

Registration number: OC304065

Eversheds Sutherland (International) LLP

Members Report and Audited Consolidated Financial Statements

for the Year Ended 30 April 2020



Eversheds Sutherland (International) LLP

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Eversheds Sutherland (International) LLP

Limited Liability Partnership Information

Designated members Lisa Barge
Michael Clavell-Bate
Keith Froud
Jeremy Goodwin
Ian Gray
Lee Ranson
Pamela Thompson

Registered office One Wood Street
London
EC2V 7WS

Auditors BDO LLP
55 Baker Street
London
W1U 7EU

Eversheds Sutherland (International) LLP

Members' Report for the Year Ended 30 April 2020

The designated members present their report on behalf of the members together with the audited consolidated financial statements for the year ended 30 April 2020.

Firm structure

Eversheds Sutherland (International) LLP is a limited liability partnership registered in England and Wales. A list of designated members is available for inspection at the LLP's registered office.

Eversheds Sutherland (International) LLP has offices outside of the United Kingdom that are operated as branches of Eversheds Sutherland (International) LLP, subsidiary undertakings or joint ventures. These include operating entities in France, Germany, Luxembourg, The Netherlands, Hong Kong and Jordan; branches in UAE, Qatar and China; and a joint venture in Saudi Arabia.

Principal activity

The principal activity of Eversheds Sutherland (International) LLP is the provision of legal services.

The principal subsidiary undertakings of Eversheds Sutherland (International) LLP are set out in note 10.

Global coverage

The firm continues to invest in developing its global presence in order to improve its offering to global clients in the key jurisdictions in which they operate.

The firm is part of a combination with Eversheds Sutherland (U.S.) LLP, is a member of an association of law firms with offices across other European locations and has regional alliances across Africa, Asia Pacific and Latin America.

Including these locations, Eversheds Sutherland provides legal services from 68 offices in 32 countries and through more than 200 relationship law firms around the world.

COVID-19

The COVID-19 pandemic has caused significant disruption for businesses around the world and has had a substantial impact on the global economy. The spread of the pandemic along with country-wide lockdowns resulted in the firm quickly implementing remote working for all its partners and staff across most geographical locations. The ongoing investment in IT infrastructure and the collaborative culture of its people has meant remote working has had minimal impact on the Group's ability to deliver services to clients.

A top priority for management throughout this time has been the health and wellbeing of partners and staff. The firm has put in place a number of initiatives in this regard; keeping people connected across the business both formally and informally, introducing flexible working hours, and implementing additional online support and training.

The firm's underlying performance for the first half of the current financial year has been satisfactory. The Members have reviewed the Group's cash forecasts which have been stress tested for possible changes in trading performance as a result of a deterioration in market conditions due to the impact of the pandemic on the global economy. This has included reviewing the Groups borrowing facilities against all stress tested scenarios. These demonstrate the Group has significant cash reserves to meet its obligations as they fall due, including meeting all banking covenants, for a period of at least 12 months from the date of signing these financial statements. As such, the Members are satisfied that the Group has adequate resources to continue to operate for the foreseeable future.

Eversheds Sutherland (International) LLP

Members' Report for the Year Ended 30 April 2020 (continued)

The Group's strong financial position together with its global presence, its diversity of practice areas and industry sectors, the continuing strength of its client service and the resilience of its people means the Group remains well positioned in the present crisis. For this reason it continues to adopt the going concern basis for preparing these financial statements.

Designated members

Lisa Barge*
Michael Clavell-Bate*
Jeremy Goodwin*
Keith Froud* (Managing Partner)
Ian Gray
Lee Ranson* (Chief Executive Officer)
Pamela Thompson* (Chair)

*Members of the International Supervisory Partnership Council.

The International Supervisory Partnership Council has the responsibility of overseeing and reviewing the Group's business and activities.

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

During the year the members receive monthly drawings and from time to time, additional members' remuneration. The allocation of profits is governed by the Members Agreement, which states that profits are distributed in full. The timing of payment of the profit is determined by the International Supervisory Partnership Council and takes into account the partnership's cash requirements for operating and investment activities. The monthly drawings represent payments on account of current year remuneration and may be reclaimable from members until profits have been allocated.

Profits are allocated and divided between members after each quarter and the finalisation of the financial statements. Prior to the allocation of profits and their division between members, drawings and on-account profit distributions are shown in debtors. Unallocated profits are shown in "Loans and other debts due to members".

The capital requirements of the partnership are determined by the International Supervisory Partnership Council and are reviewed regularly. Each member is required to subscribe a proportion of this capital. The amount of capital subscribed by each member is linked to their status and the earnings allocated to that member. On leaving the partnership, a member's capital is normally repaid within six months.

The members are required to make their own pension provisions, accordingly they are not reflected in these financial statements.

Members' capital and other debts rank after unsecured creditors in the event of a winding up.

Auditor

The members have taken all the steps that they ought to have taken to make themselves aware of any information needed by the partnership's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The members are not aware of any relevant audit information of which the auditors are unaware.

BDO LLP have expressed their willingness to continue in office and a resolution to re-appoint them as auditors will be proposed at the next International Supervisory Partnership Council meeting.

Eversheds Sutherland (International) LLP

Members' Report for the Year Ended 30 April 2020 (continued)

Statement of members' responsibilities in respect of the financial statements

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

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

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- 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 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, disclose with reasonable accuracy at any time the financial position of the Limited Liability Partnership, and enable them to ensure that the financial statements comply with the Limited Liability Partnerships (Accounts and Audit) (Application of the Companies Act 2006) Regulations 2008. They are also responsible for safeguarding the assets of the Limited Liability Partnership and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the members on 30 October 2020 and signed on their behalf by:

DocuSigned by:

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Lee Ranson
Chief Executive Officer and designated member

Eversheds Sutherland (International) LLP

Streamlined Energy and Carbon Report for the Year Ended 30 April 2020

The members present their streamlined energy and carbon report for the year ended 30 April 2020.

Summary

This report relates only to the energy use of offices located in the UK, all other regions of the Group have been excluded. The UK LLP operates out of ten offices and energy efficiency initiatives are in place across all offices whether fully managed or in conjunction with the managing agents of the Group's multi-tenanted buildings. The methodology applied to energy management, combines an asset replacement programme, equipment optimisation, utilities monitoring and people awareness campaigns. The strategy is to replicate the UK approach to all International jurisdictions.

The data contained in this report is calculated and reported in line with the methodology set out in the UK Government's Environmental Reporting Guidelines, March 2019.

Greenhouse gas emissions

The greenhouse gas emissions for Eversheds Sutherland (International) LLP were 838 tonnes of carbon dioxide equivalent (tCO₂e) for the year 1 May 2019 to 30 April 2020. This was calculated using a market-based approach in reporting the firm's electricity use; it has invested in zero-carbon electricity tariffs for most of the estate, reflecting the firm's commitment to achieving net zero carbon emissions.

