

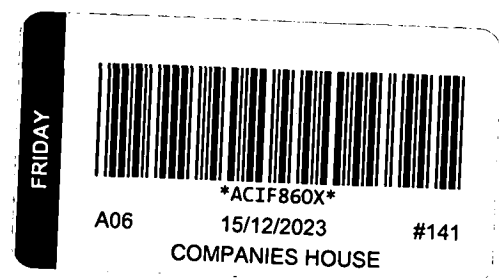
Registered number: OC334406

Macfarlanes LLP

Annual Report

for the year ended

30 April 2023



MACFARLANES LLP
20 CURSITOR STREET
LONDON
EC4A 1LT

MACFARLANES LLP

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MACFARLANES LLP

Designated members and advisers

Designated members

S. J. Prichard Jones
L. Powell

Registered office

20 Cursitor Street
London
EC4A 1LT

Bankers

Royal Bank of Scotland plc
250 Bishopsgate
London
EC2M 4AA

Auditors

CLA Evelyn Partners Limited
45 Gresham Street
London
EC2V 7BG

Registered number

OC334406

MACFARLANES LLP

Members' report

The members present their report and the audited consolidated financial statements for the year ended 30 April 2023.

Activities

The principal activity of Macfarlanes LLP ("the LLP") is the provision of legal services. The principal activity of the main subsidiary, Macfarlanes Services Limited, is the provision of staff and various support services to the LLP.

These financial statements consolidate the financial statements of Macfarlanes LLP including a branch registered in Belgium and its subsidiary undertakings ("the Group").

Review of business

The results for the year are set out on page 10. In the opinion of the members the state of the Group's affairs at 30 April 2023 is satisfactory.

Going concern

The members have reviewed post balance sheet performance, stress tested scenario forecasts for profitability, liquidity and capital requirements, and based on these the members have a reasonable expectation that the LLP has sufficient funds and capital resources to continue as a going concern and as such have prepared the financial statements on the going concern basis.

Designated members

The following were designated members during the year:

S. J. Prichard Jones

L. Powell

MACFARLANES LLP

Members' report (continued)

The members of the LLP during the year were:

C. Acton	M. Hitching
J. Adam	A. Henderson (retired on 31 August 2022)
A. Amos (retired on 31 January 2023)	J. Hope
J. Arr	L. Horne
J. Bains	A. Hughes (appointed on 1 May 2022)
M. Baldwin (retired on 30 April 2023)	M. Hunter
P. Baldwin (retired on 30 April 2023)	K. Hutchinson
P. Barclay	F. Jarvis (appointed on 21 November 2022)
N. Barnes	P. Keddie
C. Barry	G. Kelly
A. Barton	D. Lavender
R. Berglund (appointed on 1 May 2022)	M. Lavin
N. Blundell	M. Lawrence
R. Boyle (retired on 30 April 2023)	C. Lloyd
C. Breeze	I. Mackie
L. Bretherton	D. Marriott
S. Brooks	A. Mather
A. Burnett-Scott	M. McCahearty
R. Burrows	J. McCredie
A. Campbell	H. Miller (appointed on 1 May 2022)
C. Charlton	J. Moncrieff
H. Coghill	C. Morgan
R. Collard	N. Page (appointed on 1 May 2022)
H. Corney	S. Nurney
O. Court (retired on 30 April 2023)	T. Pedder (retired on 30 April 2023)
D. Crossley	A. Perkins
D. Cunliffe (retired on 30 April 2023)	S. Perry (retired on 30 April 2023)
C. Daniel (appointed on 1 May 2022)	S. Pike
A. Dawson	S. Pitchford
S. Day	J. Popperwell
E. Doherty	L. Powell
B. Donnelly	G. Price
S. Donnithorne-Tait (appointed on 3 October 2022)	S. Prichard Jones
S. Drewitt	E. Radcliffe
A. Edmondson	T. Redman (appointed on 1 May 2022)
L. Emson	E. Reed
C. Firth	C. Rees
R. Fletcher	H. Robinson
T. French (appointed on 1 May 2022)	S. Robinson
L. Froud	T. Rose
R. Giangrande	S. Ross (appointed on 16 January 2023)
C. Good	G. Sanitt
C. Gothard	M. Sholem (appointed on 3 October 2022)
C. M. Grace (appointed on 1 May 2022)	J. Smithson
A. Green	W. Sykes
A. L. Green	A. Thomas
D. Greenbank (retired on 30 April 2023)	T. Usher (retired on 31 March 2023)
N. Harries	M. Walton
W. Hedges	D. Wass

MACFARLANES LLP

Members' report (continued)

Members' drawings and the subscription and repayment of members' capital

Members draw a proportion of their profit share during the year in which the profit is made. This is not repayable to the LLP and is treated as allocated profits for the year. The balance of the profits, net of tax retention, is paid in instalments in subsequent years. All payments are made subject to the cash requirements of the business.

The tax payable on each member's profit share is the personal liability of that member. However, an amount equivalent to each member's tax liability is retained from his/her profit entitlement and is then paid to HM Revenue and Customs on his/her behalf as and when the liability falls due.

Capital requirements are reviewed at least annually. All members are required to subscribe a proportion of that capital, with the amounts being determined by reference to status. The terms of the members' agreement require that capital be returned to a member following his or her retirement.

Energy and carbon reporting

The following provides the Greenhouse Gas (GHG) and energy data for 1 May 2022 to 30 April 2023.

