

WOMBLE BOND DICKINSON (UK) LLP

Annual Report and Financial Statements  
for the year ended 30 April 2023

Limited Liability Partnership Registration No. OC317661



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## **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 2023.

## 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

Group turnover for the financial year ended 30 April 2023 increased 2% from the prior year to £117m (2022: £115m), with profit before tax of £24m (2022: £30m).

The year saw us start a number of foundational pieces of work that will deliver benefits next year and beyond.

February marked the anniversary of Paul Stewart becoming Managing Partner, while in November we celebrated five years since our US combination with Womble Carlyle which created Womble Bond Dickinson.

As part of our intention to increase transatlantic collaboration, five UK partners joined the Global Board: Caroline Churchill; James Love; Vicki Redman; Charlie Reid; and Peter Snaith. We also started a global brand refresh, to ensure a distinctive market positioning is communicated consistently across the entire global business.

We continued to invest in our office infrastructure. Following our move into the Spark in Newcastle in the year, we refurbished our Leeds office at Whitehall Riverside to create an eco-friendly space that promotes agile working. We also set up a Teesside office at the Wilton Centre. This will help us support investment into one of the UK's most economically active regions, which also presents significant opportunities to work on international projects with our colleagues in the US.

A new marketing and business development strategy was launched following an extensive review of the firm's efforts and capabilities. A new CMO was appointed, who is now working through an action plan to implement the recommendations from the review.

The year saw a number of client successes, and we secured panel appointments with the likes of Bar Mutual Indemnity Fund, Centrica, Crown Commercial Services, Global Risk Partners (now known as Brown & Brown (Europe)), Homes England, Karbon Homes, Kent County Council, Lloyds Bank, NHS Commercial Solutions and Robertson Construction Group.

These were complemented by significant market recognition. We won Corporate Law Firm of the Year and Private Equity Deal of the Year at the North East Dealmaker Awards, and Private Client Team of the Year at the Legal Business Awards.

These were in addition to winning the ESG Firm of the Year category at the Legal 500 Northern Powerhouse Awards. We were also recognised again in the Times Best Law Firms report, being particularly commended for our expertise in employment, planning and infrastructure, and private client work.

## DESIGNATED MEMBERS

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

N H Barwood

C Brook

T M Beezer

S R Pierce

P R Stewart

J A R Tresham (Appointed as Designated Member 01/05/2022)

J D A Williams (Appointed as Designated Member 01/05/2022 and Resigned 02/08/2023)

## 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, we are 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.

Being awarded the gold sustainability rating by EcoVadis demonstrates our commitment to putting responsible business at the heart of all we do. EcoVadis assesses criteria across four themes; Labour & Human Rights, Ethics, Environment and Sustainable Procurement. This ranks us in the top five percent of global companies and in the top two percent in the legal and accounting industry.

We have also 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 people's potential.

### Environment

Through enhancing our environmental performance and improving our sustainable practices, we respect our surroundings and aim to have a positive impact on the world around us. We understand that systemic changes take time, but we fully recognise our role in a sustainable future for all. Developing and stretching our environmental targets is core to our business and we have set out our Carbon Reduction Plan which details our commitment to net zero by 2030.

As a result of our efforts to date, we have reduced our total carbon footprint by 54% since our first year of Planet Mark certification in 2017. We have achieved ISO 14001 re-accreditation, recognising an effective Environmental Management System is in place that provides a framework for continuous improvement in our environmental performance. We have just completed our seventh year of business carbon reporting and certification by The Planet Mark which recognises continuous improvement, encourages action and aims to build an empowered community of like-minded individuals. We reduced our carbon emissions by 37.5% between the 2019/20 and 2021/22 reporting periods.

### **Environment (continued)**

We were awarded the milestone award at The Planet Mark Awards in February 2023, recognising our achievement of more than 5 years certification with The Planet Mark. We were also successful in the Data Quality category, recognising an impressive 95% data quality score.

## **SOCIAL**

### **Community Engagement**

In the year to 30 April 2023 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 through the firm and through our charitable foundation. We also match funded the fundraising activities of colleagues, and worked with our clients to donate to their charity challenges. Examples of where the larger donations and grants were made include in response to humanitarian disasters (Pakistan Floods and Syria and Turkey Earthquakes) and the Access to Justice Foundation.

We were pleased that our volunteering efforts have grown over the past few years, and we hit over 1,100 hours in the year to 30 April 2023. We gave time to a range of causes and in particular through volunteering at food banks, at youth centres and in the natural environment, whether it be gardening or litter picking.

We continued to work with the University of Law offering pro bono advice through their Small Business Clinic and our engagement in these sessions grew. We are looking forward to further growing our pro bono efforts in the year to 30 April 2024.

### **Diversity, Equity and Inclusion (DEI)**

We are keeping our focus on driving forward our diversity, equity and inclusion agenda – giving a 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.

Our below colleague networks are core to our DEI strategy:

- Disability Network;
- Pride Network (LGBTQ+);
- Reach Network (race, ethnicity and cultural heritage); and
- Thrive Network (women's career progression).

