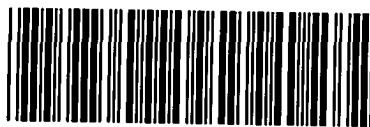

STEVENS & BOLTON LLP

ANNUAL REPORT
FOR THE YEAR ENDED 30 APRIL 2023

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COMPANIES HOUSE

STEVENS & BOLTON LLP

INFORMATION

Designated Members

RA Baxter
KG Syson
JRA Waddell

LLP registered number

OC306955

Registered office

Wey House, Farnham Road, Guildford, Surrey, GU1 4YD

Independent auditor

CLA Evelyn Partners Limited, Onslow House, Onslow Street, Guildford, GU1 4TL

Bankers

HSBC, PO Box 160, 12a North Street, Guildford, GU1 4AF

Lloyds, 147 High Street, Guildford, GU1 3AG

STEVENS & BOLTON LLP

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STEVENS & BOLTON LLP

EXECUTIVE SUMMARY FOR THE YEAR ENDED 30 APRIL 2023

2022/23 Review

"Independent UK law firm Stevens & Bolton LLP has completed another successful year which saw material strategic investment in its business. Headline revenues were sustained in line with an exceptional prior year (during which revenues increased by 24%). Excluding the impact of a significant contingent fee arrangement in the prior year, the firm achieved 8% underlying revenue growth in 2022/23.

The firm also completed an impressive refurbishment and upgrade of its Guildford headquarters to facilitate further planned expansion and to support flexible working and greater collaboration, reinforcing its commitment to deliver excellence beyond the City for its clients and people."

A year in summary

2022/23 was the third year of our current strategic plan which focuses our collective efforts around three areas of priority for our firm: intelligent growth, client centricity and talent.

We also continued to build on our core values: *Empathy* – listening and understanding, *Excellence* – being proactive and responsive, *Straightforward* – being clear in language and advice, and *Together* – One S&B working together, with our clients, to deliver positive outcomes.

Running through, and helping inform, our strategy and our values is our commitment to our wider societal responsibility. We have, through our Impact and D&I initiatives, made encouraging progress on environment, social and governance (ESG) and this will be further developed and formalised through our plans for the coming years.

During the 12 months to April 2023, we continued to be entrusted to support our existing, and several significant new, clients. As the UK and global economies slowed and economic activity levels became more constrained following the invasion of Ukraine (with the consequential rise in inflation and interest rates), our focus on anticipating and responding effectively to our clients' needs served us well in helping us to maintain and develop key relationships and revenues.

Following an exceptionally strong 2021/22 (which was positively impacted by a significant contingent fee arrangement), reported revenue for 2022/23 held up well at £35.9m - 0.6% below the prior year but 8% up on an underlying basis. Notwithstanding our significant investments in facilities, technology and talent, net profit on an underlying basis for 2022/23 improved by 14% versus the prior year. Against an industry trend of declining net profit margins, our net profit margin on an underlying basis improved by nearly two percentage points versus the prior year.

Despite pressures on all sectors of the economy, close management of working capital and cash collection meant that lock up increased only slightly to 118 days on average – but remaining well ahead of industry averages. Our year-end cash balance, again impacted by our strategic investment programme, was consequently lower than at the previous year-end, at £2.7m.

EXECUTIVE SUMMARY (CONTINUED)
FOR THE YEAR ENDED 30 APRIL 2023

Delivering on our strategy

We are pleased to report continued good progress in each of the three constituent parts of our strategic plan over the course of the financial year.

Client centricity

Our focus on the needs of all our clients continued as we followed through on insights and learnings derived from our client listening initiative. We extended our use of proprietary, technology-enabled tools to help enable closer, faster collaboration with clients across our business.

We also created and hosted regular General Counsel forums, again responding to client appetite for peer group knowledge sharing and benchmarking, and these are now an established fixture for our client GCs.

This year also saw the successful hand over of leadership of our International Practice Group, as the scope and scale of our work with international clients and contacts continued to grow. Sarah Murray, Head of Commercial Litigation and member of the Board, was appointed Head of IPG following the retirement of Jonathan Porteous to whom we again extend our thanks for his long and valued service to the firm.

