

Registered number: OC398731

SCHILLINGS INTERNATIONAL LLP
ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2022



SCHILLINGS INTERNATIONAL LLP

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SCHILLINGS INTERNATIONAL LLP

INFORMATION

Designated Members

K Schilling
R Christie-Miller

Members

R A Atkins
J Afia
C Mills
M Boyd
D Imison
T Robinson
G Duffy
J Handslip
B Hobbs
B Reynolds
J L Rich
L Kennett
S A Ahuja (appointed 1 May 2022)

LLP registered number

OC398731

Registered office

12 Arthur Street
London
EC4R 9AB

Independent auditors

Sopher + Co LLP
Chartered Accountants
Statutory Auditors
5 Elstree Gate
Elstree Way
Borehamwood
Hertfordshire
WD6 1JD

SCHILLINGS INTERNATIONAL LLP

MEMBERS' REPORT FOR THE YEAR ENDED 30 APRIL 2022

The members present their annual report together with the audited financial statements of Schillings International LLP (the "LLP") for the year ended 30 April 2022.

Designated Members

K Schilling and R Christie-Miller were designated members of the LLP throughout the period.

Members' capital and interests

Each member's subscription to the capital of the LLP is based on the LLP agreement and is repayable following retirement from the LLP.

Details of changes in members' capital in the year ended 30 April 2022 are set out in the Statement of Changes in Members' Interests.

Members are remunerated from the profit of the LLP and are required to make their own provision for pensions and other benefits.

Members drawings

The Board, in accordance with the LLP agreement, shall provide for any Member to draw on account of anticipated profits for any financial year after taking into account working capital requirements. A reserve is made for each individual member as regards taxation in respect of their profit share on a full provision basis by deduction from remuneration. The firm then settles such tax liabilities on behalf of members from such reserves as and when they fall due.

Allocation of profit or loss

Profits and losses shall be shared between the Members on a discretionary basis as set out in LLP agreement.

Qualifying third party indemnity provisions

The LLP maintains members' and officers' liability insurance which gives appropriate cover for any legal action brought against its members. In accordance with section 236 of the Companies Act 2006, qualifying third-party indemnity provisions are in place for the members in respect of liabilities incurred as a result of their office, to the extent permitted by law. Both the insurance and indemnities applied throughout the financial year ended 30 April 2022 and through to the date of this report.

Members' responsibilities statement

The members are responsible for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

Company law, (as applied by The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008), requires the members to prepare financial statements for each financial year. Under that law the members have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law, (as applied by The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008) the members must not approve the financial statements unless they

SCHILLINGS INTERNATIONAL LLP

**MEMBERS' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 APRIL 2022**

are satisfied that they give a true and fair view of the state of affairs of the LLP and the Group and of the profit or loss of the Group for that period.

In preparing these financial statements, the members are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

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

Disclosure of information to auditors

The board of the LLP has confirmed that:

- so far as that member is aware, there is no relevant audit information of which the Group's auditors are unaware, and
- that member has taken all the steps that ought to have been taken as a member in order to be aware of any relevant audit information and to establish that the Group's auditors are aware of that information.

Auditors

Under section 487(2) of the Companies Act 2006, Sopher + Co LLP will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

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

Brett Reynolds

B Reynolds
Member

Date: 25 October 2022

SCHILLINGS INTERNATIONAL LLP

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SCHILLINGS INTERNATIONAL LLP

Opinion

We have audited the financial statements of Schillings International LLP (the 'parent LLP') and its subsidiaries (the 'Group') for the year ended 30 April 2022, which comprise the Group Statement of Comprehensive Income, the Group and LLP Statements of Financial Position, the Group Statement of Cash Flows and the related notes, 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).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent LLP's affairs as at 30 April 2022 and of the Group's 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.