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.

In 2022, we achieved a Gold Award from Stonewall for being a LGBTQ+ inclusive employer and are listed in Stonewall's Top 100 employers, ranking 56th. We were also named as one of the UK's leading employers for improving social mobility, featuring in the Top 75 employers list in the 2022 Social Mobility Employer Index (ranking 41st).

## 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. We have a number of groups supporting the wellbeing of our people including:

- Family Network – share family experiences and support other parents and carers;
- Menopause Champions – listen and support others experiencing the menopause and signpost to support;
- Mental Health First Aiders – trained to be a point of contact for anyone experiencing a mental health issue;
- Sports and Social committees – find opportunities to bring people together and connect through activities and sports; and
- Wellbeing Champions – advocate for wellbeing campaigns and events, and promote and raise awareness of wellbeing resources available.

Our wellbeing day, launched in the year to 30 April 2022, continues to be a popular resource in addition to colleagues' annual leave entitlement.

## 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.

In the year to 30 April 2023, we continued to focus on our supply chain and have worked on measuring our baseline year (the year to 30 April 2020) for our scope 3 emissions. Having carried out this exercise, we are hoping to learn from this to carry out our next extended scope 3 emissions assessment over the next year.

With a focus on innovation, we were pleased to continue to link with Womble Bond Dickinson (US) LLP on International Innovation Week in March 2023, with the theme of climate change.

We continue to work with our clients, advising on ESG practices and are looking forward to building on these good practices moving forward.

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.

## DIVERSITY, EQUITY AND INCLUSION (DEI) POLICY

Diversity, equity and inclusion are a central part of our firm and being diverse and inclusive make us a better and more successful place to work. We are committed to creating a diverse and inclusive culture which promotes equality of opportunity and our 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 DEI 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 DEI related initiatives.

Our "#BeYourself" campaign is central to our culture and is promoted throughout the business with specific focus during our annual DEI awareness week. This incorporates a program 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.

## **DIVERSITY, EQUITY AND INCLUSION (DEI) POLICY (continued)**

We also run 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 us to have a more focused approach to DEI initiatives.

We have a number of network groups across the business that focus on a range of DEI areas such as gender, disability, race, ethnicity and cultural heritage, sexual orientation, family and caring commitments and health and wellbeing. This year we are investing in the development of these groups through coaching for the various group leaders to help them.

We have recognised the importance of health and well-being for some time and have built up an offering to support this. We have developed a Wellbeing Strategy which supports the action plan put in place to support the feedback we have received from Investors in People; we achieved silver status in their "We Invest in Wellbeing" accreditation in the Summer of 2022. Our wellbeing strategy is supported by a wide range of key people & partners known as Wellbeing Champions to ensure those objectives are continually reviewed and developed.

## **EMPLOYEES WITH A DISABILITY OR LONG TERM HEALTH ISSUE**

We 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. We 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.

## **EMPLOYEE PARTICIPATION**

We place considerable value on the involvement of our employees and keep them informed on matters affecting them as employees and on the various factors affecting our performance. This is achieved through various means including the Employee Forum, which is made up of employees drawn from all job groups, disciplines, and geographies. 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.

We also arrange business briefings which are open to everyone in the business to attend. In addition, there are a number of further methods of communication including informal meetings as well as sports and social events, which are organised by office Sports and Social Committees. Our 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. We also run periodic surveys to seek feedback on employees' views on important topics and since the pandemic we have converted key aspects of our 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 programs 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 programs 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.

We have committees and networks within each office to cater to a range of interests, including environment, charity, and social responsibility. We offer paid volunteering days to our employees and have a well-established employee forum, DEI groups, various networks and sports and social committees which allow colleagues to connect and share ideas. As we have moved from the pandemic and with hybrid working arrangements now the norm, there has been a focus on connection in person to re-establish links and a budget provision was made to facilitate this for all teams.



## 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.

## DISCLOSURE OF INFORMATION TO AUDITOR

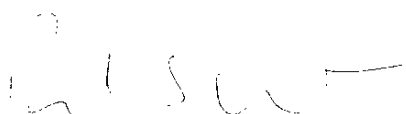
The members confirm that:

- 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.

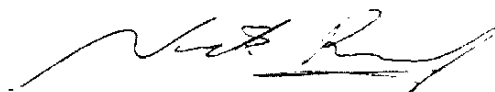
## INDEPENDENT AUDITOR

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  
25 October 2023



N H Barwood  
Designated member  
25 October 2023

## STREAMLINED ENERGY AND CARBON REPORT

The Group has successfully certified to The Planet Mark for the year to 30 April 2023, which is our seventh consecutive 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.

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 further opportunities for improvement.

The Group has a team who are responsible for day to day energy management and for continually driving energy reductions across the business. The team is supported by a network of more than 30 environmental representatives - a group of volunteers from within the business who are passionate about sustainability and championing initiatives. During the reporting period they were responsible for leading many initiatives to encourage employees to improve their impact on the environment, including EnviroNovember and Net Zero-week.