Talent

Talent, and our ability to attract, develop and retain top quality people across our legal and business services functions, lies at the heart of our strategic plan. Investments in compensation levels, our working environment and in personal professional development, each informed by detailed benchmarking, were made during the year to help our people excel and to constantly improve our service offering.

There have been significant changes in working practices across legal and other professional services and our location, just 30 minutes from central London, continues to provide a positive point of difference in attracting and retaining top talent as well as blue chip clients. Our newly launched, refurbished offices better enable networking and collaboration and are SKA as well as Fitwel 2 star accredited. We have continued with a policy of hybrid working, providing flexibility while also ensuring that increased time is spent together face to face in teams to facilitate cultural cohesion and learning.

In lawyer support and business services functions, we have continued to invest and add new resources. Our business services teams now fall under the leadership of a new senior role and we were pleased to announce the arrival, in January 2023, of Doug Williams who joined us as COO from DLA Piper to work alongside new Managing Partner James Waddell (who previously headed up our Corporate practice and took over as Managing Partner from Richard King in May 2022).

Intelligent growth

Our stated ambition is to extend our long-term growth record by developing both our capabilities and our client relationships, thereby enabling a programme of continuous investment in our people and our client service.

The year saw an ongoing programme of innovation, upgrades to our IT infrastructure and the embedding of lawyers in support of our clients' businesses through short and longer-term secondments.

As part of our growth plans we also increased investment in lateral hires and four new partners joined the firm during the period. These hires, together with the hires made at the end of the prior period, have added to our expertise and capacity to drive growth across financial services regulatory, private client, M&A, corporate tax, real estate, and employment pensions & immigration.

EXECUTIVE SUMMARY (CONTINUED)
FOR THE YEAR ENDED 30 APRIL 2023

Looking forward

In this third and penultimate year of our current four-year strategic plan, we have delivered another good performance in a challenging market which saw both economic and geopolitical uncertainty affect the UK and global business environment. Despite these headwinds, we were able to invest for the long term in our people, our facilities and our clients. Our corporate and private client relationships continue to evolve and develop and provide a solid platform for the future as we pursue our mission to add value and support our clients in achieving their goals.

We enter the new financial year again cognisant of uncertain macro-economic and political environments, but with a strong all-equity partnership supported by equally strong lawyer and business services teams. As we begin work on the next phase of our strategic plan, with a horizon out to 2030, we remain committed to investing in our people, delivering positive outcomes for our clients, and continuing in our ambition to deliver intelligent growth in our business.

We believe that this strategic focus and our commitment to build on our values - making a positive difference in our community and delivering *"Excellence beyond the City"* for our clients and people - positions us well for the year ahead.

STEVENS & BOLTON LLP

MEMBERS' REPORT
FOR THE YEAR ENDED 30 APRIL 2023

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

Principal activities

The principal activity of the LLP is acting as solicitors to clients.

Designated Members

The designated members of the LLP throughout the year were:

RA Baxter
KG Syson; and
JRA Waddell

Review of business

In the opinion of the members the state of the LLP's affairs at 30 April 2023 is satisfactory and they look forward to the future with confidence.

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

The level of members' capital held within the firm is determined by the members, in accordance with the Members' Agreement, and is based upon an assessment of the working capital needs of the business in the medium to long term. The proportion of the total capital that each member has in the firm is based upon their share of the profits. A member shall not be entitled to draw against the sum standing to the credit of their capital account except upon ceasing to be a Member or with the consent of the Managing Partner (and, in the case of the Managing Partner, the Senior Partner).

Drawings are paid to each member on a monthly basis on account of the profits allocated to the member. The level of monthly drawings is determined by the Managing Partner along with the appropriate amount that should be reserved internally to cover any personal costs of the member and a provision for taxation.