	2023	2022
Total energy consumption (kWh)	5,818,439.67	4,719,281.17
Scope 1 Emissions from combustion of gas (tCO ₂ e)	477.17	346.02
Scope 2 Emissions from purchased electricity - location based (tCO ₂ e)	620.77	541.61
Scope 2 Emissions from purchased electricity - market based (tCO ₂ e)	-	-
Scope 3 Emissions from travel where company is responsible for fuel (tCO ₂ e)	0.59	0.15
Total gross emissions (tCO ₂ e) - location based	1,121.98	887.78
Total gross emissions (tCO ₂ e) - market based	477.76	346.17
Intensity ratio - location based (tCO ₂ e/FTE)	1.37	1.09
Intensity ratio - market based (tCO ₂ e/FTE)	0.58	0.42

Methodology

An independent firm was engaged to calculate 2022/23 GHG and energy data in accordance with the UK Government's Environmental Reporting Guidelines, March 2019, using the GHG Protocol Corporate Accounting standard and DEFRA data GHG conversion factors. We used an operational control organisational boundary, which includes all our UK offices. 90% of the total energy consumption was obtained using actual data. Missing data was estimated via proxies and extrapolations based on appropriate comparable data.

Energy and carbon initiatives

We utilise smart meters and building management systems to optimise energy performance and continue to use 100% renewable energy. We continued implementing LED lighting upgrades, which offer an 80% efficiency. We have also introduced power capacitors on light fittings optimising lighting schedules, and implemented energy saving settings on meeting room screens.

We have appointed consultants to undertake Energy Savings Opportunity Scheme audits at all UK offices in 2023 which will identify key measures for us to reduce our energy consumption and emissions.

Change log

The increase in overall emissions is predominantly linked to acquisition of new office space, and improved estimates in offices where no actual data is available.

Auditor

Pursuant to section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and CLA Evelyn Partners Limited will continue in office.

Approved by the members and signed on their behalf



S. J. Prichard Jones
Designated Member



L. Powell
Designated Member

MACFARLANES LLP

Statement of members' responsibilities

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

Company law as applied to limited liability partnerships 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), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". Under company law as applied to limited liability partnerships, the members must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the limited liability partnership and of 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 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 group and the limited liability partnership will continue in business.

The members are responsible for keeping adequate accounting records that are sufficient to show and explain the limited liability partnership's transactions and disclose with reasonable accuracy at any time the financial position of the limited liability partnership and the group and enable them to ensure that the financial statements comply with the Companies Act 2006 as applied to limited liability partnerships. They are also responsible for safeguarding the assets of the limited liability partnership and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent auditor's report to the members of Macfarlanes LLP

Opinion

We have audited the financial statements of Macfarlanes LLP (the 'parent limited liability partnership') and its subsidiaries (the 'group') for the year ended 30 April 2023 which comprise the consolidated statement of comprehensive income, the consolidated statement of financial position, the reconciliation of members' interests including statement of changes in equity – group, the LLP statement of financial position, the reconciliation of members' interest including statement of changes in equity – LLP, the consolidated statement of cash flows and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and the parent limited liability partnership's affairs as at 30 April 2023 and of the group's profit for the year then ended; and
- 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 as applied to limited liability partnerships.

Basis for opinion

We conducted our audit in accordance with international standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent limited liability partnership in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including 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 group's or the parent limited liability partnership's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. The members are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Independent auditor's report to the members of Macfarlanes LLP (continued)

Matters on which we are required to report by exception

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

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

Responsibilities of members

As explained more fully in the members' responsibilities statement set out on page 6, 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 limited liability partnership's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the members either intend to liquidate the group or the parent limited liability partnership or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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 obtained a general understanding of the group's legal and regulatory framework through enquiry of management in respect of their understanding of the relevant laws and regulations. We obtained an understanding of the group's policies and procedures in relation to compliance with relevant laws and regulations. We also drew on our existing understanding of the group's industry and regulation.

We understand that the group complies with requirements of the framework through:

- The Members managing and overseeing operations to ensure they comply with the requirements of the Solicitors Regulation Authority ('SRA'), the regulatory body in England and Wales;
- Updating operating procedures, manuals and internal controls as legal and regulatory requirements change; and
- The Members' close involvement in the day-to-day running of the business, meaning that any litigation or claims would come to their attention directly.

In the context of the audit, we considered those laws and regulations which determine the form and content of the financial statements, which are central to the group's ability to conduct its business and where failure to comply could result in material penalties. We have identified the following laws and regulations as being of significance in the context of the group:

- The Companies Act 2006 [as applied to limited liability partnerships] and FRS 102 in respect of the preparation and presentation of the financial statements; and
- The regulatory requirements of the SRA.

Independent auditor's report to the members of Macfarlanes LLP (continued)

To gain evidence about compliance with the significant laws and regulations above we discussed with management including consideration of known or suspected non-compliance with the regulatory requirements of the SRA, reviewed the LLP's breaches register, reviewed policy committee meeting minutes, inspected correspondence with the SRA relating to the year and obtained written management representations regarding the adequacy of procedures in place.

The senior statutory auditor led a discussion with senior members of the engagement team regarding the susceptibility of the group's financial statements to material misstatement, including how fraud might occur. The key areas identified as part of the discussion were the risk of manipulation of the financial statements through manual journal entries and incorrect recognition of revenue. These areas were communicated to the other members of the engagement team who were not present at the discussion.

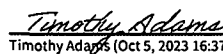
The procedures we carried out to gain evidence in the above areas included;

- Testing of a sample of revenue transactions to underlying documentation; and
- Testing of a sample of manual journal entries, selected through applying specific risk assessments based on the group's processes and controls surrounding manual journal entries.

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 auditor's report.

Use of our report

This report is made solely to the parent 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 parent 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 parent limited liability partnership and the parent limited liability partnership's members as a body, for our audit work, for this report, or for the opinions we have formed.