The Group's UK Carbon Footprint for the year to 30 April 2023 was as follows:

Type of emission	2023		2022	
	Tonnes of CO <sub>2</sub> e	Total kWh	Tonnes of CO <sub>2</sub> e	Total kWh
Scope 1 – Direct (Gas emission and owned transport)	302.1	1,564,153.8	587.4	3,225,351.0
Scope 2 – Indirect (Purchased electricity and heat)	221.4*	1,616,786.5	159.0	1,797,970.5
Scope 3 – Indirect (Business travel, Paper)	240.3	162,580.4	107.1	63,008.7
<b>Total</b>	<b>763.8</b>	<b>3,343,520.7</b>	<b>853.5</b>	<b>5,086,330.2</b>

*\*To note that the 2023 figures do not include Scope 2 emissions for cooling and chilled water for our Newcastle site. This is due to the fact that appropriate methodology for quantifying this was not available at the time of producing these statutory accounts.*

### Intensity metrics for the period 1 May 2022 to 30 April 2023:

**0.7** (2022: 0.8) Tonnes of tCO<sub>2</sub>e per total employees and members.

**6.5** (2022: 7.4) Tonnes of tCO<sub>2</sub>e per total £m turnover

Actions taken by the Group during the year include:

- Building improvements at our Leeds site, which has just had a significant refurbishment. This included significant BREEAM sustainability assessment methods and updates to air conditioning and lighting in line with the Group's carbon reduction targets;

- Consolidated our office space in response to our adoption of a hybrid working policy Firmwide. This has included significant space reductions at our Leeds, Bristol and Newcastle locations;
- Reduced carbon footprint at our Edinburgh and Southampton sites by procuring 100% renewable energy from our suppliers;
- Securing a TM44 inspection certificate at our Southampton site, ensuring that the air conditioning units are up to standard; and
- Introduction of an Electric Vehicle salary sacrifice scheme.

A list of members of the LLP can be found at:

<https://find-and-update.company-information.service.gov.uk/company/OC317661/officers>

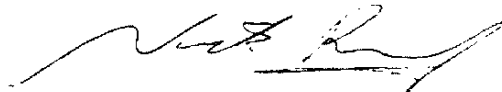
Approved by the members and signed on their behalf by:



P R Stewart

Designated member

25 October 2023



N H Barwood

Designated member

25 October 2023

## **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 2023 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) Limited Liability Partnership ("the Limited Liability Partnership") for the year ended 30 April 2023 which comprise the consolidated profit and loss, consolidated statement of comprehensive income, consolidated cashflow statement 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.

#### **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:

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.

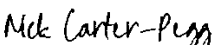
- We assessed the susceptibility of the Group and Limited Liability Partnership's financial statements to material misstatement, including how fraud might occur by meeting with management to understand where it is considered there was a susceptibility of fraud. Our considerations included *enquiries 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:  
  
B74585C2373744A

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

25 October 2023

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

**CONSOLIDATED PROFIT AND LOSS ACCOUNT**

Year ended 30 April 2023

	Note	2023 £ '000	2022 £ '000
<b>TURNOVER</b>	3	<b>116,950</b>	114,890
Other operating income	4	<u>2,510</u>	<u>708</u>
		<b>119,460</b>	115,598
Operating expenses	5	<u>(95,266)</u>	<u>(85,824)</u>
<b>OPERATING PROFIT</b>	6	<b>24,194</b>	29,774
Interest receivable and similar income	8	<b>167</b>	-
Interest payable and similar charges	9	<u>(257)</u>	<u>(168)</u>
<b>PROFIT FOR THE FINANCIAL YEAR BEFORE TAXATION</b>		<b>24,104</b>	29,606
Taxation on profit on ordinary activities (in corporate subsidiaries)	10	<u>(155)</u>	<u>(198)</u>
<b>PROFIT FOR THE FINANCIAL YEAR BEFORE MEMBERS' REMUNERATION</b>		<b>23,949</b>	29,408
Members' remuneration charged as an expense		<u>(23,949)</u>	<u>(29,408)</u>
<b>PROFIT FOR THE FINANCIAL YEAR AVAILABLE FOR DISCRETIONARY DIVISION AMONG MEMBERS</b>		<u>-</u>	<u>-</u>

All results relate to continuing activities.

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

Year ended 30 April 2023

	Note	2023 £'000	2022 £ '000
<b>PROFIT FOR THE FINANCIAL YEAR AVAILABLE FOR DISCRETIONARY DIVISION AMONG MEMBERS</b>		-	-
Other comprehensive expense:			
Defined benefit pension scheme cost	22	<u>(460)</u>	<u>(460)</u>
<b>Total comprehensive expense for the year</b>		<u>(460)</u>	<u>(460)</u>