Disclosure of information to auditor

Each of the persons who are members at the time when this Members' Report is approved has confirmed that:

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

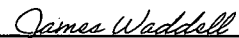
STEVENS & BOLTON LLP

MEMBERS' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 APRIL 2023

Auditor

The auditor, CLA Evelyn Partners Limited, has indicated its willingness to continue in office. The board members will propose a motion re-appointing the auditor.

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


James Waddell (Jan 29, 2024 15:06 GMT)

JRA Waddell

Date: 29/01/2024

STEVENS & BOLTON LLP

MEMBERS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 30 APRIL 2023

The members are responsible for preparing the annual 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law, as applied to LLPs, 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 LLP and of the profit or loss of the LLP for that period.

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

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

The members are responsible for keeping adequate accounting records that are sufficient to show and explain the LLP's transactions and disclose with reasonable accuracy at any time the financial position of the LLP and to 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 LLP and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF STEVENS & BOLTON LLP

Opinion

We have audited the financial statements of Stevens & Bolton LLP (the 'Limited Liability Partnership') for the year ended 30 April 2023 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Reconciliation of Members' Interests (including Statement of Changes in Equity), the 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 Limited Liability Partnership's affairs as at 30 April 2023 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 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 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 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.

STEVENS & BOLTON LLP

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF STEVENS & BOLTON LLP (CONTINUED)

Other information

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

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

Responsibilities of members

As explained more fully in the Members' Responsibilities Statement 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 Limited Liability Partnership's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the members either intend to liquidate the Limited Liability Partnership or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF STEVENS & BOLTON LLP (CONTINUED)

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 an understanding of the Limited Liability Partnership's legal and regulatory framework through enquiry of management concerning their understanding of relevant laws and regulations; the entity's policies and procedures regarding compliance; and how they identify, evaluate and account for litigation claims. We also drew on our existing understanding of the Limited Liability Partnership's industry and regulation.

We understand that the Limited Liability Partnership complies with 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 and which are central to the Limited Liability Partnership's ability to conduct its business and where failure to comply could result in material penalties. We identified the following laws and regulations as being of significance in the context of the Limited Liability Partnership:

- The regulatory requirements of the SRA;
- The Companies Act 2006 as applied to Limited Liability Partnerships and FRS 102 in respect of the preparation and presentation of the financial statements.

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 board 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 limited liability partnership's financial statements to material misstatement, including how fraud might occur. Identified as part of the discussion were:

- Recognition of revenue in the correct period;
- Existence and valuation of accrued income; and
- The risk of manipulation of the financial statements through manual journal entries.

These areas were communicated to the other members of the engagement team who were not present at the discussion.

STEVENS & BOLTON LLP

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF STEVENS & BOLTON LLP (CONTINUED)

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

- Testing a sample of revenue transactions to underlying documentation to ensure included in the correct period;
- Testing a sample of accrued income balances to underlying documentation; and
- Testing of a sample of manual journal entries, selected through applying specific risk assessments based on the limited liability partnership's processes and controls surrounding manual journal entries.

A further description of our responsibilities is available 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 Limited Liability Partnership's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the 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.

Timothy Adams
Timothy Adams (Jan 29, 2024 15:22 GMT)

Timothy Adams (Senior Statutory Auditor)

for and on behalf of
CLA Evelyn Partners Limited

Statutory Auditor
Chartered Accountants

Onslow House
Onslow Street
Guildford
GU1 4TL
Date: 29/01/2024

STEVENS & BOLTON LLP

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 APRIL 2023

	Note	2023 £000	2022 £000
Turnover	4	35,901	36,118
Staff costs	8	(14,109)	(12,958)
Other operating expenses		(9,598)	(8,369)
Depreciation and other amounts written off tangible fixed assets		(378)	(1,023)
Other operating income		617	323
		<hr/>	<hr/>
Operating profit	6	12,433	14,091
Interest receivable and similar income		579	12
Interest payable and similar expenses	11	(275)	(55)
		<hr/>	<hr/>
Profit for the year before members' remuneration and profit shares		12,737	14,048
Members' remuneration charged as an expense		(4,215)	(4,716)
		<hr/>	<hr/>
Profit for the financial year available for discretionary division among members		8,522	9,332
		<hr/>	<hr/>

There was no other comprehensive income for 2023 (2022 - £Nil).