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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

SCHILLINGS INTERNATIONAL LLP

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SCHILLINGS INTERNATIONAL LLP (CONTINUED)

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 Auditors' 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of members

As explained more fully in the Members' Responsibilities Statement set out on page 2, the members are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the members are responsible for assessing the Group's and the parent LLP's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the members either intend to liquidate the Group or the parent LLP or to cease operations, or have no realistic alternative but to do so.

SCHILLINGS INTERNATIONAL LLP

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SCHILLINGS INTERNATIONAL LLP (CONTINUED)

Auditors' 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 Auditors' 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 Group financial statements.

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 to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the LLP through discussions with members and other management, and from our commercial knowledge and experience of the legal services industry;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the LLP, including the Companies Act 2006, SRA Accounts Rules, taxation legislation and data protection, anti-bribery, employment, environmental and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the LLP's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud;
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations; and
- understanding the design of the LLP's remuneration policies.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;

SCHILLINGS INTERNATIONAL LLP

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SCHILLINGS INTERNATIONAL LLP
(CONTINUED)**

- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC, relevant regulators and the LLP's legal advisors.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the members and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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

Use of our report

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



Stephen Iseman FCA (Senior Statutory Auditor)

for and on behalf of
Sopher + Co LLP

Chartered Accountants
Statutory Auditors

5 Elstree Gate
Elstree Way
Borehamwood
Hertfordshire
WD6 1JD

25 October 2022

SCHILLINGS INTERNATIONAL LLP

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 APRIL 2022**

	Note	2022 £	2021 £
Turnover	4	20,711,767	19,306,524
Administrative expenses		(12,282,368)	(10,249,952)
Interest receivable and similar income	9	8,694	22,440
Interest payable and similar expenses	10	(26,416)	(34,612)
Profit for the year before members' remuneration and profit shares		8,411,677	9,044,400
Members' remuneration charged as an expense		(5,835,475)	(5,822,755)
Profit for the financial year available for discretionary division among members		2,576,202	3,221,645

There was no other comprehensive income for 2022(2021:£NIL).

The notes on pages 16 to 28 form part of these financial statements.

SCHILLINGS INTERNATIONAL LLP
REGISTERED NUMBER: OC398731

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 APRIL 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	12	861,237	1,136,455
Investments	13	539,838	497,954
		<u>1,401,075</u>	<u>1,634,409</u>
Current assets			
Debtors: amounts falling due within one year	14	7,329,419	5,488,383
Cash at bank and in hand		6,051,907	7,130,436
		<u>13,381,326</u>	<u>12,618,819</u>
Current liabilities			
Creditors: amounts falling due within one year	15	(4,740,419)	(4,955,335)
Net current assets		<u>8,640,907</u>	<u>7,663,484</u>
Total assets less current liabilities		<u>10,041,982</u>	<u>9,297,893</u>
Creditors: amounts falling due after more than one year	16	(452,984)	(630,966)
Net assets		<u>9,588,998</u>	<u>8,666,927</u>
Loans and other debts due to members within one year			
Other amounts		2,626,890	2,932,255
Members' other interests			
Members' capital classified as equity		2,011,233	1,883,525
Other reserves classified as equity		4,950,875	3,851,147
		<u>6,962,108</u>	<u>5,734,672</u>
		<u>9,588,998</u>	<u>8,666,927</u>
Total members' interests			
Loans and other debts due to members		2,626,890	2,932,255
Members' other interests		6,962,108	5,734,672
		<u>9,588,998</u>	<u>8,666,927</u>

SCHILLINGS INTERNATIONAL LLP
REGISTERED NUMBER:OC398731

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 30 APRIL 2022

The financial statements were approved and authorised for issue by the members and were signed on their behalf on 25 October 2022.

Brett Reynolds

B Reynolds
Member

The notes on pages 16 to 28 form part of these financial statements.