The notes on pages 18 to 34 form part of these financial statements

WOMBLE BOND DICKINSON (UK) LLP

**BALANCE SHEETS**

**As at 30 April 2023**

		Group		LLP	
	Note	2023 £ '000	2022 £ '000	2023 £ '000	2022 £ '000
<b>FIXED ASSETS</b>					
Tangible assets	13	11,081	7,828	11,081	7,828
Intangible assets		8	14	8	14
Investments	14	-	-	1,000	1,000
		<u>11,089</u>	<u>7,842</u>	<u>12,089</u>	<u>8,842</u>
<b>CURRENT ASSETS</b>					
Debtors	15	51,736	47,015	51,499	46,764
Cash at bank and in hand		3,544	15,830	2,664	14,555
		<u>55,280</u>	<u>62,845</u>	<u>54,163</u>	<u>61,319</u>
<b>CREDITORS: amounts falling due within one year</b>	16	<u>(18,659)</u>	<u>(18,703)</u>	<u>(18,763)</u>	<u>(18,595)</u>
<b>NET CURRENT ASSETS</b>		<u>36,621</u>	<u>44,142</u>	<u>35,400</u>	<u>42,724</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>47,710</u>	<u>51,984</u>	<u>47,489</u>	<u>51,566</u>
<b>CREDITORS: amounts falling due after more than one year</b>	17	<u>(6,816)</u>	<u>(8,964)</u>	<u>(6,816)</u>	<u>(8,964)</u>
<b>Provisions for liabilities and charges</b>	18	<u>(3,470)</u>	<u>(2,503)</u>	<u>(3,470)</u>	<u>(2,503)</u>
<b>NET ASSETS ATTRIBUTABLE TO MEMBERS</b>		<u>37,424</u>	<u>40,517</u>	<u>37,203</u>	<u>40,099</u>
<b>REPRESENTED BY:</b>					
<b>Loans and other debts due to members:</b>					
Amounts due to members		18,680	24,045	18,680	24,045
Members' capital		18,523	16,054	18,523	16,054
<b>Equity: Members' other interests</b>					
Members' other interests: other		221	418	-	-
		<u>37,424</u>	<u>40,517</u>	<u>37,203</u>	<u>40,099</u>
<b>TOTAL MEMBERS' INTERESTS</b>					
Loans and other debts due to members		18,680	24,045	18,680	24,045
Members' capital classified as a liability		18,523	16,054	18,523	16,054
Members' other interests classified as equity		221	418	-	-
		<u>37,424</u>	<u>40,517</u>	<u>37,203</u>	<u>40,099</u>

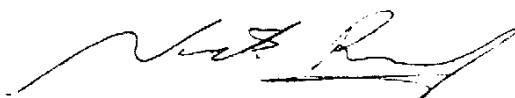
The exemption under section 408 of the Companies Act 2006 from presenting the parent LLP's income statement has been taken. The LLP's profit for the year ended 30 April 2023 was £23,686,000 (2022: £28,574,000).

These financial statements of Womble Bond Dickinson (UK) LLP (Limited Liability Partnership Registration No. OC317661) on pages 13-34 were approved by the members on 25 October 2023.

Signed on behalf of the members



P R Stewart  
Designated member



N H Barwood  
Designated member



**CONSOLIDATED CASH FLOW STATEMENTS**

Year ended 30 April 2023

	<b>Note</b>	<b>2023 £'000</b>	<b>2022 £'000</b>
<b>Cash flows from operating activities</b>			
Profit for the year before members' remuneration		<b>23,949</b>	29,408
<b>Adjustments for:</b>			
Depreciation of tangible assets	13	<b>2,181</b>	1,950
Amortisation of intangible assets		<b>6</b>	6
(Profit)/loss on disposal of fixed assets		<b>(7)</b>	69
Defined benefit pension funding	22	<b>(460)</b>	(460)
Interest income		<b>(167)</b>	-
Interest paid	9	<b>257</b>	168
Corporation tax	10	<b>155</b>	198
Increase in debtors		<b>(3,557)</b>	(3,597)
Increase in creditors		<b>570</b>	6,158
Increase/(decrease) in provisions		<b>(1,331)</b>	(179)
Corporation tax paid		<b>(280)</b>	(110)
<b>Net cash generated from operating activities before transactions with members</b>		<b>21,316</b>	33,611
Payments to and on behalf of members		<b>(29,172)</b>	(24,670)
<b>Net cash (used in)/generated from operating activities</b>		<b>(7,856)</b>	8,941
<b>Cash flows from investing activities</b>			
Purchases of tangible assets	13	<b>(4,294)</b>	(3,520)
Interest received		<b>167</b>	-
<b>Net cash used in investing activities</b>		<b>(4,127)</b>	(3,520)
<b>Cash flows from financing activities</b>			
Repayment of bank loans	19	<b>(2,576)</b>	(2,441)
Repayment of finance lease obligations		<b>(305)</b>	(404)
New bank loans		<b>-</b>	4,000
New finance lease obligations		<b>366</b>	574
Capital introduced by members		<b>3,569</b>	3,074
Repayment of capital or debt to members		<b>(1,100)</b>	(2,072)
Interest paid		<b>(257)</b>	(168)
<b>Net cash (used in)/from financing activities</b>		<b>(303)</b>	2,563
<b>Net (decrease)/ increase in cash and cash equivalents</b>		<b>(12,286)</b>	7,984
<b>Cash and cash equivalents at the beginning of the year</b>		<b>15,830</b>	7,846
<b>Cash and cash equivalents at the end of the year</b>	20	<b>3,544</b>	15,830

The notes on pages 18 to 34 form part of these financial statements.

