adjustments in respect of prior years	<u>1</u>	<u>2</u>
Total tax charge for the year	<u>198</u>	<u>112</u>

Tax rate changes

The main rate of corporation tax in the UK is 19% with effect from 1 April 2017. Accordingly, the company's profits for this accounting year are taxed at an effective rate of 19%. An increase in the main rate of corporation tax to 25% from 1 April 2023 was introduced in the Finance Act 2021, but it was announced on 23 September 2022 that the rise will not now go ahead, so the rate will remain at 19%. There are no other factors which are expected to significantly affect the future tax charge.

10. MEMBERS' SHARE OF PROFITS

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

	2022 No.	2021 No.
Average number of members during the year	<u>98</u>	<u>114</u>

The share of profit which has been allocated since the year end to the member with the largest entitlement to profit was £528,000 (2021: £442,000).

11. PROFIT ATTRIBUTABLE TO THE LIMITED LIABILITY PARTNERSHIP

As permitted under Section 408 of the Companies Act 2006, as applicable to limited liability partnerships, the individual profit and loss account for Womble Bond Dickinson (UK) LLP has not been presented. Its profit for the financial year was £28,574,000 (2021: £31,442,000).

WOMBLE BOND DICKINSON (UK) LLP

NOTES TO THE FINANCIAL STATEMENTS (continued)
Year ended 30 April 2022

12. TANGIBLE ASSETS

Group and LLP

	Short leasehold buildings £ '000	Assets under construction £'000	Office furniture and equipment £ '000	Computer equipment £ '000	Total £ '000
Cost					
At 1 May 2021	10,716	251	2,949	8,648	22,564
Additions in year	7	2,076	21	1,416	3,520
Disposals	(954)	-	(220)	(130)	(1,304)
At 30 April 2022	9,769	2,327	2,750	9,934	24,780
Accumulated depreciation					
At 1 May 2021	6,934	-	1,962	7,340	16,236
Charge for the year	908	-	217	825	1,950
Disposals	(907)	-	(198)	(129)	(1,234)
At 30 April 2022	6,935	-	1,981	8,036	16,952
Net book value					
At 30 April 2022	2,834	2,327	769	1,898	7,828
At 30 April 2021	3,783	251	987	1,308	6,328

Included within the net book value of computer equipment is £800,000 (2021: £631,000) relating to assets held under finance lease or hire purchase contracts. The depreciation charged to the financial statements in the year in respect of such assets amounted to £405,000 (2021: £472,000).

Assets under construction relates to fit out work for our Newcastle and Leeds offices which were not yet complete as at the year end.

WOMBLE BOND DICKINSON (UK) LLP

NOTES TO THE FINANCIAL STATEMENTS (continued)
Year ended 30 April 2022

13. INVESTMENTS

LLP

Subsidiary undertakings	£ '000
Cost and net book value as at 1 May 2021 and 30 April 2022	<u>1,000</u>

The LLP has direct investments in the following principal subsidiary undertakings:

Subsidiary undertakings	Holding	Proportion of voting rights and shares	Nature of business
St Ann's Pension Trustees Limited*	Ordinary Shares	100%	Pensions Trustees
Womble Bond Dickinson Holdings Limited*	Ordinary Shares	100%	Holding Company
Womble Bond Dickinson (Trust Corporation) Limited*	Ordinary Shares	100%	Dormant
Prima Secretary Limited*	Ordinary Shares	100%	Dormant
Prima Director Limited*	Ordinary Shares	100%	Dormant
Dickinson Dees Limited*	Ordinary Shares	100%	Dormant
Dickinson Dees (Trinity Gardens) Limited*	Ordinary Shares	100%	Dormant
Bondlaw Secretaries Limited*	Ordinary Shares	100%	Dormant
Bondlaw Nominees Limited*	Ordinary Shares	100%	Dormant
Bondlaw Nominees (No 2) Limited*	Ordinary Shares	100%	Dormant

The LLP has indirect investments in the following subsidiary undertakings:

Subsidiary undertakings	Holding	Proportion of voting rights and shares	Nature of business
Womble Bond Dickinson Wealth Limited*	Ordinary Shares	100%	Provision of regulated financial services
Bond Dickinson Service Company Limited*	Ordinary Shares	100%	Dormant
Lawside Limited*	Ordinary Shares	100%	Dormant
Womble Bond Dickinson (IOM) Limited*	Ordinary Shares	100%	Holding an Isle of Man bank account as bare trustee for Womble Bond Dickinson (UK) LLP

*Registered address is 4 More London Riverside, London, United Kingdom, SE1 2AU

The cost of these investments as at 30 April 2022 was £1,000,000 (2021: £1,000,000). Womble Bond Dickinson Holdings Limited holds the investment in Womble Bond Dickinson Wealth Limited, Bond Dickinson Service Company Limited and Womble Bond Dickinson (IOM) Limited. The members believe that the carrying value of the investments is supported by their underlying net assets. All the above subsidiaries are included in consolidation.