The firm has calculated an intensity ratio which expresses annual emissions in relation to a quantifiable factor or normaliser. The intensity ratio is 1.86 tCO₂e per £m revenue for the year ended 30 April 2020.

Emissions source	2020
Fuel combustion: Natural gas (Scope 1)	731
Fuel combustion: Transport (Scope 1)	100
Emissions from the consumption of Electricity (Scope 2 & 3)	7
Total emissions (tCO ₂ e)	<u>838</u>
Intensity (tCO ₂ e per £1m of revenue)	<u>1.86</u>

The table above reflects the firm's investment in the procurement of zero carbon electricity tariffs. Greenhouse gas emissions using a location-based approach were 3,388 tCO₂e, with an intensity ratio of 7.52 tCO₂e per £m revenue. The figure of 3,381 is a location-based approach of measuring the electricity supplied and reflects the procurement of low carbon tariffs across the estate. Electricity procured from low carbon tariffs is REGO backed and can be reported as zero emissions. The difference between 3,388 and 838 reflects the zero 'rating' of electricity consumption.

Energy consumption

The energy consumption for the year ended 30 April 2020 is presented in the following table for the period:

Energy consumption by year (kWh)	2020
Electricity consumption	9,195,357
Combustion of natural gas	3,980,061
Fuel used for transport	408,797
Total consumption (kWh)	<u>13,584,215</u>

Energy efficiency initiatives

The firm aims to continually improve energy efficiency measures to reduce its impact on the environment. In March 2020 it committed to the Science Based Targets Initiative (SBTi). The firm has been calculating emissions for 10 years and its 2019 CDP rating is a C score.

Eversheds Sutherland (International) LLP

Streamlined Energy and Carbon Report (continued) for the Year Ended 30 April 2020

Zero Carbon

Where the firm has full building management responsibility, the policy is to procure renewable electricity. Eversheds Sutherland (International) LLP is an Executive Member of the Legal Sustainability Alliance (LSA) and have signed up to the Legal Renewables Initiative (LRI), pledging to ensure the firm's UK offices and premises (where it manages the buildings and utility contracts) remain on 100% renewable electricity.

Natural gas

The firm purchases natural gas for heating in seven offices, although it should be noted that one of its priority targets is to eliminate the use of gas, where directly within its control, by 2025 in the UK offices.

Workspace optimisation

The firm continues to develop its future of work strategy and related occupancy levels, and this will reduce its property footprint in the future. The gross sq. ft of UK offices in 2013 was 684,660 sq. ft. and in 2019 this had reduced to 600,230 sq. ft. In 2013 the UK offices had the equivalent of 1.5 desks per head; this has reduced to 1.1 desks per head currently, with further optimisation anticipated as part of the future of work strategy.

Energy systems and consultants

All energy use in the firm's offices is optimised by the use of Building Management Systems. During the year a consultancy was retained to further enhance systems and reduce office energy consumption.

Asset replacement plan

Full lifecycle of all plant and machinery is managed by an asset replacement plan. Aligned with this strategy, underperforming equipment is upgraded and replaced, reducing energy consumption and protecting business continuity.

Sub-metering

The firm has a strategy and delivery plan to invest in sub-metering to enable validation of usage and profile usage in order to identify and target opportunities for energy saving projects and processes.

COVID-19

The firm has been developing its technology, environments and culture for three years to facilitate agile working. This strategy supported the COVID-19 driven necessity of home working in order to operate within UK government guidance. The adoption of remote working and the consequence of low office activity has resulted in lower energy usage during the later periods of this report with significant reductions projected for 2020.

Members

The list of designated members can be found in the members report on page 3. The full list of members of Eversheds Sutherland (International) LLP can be found on Companies House at the following link:

<https://find-and-update.company-information.service.gov.uk/company/OC304065/officers>

Approval

The streamlined energy and carbon report was approved by the members on 30 October 2020 and signed on their behalf by:

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Lee Ranson
Chief Executive Officer and designated member

Eversheds Sutherland (International) LLP

Independent Auditor's Report to the Members of Eversheds Sutherland (International) LLP

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Eversheds Sutherland (International) LLP ("the Limited Liability Partnership") and its subsidiaries ("the Group") for the year ended 30 April 2020 which comprise the Consolidated Profit and Loss Account, Consolidated Statement of Comprehensive Expense, the Consolidated and Limited Liability Partnership Balance Sheet, the Consolidated and Limited Liability Partnership Statement of Changes in Members' Interests, Consolidated Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Limited Liability Partnership's affairs as at 30 April 2020 and of the Group's result for the year then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006 applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of the Companies Act 2006) Regulations 2008.

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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Members' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Members have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group or Limited Liability Partnership's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The Members are responsible for the other information. The other information comprises the information included in the Members' Report and Audited Consolidated Financial Statements, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Eversheds Sutherland (International) LLP

Independent Auditor's Report to the Members of Eversheds Sutherland (International) LLP (continued)

Other information (continued)

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the Limited Liability Partnership and its environment obtained in the course of the audit, we have not identified material misstatements in the Members' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 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 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 we require for our audit.

Responsibilities of Members

As explained more fully in the Members' responsibilities, 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 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 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 Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Eversheds Sutherland (International) LLP

Independent Auditor's Report to the Members of Eversheds Sutherland (International) 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 by Limited Liability Partnerships (Accounts and Audit) (Application of the Companies Act 2006) Regulations 2008. Our audit work has been undertaken so that we might state to the Limited Liability Partnership's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the 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.

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Andrew Radford (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditors
London
United Kingdom

Date: 30 October 2020

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

Eversheds Sutherland (International) LLP**Consolidated Profit and Loss Account for the Year Ended 30 April 2020**

	Note	2020 £ 000	2019 £ 000
Turnover: Group and share of joint venture		592,572	549,194
Less: joint venture's turnover		<u>(1,752)</u>	<u>(2,159)</u>
Group turnover	2	<u>590,820</u>	<u>547,035</u>
Staff costs	7	(265,114)	(239,241)
Amortisation of intangible fixed assets	8	(3,996)	(3,221)
Depreciation and other amounts written off from tangible fixed assets	9	(9,917)	(8,242)
Other operating charges		<u>(140,307)</u>	<u>(122,219)</u>
Total operating costs		<u>(419,334)</u>	<u>(372,923)</u>
Operating profit before joint venture		171,486	174,112
Share of operating profit in joint venture		<u>33</u>	<u>409</u>
Operating profit and share of joint venture's profit	3	<u>171,519</u>	<u>174,521</u>
Interest receivable and similar income	4	705	719
Interest payable and similar charges	5	<u>(564)</u>	<u>(542)</u>
Net finance income		<u>141</u>	<u>177</u>
Profit for the year before taxation		171,660	174,698
Tax on profit on ordinary activities of corporate entities	6	<u>(1,579)</u>	<u>(1,476)</u>
Profit for the financial year before members' remuneration and profit shares		170,081	173,222
Members' remuneration charged as an expense		<u>(170,081)</u>	<u>(173,222)</u>
Result for the financial year available for discretionary division among members		<u>-</u>	<u>-</u>

Turnover and operating profit derive wholly from continuing operations.