The notes on pages 17 to 30 form part of these financial statements.

STEVENS & BOLTON LLP
REGISTERED NUMBER:OC306955

BALANCE SHEET
AS AT 30 APRIL 2023


	Note	2023 £000	2022 £000
Fixed assets			
Tangible assets	12	7,256	1,552
Investments	13	100	100
		<u>7,356</u>	<u>1,652</u>
Current assets			
Debtors: amounts falling due within one year	14	15,552	13,126
Cash at bank and in hand	15	2,674	4,314
		<u>18,226</u>	<u>17,440</u>
Creditors: Amounts Falling Due Within One Year	16	(4,711)	(4,410)
Net current assets		<u>13,515</u>	<u>13,030</u>
Total assets less current liabilities		<u>20,871</u>	<u>14,682</u>
Creditors: amounts falling due after more than one year	17	(5,020)	(918)
		<u>15,851</u>	<u>13,764</u>
Provisions for liabilities			
Other provisions	19	(678)	(674)
Net assets		<u><u>15,173</u></u>	<u><u>13,090</u></u>

STEVENS & BOLTON LLP
REGISTERED NUMBER:OC306955

BALANCE SHEET (CONTINUED)
AS AT 30 APRIL 2023

	2023 £000	2022 £000
Represented by:		
Loans and other debts due to members within one year		
Members' capital classified as a liability	4,251	3,322
Other amounts	2,224	260
	<hr/> 6,475	<hr/> 3,582
Members' other interests		
Other reserves classified as equity	8,698	9,508
	<hr/> 15,173	<hr/> 13,090
Total members' interests		
Loans and other debts due to members	6,475	3,582
Members' other interests	8,698	9,508
	<hr/> 15,173	<hr/> 13,090

The financial statements were approved and authorised for issue by the members and were signed on their behalf by:


James Waddell (Jan 29, 2024 15:06 GMT)

JRA Waddell
Designated member

Date: 29/01/2024

The notes on pages 17 to 30 form part of these financial statements.

STEVENS & BOLTON LLP

RECONCILIATION OF MEMBERS' INTERESTS (INCLUDING STATEMENT OF CHANGES IN EQUITY)
FOR THE YEAR ENDED 30 APRIL 2023

	EQUITY Members' other interests		DEBT Loans and other debts due to members less any amounts due from members in debtors			Total members' interests
	Other reserves £000	Total £000	Members' capital (classified as liability) £000	Other amounts £000	Total £000	Total £000
Balance at 30 April 2021	7,525	7,525	3,442	499	3,941	11,466
Members' remuneration charged as an expense	-	-	-	4,716	4,716	4,716
Profit for the year available for discretionary division among members	9,332	9,332	-	-	-	9,332
Members' interests after profit for the year	16,857	16,857	3,442	5,215	8,657	25,514
Other division of profits	(7,349)	(7,349)	-	7,349	7,349	-
Amounts introduced by members	-	-	420	-	420	420
Repayment of capital	-	-	(510)	-	(510)	(510)
Transfer to creditors in respect of former members	-	-	(30)	(172)	(202)	(202)
Drawings on account and distribution of profit	-	-	-	(12,132)	(12,132)	(12,132)
Balance at 30 April 2022	9,508	9,508	3,322	260	3,582	13,090
Members' remuneration charged as an expense	-	-	-	4,215	4,215	4,215
Profit for the year available for discretionary division among members	8,522	8,522	-	-	-	8,522
Members' interests after profit for the year	18,030	18,030	3,322	4,475	7,797	25,827
Other division of profits	(9,332)	(9,332)	-	9,332	9,332	-
Amounts introduced by members	-	-	954	-	954	954
Repayment of capital	-	-	(25)	-	(25)	(25)
Drawings on account and distribution of profit	-	-	-	(11,583)	(11,583)	(11,583)
Balance at 30 April 2023	8,698	8,698	4,251	2,224	6,475	15,173

Loans and other debts due to members rank equally with debts due to other creditors in a winding up.