Timothy Adams (Oct 5, 2023 16:37 GMT+1)

Timothy Adams
Senior Statutory Auditor, for and on behalf of
CLA Evelyn Partners Limited
Statutory Auditor
Chartered Accountants

45 Gresham Street
London
EC2V 7BG

Date 05/10/2023

MACFARLANES LLP

Consolidated income statement for the year ended 30 April 2023

		Year ended 30 April 2023 £'000	Year ended 30 April 2022 £'000
	Notes		
Turnover	3		
Bills delivered		300,730	293,350
Movement in accrued income		(4,125)	10,366
		<hr/> 296,605	<hr/> 303,716
Operating costs			
Staff costs	5	(92,847)	(88,650)
Depreciation and amortisation		(2,539)	(2,333)
Other operating expenses		(47,082)	(48,510)
		<hr/> 154,137	<hr/> 164,223
Operating profit			
Interest receivable	1,6	434	74
		<hr/> 154,571	<hr/> 164,297
Profit on ordinary activities before taxation	7		
Tax on profit on ordinary activities	8	(1,382)	(1,161)
		<hr/> 153,189	<hr/> 163,136
Profit for the financial year before members' remuneration and profit shares			
Members' remuneration charged as an expense		(59,234)	(64,535)
		<hr/> 93,955	<hr/> 98,601
Profit for the financial year available for division among members		<hr/> <hr/> 93,955	<hr/> <hr/> 98,601

MACFARLANES LLP

Consolidated statement of comprehensive income for the year ended 30 April 2023

	Year ended 30 April 2023 £'000	Year ended 30 April 2022 £'000
Profit for the financial year available for division among members	93,955	98,601
Actuarial loss on defined pension arrangements	(2,853)	(533)
Movement on deferred tax relating to defined benefit pension scheme	408	(17)
Movement on defined benefit pension scheme surplus provision	1,739	(76)
Total comprehensive income for the year	93,249	97,975

MACFARLANES LLP


Consolidated statement of financial position as at 30 April 2023

	Notes	2023 £'000	2022 £'000
Fixed assets			
Tangible assets	9	8,936	10,672
		<u>8,936</u>	<u>10,672</u>
Current assets			
Debtors	11	144,681	149,870
Cash at bank		88,692	62,710
		<u>233,373</u>	<u>212,580</u>
Creditors: amounts falling due within one year	12	(48,248)	(45,746)
Net current assets		<u>185,125</u>	<u>166,834</u>
Total assets less current liabilities		194,061	177,506
Provisions for liabilities	13	(7,888)	(8,120)
NET ASSETS ATTRIBUTABLE TO MEMBERS		<u>186,173</u>	<u>169,386</u>
REPRESENTED BY			
Loans and other debts due to members within one year			
Members' capital classified as a liability under FRS 102		15,054	14,060
Other amounts		32,288	19,079
		<u>47,342</u>	<u>33,139</u>
Equity			
Members' other interests - other reserves		138,831	136,247
		<u>186,173</u>	<u>169,386</u>
Total members' interests			
Amounts due from members		(2,164)	(2,307)
Loans and other debts due to members		47,342	33,139
Members' other interests		138,831	136,247
		<u>184,009</u>	<u>167,079</u>

The financial statements were approved by the members on 2 October 2023 and were signed on their behalf by:



S. J. Prichard Jones
Designated Member



L. Powell
Designated Member

MACFARLANES LLP

Reconciliation of members' interests including statement of changes in equity - Group

	Equity Members' other interests	Loans and other debts due to members		
	Other reserves £'000	Members' capital classified as a liability £'000	Other amounts £'000	Total £'000
Members' interests at 1 May 2021	116,450	15,304	25,333	157,087
Members' remuneration charged as an expense during the year	-	-	64,535	64,535
Profit for the financial year available for discretionary division among members	98,601	-	-	98,601
Members' interests after profit for the year	215,051	15,304	89,868	320,223
Allocated profits	(85,204)	-	85,204	-
Introduced by members	-	506	-	506
Repayments of capital	-	(1,248)	-	(1,248)
Reclassification of retired members	-	(502)	(138)	(640)
Repayment of debt	-	-	(5,891)	(5,891)
Drawings	-	-	(145,190)	(145,190)
Other movements	6,400	-	(7,081)	(681)
Amount due to members	136,247	14,060	19,079	169,386
Amounts due from members	-	-	(2,307)	(2,307)
Members' interest at 30 April 2022	136,247	14,060	16,772	167,079
Members' remuneration charged as an expense during the year	-	-	59,234	59,234
Profit for the financial year available for discretionary division among members	93,955	-	-	93,955
Members' interests after profit for the year	230,202	14,060	76,006	320,268
Allocated profits	(97,599)	-	97,599	-
Introduced by members	-	3,496	-	3,496
Repayments of capital	-	(992)	-	(992)
Reclassification of retired members	-	(1,510)	(3,507)	(5,017)
Repayment of debt	-	-	(5,630)	(5,630)
Drawings	-	-	(127,408)	(127,408)
Other movements	6,228	-	(6,936)	(708)
Amounts due to members	138,831	15,054	32,288	186,173
Amounts due from members	-	-	(2,164)	(2,164)
Members' interest at 30 April 2023	138,831	15,054	30,124	184,009

In the event of a winding up, "loans and other debts due to members" rank equally with unsecured creditors. "Equity members' other interests" ranks after unsecured creditors.

There are no restrictions on the ability of the members to reduce the amount of "Equity members' other interests".

MACFARLANES LLP

LLP statement of financial position as at 30 April 2023

	Notes	2023 £'000	2022 £'000
Fixed assets			
Tangible assets	9	8,936	10,672
Investments	10	100	100
		<u>9,036</u>	<u>10,772</u>
Current assets			
Debtors	11	144,617	149,815
Cash at bank		87,536	62,417
		<u>232,153</u>	<u>212,232</u>
Creditors: amounts falling due within one year	12	(52,126)	(50,383)
Net current assets		<u>180,027</u>	<u>161,849</u>
Total assets less current liabilities		189,063	172,621
Provisions for liabilities	13	(7,888)	(8,120)
NET ASSETS ATTRIBUTABLE TO MEMBERS		<u>181,175</u>	<u>164,501</u>
REPRESENTED BY			
Loans and other debts due to members within one year			
Members' capital classified as a liability under FRS 102		15,054	14,060
Other amounts		32,288	19,079
		<u>47,342</u>	<u>33,139</u>
Equity			
Members' other interests - other reserves		133,833	131,362
		<u>181,175</u>	<u>164,501</u>
Total members' interests			
Amounts due from members		(2,164)	(2,307)
Loans and other debts due to members		47,342	33,139
Members' other interests		133,833	131,362
		<u>179,011</u>	<u>162,194</u>

The LLP's profit for the year before members remuneration was £152,368,000 (2022 £162,134,000).