Eversheds Sutherland (International) LLP

Consolidated Statement of Comprehensive Expense for the Year Ended 30 April 2020

	Note	2020 £ 000	2019 £ 000
Result for the year available for discretionary division among members		<u>-</u>	<u>-</u>
Other comprehensive expense:			
Actuarial loss on defined benefit pension scheme		<u>(455)</u>	<u>(425)</u>
Total other comprehensive expense		<u>(455)</u>	<u>(425)</u>
Total comprehensive expense for the year available for discretionary division among members		<u><u>(455)</u></u>	<u><u>(425)</u></u>

The notes on pages 18 to 36 form an integral part of these financial statements.

Eversheds Sutherland (International) LLP
(Registration number: OC304065)
Consolidated Balance Sheet as at 30 April 2020

The Group

	Note	2020 £ 000	2019 £ 000
Fixed assets			
Intangible assets	8	9,397	6,016
Tangible assets	9	<u>37,071</u>	<u>34,901</u>
		<u>46,468</u>	<u>40,917</u>
Current assets			
Debtors	11	278,380	276,125
Cash at bank and in hand		<u>41,984</u>	<u>28,277</u>
		320,364	304,402
Creditors: Amounts falling due within one year	12	<u>(153,353)</u>	<u>(140,701)</u>
Net current assets		<u>167,011</u>	<u>163,701</u>
Total assets less current liabilities		213,479	204,618
Creditors: Amounts falling due after more than one year	13	(2,878)	(3,072)
Provisions for liabilities	15	<u>(15,183)</u>	<u>(14,634)</u>
Net assets attributable to members		<u>195,418</u>	<u>186,912</u>
Represented by:			
Loans and other debts due to members			
Members' capital classified as a liability		70,773	68,340
Members' other interest		<u>124,645</u>	<u>118,572</u>
		<u>195,418</u>	<u>186,912</u>
Total members' interests			
Loans and other debts due to members		195,418	186,912
Amounts due from members		<u>(532)</u>	<u>(466)</u>
		<u>194,886</u>	<u>186,446</u>

The members acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

The financial statements on pages 10 to 36 of Eversheds Sutherland (International) LLP (registered number OC304065) were approved and authorised for issue by the members on 30 October 2020 and were signed on their behalf by:

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Lee Ranson
 Chief Executive Officer and designated member

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Keith Froud
 Managing Partner and designated member

The notes on pages 18 to 36 form an integral part of these financial statements.

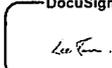
Eversheds Sutherland (International) LLP**(Registration number: OC304065)
Balance Sheet as at 30 April 2020****The Partnership**

	Note	2020 £ 000	2019 £ 000
Fixed assets			
Intangible assets	8	9,397	6,016
Tangible assets	9	30,022	30,800
Investments	10	7,673	7,681
		<u>47,092</u>	<u>44,497</u>
Current assets			
Debtors	11	277,458	263,312
Cash at bank and in hand		16,760	6,777
		<u>294,218</u>	<u>270,089</u>
Creditors: Amounts falling due within one year	12	<u>(149,975)</u>	<u>(131,475)</u>
Net current assets		<u>144,243</u>	<u>138,614</u>
Total assets less current liabilities		191,335	183,111
Provisions for liabilities	15	<u>(12,797)</u>	<u>(11,574)</u>
Net assets attributable to members		<u>178,538</u>	<u>171,537</u>
Represented by:			
Loans and other debts due to members			
Members' capital		64,267	62,334
Other amounts		114,271	109,203
		<u>178,538</u>	<u>171,537</u>
Total members' interests			
Loans and other debts due to members		178,538	171,537
Amounts due from members		<u>(532)</u>	<u>(466)</u>
		<u>178,006</u>	<u>171,071</u>

Eversheds Sutherland (International) LLP has taken advantage of Section 408 of the Companies Act 2006 as applied to LLPs and has not included its own profit and loss account in these financial statements. Its own profit for the year before members' remuneration and profit shares was £134,109,346 (2019: £133,938,433).

The financial statements on pages 10 to 36 of Eversheds Sutherland (International) LLP (registered number OC304065) were approved and authorised for issue by the members on 30 October 2020 and were signed on their behalf by:

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Lee Ranson
Chief Executive Officer and designated member

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Keith Froud
Managing Partner and designated member

The notes on pages 18 to 36 form an integral part of these financial statements.

Eversheds Sutherland (International) LLP

Consolidated Statement of Changes in Members' Interests at 30 April 2020

The Group

	Members' capital classified as a liability £ 000	Other amounts £ 000	Total loans and other debts due to members £ 000	Amounts due from members £ 000	Total members' interests £ 000
At 01 May 2018	63,123	103,169	166,292	(440)	165,852
Members' remuneration charged as an expense	-	173,222	173,222	-	173,222
Members' interests after profit for the year	63,123	276,391	339,514	(440)	339,074
Total other comprehensive expense for the year	-	(425)	(425)	-	(425)
Members' interests after total comprehensive expense	63,123	275,966	339,089	(440)	338,649
Members' capital introduced	7,828	-	7,828	-	7,828
Repayments of capital	(2,611)	-	(2,611)	-	(2,611)
Drawings and distributions	-	(157,394)	(157,394)	-	(157,394)
Other movements	-	-	-	(26)	(26)
At 30 April 2019	<u>68,340</u>	<u>118,572</u>	<u>186,912</u>	<u>(466)</u>	<u>186,446</u>
	Members' capital classified as a liability £ 000	Other amounts £ 000	Total loans and other debts due to members £ 000	Amounts due from members £ 000	Total members' interests £ 000
At 01 May 2019	68,340	118,572	186,912	(466)	186,446
Members' remuneration charged as an expense	-	170,081	170,081	-	170,081
Members' interests after profit for the year	68,340	288,653	356,993	(466)	356,527
Total other comprehensive expense for the year	-	(455)	(455)	-	(455)
Members' interests after total comprehensive expense	68,340	288,198	356,538	(466)	356,072
Members' capital introduced	8,246	-	8,246	-	8,246
Repayments of capital	(5,950)	-	(5,950)	-	(5,950)
Drawings and distributions	-	(163,553)	(163,553)	-	(163,553)
Other movements	137	-	137	(66)	71
At 30 April 2020	<u>70,773</u>	<u>124,645</u>	<u>195,418</u>	<u>(532)</u>	<u>194,886</u>

The notes on pages 18 to 36 form an integral part of these financial statements.