Other reserves are made up of the profits available for division among members less allocated profits. There are no restrictions or limitations on the ability of the members to reduce the amount of members' other interests.

STEVENS & BOLTON LLP

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 APRIL 2023

	2023 £000	2022 £000
Cash flows from operating activities		
Profit for the financial year	8,522	9,332
Adjustments for:		
Members' remuneration charged as an expense	4,215	4,716
Depreciation of tangible assets	378	524
Interest paid	275	55
Interest received	(579)	(12)
Increase in debtors	(2,418)	(2,484)
(Decrease)/increase in creditors	(118)	374
Increase in provisions	4	62
Loss on disposal of tangible fixed assets	-	499
Net cash generated from operating activities before transactions with members	10,279	13,066
Cash flows from investing activities		
Purchase of tangible fixed assets	(6,082)	(588)
Monies received regarding capital incentives	800	-
Interest received	579	12
Net cash used in investing activities	(4,703)	(576)
Cash flows from financing activities		
New borrowings during the year	5,376	1,027
Repayment of other loans	(1,663)	(1,226)
Interest paid	(275)	(55)
Capital contributions by members	954	420
Capital repayments to members	(25)	(510)
Drawing and distributions to members	(11,583)	(12,132)
Net cash used in financing activities	(7,216)	(12,476)

STEVENS & BOLTON LLP

STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 30 APRIL 2023

	2023 £000	2022 £000
Net (decrease)/increase in cash and cash equivalents	(1,640)	14
Cash and cash equivalents at beginning of year	4,314	4,300
Cash and cash equivalents at the end of year	2,674	4,314
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	2,674	4,314
	2,674	4,314

STEVENS & BOLTON LLP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2023

1. General information

Stevens & Bolton LLP is a limited liability partnership, domiciled and incorporated in England and Wales (registered number: OC306955). The registered office address is Wey House, Farnham Road, Guildford, Surrey, GU1 4YD.

The LLP's functional and presentational currency is GBP.

2. Accounting policies

2.1 Basis of preparation of financial statements

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

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

The following principal accounting policies have been applied:

2.2 Going concern

Having prepared cashflow forecasts for the next 12 months, using a number of prudent assumptions, the members are confident that the LLP has more than adequate resources to successfully continue in operation for the foreseeable future. They continue to adopt the going concern basis of accounting in preparing the annual financial statements.

2.3 Revenue

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for services provided in the normal course of business, net of VAT.

Where fees for professional work have been unconditionally earned but not invoiced at the period end, these amounts are included within accrued income. The amount recognised is the fair value of the services provided at the balance sheet date as a proportion of the total value of the engagement.

2.4 Interest income

Interest income is recognised in profit or loss using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2023

2. Accounting policies (continued)

2.5 Pensions

Defined contribution pension plan

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

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in other creditors as a liability in the balance sheet. The assets of the plan are held separately from the LLP in independently administered funds.

2.6 Taxation

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

2.7 Members' remuneration

Remuneration for each member is based upon a combination of length of service and performance. Each member is entitled to a certain share of profits which increases over the first four years of their time as a member, subject to sufficient profits being available, and this is allocated to the members before the year end and accounted for as a charge in the statement of comprehensive income. Profit over and above the level of allocated profits is credited to other reserves, with any further allocation to the members taking place after the year end.

Drawings are paid to each member on a monthly basis on account of the profits allocated to the member. The level of monthly drawings is determined by the Managing Partner along with the appropriate amount that should be reserved internally to cover any personal costs of the member. Where drawings exceed profit allocated to the member these are included in amounts due from members.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2023

2. Accounting policies (continued)

2.8 Tangible fixed assets

Tangible assets comprise leasehold property, office equipment and computer equipment. Tangible assets are stated at cost less accumulated depreciation and any recognised impairment loss.