WOMBLE BOND DICKINSON (UK) LLP

NOTES TO THE FINANCIAL STATEMENTS (continued)
Year ended 30 April 2022

14. DEBTORS

	Group		LLP	
	2022 £ '000	2021 £ '000	2022 £ '000	2021 £ '000
Trade debtors	26,482	24,323	26,412	24,243
Amounts recoverable from clients in respect of unbilled work performed	14,008	12,758	13,987	12,746
Other debtors	1,226	1,329	1,226	1,329
Prepayments and accrued income	5,299	5,008	5,139	4,823
Amounts owed by Group undertakings	-	-	-	217
	<u>47,015</u>	<u>43,418</u>	<u>46,764</u>	<u>43,358</u>

All amounts are due within one year.

An impairment provision of £1,245,000 (2021: £925,000) and £141,000 (2021: £114,000) was recognised against trade debtors and disbursements respectively for the Group.

An impairment provision of £1,238,000 (2021: £911,000) and £141,000 (2021: £114,000) was recognised against trade debtors and disbursements respectively for the LLP.

Amounts owed by Group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		LLP	
	2022 £ '000	2021 £ '000	2022 £ '000	2021 £ '000
Bank loans and leases	1,936	1,176	1,936	1,176
Trade creditors	3,439	2,526	3,439	2,526
Amounts owed to Group undertakings	-	-	259	250
Other creditors	976	293	914	287
Other taxation and social security	5,422	5,203	5,402	5,182
Corporation tax	198	109	-	-
Accruals and deferred income	6,732	4,387	6,645	4,328
	<u>18,703</u>	<u>13,694</u>	<u>18,595</u>	<u>13,749</u>

Amounts owed to Group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

16. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

Group and LLP

	2022 £ '000	2021 £ '000
Amounts falling due between one and five years		
Bank loans and leases	5,701	4,730
Accruals and deferred income	3,263	1,266
	<u>8,964</u>	<u>5,996</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)
Year ended 30 April 2022

17. PROVISIONS FOR LIABILITIES AND CHARGES

Group and LLP

	Provision for dilapidations	Other	Total
	£'000	£'000	£'000
As at 1 May 2021	1,825	857	2,682
Provisions created in the year	-	643	643
Provisions released in the year	<u>(347)</u>	<u>(475)</u>	<u>(822)</u>
As at 30 April 2022	<u>1,478</u>	<u>1,025</u>	<u>2,503</u>

Dilapidation costs provided for are incurred at the end of property leases. The entire provision for dilapidation of £1,478,000 is due in less than one year.

18. BORROWINGS

Group and LLP

	2022	2021
	£ '000	£'000
Unsecured bank loans	4,697	1,637
Revolving loan	<u>2,100</u>	<u>3,600</u>
	<u>6,797</u>	<u>5,237</u>
	2022	2021
	£ '000	£'000
Not later than one year	1,575	862
Later than one year and not later than 5 years	<u>5,222</u>	<u>4,375</u>
	<u>6,797</u>	<u>5,237</u>

Details of the unsecured bank loans are as follows:

- A £1,510,000 loan was drawn down in April 2019 of which £395,000 was outstanding at 30 April 2022. The loan is repayable in 48 equal monthly instalments up to April 2023 and incurs interest at a fixed rate of 2.39%.
- A £890,000 loan was drawn down in December 2019 of which £380,000 was outstanding at 30 April 2022. The loan is repayable in 48 equal monthly instalments up to December 2023 and incurs interest at a fixed rate of 2.26%.
- A £4,000,000 was drawn down in March 2022 of which £3,922,000 was outstanding at 30 April 2022. The loan is repayable in 48 equal monthly instalments up to March 2026 and incurs interest at a fixed rate of 3.28%.