SCHILLINGS INTERNATIONAL LLP
REGISTERED NUMBER: OC398731

LLP STATEMENT OF FINANCIAL POSITION
AS AT 30 APRIL 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	12	861,237	1,136,455
Investments	13	519,955	497,955
		<u>1,381,192</u>	<u>1,634,410</u>
Current assets			
Debtors: amounts falling due within one year	14	7,363,812	5,469,227
Cash at bank and in hand		5,995,528	7,124,204
		<u>13,359,340</u>	<u>12,593,431</u>
Current liabilities			
Creditors: amounts falling due within one year	15	(5,086,253)	(5,052,889)
Net current assets		<u>8,273,087</u>	<u>7,540,542</u>
Total assets less current liabilities		<u>9,654,279</u>	<u>9,174,952</u>
Creditors: amounts falling due after more than one year	16	(452,984)	(630,966)
Net assets		<u>9,201,295</u>	<u>8,543,986</u>
Loans and other debts due to members within one year			
Other amounts		2,397,135	2,732,969
Members' other interests			
Members' capital classified as equity		1,880,000	1,790,000
Other reserves classified as equity		4,924,160	4,021,017
		<u>6,804,160</u>	<u>5,811,017</u>
		<u>9,201,295</u>	<u>8,543,986</u>
Total members' interests			
Loans and other debts due to members		2,397,135	2,732,969
Members' other interests		6,804,161	5,811,017
		<u>9,201,296</u>	<u>8,543,986</u>

SCHILLINGS INTERNATIONAL LLP
REGISTERED NUMBER:OC398731

LLP STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 30 APRIL 2022

The financial statements were approved and authorised for issue by the members and were signed on their behalf on 25 October 2022.

Brett Reynolds

B Reynolds
Member

The notes on pages 16 to 28 form part of these financial statements.

SCHILLINGS INTERNATIONAL LLP

**CONSOLIDATED STATEMENT OF CHANGES IN
MEMBERS' INTERESTS
FOR THE YEAR ENDED 30 APRIL 2022**

	EQUITY			DEBT	TOTAL
	Members' other interests				
	Members' other interests	Other reserves	Total	Loans and other debts due to members	Members' interests
	£	£	£	£	£
Balance at 1 May 2020	1,843,175	2,502,004	4,345,179	1,846,881	6,192,060
Members' remuneration charged as an expense	-	-	-	5,822,755	5,822,755
Profit for the year available for discretionary division among members	-	3,221,645	3,221,645	-	3,221,645
Members' interests after profit for the year	1,843,175	5,723,649	7,566,824	7,669,636	15,236,460
Other division of profits	-	(3,221,645)	(3,221,645)	3,021,645	(200,000)
Movement in reserves	-	1,349,143	1,349,143	(1,149,143)	200,000
Amounts introduced by members	170,000	-	170,000	-	170,000
Amounts repaid by members	(129,650)	-	(129,650)	-	(129,650)
Payments made to or on behalf of members	-	-	-	(6,609,883)	(6,609,883)
Balance at 30 April 2021	1,883,525	3,851,147	5,734,672	2,932,255	8,666,927
Members' remuneration charged as an expense	-	-	-	5,835,475	5,835,475
Profit for the year available for discretionary division among members	-	2,576,202	2,576,202	-	2,576,202
Members' interests after profit for the year	1,883,525	6,427,349	8,310,874	8,767,730	17,078,604
Other division of profits	-	(2,769,152)	(2,769,152)	3,172,446	403,294
Movement in reserves	-	1,292,678	1,292,678	(1,695,972)	(403,294)
Amounts introduced by members	167,708	-	167,708	-	167,708
Amounts repaid by members	(40,000)	-	(40,000)	-	(40,000)
Payments made to or on behalf of members	-	-	-	(7,617,314)	(7,617,314)
Balance at 30 April 2022	2,011,233	4,950,875	6,962,108	2,626,890	9,588,998

The notes on pages 16 to 28 form part of these financial statements.

