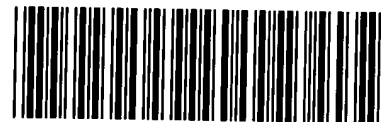


**ADDLESHAW GODDARD (GERMANY)
LLP**

**Annual Report and Financial
Statements**

**For the period ended 30 April
2021**

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**ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30
APRIL 2021**

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OFFICERS AND PROFESSIONAL ADVISERS

DESIGNATED MEMBERS

Adrian Collins
Amanda Gray
John Joyce
Yunus Seedat
Mark Molyneux

REGISTERED OFFICE

Milton Gate
60 Chiswell Street
London
EC1Y 4AG
United Kingdom

MAIN BRANCH ADDRESS

Alter Wall 32
20457 Hamburg
Germany

AUDITOR

Deloitte LLP
Statutory Auditor
The Hanover Building
Corporation Street
Manchester
M4 4AH
United Kingdom

BANKERS

Barclays Bank PLC
Leicester
Leicestershire
LE87 2BB
United Kingdom

Deutsche Bank
Winterhuder Marktplatz 13-15
22299 Hamburg-Winterhude
Germany

REPORT TO THE MEMBERS

The Management Committee is pleased to present its annual report to the members ('members') of Addleshaw Goddard (Germany) LLP, together with the audited financial statements and auditor's report for the period ended 30 April 2021.

The members of Addleshaw Goddard (Germany) LLP (the "LLP") are known and referred to by both clients and staff as 'members'. Throughout the financial statements references to members should be taken as referring to members, as defined by the Limited Liability Partnerships Regulations (2001).

Addleshaw Goddard (Germany) LLP includes the Addleshaw Goddard (Germany) LLP Hamburg branch.

PRINCIPAL ACTIVITY

The principal activity of Addleshaw Goddard (Germany) LLP is the provision of legal services.

DESIGNATED MEMBERS

The members who were the designated members during the period and to the date of this report unless otherwise stated are as listed below:

Michael Barnett (resigned on 30 April 2021)

Adrian Collins

Amanda Gray

John Joyce

Yunus Seedat

Mark Molyneux (appointed on 1 May 2021)

BUSINESS REVIEW

Despite the global disruption to business and economic activity following the outbreak of COVID-19, the LLP delivered turnover of €5,301,000 (2020: €3,698,000) and profit available for discretionary distribution amongst members of €186,000 (2020: €599,000 as restated – refer to note 12). Management identified that the trade tax provision for FY20 was incorrect, this has been adjusted via a prior year adjustment, as detailed in note 12. On a comparison basis the 2020 figures stated are only for a period of 11 months given the LLP only started trading on 1 June 2019. The LLP continues to monitor the impact of the ongoing uncertainty arising from COVID-19 and other global factors and remains well placed to deliver further growth.

The LLP received no financial assistance from the Government for the current year (2020: same).

There are no material post balance sheet events for the current year (2020: same).

GOING CONCERN

COVID-19 has continued to have a significant impact on the German and Global economy and affected the vast majority of businesses. From an operational perspective, Addleshaw Goddard (Germany) LLP has been able to continue delivering services to its clients in a largely unaffected way. The LLP continues to monitor carefully the situation and the impact that it may have on its people and its clients.

The LLP is a member of the Addleshaw Goddard group of companies ("the Group") whose ultimate parent entity is Addleshaw Goddard LLP. The LLP is under common management of the Group and is able to benefit from Group support when needed. The going concern assessment has been completed at a Group level, in which the LLP is consolidated. In assessing the actual and potential impact of the COVID-19 pandemic on the Group sensitised forecasts and projections have been considered for at least the next 12 months from the date of signing these financial statements which show that the Group will be able to meet its liabilities as they fall due. The cash balances and available unutilised facilities allow more than sufficient headroom even when the business model is stress tested.