Eversheds Sutherland (International) LLP

Statement of Changes in Members' Interests at 30 April 2020

The Partnership

	Members' capital classified as a liability £ 000	Other amounts £ 000	Total loans and other debts due to members £ 000	Amounts due from members £ 000	Total members' interests £ 000
At 01 May 2018	57,528	99,063	156,591	(440)	156,151
Members' remuneration charged as an expense	-	133,938	133,938	-	133,938
Members' interests after profit for the year	57,528	233,001	290,529	(440)	290,089
Total other comprehensive expense for the year	-	(425)	(425)	-	(425)
Members' interests after total comprehensive expense	57,528	232,576	290,104	(440)	289,664
Members' capital introduced	7,418	-	7,418	-	7,418
Repayments of capital	(2,612)	-	(2,612)	-	(2,612)
Drawings and distributions	-	(123,373)	(123,373)	-	(123,373)
Other movements	-	-	-	(26)	(26)
At 30 April 2019	<u>62,334</u>	<u>109,203</u>	<u>171,537</u>	<u>(466)</u>	<u>171,071</u>
	Members' capital classified as a liability £ 000	Other amounts £ 000	Total loans and other debts due to members £ 000	Amounts due from members £ 000	Total members' interests £ 000
At 01 May 2019	62,334	109,203	171,537	(466)	171,071
Members' remuneration charged as an expense	-	134,109	134,109	-	134,109
Members' interests after profit for the year	62,334	243,312	305,646	(466)	305,180
Total other comprehensive expense for the year	-	(455)	(455)	-	(455)
Members' interests after total comprehensive expense	62,334	242,857	305,191	(466)	304,725
Members' capital introduced	6,375	-	6,375	-	6,375
Repayments of capital	(4,442)	-	(4,442)	-	(4,442)
Drawings and distributions	-	(128,586)	(128,586)	-	(128,586)
Other movements	-	-	-	(66)	(66)
At 30 April 2020	<u>64,267</u>	<u>114,271</u>	<u>178,538</u>	<u>(532)</u>	<u>178,006</u>

The notes on pages 18 to 36 form an integral part of these financial statements.

Eversheds Sutherland (International) LLP

Consolidated Cash Flow Statement for the Year Ended 30 April 2020

	2020 £ 000	2019 £ 000
Cash flows from operating activities		
Result for the financial year	-	-
Members' remuneration charged as an expense	170,081	173,222
Taxation	1,579	1,476
Share of operating profit of Joint Ventures	(33)	(409)
Interest payable	564	542
Interest receivable	(705)	(719)
Operating profit	171,486	174,112
Adjustments for:		
Share of Joint Venture	33	409
Amortisation of intangible assets	3,996	3,221
Depreciation of tangible assets	9,917	8,242
Loss on disposal of tangible and intangible fixed assets	2,410	-
Actuarial loss	(455)	(425)
Increase in trade and other debtors	(3,109)	(43,306)
Increase in creditors	13,004	33,445
Increase in provisions	549	5,972
Unrealised foreign exchange movements	143	-
Net cash from operating activities	197,974	181,670
Corporation tax paid	(1,579)	(1,476)
Net cash generated from operating activities before transactions with members	196,395	180,194
Payments to or on behalf of members	(163,553)	(157,394)
Net cash generated from operating activities	32,842	22,800
Cash flows from investing activities		
Purchase of intangible assets	(7,477)	(2,316)
Purchase of tangible fixed assets	(14,397)	(11,415)
Interest received	705	719
Net cash used in investing activities	(21,169)	(13,012)
Cash flows from financing activities		
Capital contributions by members	8,246	7,828
Capital repaid	(5,950)	(2,611)
Interest paid	(564)	(542)
Net cash used in financing activities	1,732	4,675
Net increase in cash and cash equivalents	13,405	14,462

The notes on pages 18 to 36 form an integral part of these financial statements.

Eversheds Sutherland (International) LLP**Consolidated Cash Flow Statement for the Year Ended 30 April 2020 (continued)**

	2020 £ 000	2019 £ 000
Cash and cash equivalents at the beginning of the year		
Cash in hand and at bank at the beginning of the year	28,277	14,198
Bank overdrafts at the beginning of the year	<u>(182)</u>	<u>(566)</u>
	28,095	13,632
Cash and cash equivalents at the end of the year		
Cash in hand and at bank	41,984	28,277
Bank loans and overdrafts	<u>(484)</u>	<u>(182)</u>
	41,500	28,095

The notes on pages 18 to 36 form an integral part of these financial statements.

Eversheds Sutherland (International) LLP

Notes to the Financial Statements for the Year Ended 30 April 2020

1 Accounting policies

General information

Eversheds Sutherland International LLP is a UK Limited Liability Partnership incorporated in England and Wales. These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

Basis of preparation

The financial statements are prepared on the going concern basis, under the historical cost convention, and in accordance with the Companies Act 2006 as applied to Limited Liability Partnerships (Accounts and Audit)(Application of Companies Act 2006) Regulations 2008 and applicable accounting standards in the United Kingdom, including Financial Reporting Standard 102. The financial statements have also been prepared in accordance with the Statement of Recommended Practice 2018, "Accounting by Limited Liability Partnerships (SORP 2018)".

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. In preparing these financial statements, the members have made the following estimates:

- Determine the fair value of amounts recoverable on contracts. Factors taken into consideration in reaching such amounts include reviewing historic performance, any foreseeable losses on ongoing contracts and any impact on trade sectors considered to be materially affected by COVID-19.
- Determine the provision required for recoverability of trade debtors. Factors taken into consideration in reaching such amounts include ageing at year end, historical information and post year end settlements and write offs. Additional consideration has been given to review any debtors that are potentially significantly impacted by COVID-19 and specific provision has been made on this basis.
- Determine the bonus provision payable in relation to services provided in the year, after the year end. This provision is based on management's best estimate aligned to the Group's performance.
- Property provisions are made for dilapidations and surplus properties. These provisions require management's best estimate of the costs that will be incurred based on contractual requirements. In addition, the timing of the cash flows and the discount rates used to establish net present value of the obligations require management's judgement.

FRS 102 allows a qualifying entity certain disclosure exemptions, subject to certain conditions, which have been complied with, including notification of, and no objection to the use of exemptions by the members.

The partnership has taken advantage of the following disclosure exemptions available to qualifying entities:

- No cash flow statement has been presented for the partnership;
- Disclosures in respect of the partnerships profit and loss account and net gains and net losses on financial instruments measured at amortised cost have not been presented; and
- No disclosure has been given for the aggregate remuneration of the key management personnel of the partnership as their remuneration is included in the totals for the group as a whole.

The principal accounting policies, which have been applied consistently throughout the current and preceding years, are set out below.

Eversheds Sutherland (International) LLP

Notes to the Financial Statements for the Year Ended 30 April 2020 (continued)

1 Accounting policies (continued)

Basis of consolidation

The consolidated financial statements incorporate the financial statements of Eversheds Sutherland (International) LLP and its subsidiary entities (the Group) up to 30 April each year. Subsidiary entities are those controlled by Eversheds Sutherland (International) LLP, which may be branches, limited liability partnerships, partnerships, or separate corporate entities. Control exists through the appointment of senior partners of Eversheds Sutherland (International) LLP as either shareholders or designated members of these entities.

Business combinations are accounted for by applying the purchase method. The cost of a business combination is the fair value of the consideration given, liabilities incurred or assumed and of equity instruments issued plus the costs directly attributable to the business combination. The results of acquired operations are included in the consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date control ceases.