SCHILLINGS INTERNATIONAL LLP
LLP STATEMENT OF CHANGES IN
MEMBERS' INTERESTS
FOR THE YEAR ENDED 30 APRIL 2022

	EQUITY			DEBT	TOTAL
	Members' other interests				
	Members' other interests	Other reserves	Total	Loans and other debts due to members	Members' interests
	£	£	£	£	£
Balance at 1 May 2020	1,740,000	2,502,004	4,242,004	1,682,561	5,924,565
Members' remuneration charged as an expense	-	-	-	5,521,233	5,521,233
Profit for the year available for discretionary division among members	-	3,296,339	3,296,339		3,296,339
Members' interests after profit for the year	1,740,000	5,798,343	7,538,343	7,203,794	14,742,137
Other division of profits	-	(3,126,469)	(3,126,469)	2,926,469	(200,000)
Movement in reserves	-	1,349,143	1,349,143	(1,149,143)	200,000
Amounts introduced by members	170,000	-	170,000		170,000
Amounts repaid by members	(120,000)	-	(120,000)		(120,000)
Payments made to or on behalf of members				(6,248,151)	(6,248,151)
Balance at 30 April 2021	1,790,000	4,021,017	5,811,017	2,732,969	8,543,986
Members' remuneration charged as an expense	-	-	-	5,505,200	5,505,200
Profit for the year available for discretionary division among members	-	2,548,667	2,548,667		2,548,667
Members' interests after profit for the year	1,790,000	6,569,684	8,359,684	8,238,169	16,597,853
Other division of profits	-	(2,646,811)	(2,646,811)	3,050,105	403,294
Movement in reserves	-	1,001,288	1,001,288	(1,404,582)	(403,294)
Amounts introduced by members	130,000	-	130,000		130,000
Amounts repaid by members	(40,000)	-	(40,000)		(40,000)
Payments made to or on behalf of members				(7,486,557)	(7,486,557)
Balance at 30 April 2022	1,880,000	4,924,161	6,804,161	2,397,135	9,201,296

The notes on pages 16 to 28 form part of these financial statements.

There are no existing restrictions or limitations which impact the ability of the members of the LLP to reduce the amount of Members' other interests.

SCHILLINGS INTERNATIONAL LLP

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 APRIL 2022**

	2022 £	2021 £
Cash flows from operating activities		
Profit for the financial year	8,411,677	9,044,400
Adjustments for:		
Depreciation of tangible assets	341,444	308,443
Interest paid	26,416	34,612
Interest received	(8,694)	(22,440)
Increase in debtors	(1,841,033)	(1,215,966)
(Decrease)/increase in creditors	(186,592)	2,839,178
Net cash generated from operating activities	6,743,218	10,988,227
Cash flows used in investing activities		
Purchase of tangible fixed assets	(66,226)	(132,743)
Purchase of other investments	(41,884)	(497,954)
Interest received	8,694	22,440
Net cash used in investing activities	(99,416)	(608,257)
Cash flows used in financing activities		
Repayment of loans	(206,309)	(202,304)
Interest paid	(26,416)	(34,612)
Members' capital contributed	167,708	170,000
Members' capital repaid	(40,000)	(129,650)
Distribution paid to members	(7,617,314)	(6,609,883)
Net cash used in financing activities	(7,722,331)	(6,806,449)
Net (decrease)/increase in cash and cash equivalents	(1,078,529)	3,573,521
Cash and cash equivalents at beginning of year	7,130,436	3,556,915
Cash and cash equivalents at the end of year	6,051,907	7,130,436
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	6,051,907	7,130,436

The notes on pages 16 to 28 form part of these financial statements.

SCHILLINGS INTERNATIONAL LLP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2022

1. General information

Schillings International LLP is a Limited Liability Partnership incorporated in England and Wales, with its principal place of business and registered office address at 12 Arthur Street, London, EC4R 9AB.

The principal activity of the Group is to provide professional services.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006 and the requirements of the Statement of Recommended Practice "Accounting by Limited Liability Partnerships".

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgement in applying the Group's accounting policies (see note 3).

The LLP has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements.