Depreciation is charged so as to write off the cost of assets to their residual value, over their estimated useful lives on the following bases:

Depreciation is provided on the following basis:

Leasehold property	- over the lease term on a straight-line basis
Office equipment	- straight-line basis between 3 and 10 years depending on the nature of the asset
Computer equipment & software	- straight-line basis between 1 and 10 years depending on the nature of the asset

2.9 Impairment of non-financial assets

At each balance sheet date, tangible assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). If there is an indication of possible impairment, the recoverable amount of any affected asset (or group of related assets) is estimated and compared with its carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in the statement of comprehensive income.

2.10 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.11 Provisions for liabilities

Provisions are made where an event has taken place that gives the LLP a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the LLP becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the balance sheet.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2023

2. Accounting policies (continued)

2.12 Financial instruments

Financial assets and financial liabilities are recognised in the balance sheet when the LLP 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. A provision is established when there is objective evidence that the LLP will not be able to collect all amounts due.

Cash and cash equivalents are classified as basic financial instruments and comprise cash at bank, short-term bank deposits with an original maturity of three months or less and bank overdrafts which are an integral part of the LLP's cash management.

Financial liabilities issued by the LLP are classified in accordance with the substance of the contractual arrangements entered into and the definitions of a financial liability.

Interest bearing banks loans, overdrafts and other loans which meet the criteria to be classified as basic financial instruments are initially recorded at the present value of cash payable to the bank, which is ordinarily equal to the proceeds received net of direct issue costs. The liabilities are subsequently measured at amortised cost, using the effective interest rate method.

Financial assets are de-recognised when:

- the contractual rights to the cash flows from the financial asset expire or are settled; or
- the LLP transfers to another party substantially all of the risks and rewards of ownership of the financial asset; or
- the LLP, despite having retained some but not all significant risks and rewards of ownership, has transferred control of the asset to another party.

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

2.13 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership of the lessee. All other leases are classified as operating leases. At the balance sheet date all leases are classified as operating leases.

Rentals payable under operating leases are charged to the statement of comprehensive income on a straight-line basis over the term of the relevant lease. Benefits received and receivable as an incentive to enter into an operating lease are also spread on a straight-line basis over the lease term.

Rental income under operating leases is credited to the statement of comprehensive income on a straight-line basis over the lease term. Benefits given and to be given as an incentive to sign an operating lease are spread on a straight-line basis over the lease term.

Capital incentives relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the incentive relates. The deferred element of this capital incentive is included in creditors as deferred income.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2023

2. Accounting policies (continued)

2.14 Employee benefits

Short term employee benefits including holiday pay and annual bonuses are accrued as services are rendered. Contributions to defined contribution pension schemes are charged to the statement of comprehensive income as they become payable in accordance with the rules of the scheme. Differences between contributions payable in the year and those actually paid are shown within other creditors in the balance sheet.

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

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

Judgements

Financial instruments

The classification of financial instruments as "basic" or "other" requires judgement as to whether all the applicable conditions for classification as basic are met. This includes consideration of the form of the instrument and its return.

Key sources of estimation uncertainty

Bad debt and accrued income provisions

The trade debtors balance of £10,408,000 (2022 - £8,971,000) and accrued income balance of £3,154,000 (2022 - £2,401,000) recorded in the LLP's balance sheet comprise a relatively large number of small balances. A full line-by-line review of these balances is carried out at the end of each month, as well as a provision being applied based on the ageing of each balance. Included in the above totals are a provision of £685,000 (2022 - £529,000) against the trade debtors, and £408,000 (2022 - £460,000) against the accrued income balances. Whilst every attempt is made to ensure that the bad debt and accrued income provisions are as accurate as possible, there remains a risk that the provisions do not match the level of debts and accrued income which ultimately prove to be recoverable.

Provision for dilapidations

The provision for dilapidations of £678,000 (2022 - £674,000), recorded in the LLP's balance sheet, is based on the contractual obligations of the LLP on surrender of certain operating leases in respect of land and buildings to reinstate the premises to the same state as conditions as before the occupancy. Significant judgements include the current estimated cost of dilapidations, the rate of inflation of estimated cost, and the date at which the dilapidations will become payable. Management believe that the provision recognised is a true and fair reflection of the cost of future dilapidation expenditure but, despite this, there remains a risk that the provision does not match the level of cost ultimately required.