Uniform accounting policies are adopted across the Group. Intra-Group transactions and resulting unrealised profits and losses are eliminated fully on consolidation.

Going concern

At 30 April 2020, the Group held a cash balance of £42m, a small overdraft of £0.5m and significant headroom within the Group's banking facilities which enables the Group to respond to changing market conditions and opportunities without the need for additional financing. In addition the flexibility afforded to the Group due to its structure as an LLP allows cash to be retained within the firm to ensure it meets its working capital requirements.

The firm's underlying performance for the first half of the current financial year has been satisfactory. The Members have reviewed the Group's cash forecasts which have been stress tested for possible changes in trading performance as a result of a deterioration in market conditions due to the impact of the pandemic on the global economy. This has included reviewing the Groups borrowing facilities against all stress tested scenarios. These demonstrate the Group has significant cash reserves to meet its obligations, as they fall due, including meeting all banking covenants, for a period of at least 12 months from the date of signing these financial statements. As such, the Members are satisfied that the Group has adequate resources to continue to operate for the foreseeable future.

The Group's strong financial position together with its global presence, its diversity of practice areas and industry sectors, the continuing strength of its client service and the resilience of its people means the Group remains well positioned in the present crisis. The Group will continue to monitor the situation and take appropriate action to manage costs and cash flows as required.

Accordingly the Group continues to adopt the going concern basis in preparing the consolidated financial statements.

Group turnover

Turnover is the total amount receivable by the Group for the services provided excluding value added tax. Included within this figure is the fair value of amounts recoverable on contracts where it is probable that the economic benefits will flow to the Group and the turnover can be reliably measured.

Turnover represents the stage of completion of the contract based on costs incurred to date compared to expected total contract cost. 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.

Eversheds Sutherland (International) LLP

Notes to the Financial Statements for the Year Ended 30 April 2020 (continued)

1 Accounting policies (continued)

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

Foreign currency translation

(a) Functional and presentation currency

The functional currency of Eversheds Sutherland (International) LLP is considered to be pounds sterling because that is the currency of the primary economic environment in which the limited liability partnership operates. On consolidation, the results of overseas operations are translated into sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the balance sheet date. Exchange differences arising on these translations are recognised in profit and loss account.

(b) Transactions and balances

Foreign currency transactions are translated into the individual entity's functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss account.

Taxation

The taxation payable on the partnership's profits is the personal liability of the members, although payment of such liabilities is administered by the partnership on behalf of its members. Consequently, neither partnership taxation nor related deferred taxation is accounted for in these financial statements. Sums set aside in respect of members' tax obligations are included in the balance sheet within loans and other debts due to members, or are set against amounts due from members as appropriate.

The tax payable on corporate entities is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Intangible assets

Software comprises purchased software licenses and cost directly associated with the development of software for internal use, which will generate future economic benefit. Software is stated at cost less accumulated amortisation and accumulated impairment losses. Development costs of software are recognised as intangible assets when the below criteria are met and amortisation is calculated from the date they are available for use, on a straight-line basis over their estimated useful lives between 3 to 5 years where:

- it is technically feasible to complete the software so that it will be available for use;
- management intends to complete the software and use or sell it;
- there is an ability to use or sell the software;
- it can be demonstrated how the software will generate probable future economic benefits;
- adequate resources to complete the development and to use or sell are available; and
- the expenditure attributable to the software during its development can be reliably measured.

Eversheds Sutherland (International) LLP

Notes to the Financial Statements for the Year Ended 30 April 2020 (continued)

1 Accounting policies (continued)

Tangible fixed assets and depreciation

Tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is provided on all tangible fixed assets at rates calculated to write off the costs, less their estimated residual values, on a straight line basis over the following estimated economic lives:

Office furniture and fittings	5 years
Computer and communications equipment	3 to 5 years
Short leasehold improvements	Leasehold term

Impairment of assets

Assets that are subject to depreciation or amortisation are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists an impairment loss is recognised for the amount by which the carrying amount of the assets exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

Investments

Investments are included at cost less any provision for impairment.

In the Group financial statements investments in joint ventures are accounted for using the equity method. The consolidated profit and loss account includes the Group's share of joint ventures' profits less losses while the Group's share of net assets of the joint ventures is shown in the consolidated balance sheet.

Amounts recoverable on contracts

Amounts recoverable on contracts are stated at fair value where the right to consideration has been obtained. Where the substance of a contract is such that a right to consideration does not arise until the occurrence of a critical event that is outside the control of the Group, the asset and revenue are valued at nil.

Contract balances included in debtors are stated after provision has been made for any foreseeable losses and the deduction of applicable payments on account. Provision is made for losses on all contracts as soon as they are foreseen.

Trade debtors

Trade debtors are amounts due from customers for services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value. For the purpose of the consolidated cash flow statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

Eversheds Sutherland (International) LLP

Notes to the Financial Statements for the Year Ended 30 April 2020 (continued)

1 Accounting policies (continued)

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the Group does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Provisions

Provisions are recognised when the Group has an obligation at the reporting date as a result of a past event, it is probable that the Group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

Provisions for property commitments

Provision is made for the value of unavoidable dilapidation costs payable at the end of the Group's leases. These provisions are not discounted as the impact of discounting is immaterial. Provision is made for the present value of foreseeable rental commitments in respect of surplus property, which includes premises which will become redundant in respect of surplus property.

Operating leases

Payments made under operating leases and any lease incentives are recognised in the profit and loss account on a straight line basis over the term of the lease. Where amounts are received from third parties, notably landlords, as contributions towards the cost of tangible fixed assets are released to the profit and loss account, so that they match depreciation charged on the assets acquired which is over the life of the lease. Incentives are recognised as a liability.

Rental income from operating leases is recognised in the profit and loss account on a straight line basis over the term of the lease.

Employee benefits

Defined Contribution Pension Schemes

The pension costs charged against operating profits are the contributions payable to the schemes in respect of the accounting year. The unpaid pension contributions outstanding at the year end amounts to £1,098,054 (2019: £905,898).

Defined Benefit Pension Schemes

The Group participates in a defined benefit pension plan, which requires contributions to be made to separately administered funds. The scheme is closed to new entrants and became paid up with effect from 1 October 2007.

The total gross defined asset at 30 April 2020 was £9,520,000 (2019: £8,337,000), the gross value of liabilities at 30 April 2020 was £8,076,000 (2019: £7,393,000). The net defined benefit asset at 30 April 2020 was £1,444,000 (2019: £944,000). The scheme is accounted for in accordance with FRS 102, further disclosures have not been provided because the amounts involved are not considered to be material to the partnership and Group financial statements.

Eversheds Sutherland (International) LLP

Notes to the Financial Statements for the Year Ended 30 April 2020 (continued)

1 Accounting policies (continued)

Holiday pay accrual

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

Financial instruments

Classification

The Group classifies its financial assets as trade and other debtors and cash and bank balances. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

Trade and other debtors are non-derivative financial assets with fixed or determinable payment that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance sheet date, which are classified as non-current assets.