REPORT TO THE MEMBERS (CONTINUED)

GOING CONCERN (continued)

Whilst it is difficult to predict the future financial impact of the events taking place in Ukraine, the Management Committee has considered the impact of different scenarios on the financial position, results of operations and cash flows for the future. In response to the recent events, the Management Committee has reviewed existing policies and client engagements where risks regarding sanctions and politically sensitive individuals could be a risk factor. The Management Committee believe the risk is minimal at a client/sector level and that there are adequate procedures in place to reasonably mitigate the current risks that are within the control of the Firm. Therefore, the Management Committee believe there is no significant impact on the LLP as a result of current events, notwithstanding that global macro-economic events are outside the control of the Management Committee.

In addition, the Management Committee has received confirmation that the parent, Addleshaw Goddard LLP, will provide support to the LLP for at least the next 12 months from the date of signing these financial statements in a letter of support, should it be required.

Accordingly, notwithstanding the continued impact of COVID-19 the Management Committee has a reasonable expectation that the LLP has adequate resources to continue in operational existence for the foreseeable future. Thus the Management Committee continue to adopt the going concern basis in preparing the annual financial statements.

MEMBERS' DRAWINGS AND THE SUBSCRIPTION AND REPAYMENT OF MEMBERS' CAPITAL

The members' policy on drawings and the allocation of profit is dependent upon the performance and working capital requirements of the firm. A conservative level of monthly drawings is set at the start of the period and allocations of profit are made as business performance merits during the course of a period, but further distributions are made once the results of the period and allocation of profit have been finalised. Members are required under the terms of the LLP Articles to provide capital in proportion to the profit sharing points allocated to them. The profit sharing points are assessed annually, with any changes being effective on 1 May. Capital is repaid in accordance with the LLP Articles.

AUDITOR

Deloitte LLP has expressed its willingness to continue in office as the LLP's auditor and appropriate arrangements have been put in place for them to be reappointed as auditor in the absence of an Annual General Meeting.

Approved by the Management Committee on **28** April 2022 and signed on behalf of the Management Committee



John Joyce
Designated Member

STATEMENT OF MEMBERS' RESPONSIBILITIES

The members are responsible for preparing the Annual Report and the Financial Statements in accordance with applicable laws and regulations.

The Limited Liability Partnerships (Accounts & Audit) (Application of Companies Act 2006) Regulations 2008 require the members to prepare financial statements for each financial period. In accordance with those 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), including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". The financial statements are required by law to give a true and fair view of the state of affairs of the LLP and of the profit or loss for that period. In preparing these financial statements, the members are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- 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 firm will continue in business.

The members are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the firm and enable them to ensure that the financial statements comply with the Companies Act 2006, as applied to limited liability partnerships and with the requirements of the Statement of Recommended Practice Accounting by Limited Liability Partnerships (issued January 2018). They are also responsible for safeguarding the assets of the firm and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

These responsibilities are exercised by the Management Committee on behalf of the members.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ADDLESHAW
GODDARD (GERMANY) LLP**

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Addleshaw Goddard (Germany) LLP (the 'Limited Liability Partnership'):

- give a true and fair view of the state of the limited liability partnership's affairs as at 30 April 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006 as applied to limited liability partnerships.

We have audited the financial statements which comprise:

- the profit and loss account;
- the balance sheet;
- the statements of changes in members' interest; and
- the related notes 1 to 14.

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 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 Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the 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.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ADDLESHAW
GODDARD (GERMANY) LLP (CONTINUED)**

Other information

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

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

We have nothing to report in this regard.

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.

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

Extent to which the audit was considered 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.

We considered the nature of the limited liability partnership's industry and its control environment, and reviewed the limited liability partnership's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management, partnership's General Counsel and the Audit Committee about their own identification and assessment of the risks of irregularities

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ADDLESHAW
GODDARD (GERMANY) LLP (CONTINUED)**

**Extent to which the audit was considered capable of detecting irregularities, including fraud
(continued)**

We obtained an understanding of the legal and regulatory frameworks that the limited liability partnership operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act 2006 and tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the limited liability partnership's ability to operate or to avoid a material penalty. These includes SRA Standards and Regulations.