## STATEMENTS OF MEMBERS' INTERESTS

Year ended 30 April 2023

	Note	Equity	Debt	Debt	Total £ '000
		Members' other interests – other £ '000	Members' capital classified as a liability £ '000	Loans and other debts due to members £ '000	
<b>Group</b>					
<b>At 1 May 2021</b>		<b>44</b>	<b>15,052</b>	<b>20,144</b>	<b>35,240</b>
Members' remuneration charged as an expense		-	-	29,408	29,408
Defined benefit pension scheme costs	22	-	-	(460)	(460)
<b>Total comprehensive income for the year</b>		<b>-</b>	<b>-</b>	<b>28,948</b>	<b>28,948</b>
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)	-
<b>At 1 May 2022</b>		<b>418</b>	<b>16,054</b>	<b>24,045</b>	<b>40,517</b>
Members' remuneration charged as an expense		-	-	23,949	23,949
Defined benefit pension scheme costs	22	-	-	(460)	(460)
<b>Total comprehensive income for the year</b>		<b>-</b>	<b>-</b>	<b>23,489</b>	<b>23,489</b>
Capital introduced		-	3,569	-	3,569
Capital repaid		-	(1,100)	-	(1,100)
Drawings		-	-	(10,100)	(10,100)
Distributions		-	-	(6,217)	(6,217)
Tax paid		-	-	(12,775)	(12,775)
Amounts due to former members		-	-	41	41
Other allocation of profit		(197)	-	197	-
<b>At 30 April 2023</b>		<b>221</b>	<b>18,523</b>	<b>18,680</b>	<b>37,424</b>

The notes on pages 18 to 34 form part of these financial statements.

## STATEMENTS OF MEMBERS' INTERESTS

Year ended 30 April 2023

	Note	Equity	Debt	Debt	Total £ '000
		Members' other interests – other £ '000	Members' capital classified as a liability £ '000	Loans and other debts due to members £ '000	
<b>LLP</b>					
<b>At 1 May 2021</b>		-	15,052	20,144	35,196
Members' remuneration charged as an expense		-	-	29,034	29,034
Defined benefit pension scheme costs	22	-	-	(460)	(460)
<b>Total comprehensive income for the year</b>		-	-	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)
<b>At 1 May 2022</b>		-	16,054	24,045	40,099
Members' remuneration charged as an expense		-	-	24,146	24,146
Defined benefit pension scheme costs	22	-	-	(460)	(460)
<b>Total comprehensive income for the year</b>		-	-	23,686	23,686
Capital introduced		-	3,569	-	3,569
Capital repaid		-	(1,100)	-	(1,100)
Drawings		-	-	(10,100)	(10,100)
Distributions		-	-	(6,217)	(6,217)
Tax paid		-	-	(12,775)	(12,775)
Amounts due to former members		-	-	41	41
<b>At 30 April 2023</b>		-	18,523	18,680	37,203

The notes on pages 18 to 34 form part of these financial statements.

## NOTES TO THE FINANCIAL STATEMENTS

### 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 2023 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

The year to 30 April 2023 saw a dip in profitability after the firm posted its best ever results in the year to 30 April 2022. Although revenue was ahead by 2%, expenses were also up significantly through a combination of increased spend post pandemic and a very competitive legal salary market in the first half of the year. Faced with a very competitive "war for talent", the firm kept pace with legal salary inflation running at 10% plus which drove up staff costs. The market has since settled down and this has led to less turnover in solicitor and associate ranks.

**NOTES TO THE FINANCIAL STATEMENTS****Going concern (continued)**

Notwithstanding the drop in profitability, it was still a decent year for the firm and we have maintained a very strong balance sheet and cash position at the year end. We have renewed our bank facilities on equivalent terms should they be required and are comfortably operating within our covenant terms. The board remains confident that the firm is well able to meet its obligations as they fall due. In addition to our short term tracking within our current financial period, the board also uses three year rolling forecasts for cashflow to ensure we are appropriately funded for the medium to longer term. In the wake of HMRC's tax basis period reform, the firm is actively planning for an 11 month accounting period to 31st March 2024 to align with the normal tax year end and simplify our accounting for partnership tax. This is an accounting reference period change only and we don't expect it to impact on underlying business performance.

The board believes 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.

**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.

**Other income**

Other income includes property rental income and interest income from our client bank accounts.

**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.

## NOTES TO THE 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.

### 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.

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.

### Pension costs

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.

## NOTES TO THE FINANCIAL STATEMENTS

### Pension costs (continued)

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.

### 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.

A corresponding debtor has been recognised for elements of the provisions that are covered by insurance policies.

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.

## 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

**NOTES TO THE FINANCIAL STATEMENTS**

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 2023 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 22 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**

	2023 £ '000	2022 £ '000
Legal services	116,950	114,890

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.