The Group determines the classification of its financial liabilities at initial recognition. Financial liabilities are recognised initially at fair value plus in the case of loans and borrowings, directly attributable transaction costs, and subsequently at amortised costs using the effective interest method.

The Group financial liabilities include trade and other creditors, bank loans, and balances due to group undertakings.

Recognition and Measurement

Financial assets and financial liabilities are recognised in the Group's balance sheet when the Group becomes a party to the contractual provisions of the instrument.

Impairment of financial assets

In respect of assets carried at amortised cost, the Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Insurance arrangements

Substantial insurance cover in respect of professional negligence claims is carried. Cover is principally written through the commercial market. Where appropriate, a provision is made for the expected outcome of the claims. No separate disclosure is made of the cost and nature of claims covered by insurance, as to do so could seriously prejudice the position of the Group.

Eversheds Sutherland (International) LLP

Notes to the Financial Statements for the Year Ended 30 April 2020 (continued)

2 Turnover

An analysis of the Group's turnover for the year by geographical market is as follows:

	2020 £ 000	2019 £ 000
UK	450,375	419,637
Europe	94,781	82,962
Rest of world	45,664	44,436
	<u>590,820</u>	<u>547,035</u>

All turnover relates to the provision of legal services.

3 Operating profit before joint venture

Operating profit before joint venture is stated after charging:

	2020 £ 000	2019 £ 000
Audit fees	286	255
Non audit fees	386	295
Depreciation and other amounts written off from tangible fixed assets:		
Owned assets	9,917	8,172
Assets held under finance lease and hire purchase contracts	-	70
Amortisation of intangible assets	3,996	3,221
Loss on disposal of tangible and intangible fixed assets	2,410	-
Foreign currency gain	(30)	(1,173)
Rentals payable under operating leases:		
Plant and machinery	146	176
Land and buildings	<u>28,035</u>	<u>27,079</u>

Eversheds Sutherland (International) LLP

Notes to the Financial Statements for the Year Ended 30 April 2020 (continued)

3 Operating profit before joint venture (continued)

An analysis of auditors' remuneration is included below:

	2020 £ 000	2019 £ 000
Fees payable to the partnership's auditors for the audit of the partnership's annual financial statements	130	98
Fees payable to the partnership's auditors for the audit of the partnership's subsidiaries pursuant to legislation	156	157
Total fees payable for audit and other services pursuant to legislation	<u>286</u>	<u>255</u>
Other services provided pursuant to legislation	51	45
Tax services	57	28
Other services	278	222
Total non-audit fees	<u>386</u>	<u>295</u>
Total fees payable	<u><u>672</u></u>	<u><u>550</u></u>

4 Other interest receivable and similar income

	2020 £ 000	2019 £ 000
Bank interest	705	719
	<u>705</u>	<u>719</u>

5 Interest payable and similar charges

	2020 £ 000	2019 £ 000
Interest on bank borrowings and overdrafts	529	477
Net interest payable on defined benefit pension scheme	35	65
	<u>564</u>	<u>542</u>

6 Taxation

The tax charges arises within the subsidiary undertakings of the Group and represents:

	2020 £ 000	2019 £ 000
Current taxation		
United Kingdom corporation tax at 19% (2019: 19%)	<u>1,579</u>	<u>1,476</u>

Tax charges arising on subsidiaries' profits and losses are immaterial to the Group and have not been disclosed further.

Eversheds Sutherland (International) LLP

Notes to the Financial Statements for the Year Ended 30 April 2020 (continued)

7 Members and staff

Staff costs during the year (excluding members) were as follows:

	2020 £ 000	2019 £ 000
Wages and salaries	186,813	168,584
Social security costs	17,292	16,309
Other pension costs	6,616	5,733
Other staff costs	54,393	48,615
	<u>265,114</u>	<u>239,241</u>

All UK based staff were employed by Eversheds Sutherland Legal Services Limited, no staff are employed by the UK LLP.

The average number of persons employed by the Group (including members) during the year, analysed by category was as follows:

	2020 No.	2019 No.
Members	372	366
Legal advisors	1,836	1,741
Administrative and support staff	1,350	1,276
	<u>3,558</u>	<u>3,383</u>

Profits are not fully shared amongst members until after the financial statements have been finalised and approved by members. The estimated entitlement of the highest paid member for the current year is £1,815,639 (2019: £1,699,629). The average remuneration per member is £457,207 (2019: £473,281), being members' remuneration charged as expense for the Group divided by the number of members.

Key Management Compensation

The key management personnel comprise the Chief Executive Officer, Managing Partner, and members of the Executive Committee. The number of Executive Committee members serving during the year is 5 (2019: 4). The share of the profit and salaries awarded to these key management personnel for the year will amount to £5,907,652 (2019: £5,402,332).

Eversheds Sutherland (International) LLP

Notes to the Financial Statements for the Year Ended 30 April 2020 (continued)

8 Intangible fixed assets

The Group

	Software £ 000
Cost	
At 01 May 2019	19,062
Additions	7,477
Disposals	<u>(3,277)</u>
At 30 April 2020	<u>23,262</u>
Accumulated amortisation	
At 01 May 2019	13,046
Provided in the year	3,996
Disposals	<u>(3,177)</u>
At 30 April 2020	<u>13,865</u>
Net book amount at 30 April 2020	<u>9,397</u>
Net book amount at 30 April 2019	<u>6,016</u>

The Partnership

	Software £ 000
Cost	
At 01 May 2019	19,062
Additions	7,477
Disposals	<u>(3,277)</u>
At 30 April 2020	<u>23,262</u>
Accumulated amortisation	
At 01 May 2019	13,046
Provided in the year	3,996
Disposals	<u>(3,177)</u>
At 30 April 2020	<u>13,865</u>
Net book amount at 30 April 2020	<u>9,397</u>
Net book amount at 30 April 2019	<u>6,016</u>

Eversheds Sutherland (International) LLP

Notes to the Financial Statements for the Year Ended 30 April 2020 (continued)

9 Tangible fixed assets

The Group

	Office furniture and fittings £ 000	Computer and communications equipment £ 000	Short leasehold improvements £ 000	Total £ 000
Cost				
At 01 May 2019	11,933	54,143	71,928	138,004
Additions	2,029	5,269	7,099	14,397
Disposals	<u>(732)</u>	<u>(38,626)</u>	<u>(12,759)</u>	<u>(52,117)</u>
At 30 April 2020	<u>13,230</u>	<u>20,786</u>	<u>66,268</u>	<u>100,284</u>
Accumulated depreciation				
At 01 May 2019	10,114	48,283	44,706	103,103
Provided in the year	916	3,403	5,598	9,917
Disposals	<u>(454)</u>	<u>(37,919)</u>	<u>(11,434)</u>	<u>(49,807)</u>
At 30 April 2020	<u>10,576</u>	<u>13,767</u>	<u>38,870</u>	<u>63,213</u>
Net book amount at 30 April 2020	<u>2,654</u>	<u>7,019</u>	<u>27,398</u>	<u>37,071</u>
Net book amount at 30 April 2019	<u>1,819</u>	<u>5,860</u>	<u>27,222</u>	<u>34,901</u>