We discussed with the audit engagement team and relevant internal specialists such as tax, pensions and IT regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud in the following area, and our specific procedures performed to address it are described below:

Overstatement of revenue

We assessed the design and implementation of relevant controls and for a sample of matters evaluated the recovery rate applied and where available, compared the valuation of unbilled time to post year end invoicing and cash collection.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and in-house legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance and correspondence with the Solicitors Regulatory Authority.

Report on other legal and regulatory requirements

Matters on which we are required to report by exception

Under the Companies Act 2006 as applied to limited liability partnerships we are required to report in respect of the following matters if in our opinion:

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

We have nothing to report in respect of these matters

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ADDLESHAW
GODDARD (GERMANY) LLP (CONTINUED)**

Use of our report

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

A handwritten signature in black ink, appearing to read 'S. Wadsworth', with a stylized, flowing script.

Saul Wadsworth BA (Hons) FCA (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory auditor
Manchester, United Kingdom
Date 28 April 2022

ADDLESHAW GODDARD (GERMANY) LLP

PROFIT AND LOSS ACCOUNT For the period ended 30 April 2021

	Note	2021 €'000	Restated 2020 (11 months) €'000
TURNOVER	3	5,301	3,698
Staff costs	4	(1,773)	(1,027)
Depreciation	5 and 7	(56)	(16)
Other operating expenses		(1,099)	(1,132)
Total operating expenses (net)		(2,928)	(2,175)
Trade tax	9 and 12	(484)	(314)
PROFIT FOR THE FINANCIAL YEAR/PERIOD BEFORE MEMBERS' REMUNERATION	5	1,889	1,209
Members' remuneration charged as an expense		(1,703)	(610)
PROFIT FOR THE FINANCIAL YEAR/PERIOD AFTER MEMBERS' REMUNERATION		186	599
PROFIT FOR THE FINANCIAL YEAR/PERIOD AVAILABLE FOR DISCRETIONARY DISTRIBUTION AMONGST MEMBERS		186	599

All results relate to continuing activities.

There are no other recognised gains or losses other than those above. Accordingly, no Statement of Other Comprehensive Income has been presented. On a comparison basis the 2020 figures stated are only for a period of 11 months given the LLP only started trading on 1 June 2019.

The notes on pages 12 to 21 form an integral part of the financial statements.

BALANCE SHEET
As at 30 April 2021

	Note	2021 €'000	Restated 2020 €'000
FIXED ASSETS			
Tangible assets	7	456	49
Lease deposit	10b	154	-
		<u>610</u>	<u>49</u>
CURRENT ASSETS			
Debtors	8	2,516	2,169
Cash at bank and in hand		1,130	1,260
		<u>3,646</u>	<u>3,429</u>
CREDITORS: amounts falling due within one year	9	(2,659)	(3,026)
NET CURRENT ASSETS		<u>987</u>	<u>403</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,597</u>	<u>452</u>
Provision for liabilities	10a	(156)	-
NET ASSETS ATTRIBUTABLE TO MEMBERS		<u>1,441</u>	<u>452</u>
REPRESENTED BY:			
Loans and other debts due to Members			
Members' capital classified as a liability		1,125	-
Other amounts		(82)	(147)
		<u>1,043</u>	<u>(147)</u>
Equity			
Members' other interests – other reserves classified as equity		398	599
TOTAL MEMBERS' INTERESTS		<u>1,441</u>	<u>452</u>

The notes on pages 12 to 21 form an integral part of the financial statements.

The financial statements of Addleshaw Goddard (Germany) LLP, registered number OC427247, were approved by the Management Committee and authorised for issue on 28 April 2022.

Signed on behalf of the Management Committee



John Joyce
Designated Member

STATEMENT OF CHANGES IN MEMBERS' INTERESTS
For the period ended 30 April 2021

	Loans and other debts due to Members		Equity	TOTAL
	Members' capital €'000	Members' other interests €'000	Members' other interests €'000	Total Members' interests €'000
At 1 June 2019	-	-	-	-
Profit for the financial period available for discretionary distribution among Members	-	-	599	599
Partners' remuneration charged as an expense	-	610	-	610
Distribution of current period profits	-	(757)	-	(757)
At 30 April 2020 (restated) – refer to note 12	-	(147)	599	452
Profit for the financial year available for discretionary distribution among Members	-	-	186	186
Total comprehensive income for the year (page 9)	-	-	186	186
Allocation of profits and other reserves	-	1,166	(1,166)	-
Capital contribution	-	-	779	779
Members' remuneration charged as an expense	-	1,703	-	1,703
Distribution of prior year profits	-	(1,101)	-	(1,101)
Payment on account of current year profits	-	(1,703)	-	(1,703)
Capital introduced	1,125	-	-	1,125
At 30 April 2021	1,125	(82)	398	1,441