**4. OTHER OPERATING INCOME**

	2023 £ '000	2022 £ '000
Other income	2,510	708

**5. OPERATING EXPENSES**

	2023 £ '000	2022 £ '000
Staff costs (note 7)	60,186	53,014
Depreciation (note 6)	2,181	1,950
Other operating charges	32,899	30,860
	95,266	85,824



## NOTES TO THE FINANCIAL STATEMENTS

## 6. OPERATING PROFIT

	2023 £ '000	2022 £ '000
<b>Operating profit is stated after charging:</b>		
Depreciation of tangible fixed assets	2,181	1,950
<b>Rentals under operating leases</b>		
Hire of plant and machinery	373	475
Rental of land and buildings	4,936	5,526
<b>Auditor's remuneration</b>		
Fees payable to BDO LLP for the audit of the LLP's annual financial statements	100	65
Fees payable to BDO LLP for the audit of the LLP's subsidiaries pursuant to legislation	8	24
Fees payable to BDO LLP for other services pursuant to legislation	28	26
Fees payable to BDO LLP for tax compliance	80	87

## 7. STAFF COSTS

	2023 No.	2022 No.
<b>Average monthly number of persons employed (excluding members) during the year:</b>		
Fee earners	621	582
Support staff	492	478
	<b>1,113</b>	<b>1,060</b>

	2023 £ '000	2022 £ '000
<b>Employee costs during the year amounted to:</b>		
Wages and salaries	48,407	43,181
Social security costs	5,622	4,650
Other pension costs	6,157	5,183
	<b>60,186</b>	<b>53,014</b>

The Group operates both a defined benefit and defined contribution pension scheme (see note 22).

## NOTES TO THE FINANCIAL STATEMENTS

## STAFF COSTS (continued)

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

	2023 £ '000	2022 £ '000
Key management compensation	2,774	3,940

## 8. INTEREST RECEIVABLE AND SIMILAR INCOME

	2023 £ '000	2022 £ '000
Bank interest receivable	167	-

## 9. INTEREST PAYABLE AND SIMILAR CHARGES

	2023 £ '000	2022 £ '000
Bank interest payable	257	168

## 10. TAXATION ON PROFIT ON ORDINARY ACTIVITIES

Certain subsidiaries consolidated into these Group accounts are subject to corporation tax on their profits and the tax expense is reported within the profit and loss account.

The rate of corporation tax in the UK was 19% until 1 April 2023, when it became 25%. This gives an average rate in the year to 30 April 2023 of 19.5%.

	2023 £ '000	2022 £ '000
Current tax on income within corporate subsidiaries	155	198
Deferred tax	-	-
<b>Total tax expense in corporate subsidiaries</b>	<b>155</b>	<b>198</b>

**NOTES TO THE FINANCIAL STATEMENTS****TAXATION ON PROFIT ON ORDINARY ACTIVITIES (continued)**

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

	<b>2023</b> <b>£ '000</b>	2022 £ '000
<b>Profit on ordinary activities of corporate entities before taxation</b>	<b>376</b>	616
Tax at UK standard rate 19.5% (2022: 19%)	<b>73</b>	117
Net of non-taxable income and expenses not deductible for tax purposes	<b>83</b>	80
Adjustments in respect of prior years	<b>(1)</b>	1
<b>Total tax charge for the year</b>	<b>155</b>	198

**Tax rate changes**

The main rate of corporation tax in the UK is 19% with effect from 1 April 2017. An increase in the main rate of corporation tax to 25% from 1 April 2023 was introduced in the Finance Act 2021. There are no other factors which are expected to significantly affect the future tax charge.

**11. 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.

	<b>2023</b> <b>No.</b>	2022 No.
Average number of members during the year	<b>97</b>	98

The share of profit which has been allocated since the year end to the member with the largest entitlement to profit was £356,000 (2022: £528,000).

**12. 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 £23,686,000 (2022: £28,574,000).

## NOTES TO THE FINANCIAL STATEMENTS

## 13. TANGIBLE ASSETS

Group and LLP	Short leasehold buildings £ '000	Assets under construction £'000	Office furniture and equipment £ '000	Computer equipment £ '000	Total £ '000
<b>Cost</b>					
At 1 May 2022	9,769	2,327	2,750	9,934	24,780
Additions in year	3,432	-	1,068	928	5,428
Disposals	(5,567)	-	(670)	(1,335)	(7,572)
Transfers	2,192	(2,327)	135	-	-
<b>At 30 April 2023</b>	<b>9,826</b>	<b>-</b>	<b>3,283</b>	<b>9,527</b>	<b>22,636</b>
<b>Accumulated depreciation</b>					
At 1 May 2022	6,935	-	1,981	8,036	16,952
Charge for the year	979	-	321	881	2,181
Disposals	(5,578)	-	(665)	(1,335)	(7,578)
<b>At 30 April 2023</b>	<b>2,336</b>	<b>-</b>	<b>1,637</b>	<b>7,582</b>	<b>11,555</b>
<b>Net book value</b>					
<b>At 30 April 2023</b>	<b>7,490</b>	<b>-</b>	<b>1,646</b>	<b>1,945</b>	<b>11,081</b>
At 30 April 2022	2,834	2,327	769	1,898	7,828

Included within the net book value of computer equipment is £738,000 (2022: £800,000) 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 £363,000 (2022: £405,000).