Eversheds Sutherland (International) LLP

Notes to the Financial Statements for the Year Ended 30 April 2020 (continued)

9 Tangible fixed assets (continued)

The Partnership

	Office furniture and fittings £ 000	Computer and communications equipment £ 000	Short leasehold improvements £ 000	Total £ 000
Cost				
At 01 May 2019	9,170	52,884	67,283	129,337
Additions	781	4,657	3,445	8,883
Disposals	(604)	(38,484)	(12,241)	(51,329)
At 30 April 2020	<u>9,347</u>	<u>19,057</u>	<u>58,487</u>	<u>86,891</u>
Accumulated depreciation				
At 01 May 2019	8,426	47,703	42,408	98,537
Provided in the year	298	2,968	4,842	8,108
Disposals	(551)	(37,822)	(11,403)	(49,776)
At 30 April 2020	<u>8,173</u>	<u>12,849</u>	<u>35,847</u>	<u>56,869</u>
Net book amount at 30 April 2020	<u>1,174</u>	<u>6,208</u>	<u>22,640</u>	<u>30,022</u>
Net book amount at 30 April 2019	<u>744</u>	<u>5,181</u>	<u>24,875</u>	<u>30,800</u>

10 Investments

The Partnership

	Total £ 000
Cost and net book amount	
At 01 May 2019	7,681
Disposals	(8)
At 30 April 2020	<u>7,673</u>

Eversheds Sutherland (International) LLP

Notes to the Financial Statements for the Year Ended 30 April 2020 (continued)

10 Investments (continued)

The members believe that the carrying value of the investments is supported by their underlying net assets.

Eversheds Sutherland (International) LLP owns 100% of the ordinary share capital of all the subsidiary undertakings below, which have been included in the Group consolidation.

Subsidiary undertakings	Registered Address	Country of incorporation	Share-holding %	Type of Shares	Principal activity
Senator Insurance Limited	Maison Trinity, Trinity Square, St Peter Port, Guernsey, GY1 4AT.	Guernsey	100%	Ordinary	Captive insurance company
Eversheds Sutherland Legal Services Limited	Eversheds House, 70 Great Bridgewater Street, Manchester, United Kingdom, M1 5ES.	England and Wales	100%	Ordinary	Management company
Bridge Trustees Limited	115 Colmore Road, Birmingham, West Midlands, United Kingdom, B3 3AL.	England and Wales	100%	Ordinary	Pension trustee company
Eversheds Properties Limited	Eversheds House, 70 Great Bridgewater Street, Manchester, United Kingdom, M1 5ES.	England and Wales	100%	Ordinary	Property leasing
Eversheds Sutherland Netherlands B.V.	De Cuserstraat 85, 1081 CN Amsterdam, Postbus 7902, 1008 AC Amsterdam	The Netherlands	100%	Ordinary	Legal services
Eversheds Sutherland Consulting (Netherlands) B.V.	De Cuserstraat 85, 1081 CN Amsterdam, Postbus 7902, 1008 AC Amsterdam	The Netherlands	100%	Ordinary	Legal services
Evolve Servicing Limited	Eversheds House, 70 Great Bridgewater Street, Manchester, United Kingdom, M1 5ES.	England and Wales	100%	Ordinary	Legal services
Eversheds Sutherland Legal Services (Qatar) LLC	Qatar Financial Centre, Tower 1, P.O. Box 24148, Doha, Qatar.	Qatar	100%*	Ordinary	Management company

* 50% indirectly owned by Eversheds Sutherland Legal Services Limited.

Eversheds Sutherland (International) LLP has effective control of the following entities, which have also been included in the Group consolidation:

Subsidiary undertakings	Registered Address	Country of incorporation	Principal activity
Eversheds Sutherland Hong Kong	One Taikoo Place, Taikoo Place, 979 King's Road, Quarry Bay, Hong Kong	Hong Kong	Legal services
Eversheds Legal Services (Hong Kong) Ltd	One Taikoo Place, Taikoo Place, 979 King's Road, Quarry Bay, Hong Kong	Hong Kong	Management company
Musanada Law PSC	1 Rafiq Al-Hariri Avenue, Abdali, PO Box 3064, Jordan Amman 11190, Jordan		Legal services

Eversheds Sutherland (International) LLP

Notes to the Financial Statements for the Year Ended 30 April 2020 (continued)

10 Investments (continued)

Subsidiary undertakings	Registered Address	Country of incorporation	Principal activity
Eversheds Sutherland (Germany) LLP	One Wood Street, London, EC2V 7WS	England and Wales	Legal services
Eversheds Sutherland (France) LLP	One Wood Street, London, EC2V 7WS	England and Wales	Legal services
Eversheds Sutherland (Luxembourg) LLP	One Wood Street, London, EC2V 7WS	England and Wales	Legal services

Eversheds Sutherland (International) LLP exercises effective control through the appointment of senior partners of Eversheds Sutherland (International) LLP as either shareholders or designated members of these entities.

At 30 April 2020 the Group and the LLP were part of a joint venture in the following entity. The Group's share of joint venture profit and loss have been included in the Group consolidation:

Joint venture	Country of incorporation	Shareholding %	Principal activity
Mohammed AlDhabaan & Partners in association with Eversheds Sutherland (International) LLP	Saudi Arabia	50%	Legal services

At 30 April 2020 the Group and the LLP had interests in the following associates. Associate profit and loss are immaterial to the group, and have not been included in the Group consolidation:

Associates	Country of incorporation	Shareholding %	Principal activity
Eversheds Harry Elias LLP	Singapore	33%	Legal services
Eversheds Sutherland Russia	Russia	20%	Legal services

After the year end the group ended its association with Eversheds Harry Elias LLP on 30 June 2020, with no financial impact to the Group.

Eversheds Sutherland (International) LLP

Notes to the Financial Statements for the Year Ended 30 April 2020 (continued)

11 Debtors

	Group		Partnership	
	2020 £ 000	2019 £ 000	2020 £ 000	2019 £ 000
Amounts recoverable on contracts	49,613	49,558	37,516	37,071
Trade debtors	190,925	186,286	153,211	141,362
Amounts owed by joint venture	1,872	1,593	612	1,176
Other debtors	12,605	18,754	9,792	16,525
Amounts due from members	532	466	532	466
Amounts owed by group undertakings	-	-	63,797	57,790
Prepayments	22,833	19,468	11,998	8,922
	<u>278,380</u>	<u>276,125</u>	<u>277,458</u>	<u>263,312</u>

Amounts owed by group undertakings are unsecured, and repayable on demand.

All amounts shown under debtors fall due within one year except:

Group:

- Rent free periods given of £812,149 (2019: £585,408)

The impairment loss recognised in the group profit or loss for the period in respect of bad and doubtful trade debtors was £13,334,491 (2019: £5,400,167). The impairment loss recognised in the LLP profit or loss for the period in respect of bad and doubtful trade debtors was £8,937,298 (2019: £2,765,334).