Members are required under the terms of the LLP Articles to provide capital in proportion to the profit sharing points allocated to them. The profit sharing points are assessed annually, with any changes being effective on 1 May.

Capital is repaid to Members following cessation of partnership of the limited liability partnership and so is presented above in amounts due to Members. In the event of a winding up, loans and other debts due to Members and Members' other interests rank subordinate to other unsecured creditors.

The LLP received a capital contribution of €778,861 (2020: nil) in the year from Addleshaw Goddard LLP.

Management identified that the trade tax provision for FY20 was incorrect. This has been adjusted via a prior year adjustment, as detailed in note 12.

The notes on pages 12 to 21 form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
For the period ended 30 April 2021

1. ACCOUNTING POLICIES

The principal accounting policies are summarised below. They have all been applied consistently throughout the current period.

a.) General information and basis of accounting

Addleshaw Goddard (Germany) LLP is a limited liability partnership incorporated in England and Wales under the Companies Act 2006. The LLP operates in Germany through its Hamburg branch. The addresses of the registered office and Hamburg branch are given on page 1. The nature of the LLP's operations and its principal activities are set out in the Report to the Members on page 2.

The financial statements have been prepared under the historical cost convention in accordance with the Financial Reporting Standard 102 ("FRS 102") issued by the Financial Reporting Council and the requirement of the Statement of Recommended Practice Accounting by Limited Liability Partnerships (issued January 2018).

The LLP began operating on 1 June 2019. The reporting period of the financial statements for the prior period is 1 June 2019 to 30 April 2020.

The functional currency of the LLP is considered to be euros because that is the currency of the primary economic environment in which the LLP's branch operates. The financial statements are also prepared in euros.

The LLP meets the definition of a qualifying entity under FRS 102 and therefore has taken advantage of the disclosure exemptions available to it. Exemptions have been taken in relation to presentation of the cash flow statement, financial instruments disclosures, key management personnel compensation and intra-group transactions.

b.) Going concern

COVID-19 has had a significant impact on the German and Global economy and affected the vast majority of businesses. From an operational perspective, Addleshaw Goddard (Germany) LLP has been able to continue delivering services to its clients in a largely unaffected way. The LLP continues to monitor carefully the situation and the impact that it may have on its people and its clients.

The LLP is a member of the Addleshaw Goddard group of companies ("the Group") whose ultimate parent entity is Addleshaw Goddard LLP. The LLP is under common management of the Group and is able to benefit from Group support when needed. The going concern assessment has been completed at a Group level, in which the LLP is consolidated. In assessing the actual and potential impact of the COVID-19 pandemic on the Group sensitised forecasts and projections have been considered for at least the next 12 months from the date of signing these financial statements which show that the Group will be able to meet its liabilities as they fall due. The cash balances and available unutilised facilities allow more than sufficient headroom even when the business model is stress tested.

In addition, the Management Committee has received confirmation that the parent, Addleshaw Goddard LLP, will provide support to the LLP for at least the next 12 months from the date of signing these financial statements in a letter of support, should it be required.