Details of the revolving loan are as follows:

- A £8,000,000 revolving credit facility was drawn down in July 2020, of which £2,100,000 was outstanding at 30 April 2022. Interest is charged at the Base Rate + 1.85%. This facility is to be renewed July 2023.

NOTES TO THE FINANCIAL STATEMENTS (continued)

Year ended 30 April 2022

18. BORROWINGS (continued)

Details of the overdraft facility are as follows:

- The Group's financing facility also includes a £12,000,000 overdraft facility, of which £nil was outstanding at 30 April 2022. Interest is charged at the Base Rate + 1.5%. The facility is to be renewed in September 2023.

Group and LLP

	2022 £ '000	2021 £ '000
Finance leases		
Not later than one year	360	314
Later than one year and not later than 5 years	479	355
	<u>839</u>	<u>669</u>

The finance leases primarily relate to computer equipment. There are no contingent rental clauses. Rents payable are agreed at a fixed amount.

19. ANALYSIS AND RECONCILIATION OF NET DEBT

	1 May 2021 £ '000	Cash flow £ '000	30 April 2022 £ '000
Cash at bank and in hand	7,846	7,984	15,830
Bank loans and finance leases	(5,906)	(1,731)	(7,637)
Net debt	<u>1,940</u>	<u>6,253</u>	<u>8,193</u>

20. OBLIGATIONS UNDER OPERATING LEASES

Total commitments under non-cancellable operating leases are as follows:

Group and LLP	2022 £ '000	2021 £ '000
Leases which expire:		
Not later than one year	5,240	6,069
Later than one year and not later than 5 years	16,524	15,908
Later than 5 years	19,256	19,119
	<u>41,020</u>	<u>41,096</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)
Year ended 30 April 2022

21. PENSION COSTS

The Group operates a defined benefit scheme for eligible employees and a defined contribution scheme for employees.

The amount recognised in the balance sheet is as follows:

	2022 £ '000	2021 £ '000
Fair value of scheme assets	28,164	30,070
Present value of obligations	(22,990)	(26,437)
	<hr/>	<hr/>
Surplus in the scheme	5,174	3,633
Restriction to amount that can be recognised under 28.22 of FRS102	(5,174)	(3,633)
	<hr/>	<hr/>
Net pension asset	-	-
	<hr/> <hr/>	<hr/> <hr/>

The amount recognised in the profit and loss account:

	2022 £ '000	2021 £ '000
Defined benefit scheme		
- Administration costs	(200)	(154)
- Net interest	70	70
Defined contribution scheme	(5,183)	(4,652)
	<hr/>	<hr/>
Other finance cost	(5,313)	(4,736)
	<hr/> <hr/>	<hr/> <hr/>

The amount recognised in other comprehensive income:

	2022 £ '000	2021 £ '000
Return on plan assets less interest income	(1,652)	96
Experience losses on liabilities	(1,047)	196
Actuarial gains/(losses)	3,910	(1,437)
	<hr/>	<hr/>
Actuarial gain/(loss)	1,211	(1,145)
Adjustment due to surplus cap	(1,671)	685
	<hr/>	<hr/>
Net loss recognised in consolidated statement of comprehensive income	(460)	(460)
	<hr/> <hr/>	<hr/> <hr/>

NOTES TO THE FINANCIAL STATEMENTS (continued)
Year ended 30 April 2022

21. PENSION COSTS (continued)

i) Defined benefit scheme

A comprehensive actuarial valuation was carried out on 31 December 2020 by the Scheme Actuary, which was then updated on 30 April 2022 by a qualified independent actuary. The major assumptions used by the actuary were (in nominal terms):

	2022	2021
Rates of increase in salaries (see below)		
Rates of increase in pensions payment prior to 6 April 1997	2.70%	2.65%
Rates of increase in pensions payment post 5 April 1997	3.50%	3.35%
Discount rate	3.00%	1.85%
Rate of inflation	3.70%	3.50%

The mortality assumptions used were as follows:

	2022	2021
Longevity at age 65 for future pensioners		
Men	23.0	23.1
Women	25.5	25.1
Longevity at age 65 for current pensioners		
Men	21.7	21.6
Women	24.1	23.5

Reconciliation of scheme assets and liabilities:

	Assets £ '000	Liabilities £ '000	Total £ '000
At 1 May 2021	30,070	(26,437)	3,633
Benefits paid	(1,063)	1,063	-
Employer contributions	460	-	460
Administration costs	(200)	-	(200)
Interest income / (expense)	549	(479)	70
Re-measurement gains	-	3,910	3,910
Experience losses on liabilities	-	(1,047)	(1,047)
Return on plan assets excluding interest income	(1,652)	-	(1,652)
At 30 April 2022	28,164	(22,990)	5,174

The fair values of the plan assets were:

	2022 £ '000	2021 £ '000
Equities	15,886	17,339
Gilts and cash	9,651	9,832
Annuity policy	2,627	2,899
	28,164	30,070

NOTES TO THE FINANCIAL STATEMENTS (continued)
Year ended 30 April 2022

21. PENSION COSTS (continued)

The return on plan assets was:

	2022 £ '000	2021 £ '000
Interest income	549	459
Return on plan assets less interest income	<u>(1,652)</u>	<u>96</u>
	<u><u>(1,103)</u></u>	<u><u>555</u></u>

Analysis of the amount charged to operating profit

The scheme is closed to new members and future accrual. Accordingly there is no service cost in the profit and loss account.

Total cost recognised as an expense

	2022 £ '000	2021 £ '000
Administration costs	(200)	(154)
Net interest	<u>70</u>	<u>70</u>
Other finance cost	<u><u>(130)</u></u>	<u><u>(84)</u></u>

ii) Defined contribution scheme

The Group also operates a defined contribution pension scheme for which the pension charge for the year was £5,183,000 (2021: £4,652,000). There was £214,000 (2021: £184,000) outstanding in relation to this pension scheme at year end.

22. FINANCIAL INSTRUMENTS

	Group		LLP	
	2022 £ '000	2021 £ '000	2022 £ '000	2021 £ '000
Financial assets				
Financial assets measured at amortised cost	57,345	45,970	55,979	45,166
Financial liabilities				
Financial liabilities measured at amortised cost	20,149	12,926	20,259	13,111

Financial assets measured at amortised cost includes cash, trade debtors, other debtors, amounts recoverable from clients in respect of unbilled work performed and amounts owed by group undertakings (LLP only).

Financial liabilities measured at amortised cost includes bank overdraft, bank loans, finance leases, trade creditors, accruals and amounts owed to group undertakings (LLP only).

NOTES TO THE FINANCIAL STATEMENTS (continued)

Year ended 30 April 2022

23. FINANCIAL RISK MANAGEMENT

The Group has exposures to two main areas of risk – liquidity risk and client credit exposure. To a lesser extent the Group is exposed to interest rate risk.

Liquidity risk

The Group's objective in managing liquidity risk is to ensure that it can meet its financial obligations as and when they fall due. The Group expects to meet its financial obligations through operating cash flows and in the event that the operating cash flows do not cover the financial obligations the Group has credit facilities available. The Group is in the position to meet its commitments and obligations as they fall due.

Client credit exposure

The Group is at risk of clients being unable to pay their debt on specified due dates. This risk is mitigated by due diligence procedures performed when the Group engages with a client, the strong client relationships built and also by credit insurance.

Interest rate risk

The Group borrows from its bankers using overdrafts, term loans or revolving credit facilities whose tenure depends on the nature of the asset and management's view of the future direction of interest rates.

24. RELATED PARTY TRANSACTIONS

The LLP undertakes a number of transactions with its members during the normal course of business, including the subscription and repayment of capital, the payment of drawings, distributions and tax liabilities. These transactions are all governed by, and made in compliance with, the Members' Agreement. There were no transactions with members requiring disclosure under the guidance in FRS102 in the current or previous financial year.

The LLP has taken advantage of the exemption under FRS102 to not disclose transactions with wholly owned subsidiaries.

In 2020 the Group established the Womble Bond Dickinson (UK) Charitable Incorporated Organisation (WBD Foundation) as a vehicle by which to make charitable grants. Donations from Womble Bond Dickinson (UK) LLP to Womble Bond Dickinson (UK) Charitable Incorporated Organisation (not consolidated within the group) in the year to 30 April 2022 were £95,147 (2021: £47,750). An amount of £13,750 was due to Womble Bond Dickinson (UK) LLP by the Womble Bond Dickinson (UK) Charitable Incorporated Organisation as at 30 April 2022 and was settled after the balance sheet date.

25. CONTROLLING PARTY

In the opinion of the members there is no controlling party as defined by FRS 102 section 33.5 "Related party disclosures" as the members consider themselves, as a body, to be the ultimate controlling party.