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements present the results of Group and its own subsidiaries and Limited Liability Partnership ("the Group") as they formed a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

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

2.3 Turnover

Turnover represents the value of professional services provided during the year to clients. The value reflects the amount of time, skill and expertise expected to be recoverable from clients, excluding VAT.

Where work is unbilled at the reporting date, an estimated accrued income is recognised in the Consolidated Statement of Comprehensive Income and Consolidated Statement of Financial Position based on the stage of completion of the transaction where it is probable that the economic benefits of the transaction will flow to the LLP and the value can be estimated reliably. Turnover which has been recognised but not invoiced by the reporting date is included in trade debtors.

SCHILLINGS INTERNATIONAL LLP

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2022**

2. Accounting policies (continued)

2.4 Foreign currency translation

Functional and presentation currency

The LLP's functional and presentational currency is £ Sterling.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

On consolidation, the results of overseas operations are translated into Sterling at the average rate over the reported period. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income.

2.5 Pensions

Defined contribution pension plan

The Group contributes to a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in the Consolidated Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Group in independently administered funds.

2.6 Operating leases: the Group as lessee

Rentals paid under operating leases are charged to the Consolidated Statement of Comprehensive Income on a straight-line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight-line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.7 Borrowing costs

All borrowing costs are recognised in the Consolidated Statement of Comprehensive Income in the year in which they are incurred.

SCHILLINGS INTERNATIONAL LLP

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2022**

2. Accounting policies (continued)

2.8 Taxation

Income tax arising on the profits of the LLP is solely the personal liability of the individual members and consequently is not dealt with in these financial statements. Current tax only arises in the subsidiary undertakings and is provided at the amounts expected to be paid (or recovered) using tax rates and laws that have been enacted or substantially enacted by the reporting date.

2.9 Division and distribution of profits

A division of profits is the mechanism by which the profits of a Group become a debt due to members. A division may be automatic or discretionary, may relate to some or all of the profits for a financial period and may take place during or after the end of a financial period.

An automatic division of profits is one where the Group does not have an unconditional right to avoid making a division of an amount of profits based on the members' agreement in force at the time, whereas a discretionary division of profits requires a decision to be made by the Group, which it has the unconditional right to avoid making.

The Group divides profits discretionarily. Discretionary divisions of profits are recognised as amounts due to members, although may be used to offset amounts which have been drawn by members, which are recognised as loan assets repayable.

2.10 Tangible fixed assets

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

Depreciation is provided on the following basis:

Short-term leasehold property	- Over the period of occupation
Plant and machinery	- 33% straight line
Fixtures and fittings	- 20% straight line

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

2.11 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment. Where merger relief is applicable, the cost of the investment in a subsidiary undertaking is measured at the nominal value of the shares issued together with the fair value of any additional consideration paid.

Investments in other investments are measured at cost less accumulated impairment.

2.12 Debtors

Short-term debtors are measured at the transaction price, less any impairment.

SCHILLINGS INTERNATIONAL LLP

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2022**

2. Accounting policies (continued)

2.13 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions.

2.14 Creditors

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.15 Holiday pay accrual

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

2.16 Financial instruments

The Group only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from bank, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Consolidated Statement of Comprehensive Income.

SCHILLINGS INTERNATIONAL LLP

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2022**

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

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

- To determine the recoverable value of unbilled time at the reporting date and to make a provision for irrecoverable and unbillable work in progress.
- To make an estimate of the recoverable value of debtors. When assessing impairment of trade debtors, other debtors and amount recoverable on contracts, management consider factors including ageing profile and historic experience.
- To determine whether there are indicators of impairment of the Group's tangible assets. The factors taken into consideration include the economic life of the assets and expected future financial performance of the assets.
- To make the best estimate of the likelihood of future cash flows for professional indemnity and other commercial claims.

Other key sources of estimation uncertainty

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

4. Turnover

The whole of the turnover is attributable to professional services.