Accordingly, notwithstanding the continued impact of COVID-19 the Management Committee has a reasonable expectation that the LLP has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis in preparing the annual financial statements.

c.) Tangible fixed assets

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost, less estimated residual value, on each asset on a straight line basis over its expected useful life, as follows:

Structural improvements to leasehold property	Remaining life of lease
Other improvements to leasehold property	10 years or remaining life of lease, if lower
Fixtures and fittings	7 years
Office and computer equipment	3 years.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the period ended 30 April 2021

1. ACCOUNTING POLICIES (continued)

c.) Tangible fixed assets (continued)

Residual value represents the estimated amounts which would currently be obtained from the disposal of an asset, after deducting the estimated cost of disposal, if the asset were already of the age and in the condition expected at the end of its useful life.

d.) Impairment of assets

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in the profit or loss as described below:

Non-financial assets

An asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

The recoverable amount of goodwill is derived from measurement of the present value of future cash flows of the cash-generating units (CGU) of which the goodwill is a part. Any impairment loss in respect of a CGU is allocated first to the goodwill attached to that CGU and then to other assets with that CGU on a pro-rated basis.

Financial assets

For financial assets carried at amortised cost, the amount of an impairment is the difference between the asset's carrying value and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

e.) Financial instruments

Financial assets and liabilities are recognised when the LLP becomes a party to the contractual provisions of the instrument.

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 LLP after deducting all of its liabilities.

Financial assets and liabilities

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction.

If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Non-current debt instruments, which meet the following conditions, are subsequently measured at amortised cost using the effective interest method:

- (a) Returns to the holder are (i) a fixed amount; or (ii) a fixed rate of return over the life of the instrument; or (iii) a variable return that, throughout the life of the instrument, is equal to a single referenced quoted or observable interest rate; or (iv) some combination of such fixed rate and variable rates, providing that both rates are positive.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the period ended 30 April 2021

1. ACCOUNTING POLICIES (continued)

e.) Financial instruments (continued)

Financial assets and liabilities (continued)

(b) There is no contractual provision that could, by its terms, result in the holder losing the principal amount or any interest attributable to the current period or prior periods.

(c) Contractual provisions that permit the issuer to prepay a debt instrument or permit the holder to put it back to the issuer before maturity are not contingent on future events, other than to protect the holder against the credit deterioration of the issuer or a change in the control of the issuer, or to protect the holder or issuer against changes in relevant taxation or law.

(d) There are no conditional returns or repayment provisions except for the variable rate return described in (a) and prepayment provisions described in (c).

Debt instruments that are classified as payable or receivable within one year and which meet the above conditions are measured at the discounted amount of the cash or other consideration expected to be paid or received, net of impairment.

Other debt instruments not meeting the conditions are measured at fair value through profit or loss.

Commitments to make and receive loans which meet the conditions mentioned above are measured at cost (which may be nil) less impairment.

Financial assets are derecognised when and only when a) the contractual rights to the cash-flows from the financial asset expire or are settled, b) the LLP transfers to another party substantially all of the risks and rewards of ownership of the financial asset or c) the LLP, despite having retained some significant risks and rewards of ownership, has transferred control of the asset to another party and the other party has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

f.) Bank borrowings

Interest-bearing bank loans and overdrafts are recorded at the proceeds received, net of issue costs. Finance charges are accounted for on an accruals basis in the profit or loss account and are accounted for within accruals to the extent that they are not settled in the period in which they arise.

g.) Unbilled revenue

Services provided during the period to clients, which at the balance sheet date have not yet been billed, are recognised as turnover in accordance with FRS 102 Section 23. Turnover is recognised by reference to 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. A 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.

h.) Taxation

The taxation payable on profits of the LLP is the personal liability of the Members.

i.) Leases

Assets under finance lease and other similar contracts, which confer the 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 economic lives. The capital elements of the future lease obligations are recorded as liabilities, while the interest elements are charged to the profit and loss account, over the years of the leases, to produce a periodic rate of interest on the remaining balance of the liability.

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 enter into an operating lease are similarly spread on a straight line basis over the lease term.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the period ended 30 April 2021

1. ACCOUNTING POLICIES (continued)

j.) Provisions

Provisions are recognised when the LLP has a present obligation (legal or constructive) as a result of a past event, it is probable that the LLP will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

k.) Allocation of profits and drawings

A conservative level of monthly drawings is set at the start of the period and allocations of profit are made as business performance merits during the course of a period, but further distributions are made once the results of the period and allocation of profit have been finalised. Profits are allocated by the Management Committee; unallocated profits are included in other reserves within Members' other interests classified as equity.

l.) Foreign currency

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date.