The financial statements were approved by the members on 2 October 2023 and were signed on their behalf by:



S.J. Prichard Jones
Designated Member



L. Powell
Designated Member

MACFARLANES LLP

Reconciliation of members' interests including statement of changes in equity - LLP

	Equity Members' other interests	Loans and other debts due to members		
	Other reserves £'000	Members' capital classified as a liability £'000	Other amounts £'000	Total £'000
Members' interests at 1 May 2021	111,886	15,304	25,333	152,523
Members' remuneration charged as an expense during the year	-	-	64,535	64,535
Profit for the financial year available for discretionary division among members	97,599	-	-	97,599
Members' interests after profit for the year	209,485	15,304	89,868	314,657
Allocated profits	(85,204)	-	85,204	-
Introduced by members	-	506	-	506
Repayments of capital	-	(1,248)	-	(1,248)
Reclassification of retired members	-	(502)	(138)	(640)
Repayment of debt	-	-	(5,891)	(5,891)
Drawings	-	-	(145,190)	(145,190)
Other movements	7,081	-	(7,081)	-
Amount due to members	131,362	14,060	19,079	164,501
Amounts due from members	-	-	(2,307)	(2,307)
Members' interest at 30 April 2022	131,362	14,060	16,772	162,194
Members' remuneration charged as an expense during the year	-	-	59,234	59,234
Profit for the financial year available for discretionary division among members	93,134	-	-	93,134
Members' interests after profit for the year	224,496	14,060	76,006	314,561
Allocated profits	(97,599)	-	97,599	-
Introduced by members	-	3,496	-	3,496
Repayments of capital	-	(992)	-	(992)
Reclassification of retired members	-	(1,510)	(3,507)	(5,017)
Repayment of debt	-	-	(5,630)	(5,630)
Drawings	-	-	(127,408)	(127,408)
Other movements	6,936	-	(6,936)	-
Amounts due to members	133,833	15,054	32,288	181,175
Amounts due from members	-	-	(2,164)	(2,164)
Members' interest at 30 April 2023	133,833	15,054	30,124	179,011

In the event of a winding up, "loans and other debts due to members" rank equally with unsecured creditors. "Equity members' other interests" ranks after unsecured creditors.

There are no restrictions on the ability of the members to reduce the amount of "Equity members' other interests".

MACFARLANES LLP

Consolidated statement of cash flows for the year ended 30 April 2023

	Year ended 30 April 2023 £'000	Year ended 30 April 2022 £'000
Cash flows from operating activities		
Operating profit for the financial year	154,137	164,223
Adjustments for:		
Depreciation	2,539	2,333
Loss on disposal of tangible fixed assets	6	-
Operating cash flow before movement in working capital	<u>156,682</u>	<u>166,556</u>
Decrease/(Increase) in debtors	5,044	(33,783)
(Decrease)/Increase in creditors	(2,701)	4,332
(Decrease)/Increase in provisions	(232)	6,245
Movement in pension deficit	<u>(706)</u>	<u>(682)</u>
Cash generated from operations	158,087	142,668
Cash paid on corporate taxation	(1,196)	(1,024)
Drawings and distributions to members	(127,408)	(145,190)
Payments to former members	<u>(5,630)</u>	<u>(5,890)</u>
Net cash generated from/(used in) operating activities	23,853	(9,436)
Cash flows from investing activities		
Interest received	434	74
Payments to acquire tangible fixed assets	(810)	(1,689)
Cash from sale of Tangible fixed assets	<u>1</u>	<u>-</u>
Net cash used in investing activities	(375)	(1,615)
Cash flows from financing activities		
Capital contributions by members	3,496	506
Capital repayments to members	<u>(992)</u>	<u>(1,248)</u>
Net cash generated from/(used in) financing activities	2,504	(742)
Payments to acquire intangible fixed assets	-	-
Net cash outflow for capital expenditure and financial investment	<u>-</u>	<u>-</u>
Net increase/(decrease) in cash and cash equivalents	25,982	(11,793)
Cash and cash equivalents at beginning of year	62,710	74,503
Cash and cash equivalents at end of year	<u>88,692</u>	<u>62,710</u>

MACFARLANES LLP

Notes to the financial statements for the year ended 30 April 2023

1 Accounting policies

Basis of preparation

Macfarlanes LLP is a limited liability partnership incorporated in England and Wales. The address of the registered office is 20 Cursitor Street, London EC4A 1LT.

The LLP's functional and presentational currency is GBP.

These financial statements of the LLP and group have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and the Companies Act 2006 and the Statement of Recommended Practice "Accounting by Limited Liability Partnerships".

Exemptions

The LLP has not disclosed key management personnel remuneration as per section 33.7 of FRS 102 and as permitted by S408 Companies Act (as modified for application to LLPs) and the LLP is exempt from presenting its own income statement and cash flow statement. The profit of the LLP for the financial year before members' remuneration and profit shares amounted to £152,367,000 (2022: £162,134,000).

Accounting convention

The financial statements have been prepared under the historical cost convention.

Going Concern

The members have reviewed post balance sheet performance, stress tested scenario forecasts for profitability, liquidity and capital requirements, and based on these the members have a reasonable expectation that the LLP has sufficient funds and capital resources to continue as a going concern and as such have prepared the financial statements on the going concern basis.