Analysis of turnover by country of destination:

	2022 £	2021 £
United Kingdom	5,930,883	6,559,365
Rest of Europe	2,714,476	889,733
Rest of the world	12,066,408	11,857,426
	<u>20,711,767</u>	<u>19,306,524</u>

SCHILLINGS INTERNATIONAL LLP

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2022**

5. Operating profit

The operating profit is stated after charging:

	2022	2021
	£	£
Exchange differences	20,996	14,273
Other operating lease rentals	478,092	478,087
	<u>499,088</u>	<u>492,360</u>

6. Auditors' remuneration

	2022	2021
	£	£
Fees payable to the Group's auditor in respect of:		
Audit of the Group's annual financial statements	25,000	25,000
Other services	41,250	39,533
	<u>66,250</u>	<u>64,533</u>

7. Employees

Staff costs were as follows:

	Group 2022	Group 2021
	£	£
Wages and salaries	5,821,960	5,129,735
Social security costs	718,961	606,997
Cost of defined contribution scheme	229,431	184,043
	<u>6,770,352</u>	<u>5,920,775</u>

The average monthly number of persons (including members with contracts of employment) employed during the year was as follows:

	2022	2021
	No.	No.
Service delivery	46	40
Business support	39	36
	<u>85</u>	<u>76</u>

SCHILLINGS INTERNATIONAL LLP

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2022**

8. Information in relation to members

	2022 Number	2021 Number
The average number of members during the year was	<u>17</u>	<u>18</u>
	2022 £	2021 £
The amount of profit attributable to the member with the largest entitlement was	<u>1,200,229</u>	<u>1,297,757</u>

9. Interest receivable

	2022 £	2021 £
Other interest receivable	<u>8,694</u>	<u>22,440</u>

10. Interest payable and similar expenses

	2022 £	2021 £
Bank interest payable	26,416	34,205
Other interest payable	-	407
	<u>26,416</u>	<u>34,612</u>

11. Parent LLP profit for the year

The LLP has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements. The profit after tax of the parent LLP for the year was £2,548,667 (2021 - £3,296,339).

SCHILLINGS INTERNATIONAL LLP

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2022**

12. Tangible fixed assets

Group

	Short-term leasehold property £	Plant and machinery £	Fixtures and fittings £	Total £
Cost				
At 1 May 2021	832,914	411,538	435,257	1,679,709
Additions	-	63,768	2,458	66,226
At 30 April 2022	832,914	475,306	437,715	1,745,935
Depreciation				
At 1 May 2021	180,465	191,507	171,282	543,254
Charge for the year on owned assets	166,582	99,549	75,313	341,444
At 30 April 2022	347,047	291,056	246,595	884,698
Net book value				
At 30 April 2022	485,867	184,250	191,120	861,237
At 30 April 2021	652,449	220,031	263,975	1,136,455

SCHILLINGS INTERNATIONAL LLP

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2022**

12. Tangible fixed assets (continued)

LLP

	Short-term leasehold property £	Plant and machinery £	Fixtures and fittings £	Total £
Cost				
At 1 May 2021	832,914	411,538	435,257	1,679,709
Additions	-	63,768	2,458	66,226
At 30 April 2022	<u>832,914</u>	<u>475,306</u>	<u>437,715</u>	<u>1,745,935</u>
Depreciation				
At 1 May 2021	180,465	191,507	171,282	543,254
Charge for the year on owned assets	166,582	99,549	75,313	341,444
At 30 April 2022	<u>347,047</u>	<u>291,056</u>	<u>246,595</u>	<u>884,698</u>
Net book value				
At 30 April 2022	<u>485,867</u>	<u>184,250</u>	<u>191,120</u>	<u>861,237</u>
At 30 April 2021	<u>652,449</u>	<u>220,031</u>	<u>263,975</u>	<u>1,136,455</u>

SCHILLINGS INTERNATIONAL LLP

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2022**

13. Fixed asset investments

Group

	Other fixed asset investments £
Cost	
At 1 May 2021	497,954
Additions	41,884
At 30 April 2022	<u>539,838</u>