The results of overseas operations are translated at the average rates of exchange during the period end and their balance sheets at the rates ruling at the balance sheet date.

Exchange differences arising on translation of opening net assets and results of overseas operations and on foreign currency borrowings are dealt with through reserves. All other exchange differences are included in the profit and loss account.

m.) Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and in hand and short term deposits with an original maturity date of three months or less.

n.) Other operating expenses

Other operating expenses comprise the costs of occupying offices and regulatory and financial management costs.

o.) Trade tax

Trade tax for current and prior periods is recognised at the amount expected to be paid to the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Trade tax is recognised as an expense in profit and loss account.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the period ended 30 April 2021

2. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the accounting policies that are described in note 1, the Management Committee are required to make judgments, estimates and assumptions about carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. The Members do not believe there to be critical judgements in applying the LLP's accounting policies apart from those involving estimations which are set out below.

Bad debt

The LLP makes an estimate of the recoverability of debts due from clients. When assessing the impairment of debtors, management consider factors including the current financial standing of the debtor, aging profile and historical experience. The net carrying amount of the LLP's client debtors at the balance sheet date was €1,534,000 (2020: €1,578,000) as set out in note 8.

Unbilled revenue - Work in progress

The value of unbilled revenue is derived on the basis of estimates and assumptions regarding the fair value of unbilled time recorded to matters at period end, having regard to the LLP's accounting policy for revenue recognition (note 1). The carrying amount of the LLP's unbilled revenue at the balance sheet date was €482,000 (2020: €439,000) as set out in note 8.

Trade tax

The LLP makes an estimate of its profits for each calendar year and calculates the amount of trade tax payable by municipal location and applies the relevant tax rates per each location. The trade tax value is then apportioned to all the Members and an estimation of the recoverable amount from the eligible tax paying Members' personal tax liabilities is calculated. The net of these amounts is charged to relevant profit and loss periods. The carrying amount of the LLP's unbilled trade tax at the balance sheet date was €602,000 (2020: €314,000 restated - per note 12) as set out in note 9.

3. TURNOVER

Turnover is stated net of VAT. Turnover from the supply of services represents the value of services provided under engagements to the extent that there is a right to consideration and is recorded at the fair value of the consideration due. Where an engagement has only been partially completed at the balance sheet date, turnover represents the value of supplies provided at the balance sheet date based on a proportion of the engagement value.

Where payments are received from clients in advance of services provided, the amounts are recorded as deferred income and included as part of creditors due within one year.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the period ended 30 April 2021

4. STAFF COSTS

	2021 No.	2020 No.
Average number of persons employed during the year/period (excluding members) was:		
Fee earners	9	5
Support staff	7	5
	<u>16</u>	<u>10</u>

	2021 €'000	2020 (11 months) €'000
Staff costs incurred during the year/period in respect of employees were:		
Wages and salaries (excluding members)	1,543	897
Social security costs	230	130
Total staff costs	<u>1,773</u>	<u>1,027</u>

5. PROFIT FOR FINANCIAL YEAR/PERIOD

	2021 €'000	Restated 2020 (11 months) €'000
Operating profit is stated after charging/(crediting):		
Depreciation of owned tangible fixed assets	56	16
Rentals under operating leases	394	336
Foreign exchange loss/(gain)	78	(6)
	<u>528</u>	<u>356</u>

The analysis of the auditor's remuneration is as follows:

	2021 €'000	2020 (11 months) €'000
Fees payable to the LLP's auditor for the audit of the LLP's annual accounts	<u>5</u>	<u>5</u>

Non audit fees are disclosed within the group's consolidated financial statements of the parent partnership; Addleshaw Goddard LLP, which are publically available.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the period ended 30 April 2021

6. MEMBERS' SHARE OF PROFITS

The basis on which profits are shared among the members is set out in the principal accounting policies.

	2021 No.	2020 No.
Average number of members	12	10

The highest remuneration of a member for the year/period which was allocated since the year/period end was €945,229 (2020: €653,904).