Basis of consolidation

The financial statements consolidate the results and the assets and liabilities of the LLP and its subsidiaries.

Tangible fixed assets

Depreciation is provided on cost in equal monthly instalments over the estimated useful lives of the assets concerned on a straight line basis. The following estimated useful lives are used:

Leasehold improvements - 10 years or the length of the lease if shorter

Office equipment, fixtures and fittings - 10 years

Long life equipment - 6 years

Computer equipment - 3 - 5 years

Assets under construction will be transferred to their asset type when brought into use and depreciated accordingly.

Investments in subsidiaries

Investments are included at cost less any provision for impairment.

Interest Payable

Interest payable relates to amounts paid to clients on balances held in client accounts.

MACFARLANES LLP

Notes to the financial statements for the year ended 30 April 2023 (continued)

1 Accounting policies (continued)

Taxation

The taxation payable on the profits of the limited liability partnership is the liability of the individual members. An amount is retained from each member's profit share within the LLP to cover the members' estimated liability for income tax and social security contributions on their profit share. The amounts retained from allocated profits are included within loans and other debts due to members.

The subsidiaries included in these consolidated financial statements are subject to corporation tax, based on their profits for the accounting period, which remains a liability of these companies (as opposed to the members). The tax charges for these companies are recorded in the income statement under the relevant heading and any related liability is carried as a creditor in the statement of financial position.

Deferred taxation

The group provides for deferred tax on a full provision basis, in relation to subsidiary companies, on all timing differences which have arisen but not reversed at the year end. No timing differences are recognised in respect of gains on sales of assets where those gains have been rolled over into replacement assets. A deferred tax asset is not recognised to the extent that the transfer of economic benefit in future is uncertain. Any assets and liabilities recognised have not been discounted.

Members' remuneration

Certain members have a guaranteed minimum profit share and other members draw a proportion of their profit share during the year. This allocation of profit is disclosed as remuneration charged as an expense in the income statement, due to the nature of the participation rights that give rise to the remuneration. The balance of profit is allocated after the year end, when the financial statements have been approved, and after deductions for amounts to be held in reserves that remain unallocated.

Members' capital

The terms of the members' agreement require that capital be returned to a member following their retirement. Capital is therefore accounted for as a liability.

Retirement benefits

The group operates a defined benefit pension scheme, providing benefits based on final pensionable pay. The assets of the scheme are held separately from those of the group, being invested with insurance companies. In accordance with FRS 102, the operating and financing costs of the pension scheme are recognised separately in the income statement. Service costs are systematically spread over the service lives of the employees and financing costs are recognised in the period in which they arise.

With effect from 1 May 2013 future pension accrual ceased for active members and they became deferred members with preserved benefits in the Scheme.

The difference between actual and expected returns on assets during the year, including changes in actuarial assumptions, is recognised in the statement of comprehensive income.

Pension scheme assets are measured at their market value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of an equivalent currency and term to the scheme liabilities. The actuarial valuations are performed by a qualified actuary on a triennial basis and are updated at each statement of financial position date.

The group also pays contributions into individual employee's personal pension and stakeholder schemes which are charged to the income statement in the period in which they are payable.

MACFARLANES LLP

Notes to the financial statements for the year ended 30 April 2023 (continued)

1 Accounting policies (*continued*)

Leases

Rental costs under operating leases are charged to the income statement on a straight-line basis over the lease term.

Revenue recognition

Revenue in respect of professional services is recognised by reference to the fair value of the services provided at the year end as a proportion of the total value of the engagement. Unbilled revenue is included within debtors as accrued income.

Employee benefits

The firm makes provision for holiday entitlement accrued by staff but not yet taken at the year end based on the relevant salaries at that date.

Financial instruments

Financial assets and financial liabilities are recognised in the statement of financial position when the group becomes a party to the contractual provisions of the instrument.

Trade and other debtors and creditors are classified as basic financial instruments and measured at initial recognition at transaction price. Debtors and creditors are subsequently measured at amortised cost using the effective interest rate method. A provision is established when there is objective evidence that the partnership will not be able to collect all the amounts due.

Cash and cash equivalents are classified as basic financial instruments and comprise cash at hand and at bank.

Financial liabilities and equity instruments issued by the group are classified in accordance with the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all its liabilities. Equity instruments issued by the group are recorded at the proceeds received, net of direct issue costs.

Foreign exchange

Transactions in foreign currency are recorded at the rates of exchange prevailing on the dates of the transactions. At each date of the statement of financial position, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at the year end. Exchange differences on all transactions are taken to the income statement in the year they occur.

Assets and liabilities of subsidiaries in foreign currencies are translated into sterling at rates of exchange at the date of the statement of financial position. The results of subsidiaries in foreign currencies are translated at the average rate for the financial year. Differences on exchange arising from the re-translation of the opening net investment in subsidiaries are taken into the statement of comprehensive income.

MACFARLANES LLP

Notes to the financial statements for the year ended 30 April 2023 (continued)

2 Key sources of estimation uncertainty and judgements

The preparation of financial statements in conformity with generally accepted accounting practice requires management to make estimates and judgements that affect the reported amount of assets and liabilities as well as the disclosure of contingent assets and liabilities at the year end and the reported amount of revenues and expenses during the reporting period.

Key sources of estimation uncertainty

Accrued income

In determining the value of the accrued income the most significant pieces of work are valued according to contract terms at 30 April. All other pieces of work are valued according to a formula based on the recoverability rate in the reporting year. The total value at the year end was £34,371,000 (2022: £38,496,000). Whilst this is a consistent method year on year, past recovery rates may not be reflected in future periods.

Professional indemnity provisions

The management have provided for all known specific claims which are likely to result in a payment, however it is possible that further claims may emerge at a later date. The total of provisions at the year end was £nil (2022: £200,000).

Dilapidations provision

The management have provided for dilapidations on the basis of an assessment of the likely amount payable at the end of the lease (note 13) but there remains a risk that the actual amounts payable may differ to this.