STEVENS & BOLTON LLP

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2023

4. Turnover

An analysis of turnover by class of business is as follows:

	2023 £000	2022 £000
Invoices delivered	35,147	36,010
Movement in accrued income	754	108
	<u>35,901</u>	<u>36,118</u>

All turnover arose within the United Kingdom.

5. Other operating income

	2023 £000	2022 £000
Net rents receivable	<u>617</u>	<u>323</u>

6. Operating profit

The operating profit is stated after charging/(crediting):

	2023 £000	2022 £000
Bad debt charge	325	234
Operating lease charges - land and buildings	1,476	1,291
Operating lease rentals receivable - land and buildings	<u>(617)</u>	<u>(323)</u>

STEVENS & BOLTON LLP

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2023

7. Auditor's remuneration

During the year, the LLP obtained the following services from the LLP's auditor:

	2023 £000	2022 £000
Fees payable to the LLP's auditor for the audit of the LLP's financial statements	50	40

Fees payable to the LLP's auditor and its associates for other services to the LLP:

	2023 £000	2022 £000
Services relating to taxation	71	62
All other services	15	11
	<u>86</u>	<u>73</u>

8. Employees

Staff costs were as follows:

	2023 £000	2022 £000
Wages and salaries	12,185	11,261
Social security costs	1,377	1,216
Cost of defined contribution scheme	547	481
	<u>14,109</u>	<u>12,958</u>

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

	2023 No.	2022 No.
Fee earners	126	126
Support staff	93	86
	<u>219</u>	<u>212</u>

STEVENS & BOLTON LLP

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2023

9. Information in relation to members

	2023 Number	2022 Number
The average number of members during the year was	44	41
	<u>2023</u> £000	<u>2022</u> £000
The average members remuneration during the year was	289	346
	<u>618</u>	<u>639</u>
The amount of profit attributable to the member with the largest entitlement was		

Profit attributable to the member with the largest entitlement is determined by reference to their expected share of 'profit for the financial year before members' remuneration and profit shares' as shown on page 11.

10. Interest receivable

	2023 £000	2022 £000
Other interest receivable	579	12

11. Interest payable and similar expenses

	2023 £000	2022 £000
Bank interest payable	152	55
Other interest payable to clients	123	-
	<u>275</u>	<u>55</u>

STEVENS & BOLTON LLP

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2023

12. Tangible fixed assets

	Long-term leasehold property £000	Office equipment £000	Computer equipment £000	Total £000
Cost				
At 1 May 2022	1,375	-	2,013	3,388
Additions	4,728	1,081	273	6,082
Disposals	(1,338)	-	-	(1,338)
At 30 April 2023	<u>4,765</u>	<u>1,081</u>	<u>2,286</u>	<u>8,132</u>
Depreciation				
At 1 May 2022	1,314	-	522	1,836
Charge for the year	77	21	280	378
Disposals	(1,338)	-	-	(1,338)
At 30 April 2023	<u>53</u>	<u>21</u>	<u>802</u>	<u>876</u>
Net book value				
At 30 April 2023	<u>4,712</u>	<u>1,060</u>	<u>1,484</u>	<u>7,256</u>
At 30 April 2022	<u>61</u>	<u>-</u>	<u>1,491</u>	<u>1,552</u>

STEVENS & BOLTON LLP

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2023

13. Fixed asset investments

	Investments in subsidiary companies £000
Cost or valuation	
At 1 May 2022	100
At 30 April 2023	<u>100</u>

Subsidiary undertakings

The following were subsidiary undertakings of the LLP:

Name	Registered office	Principal activity	Class of shares	Holding
Stevens & Bolton Trustees Limited	Wey House, Farnham Road, Guildford, Surrey, GU1 4YD	Non-trading company	Ordinary	100%
S&B Limited	Wey House, Farnham Road, Guildford, Surrey, GU1 4YD	Non-trading company	Ordinary	100%

The LLP has a direct shareholding of 100% in these two companies. Group accounts consolidating the results of Stevens & Bolton Trustees Limited and S&B Limited have not been prepared on the basis that the results would be immaterial to the consolidation, in line with section 405 of the Companies Act.