Assets under construction related to fit out work for our Newcastle and Leeds offices which were completed during the year.

## 14. INVESTMENTS

## LLP

Subsidiary undertakings	£ '000
Cost and net book value as at 1 May 2022 and 30 April 2023	<u>1,000</u>

## NOTES TO THE FINANCIAL STATEMENTS

## INVESTMENTS (continued)

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%	Dormant
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 2023 was £1,000,000 (2022: £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 provided a parental guarantee to Womble Bond Dickinson Wealth Ltd (08375875) so that they can claim an exemption from the requirement for a statutory audit in relation to the financial year ended 30 April 2023, under section 479A of the Companies Act 2006.

## NOTES TO THE FINANCIAL STATEMENTS

## 15. DEBTORS

	Group		LLP	
	2023 £ '000	2022 £ '000	2023 £ '000	2022 £ '000
Trade debtors	28,146	26,482	28,070	26,412
Amounts recoverable from clients in respect of unbilled work performed	15,180	14,008	15,152	13,987
Other debtors	2,504	1,226	2,499	1,226
Prepayments and accrued income	5,906	5,299	5,744	5,139
Amounts owed by Group undertakings	-	-	34	-
	<b>51,736</b>	<b>47,015</b>	<b>51,499</b>	<b>46,764</b>

All amounts are due within one year.

An impairment provision of £1,372,000 (2022: £1,245,000) and £167,000 (2022: £141,000) was recognised against trade debtors and disbursements respectively for the Group.

An impairment provision of £1,358,000 (2022: £1,238,000) and £167,000 (2022: £141,000) 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.

## 16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		LLP	
	2023 £ '000	2022 £ '000	2023 £ '000	2022 £ '000
Bank loans and leases	2,661	1,936	2,661	1,936
Trade creditors	4,897	3,439	4,897	3,439
Amounts owed to Group undertakings	-	-	250	259
Other creditors	863	976	863	914
Other taxation and social security	5,655	5,422	5,629	5,402
Corporation tax	72	198	-	-
Accruals and deferred income	4,511	6,732	4,463	6,645
	<b>18,659</b>	<b>18,703</b>	<b>18,763</b>	<b>18,595</b>

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

## NOTES TO THE FINANCIAL STATEMENTS

## 17. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

Group and LLP	2023 £ '000	2022 £ '000
Amounts falling due between one and five years		
Bank loans and leases	2,339	5,701
Accruals and deferred income	4,477	3,263
	<u>6,816</u>	<u>8,964</u>

## 18. PROVISIONS FOR LIABILITIES AND CHARGES

Group and LLP	Provision for dilapidations £ '000	Other £ '000	Total £ '000
As at 1 May 2022	1,478	1,025	2,503
Provisions created in the year	1,134	1,620	2,754
Provisions released in the year	(1,293)	(494)	(1,787)
As at 30 April 2023	<u>1,319</u>	<u>2,151</u>	<u>3,470</u>

Dilapidation costs provided for are incurred at the end of property leases. Of the total provision for dilapidations, £185,000 is due in less than one year.

## 19. BORROWINGS

Group and LLP	2023 £ '000	2022 £ '000
Unsecured bank loans	3,122	4,697
Revolving loan	1,100	2,100
	<u>4,222</u>	<u>6,797</u>
	2023 £ '000	2022 £ '000
Not later than one year	2,323	1,575
Later than one year and not later than 5 years	1,899	5,222
	<u>4,222</u>	<u>6,797</u>

Details of the unsecured bank loans are as follows:

- A £890,000 loan was drawn down in December 2019 of which £154,000 was outstanding at 30 April 2023. The loan is repayable in 48 equal monthly instalments up to December 2023 and incurs interest at a fixed rate of 2.26%.

**NOTES TO THE FINANCIAL STATEMENTS****BORROWINGS (continued)**

- A £4,000,000 loan was drawn down in March 2022 of which £2,968,000 was outstanding at 30 April 2023. 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 £1,100,000 was outstanding at 30 April 2023. Interest is charged at the Base Rate + 1.85%. This facility has been renewed in July 2023.

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 2023. Interest is charged at the Base Rate + 1.5%. The facility has been renewed in August 2023.