Bad debt provisions

The provision is calculated by providing for all unpaid trade debtors over 12 months old as well as more recent trade debtors where it is considered that the full amount may not be recovered. The total of provisions at the year end was £10,102,000 (2022: £8,485,000). However it is possible that some of this debt may ultimately be recovered or other amounts prove to be irrecoverable.

Defined benefit pension scheme

Determining the valuation of the defined benefit pension scheme requires the group to make estimates and assumptions in relation to discount rate, inflation, demographic and mortality rates (note 15). Whilst every attempt is made to ensure that these assumptions are as accurate as possible there remains the risk that these assumptions are ultimately proved to be incorrect.

This year's statement of financial position recognises the full value of the annuity contracts in both the assets and liabilities. Prior year's disclosures have been re-stated for consistency. The re-statement has nil impact on the income statement and the net asset position for the prior year. The prior year assets and liabilities have both been increased by £11,140,000.

3 Turnover

Turnover represents the right to consideration earned in respect of professional services provided during the year and excludes expenses and VAT.

MACFARLANES LLP

Notes to the financial statements for the year ended 30 April 2023 (continued)

4 Information in relation to members

	Year ended 30 April 2023 Number	Year ended 30 April 2022 Number
The average number of members during the year was	95	89
	£'000	£'000
The amount of profit attributable to the member with the largest entitlement was	3,559	3,771

Profit attributable to the member with the largest entitlement is determined by reference to profits earned by the LLP in the year.

5 Employee information

The average number of persons employed by the group during the year (excluding members) was:

	Year ended 30 April 2023 Number	Year ended 30 April 2022 Number
Professional staff	497	459
Support staff	276	270
	773	729
	Year ended 30 April 2023 £'000	Year ended 30 April 2022 £'000
Staff costs for the above persons were:		
Wages and salaries	78,851	75,472
Pension costs	4,205	3,863
Social security costs	9,791	9,315
	92,847	88,650

MACFARLANES LLP

Notes to the financial statements for the year ended 30 April 2023 (continued)

6 Interest receivable	2023	2022
	£'000	£'000
Bank interest	907	83
Interest payable to clients	(468)	(9)
Other interest	(5)	-
	<u>434</u>	<u>74</u>

7 Profit on ordinary activities before taxation is stated after charging:	2023	2022
	£'000	£'000
Depreciation	2,539	2,333
Bad debt expense	2,740	4,909
Operating lease rentals	<u>6,412</u>	<u>6,248</u>

The analysis of auditor's remuneration is as follows:

	2023	2022
	£'000	£'000
Fees payable to the LLP's auditors for the audit of the LLP's annual financial statements	80	62
Fees payable to the LLP's auditors and their associates for other services to the group	45	41
The audit of the LLP's subsidiaries pursuant to legislation	15	12
Total audit fees	<u>140</u>	<u>115</u>

	2023	2022
	£'000	£'000
Tax services and other services provided to the group and its members	<u>385</u>	<u>298</u>
Fees payable to the LLP's auditors in respect of the audit of the associated pension scheme	<u>10</u>	<u>10</u>

MACFARLANES LLP

Notes to the financial statements for the year ended 30 April 2023 (continued)

8 Taxation

The taxation payable on the profits of limited liability partnerships is the personal liability of the members and accordingly is not shown in these financial statements. A retention from profit distributions is made to fund the tax payments on behalf of members.

The tax expense included in these financial statements represents the tax relating to the LLP's subsidiary, Macfarlanes Services Limited, which is subject to tax based on its profits.

	2023 £'000	2022 £'000
Current taxation		
UK Corporation tax based on the profit for the year at 19.49% (2022: 19%)	1,383	1,158
Prior period adjustments	(2)	-
Foreign Tax paid	1	3
	<u>1,382</u>	<u>1,161</u>

Tax reconciliation

The standard rate of tax for the year, based on the UK standard rate of corporation tax is 19.49% (2022: 19%). The actual tax charge for the current and previous year is less than the standard rate for the reasons set out in the following reconciliation.

Profit on ordinary activities before tax	154,571	164,297
Less: Amounts subject to personal tax	(147,569)	(157,637)
Profits of the LLP and subsidiaries subject to corporation tax	<u>7,002</u>	<u>6,660</u>
Tax at the UK corporation tax rate of 19.49% (2022: 19%)	1,365	1,265
Factors affecting charge for the year:		
Income/(Expenses) for tax purposes	19	(104)
Prior period adjustments	(2)	-
Double tax relief	(1)	(3)
Foreign Tax paid	1	3
	<u>1,382</u>	<u>1,161</u>

MACFARLANES LLP

Notes to the financial statements for the year ended 30 April 2023 (continued)

9 Tangible fixed assets

Group and LLP

	Leasehold improvements £'000	Office equipment fixtures & fittings £'000	Long life equipment £'000	Computer equipment £'000	Total £'000
Cost					
As at 30 April 2022	25,005	2,808	666	6,854	35,333
Additions	539	45	4	221	810
Disposals	(2)	(44)	-	(861)	(907)
As at 30 April 2023	<u>25,542</u>	<u>2,809</u>	<u>670</u>	<u>6,214</u>	<u>35,236</u>
Depreciation					
As at 30 April 2022	17,796	1,753	-	4,618	24,167
Charge for the year	1,344	179	70	946	2,539
Disposals	-	(39)	-	(861)	(900)
As at 30 April 2023	<u>19,140</u>	<u>1,893</u>	<u>70</u>	<u>4,703</u>	<u>25,806</u>
Net book value					
As at 30 April 2023	<u>6,402</u>	<u>916</u>	<u>601</u>	<u>1,511</u>	<u>9,430</u>
As at 30 April 2022	<u>7,209</u>	<u>1,055</u>	<u>666</u>	<u>2,236</u>	<u>11,166</u>