7. TANGIBLE FIXED ASSETS

	Office and computer equipment €'000	Fixtures and fittings €'000	Leasehold improvements €'000	Total €'000
Cost				
At 1 May 2020	65	-	-	65
Additions	95	114	254	463
At 30 April 2021	160	114	254	528
Accumulated depreciation				
At 1 May 2020	(16)	-	-	(16)
Charge for the year	(34)	(6)	(16)	(56)
At 30 April 2021	(50)	(6)	(16)	(72)
Net book value				
At 30 April 2021	110	108	238	456
At 30 April 2020	49	-	-	49

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the period ended 30 April 2021

8. DEBTORS

	2021	2020
	€'000	€'000
Client debtors	1,534	1,578
Unbilled revenue	482	439
Amounts due from group undertaking	24	7
Other debtors	129	112
Prepayments and accrued income	347	33
	<u>2,516</u>	<u>2,169</u>

All amounts are due within one year. Amounts owed by group undertakings are unsecured, interest free and repayable on demand.

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	Restated
	€'000	2020
		€'000
Trade creditors	371	-
Amounts due to ultimate parent	1,410	1,834
Amounts due to group	5	378
Other creditors including taxation and social security	117	311
Trade tax	602	314
Accruals and deferred income	154	189
	<u>2,659</u>	<u>3,026</u>

Trade creditors mainly relates to the rental cost of the leased office building.

Amounts owed to ultimate parent and group are unsecured, interest free and repayable on demand.

Trade tax is a local municipal tax based on an entities profit for each calendar year. The full amount of the tax is initially payable by the LLP, however the Members are able to recover an element of the trade tax from their personal tax liabilities and this amount is repaid to the LLP.

The 2021 amount relates to both the calendar tax years 2020 (full year) and 2021 (four months only) at €440,832 and €161,000 respectively. The restated 2020 amount relates to both the calendar tax years 2019 (partial year: seven months) and 2020 (four months only) at €152,439 and €161,347 respectively.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the period ended 30 April 2021

10. LEASED PROPERTY

(a) Provisions for liabilities

	Provision for dilapidations €'000	Operating lease incentives €'000	Total €'000
Land and buildings			
At 1 May 2020	-	-	-
Created during the year	5	151	156
At 30 April 2021	5	151	156

The operating lease incentives and provision for dilapidations relate to the leased office building. The incentives and provision coincide with the expiry of the respective lease.

(b) Non-current lease deposit

The lease deposit of €153,630 (2020: nil) relating to the lease of the office premises has been classified as non-current in line with the expiry of the lease.

11. OBLIGATIONS UNDER OPERATING LEASES

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

	2021 €'000	2020 €'000
Land and buildings		
Leases which expire:		
Within one year	454	63
Between two and five years	1,702	-
	<u>2,156</u>	<u>63</u>

12. PRIOR YEAR ADJUSTMENT

Management identified that the trade tax provision for FY20 was incorrect. This has been adjusted via a prior year adjustment, as detailed below. The impact of the adjustment is to decrease profits for the prior year by €167,000, liabilities by €314,000 and reduce loans & other debts due to member by €147,000.

	As previously reported €'000	Adjustment (in-year impact) €'000	As restated €'000
Balance sheet			
Trade tax liability	-	314	314
Members other interest	-	(147)	(147)
Income statement			
Trade tax	-	(314)	(314)
Members' remuneration charged as an expense	(757)	147	(610)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the period ended 30 April 2021

13. ULTIMATE PARENT AND CONTROLLING PARTY

The LLP's ultimate parent and controlling party is Addleshaw Goddard LLP, a law firm whose principal place of business is in the United Kingdom. The largest and smallest group in which the LLP's results are included is in the group financial statements of Addleshaw Goddard LLP. Addleshaw Goddard LLP is registered at Milton Gate, 60 Chiswell Street, London, EC1Y 4AG. A copy of the group financial statements is available from this address.

14. POST BALANCE SHEET EVENTS

The LLP performed a review of events subsequent to the balance sheet date through to the date the financial statements were issued, including the events taking place in Ukraine, and determined that there were no such events requiring recognition or disclosure in the financial statements.