LLP

	Subsidiary companies £	Other fixed asset investments £	Total £
Cost			
At 1 May 2021	1	497,954	497,955
Additions	-	22,000	22,000
At 30 April 2022	<u>1</u>	<u>519,954</u>	<u>519,955</u>

Subsidiary undertakings

The following were subsidiary undertakings of the LLP:

Name	Principal activity	Class of shares	Holding
Schillings International (USA) LLP	Professional services	Ordinary	
Schillings Critical Risk Limited	Professional services	Ordinary	100%

Schillings International (USA) LLP is controlled on behalf of the Board of Schillings International LLP by the two designated members and so is treated as a subsidiary undertaking.

The registered office address of Schillings International (USA) LLP is One World Trade Center, Suite 8500, New York, NY 10007.

The registered office address of Schillings Critical Risk Limited is 12 Arthur Street, London, EC4R 9AB.

SCHILLINGS INTERNATIONAL LLP

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2022**

14. Debtors

	Group 2022 £	Group 2021 £	LLP 2022 £	LLP 2021 £
Trade debtors	5,548,411	4,077,812	5,534,131	4,077,812
Amounts owed by group undertakings	-	-	64,670	-
Other debtors	128,383	144,570	121,209	138,078
Prepayments and accrued income	1,652,625	1,266,004	1,643,802	1,253,337
	7,329,419	5,488,386	7,363,812	5,469,227

15. Creditors: Amounts falling due within one year

	Group 2022 £	Group 2021 £	LLP 2022 £	LLP 2021 £
Bank loans	184,578	212,905	184,578	212,905
Trade creditors	1,485,960	875,444	1,485,309	874,325
Amounts owed to group undertakings	-	-	384,928	181,580
Other taxation and social security	304,442	69,337	297,922	47,137
Other creditors	51,923	54,378	51,813	54,268
Accruals and deferred income	2,713,516	3,743,271	2,681,703	3,682,674
	4,740,419	4,955,335	5,086,253	5,052,889

16. Creditors: Amounts falling due after more than one year

	Group 2022 £	Group 2021 £	LLP 2022 £	LLP 2021 £
Bank loans	452,984	630,966	452,984	630,966

SCHILLINGS INTERNATIONAL LLP

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2022**

17. Analysis of Net Debt (Group)

	At 1 May 2021 £	Arising from cash flows £	At 30 April 2022 £
Cash at bank and in hand	7,130,436	(1,078,529)	6,051,907
Borrowings due within 1 year	(212,905)	28,327	(184,578)
Borrowings due after 1 year	(630,966)	177,982	(452,984)
Net debt (before members' debt)	6,286,565	(872,220)	5,414,345
<i>Loans and other debts due to members</i>			
Other amounts due to members	(2,932,255)	305,365	(2,626,890)
Net debt	3,354,310	(566,855)	2,787,455

18. Pension commitments

The LLP contributes to a defined contributions pension scheme. The assets of the scheme are held separately from those of the LLP in an independently administered fund. The pension cost charge represents contributions payable by the LLP to the fund and amounted to £229,431 (2021 - £182,557). Contributions totalling £39,884 (2021 - £32,040) were payable to the fund at the reporting date and are included in creditors.

19. Commitments under operating leases

At 30 April 2022 the Group and the LLP had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	Group 2022 £	Group 2021 £	LLP 2022 £	LLP 2021 £
Not later than 1 year	623,592	623,592	623,592	623,592
Later than 1 year and not later than 5 years	1,039,320	1,662,912	1,039,320	1,662,912
	1,662,912	2,286,504	1,662,912	2,286,504

20. Related party transactions

LLP

The LLP has taken advantage of the exemption under FRS102 not to disclose transactions entered into between two or more members of a group, provided that any subsidiary undertaking which is a party to the transaction is wholly owned by a member of that group.

SCHILLINGS INTERNATIONAL LLP

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2022**

21. Key management remuneration

During the year, total compensation payable by the LLP to its key management personnel was £3,890,087 (2021 - £4,009,882).