10 Investments

LLP	Subsidiaries £'000
As at 30 April 2022 and 2023	<u>100</u>

The LLP's subsidiaries listed below are 100% controlled and incorporated in Great Britain, and their principal activities are set out below:

Name	Main activity
Macfarlanes Services Limited	Service company
Embleton Trust Corporation Limited	Trustee company
Cannon Nominees Limited	Nominee trust company
Cannon Nominees Properties Limited	Nominee trust company
Macfarlanes Limited	Dormant
Macfarlanes Nominees Limited	Nominee trust company

MACFARLANES LLP

Notes to the financial statements for the year ended 30 April 2023 (continued)

11 Debtors

	Group		LLP	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Trade debtors	99,404	102,425	99,404	102,425
Amounts due from members	2,164	2,307	2,164	2,307
Other debtors	65	58	1	3
Prepayments and accrued income	43,048	45,080	43,048	45,080
	<u>144,681</u>	<u>149,870</u>	<u>144,617</u>	<u>149,815</u>

12 Creditors: amounts falling due within one year

	Group		LLP	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Trade creditors	11,768	9,974	11,768	9,974
Corporation tax	804	618	-	-
Amounts owed to group undertakings	-	-	19,849	23,762
Amounts due to retired members	3,645	640	3,645	640
Other creditors and accruals	32,031	34,514	16,864	16,007
	<u>48,248</u>	<u>45,746</u>	<u>52,127</u>	<u>50,383</u>

13 Provisions for liabilities

Group and LLP		Income statement release		
	At 30 April 2022	Release of provision	At 30 April 2023	
	£'000	£'000	£'000	£'000
Property	6,822	-	-	6,822
Other	1,298	-	(232)	1,066
Total	<u>8,120</u>	<u>-</u>	<u>(232)</u>	<u>7,888</u>

MACFARLANES LLP

Notes to the financial statements for the year ended 30 April 2023 (continued)

14 Financial instruments

Financial instruments - Group

The group's and LLP's financial instruments comprise cash and cash equivalents and items such as trade creditors and trade debtors which arise directly from its operations. The main purpose of these financial instruments is to provide finance for the group's operations.

The group's and LLP's operations expose it to a variety of financial risks including credit risk, liquidity risk, interest rate risk, and foreign exchange risk. Given the size of the group the members have delegated the responsibility of monitoring financial risk management to the Finance Committee. The policies set by the Committee are implemented by the Managing Partner.

Credit Risk

The group's and LLP's credit risk is primarily attributable to its trade debtors. The group has implemented policies that require appropriate credit checks on potential clients before services are provided. The amount of exposure to any individual counterparty is monitored regularly.

The carrying amount of financial assets represents the maximum credit exposure.

Liquidity risk

The group and LLP actively maintains a positive cash balance designed to ensure it has sufficient available funds for operations and planned expansions. The group and LLP monitors its levels of working capital to ensure that it can meet its creditors as they fall due.

The group's and LLP's financial liabilities (none of which are derivative financial liabilities) comprise trade and other creditors which are measured at amortised cost. The trade creditors are all payable within 30 days.

Interest rate risk

The group and LLP have interest bearing assets. Interest bearing assets comprise only cash and cash equivalents which earn interest at variable rates.

Foreign currency exchange rate risk

The group and LLP have limited exposure to foreign currency exchange rate risk as a result of trade creditors/debtors. The group and LLP have no material financial exposure to foreign exchange gains and losses on financial assets or liabilities at the year-end and does not hedge any of its trading activities.

MACFARLANES LLP

Notes to the financial statements for the year ended 30 April 2023 (continued)

14 Financial instruments

Financial instruments - Group	2023 £'000	2022 £'000
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Financial assets measured at amortised cost

Cash at bank	88,692	62,710
Trade and other debtors	101,633	104,790
Accrued income	34,371	38,496
	<u>224,696</u>	<u>205,996</u>

Financial liabilities measured at amortised cost

Trade and other creditors	25,412	19,996
Accruals	11,614	15,961
	<u>37,025</u>	<u>35,957</u>

Financial instruments - LLP	2023 £'000	2022 £'000
-----------------------------	---------------	---------------

Financial assets measured at amortised cost

Cash at bank	87,536	62,417
Trade and other debtors	101,568	104,734
Accrued income	34,371	38,496
	<u>223,475</u>	<u>205,647</u>

Financial liabilities measured at amortised cost

Trade and other creditors	41,828	40,851
Accruals	2,648	3,111
	<u>44,475</u>	<u>43,962</u>

MACFARLANES LLP

Notes to the financial statements for the year ended 30 April 2023 (continued)

15 Pension commitments

Defined Benefit Scheme

The group operates a funded defined benefit pension scheme, providing benefits based on final pensionable pay. The assets of the scheme are held separately from those of the group, being invested with insurance companies. The contributions are determined by a qualified actuary on the basis of triennial valuations using the projected unit method.

With effect from 1 May 2013 future pension accrual ceased for active members and they became deferred members with preserved benefits in the Scheme.