**Group and LLP**

	2023 £ '000	2022 £ '000
<b>Finance leases</b>		
Not later than one year	339	360
Later than one year and not later than 5 years	439	479
	<b>778</b>	<b>839</b>

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

**20. ANALYSIS AND RECONCILIATION OF NET DEBT**

	1 May 2022 £ '000	Cash flow £ '000	30 April 2023 £ '000
Cash at bank and in hand	15,830	(12,286)	<b>3,544</b>
Bank loans and finance leases	(7,637)	2,637	<b>(5,000)</b>
Net debt	<b>8,193</b>	<b>(9,649)</b>	<b>(1,456)</b>

**21. OBLIGATIONS UNDER OPERATING LEASES**

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

<b>Group and LLP</b>	2023 £ '000	2022 £ '000
<b>Leases which expire:</b>		
Not later than one year	<b>4,464</b>	5,240
Later than one year and not later than 5 years	<b>15,733</b>	16,524
Later than 5 years	<b>16,190</b>	19,256
	<b>36,387</b>	<b>41,020</b>



## NOTES TO THE FINANCIAL STATEMENTS

## 22. PENSION COSTS

## (i) Defined benefit scheme

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:**

	2023 £ '000	2022 £ '000
Fair value of scheme assets	21,586	28,164
Present value of obligations	(17,509)	(22,990)
Surplus in the scheme	4,077	5,174
Restriction to amount that can be recognised under 28.22 of FRS102	(4,077)	(5,174)
Net pension asset	-	-

**The amount recognised in other comprehensive income:**

	2023 £ '000	2022 £ '000
Defined benefit pension scheme cost	(460)	(460)

A comprehensive actuarial valuation was carried out on 31 December 2020 by the Scheme Actuary, which was then updated on 30 April 2023 by a qualified independent actuary. The major assumptions used by the actuary were (in nominal terms):

	2023	2022
Rates of increase in salaries (see below)		
Rates of increase in pensions payment prior to 6 April 1997	2.60%	2.70%
Rates of increase in pensions payment post 5 April 1997	3.25%	3.50%
Discount rate	4.80%	3.00%
Rate of inflation	3.40%	3.70%

## NOTES TO THE FINANCIAL STATEMENTS

## PENSION COSTS (continued)

The mortality assumptions used were as follows:

<b>Longevity at age 65 for future pensioners</b>	<b>2023</b>	<b>2022</b>
Men	<b>23.1</b>	23.0
Women	<b>25.6</b>	25.5
<b>Longevity at age 65 for current pensioners</b>	<b>2023</b>	<b>2022</b>
Men	<b>21.8</b>	21.7
Women	<b>24.2</b>	24.1

## Reconciliation of scheme assets and liabilities:

	<b>Assets £ '000</b>	<b>Liabilities £ '000</b>	<b>Total £ '000</b>
At 1 May 2022	28,164	(22,990)	5,174
Benefits paid	(742)	742	-
Employer contributions	460	-	460
Administration costs	(182)	-	(182)
Interest income / (expense)	838	(679)	159
Re-measurement gains	-	6,512	6,512
Experience losses on liabilities	-	(1,094)	(1,094)
Return on plan assets excluding interest income	(6,952)	-	(6,952)
<b>At 30 April 2023</b>	<b>21,586</b>	<b>(17,509)</b>	<b>4,077</b>

## The fair values of the plan assets were:

	<b>2023 £ '000</b>	<b>2022 £ '000</b>
Equities	<b>9,929</b>	15,886
Gilts and cash	<b>9,498</b>	9,651
Annuity policy	<b>2,159</b>	2,627
	<b>21,586</b>	28,164

**NOTES TO THE FINANCIAL STATEMENTS****PENSION COSTS (continued)**

The return on plan assets was:

	2023 £ '000	2022 £ '000
Interest income	838	549
Return on plan assets less interest income	(6,952)	(1,652)
	<u>(6,114)</u>	<u>(1,103)</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.

**(ii) Defined contribution scheme**

The Group also operates a defined contribution pension scheme for which the pension charge for the year was £6,157,000 (2022: £5,183,000). There was £15,000 (2022: £214,000) outstanding in relation to this pension scheme at year end.

**23. FINANCIAL INSTRUMENTS**

	Group		LLP	
	2023 £ '000	2022 £ '000	2023 £ '000	2022 £ '000
<b>Financial assets</b>				
Financial assets measured at amortised cost	48,037	57,345	47,081	55,979
<b>Financial liabilities</b>				
Financial liabilities measured at amortised cost	17,908	20,434	18,110	20,544

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).

**24. 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.

**NOTES TO THE FINANCIAL STATEMENTS****FINANCIAL RISK MANAGEMENT (continued)****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.

**25. 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 2023 were £80,470 (2022: £95,147).

During the year to 30 April 2023 Womble Bond Dickinson (UK) LLP had the following transactions with its related party Womble Bond Dickinson (Europe) LLP (not consolidated into the group):

	<b>2023</b> <b>£ '000</b>	<b>2022</b> <b>£ '000</b>
Amounts received from Womble Bond Dickinson (Europe) LLP	<b>13</b>	16
Amounts paid to Womble Bond Dickinson (Europe) LLP	<b>(18)</b>	(20)
	<u><b>(5)</b></u>	<u>(4)</u>

As at 30 April 2023 £8,600 (2022: £6,105) was payable to Womble Bond Dickinson (UK) LLP by Womble Bond Dickinson (Europe) LLP.

**26. 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.