12 Creditors: Amounts falling due within one year

	Group		Partnership	
	2020 £ 000	2019 £ 000	2020 £ 000	2019 £ 000
Bank loans and overdrafts	484	182	337	69
Trade creditors	49,284	48,497	40,669	38,268
Amounts due to former members	1,022	619	1,022	619
Amounts owed to group undertakings	-	-	43,825	35,918
Other taxes and social security	29,024	16,538	23,737	10,454
Other creditors	5,909	13,178	3,776	9,592
Accruals and deferred income	67,630	61,687	36,609	36,555
	<u>153,353</u>	<u>140,701</u>	<u>149,975</u>	<u>131,475</u>

Amounts owed to group undertakings are unsecured, and repayable on demand.

All bank facilities are unsecured and interest is charged at market rates agreed with the banks.

All borrowings are repayable within one year.

Eversheds Sutherland (International) LLP

Notes to the Financial Statements for the Year Ended 30 April 2020 (continued)

13 Creditors: Amounts falling due after more than one year

	Group	
	2020	2019
	£ 000	£ 000
Accruals	2,878	3,072

Amounts falling due after one year includes the following liabilities relating to operating lease incentives, on which security has been given by the Group:

	Group	
	2020	2019
	£ 000	£ 000
Between one to two years	408	365
Between two to five years	1,731	1,758
More than five years	739	949
	2,878	3,072

14 Leasing commitments

Land and buildings

The total of future minimum lease payments is as follows:

	Group	
	2020	2019
	£ 000	£ 000
Not later than one year	27,831	29,167
Later than one year and not later than five years	83,029	88,587
Later than five years	22,602	40,692
	133,462	158,446

Other

The total of future minimum lease payments is as follows:

	2020	2019
	£ 000	£ 000
Not later than one year	-	100
	-	100

Eversheds Sutherland (International) LLP

Notes to the Financial Statements for the Year Ended 30 April 2020 (continued)

14 Leasing commitments (continued)

Land and buildings (Lessor)

The total of future rent receivables is as follows:

	Group	
	2020 £ 000	2019 £ 000
Not later than one year	2,606	2,907
Later than one year and not later than five years	2,919	4,776
Later than five years	478	1,204
	6,003	8,887

15 Provisions

Group

	Provision for dilapidations £ 000	Provision for surplus properties £ 000	Provision for losses in joint venture £ 000	Total £ 000
At 1 May 2019	12,113	1,691	830	14,634
Provided in profit and loss account	2,131	-	(33)	2,098
Utilised during year	(913)	(473)	-	(1,386)
Unwinding of discount	-	(9)	-	(9)
Other changes	(161)	3	4	(154)
At 30 April 2020	13,170	1,212	801	15,183

Partnership

	Provision for dilapidations £ 000
At 1 May 2019	11,574
Provided in profit and loss account	2,069
Utilised during year	(913)
Other changes	67
At 30 April 2020	12,797

Provisions have been made in respect of surplus properties being the present value of the expected difference between future rental payments and rental income and are generally expected to be utilised over lease and/or sublease period.

Dilapidations provisions are expected to be utilised at the lease end date. The provision is based on estimates prepared by management experts working with the Group. These are not discounted as the time value of money is considered to be immaterial to the Group. The provision is expected to crystallise between two and ten years from the balance sheet date.

Eversheds Sutherland (International) LLP

Notes to the Financial Statements for the Year Ended 30 April 2020 (continued)

16 Financial instruments

	Group		Partnership	
	2020 £ 000	2019 £ 000	2020 £ 000	2019 £ 000
Financial assets at amortised cost:				
Loans and receivables				
Cash at bank	41,984	28,278	16,760	6,777
Amounts recoverable on contracts	49,613	49,558	37,516	37,071
Trade receivables	190,925	186,286	153,211	141,362
Amounts due from group undertakings	-	-	63,797	57,790
Other receivables	12,605	18,754	9,792	16,525
	<u>295,127</u>	<u>282,876</u>	<u>281,076</u>	<u>259,525</u>
Financial liabilities at amortised cost				
Trade creditors	49,284	48,497	40,669	38,268
Bank loans and overdrafts	484	182	337	69
Amounts owed to group undertakings	-	-	43,825	35,918
Other creditors	5,909	3,026	3,776	542
Accruals	52,022	57,254	27,255	36,410
	<u>107,699</u>	<u>108,959</u>	<u>115,862</u>	<u>111,207</u>

17 Analysis of changes in net debt

Group	At 1 May 2019 £ 000	Cash flows £ 000	Non-cash changes £ 000	At 30 April 2020 £ 000
	Cash at bank			28,277
Overdrafts	(182)	(302)	-	(484)
Net debt (before members' debt)	28,095	13,405	-	41,500
Loans and other debts due to members				
Members' capital	(68,340)	(2,296)	(137)	(70,773)
Other amounts due to members	(118,572)	163,553	(169,626)	(124,645)
Net debt	<u>(158,817)</u>	<u>174,662</u>	<u>(169,763)</u>	<u>(153,918)</u>

Non-cash movements represent foreign exchange translation adjustments and profit distributions allocated to members.

Eversheds Sutherland (International) LLP

Notes to the Financial Statements for the Year Ended 30 April 2020 (continued)

18 Related party transactions

Eversheds Sutherland (International) LLP has taken advantage of the exemption given in FRS102 "Related Party Disclosures" not to disclose transactions between itself and its subsidiary undertakings. Eversheds Sutherland (International) LLP has undertaken transactions with Eversheds Sutherland (Europe) Limited and Eversheds Sutherland (International) Charitable Trust.

Transactions and related party balances between Eversheds Sutherland (International) LLP and its related party Eversheds Sutherland (Europe) Limited (not consolidated within the Group) were:

	Year ended 30 April 2020 £ 000	Year ended 30 April 2019 £ 000
Turnover	3,135	2,908
Cost of Sales	<u>(3,135)</u>	<u>(2,908)</u>
Gross profit	<u>-</u>	<u>-</u>
	30 April 2020 £ 000	30 April 2019 £ 000
Balances owed by Eversheds Sutherland (Europe) Limited	267	132
Balances owed to Eversheds Sutherland (Europe) Limited	<u>267</u>	<u>132</u>

Transactions between Eversheds Sutherland (International) LLP and its related party Eversheds Sutherland (International) Charitable Trust (not consolidated within the group) were:

	Unrestricted funds 2020 £ 000	Unrestricted funds 2019 £ 000
Donations from Eversheds Sutherland (International) LLP	-	27
Donations from partners	<u>385</u>	<u>390</u>
	<u>385</u>	<u>417</u>

There were no related party balances held with the trust at year end.

19 Ultimate Controlling Party

The members are the controlling party by virtue of their controlling interest in the limited liability partnership. The ultimate controlling party is the same as the controlling party.