An independent actuary carried out a full actuarial valuation of the scheme as at 1 January 2018 which they updated to 30 April 2023 in accordance with the requirements of FRS 102. The major assumptions underlying the actuarial valuation were as follows:

The principal actuarial assumptions used at the statement of financial position date (expressed as weighted averages) were as follows:

a) Principal actuarial assumptions

	2023	2022
Discount rate	Term dependent iBoxx AA rated yield curve (4.70% pa)	Term dependent iBoxx AA rated yield curve (3.00% pa)
Pension increases in payment (CPI max 5%)	CPI curve modelled with appropriate caps and collars (2.75% pa)	CPI curve modelled with appropriate caps and collars (3.15% pa)
(CPI max 2.5%)	CPI curve modelled with appropriate caps and collars (2.00% pa)	CPI curve modelled with appropriate caps and collars (2.15% pa)
Inflation (RPI)	BoE inflation yield curve (3.50% pa)	BoE inflation yield curve (3.95% pa)
Inflation (CPI)	Pre-2030 RPI yield curve less 0.95% Post-2030 RPI yield curve less 0.00% (3.00% pa)	Pre-2030 RPI yield curve less 0.95% Post-2030 RPI yield curve less 0.00% (3.45% pa)
Mortality	For males: 106% of the S3PA tables with CMI 2021 projections using a long-term improvement rate of 1.25% pa and an initial addition of 0.5% pa. For females: 95% of the S3PA tables with CMI 2021 projections using a long-term improvement rate of 1.25% pa and an addition of 0.5% pa.	For males: 106% of the S3PA tables with CMI 2021 projections using a long-term improvement rate of 1.25% pa and an initial addition of 0.5% pa. For females: 95% of the S3PA tables with CMI 2021 projections using a long-term improvement rate of 1.25% pa and an addition of 0.5% pa.
Commutation allowance	75% of members are assumed to take the maximum tax free cash possible	75% of members are assumed to take the maximum tax free cash possible

MACFARLANES LLP

Notes to the financial statements for the year ended 30 April 2023 (continued)

15 Pension commitments (continued)

	2023	2022
Commutation factors	85% of cost neutral on the accounting basis	85% of cost neutral on the accounting basis
Proportions married	75% of male members and 67% of female members	75% of male members and 67% of female members

(i) Assumed life expectancy in years, on retirement at 60

	2023	2022
Retiring today		
Males	26.2	26.6
Females	29.8	30.1
Retiring in 20 years		
Males	27.8	28.2
Females	31.3	31.5

Amounts recognised in the statement of financial position:

	2023 £'000	Restated 2022 £'000
Fair value of plan assets	23,679	29,179
Present value of funded obligations	(23,187)	(26,540)
Surplus	492	2,639
Related deferred tax liability	(93)	(501)
Provision on surplus	(399)	(2,138)
Net (liability)	-	-
Impact of asset ceiling	-	-
Present value of unfunded scheme liabilities	-	-
Unrecognised past service costs	-	-
Other liabilities	-	-
Net defined benefit (liability)	-	-

Amounts recognised in the income statement:

	2023 £'000	Restated 2022 £'000
Administration fee paid from scheme assets	-	-
Interest income	(882)	(593)
Interest expense	794	542
	(88)	(51)
Total	(88)	(51)

MACFARLANES LLP

Notes to the financial statements for the year ended 30 April 2023 (continued)

15 Pension commitments (continued)

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

	2023
	£'000
Opening defined benefit obligation	26,540
Changes to demographic assumptions	227
Changes to financial assumptions	(5,236)
Interest expense	794
Experience gain on liabilities	1,012
Benefits paid	(150)
Closing defined benefit obligation	<u>23,187</u>

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

	2023
	£'000
Opening fair value of scheme assets	29,179
Interest on assets	882
Return on scheme assets, less interest	(6,850)
Contributions by employer	618
Administration fee paid from Scheme assets	-
Benefits paid	(150)
Closing fair value of scheme assets	<u>23,679</u>

Projected income statement for next year

	2024
	£'000
Current service cost	-
Admin expenses	-
Interest on liabilities	1,403
Interest on assets	(1,433)
(Gains)/losses on settlements and curtailments	-
Past service cost	-
Effect of limit on recognisable surplus	-
Total	<u>(30)</u>

The current asset split is as follows:

	£'000
Liability Driven Investment (LDI) Strategy	4,852
Sterling Liquidity Fund	2,280
Buy & Maintain Credit	1,243
Diversified Fund	3,698
Cash	265
Insured assets	11,341
Total assets	<u>23,679</u>

MACFARLANES LLP

Notes to the financial statements for the year ended 30 April 2023 (continued)

15 Pension commitments (*continued*)

Remeasurements over the year	2023	Restated 2022
	£'000	£'000
Loss on assets in excess of interest	6,850	4,532
Experience Losses on liabilities	1,012	616
Gains from changes to demographic assumptions	227	(361)
Losses from changes to financial assumptions	(5,236)	(4,254)
	<u>2,853</u>	<u>533</u>

Stakeholder schemes

The defined benefit scheme was closed to new entrants with effect from 1 July 2001 and was closed to all further accruals on and from 1 May 2013. Since that date pension contributions paid for by the company in respect of new employees have been payable to stakeholder schemes. The charge in respect of contributions to stakeholder schemes for the year to 30 April 2023 was £4,205,000 (2022: £3,863,000).

16 Operating lease commitments

At 30 April 2023 the group and LLP had future minimum lease payments under non-cancellable operating leases as follows:

	2023 Property £'000	2022 Property £'000
Within one year	6,916	6,510
Between one and five years	28,898	27,446
In excess of five years	20,064	24,035
	<u>55,878</u>	<u>57,991</u>

17 Controlling party

In the opinion of the members there is no controlling party as defined by FRS 102.

18 Related party transactions

Transactions between Macfarlanes LLP and its subsidiaries, which are related parties, have been eliminated on consolidation.

Key management personnel are those persons having authority and responsibility for planning, controlling and directing the activities of the group.

Remuneration for the key management of the group is £7,849,673 (2022: £6,819,375).

MACFARLANES LLP

Notes to the financial statements for the year ended 30 April 2023 (continued)

19 Net cash reconciliation

	At 30 April 2022	Arising from cash flows	Other non- cash changes	At 30 April 2023
	£'000	£'000	£'000	£'000
Cash at bank	62,710	25,983	-	88,693
Net cash before members' debt	62,710	25,983	-	88,693
Loans and other debts due to members:				
Members' capital	(14,060)	(2,504)	1,510	(15,054)
Other amounts due to members	(19,079)	133,038	(146,247)	(32,288)
Net cash	29,571	156,517	(144,737)	41,351