14. Debtors

	2023 £000	2022 £000
Trade debtors	10,408	8,971
Amounts due from former members	8	3
Other debtors	2	-
Prepayments and accrued income	5,134	4,152
	<u>15,552</u>	<u>13,126</u>

STEVENS & BOLTON LLP

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2023

15. Cash and cash equivalents

	2023 £000	2022 £000
Cash at bank and in hand	2,674	4,314

16. Creditors: Amounts falling due within one year

	2023 £000	2022 £000
Bank loans (note 18)	1,293	934
Trade creditors	309	425
Amounts due to former members	128	207
Other taxation and social security	1,049	1,108
Other creditors	408	370
Accruals and deferred income	1,524	1,366
	4,711	4,410

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

	2023 £000	2022 £000
Bank loans (note 18)	4,272	918
Accruals and deferred income	748	-
	5,020	918

STEVENS & BOLTON LLP

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2023

18. Loans

Analysis of the maturity of loans is given below:

	2023 £000	2022 £000
Amounts falling due within one year		
Bank loans	1,293	934
Amounts falling due 1-2 years		
Bank loans	658	380
Amounts falling due 2-5 years		
Bank loans	3,614	538
	<u>5,565</u>	<u>1,852</u>

Included within borrowings due within one year as at 30 April 2023 is an unsecured loan of £647,297 on which interest is charged on the capital amount outstanding on fixed rate of 3.47%. The loan was repaid in full by 4 September 2023.

Also included within borrowings is an unsecured loan of £918,333 on which interest is charged on the capital amount outstanding at 1.69% + SONIA. The loan will be repaid in full by 22 September 2025.

The remaining balance within borrowings of £4,000,000 relates to an unsecured loan on which interest is charged at Bank of England rate + 1.95%. The loan will be repaid in full by October 2025.

19. Provisions

	Dilapidation provision £000
At 1 May 2022	674
Charged to profit or loss	4
At 30 April 2023	<u><u>678</u></u>

The above provision relates to the contractual obligations of the LLP on surrender of certain operating leases in respect of land and buildings to reinstate the premises to the same state and conditions as before the occupancy.

STEVENS & BOLTON LLP

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2023

20. Analysis of Net Debt

	At 1 May 2022 £000	Arising from cash flows £000	Other non- cash changes £000	At 30 April 2023 £000
Cash at bank and in hand	4,314	(1,640)	-	2,674
Borrowings due within 1 year	(934)	(359)	-	(1,293)
Borrowings due after 1 year	(918)	(3,354)	-	(4,272)
Net debt (before members' debt)	2,462	(5,353)	-	(2,891)
<i>Loans and other debts due to members</i>				
Members' capital	(3,322)	(929)	-	(4,251)
Other amounts due to members	(260)	11,583	(13,547)	(2,224)
Net debt	(1,120)	5,301	(13,547)	(9,366)

21. Commitments under operating leases

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

	2023 £000	2022 £000
Not later than 1 year	650	1,300
Later than 1 year and not later than 5 years	4,658	4,990
Later than 5 years	13,433	-
	18,741	6,290

STEVENS & BOLTON LLP

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2023

22. Related party transactions

In the opinion of the members, there is no controlling party.

A company owned by an independent consultant and their spouse provides professional and consultancy services to the LLP. This independent consultant is a member of the board. The total of the transactions in the year amounted to £65,248 and there was no outstanding balance at the year end.

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

In the opinion of the members the key management are the members and employees who are members of the board and the senior partner. Information regarding their compensation is given below.

	2023 £000	2022 £000
Members' and employees pay	789	1,057
Profit attributable to relevant members	2,356	3,475
	<u>3,145</u>	<u>4,532</u>

Profit attributable to relevant members is determined by reference to their expected share of 'profit for the financial year before members' remuneration and profit shares' shown on page 11.