

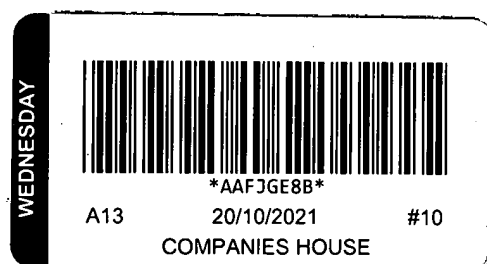
## **Shakespeare Martineau LLP**

Report and Financial Statements

Year Ended

30 April 2021

LLP Number OC319029



# **Shakespeare Martineau LLP**

## **Report and Financial Statements for the year ended 30 April 2021**

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### **Designated members**

S J Walker-Smith  
A R Whitehead  
K Patel

### **Registered office**

No 1 Colmore Square, Birmingham, B4 6AA

### **LLP number**

OC319029

### **Auditors**

BDO LLP, 55 Baker Street, London, W1U 7EU

## **Shakespeare Martineau LLP**

### **Chief Executive Statement for the year ended 30 April 2021**

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#### **Impact of the pandemic**

As for most businesses, 2020/2021 has been a year of unprecedented and rapid change, with a host of challenges and opportunities for our firm, our people and the organisations and communities we serve.

At the start of the financial year usual patterns of customer behaviour and interaction, forecasting and planning and working practices were in a state of flux.

But despite lockdown, uncertainty and unpredictability around us, our teams and members pulled together, quickly transitioning to remote working in the space of just two weeks; keeping our people and their loved ones safe, while also maintaining high standards of work for our clients.

During the first quarter, the value of matters opened dropped by £4 million and, as customers fought to deal with the consequences of lockdown and fear of the unknown, cash collection was severely impacted. To protect jobs from being lost as a result of the pandemic we used the government's Job Retention Scheme, but only while it was necessary. The amount claimed for the financial year was £862,000.

As soon as it became evident that matters opened and time on the clock returned to pre-pandemic levels in summer we brought people back; by September 2020, 99.9% of our people had returned from furlough.

We've also taken great care to learn from the experience of the pandemic, taking our flexible working practices to the next level with 'empowered work'. We acknowledge that everyone is different and empower our people to work at a time and location that suits them and their clients.

At no point have we made firm-wide salary cuts in response to the pandemic. And while salary reviews and bonuses were on hold last year, a strong end to the financial year has meant we have been able to reinstate both financial rewards for our people in 2021/22.

From summer 2020 customer confidence started to return and by the end of quarter three our business was back to growth.

#### **Strategy and growth**

We continue to invest in our people, through training and internal promotions as well as creating new roles, investing in IT, processes and systems to improve efficiency and maintain high standards of work.

While some partners have left the membership through retirement or onto pastures new, our culture and spotlight on our purpose and ambitions has acted as beacon to so many new talented individuals: we've welcomed 18 members and in total we've created 47 new roles in the last 12 months and, with more talent, we've won more tenders, more clients and been able to grow our existing clients too.

As part of our five year strategy we also announced Ampa Holding LLP (Ampa) as our new 'house of brands' group holding LLP. Over the next 12 months we will see the finalisation of phase one of our house of brands strategy building upon Ampa as a talent and team-facing professional services group, encompassing existing brands Shakespeare Martineau, Lime Solicitors, Marrons Planning and Corclaim, with other entities, team hires and service lines being introduced.

Ampa gives us the opportunity to expand further than law, creating a legal and professional services group that is both purposeful and profitable.

As a group we also have big ambitions to rocket fuel our responsible business agenda; we've appointed 40 internal responsible business champions who will drive our programme forward across community, people and environment, including volunteering, fundraising and our pledge to become net zero by 2025.

As we exit the financial year 2021 we find ourselves firmly within our strategy, continuing to grow and looking forward to the next phase of development and expansion.

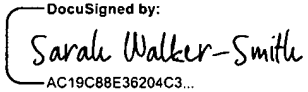
## Shakespeare Martineau LLP

### Chief Executive Statement for the year ended 30 April 2021 (*continued*)

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A huge thank you to everyone who played a part in our growth this year, our people, our members, our clients and our communities.

We look forward to building on the growth we've experienced in this last quarter and driving forwards at pace to the next phase.

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Sarah Walker-Smith  
Chief Executive

Date: 18 October 2021

## Shakespeare Martineau LLP

### Members' Report for the year ended 30 April 2021

The Members are pleased to present their report together with the audited financial statements of Shakespeare Martineau LLP for the year ended 30 April 2021.

#### Principal activity

The principal activity of the LLP is the provision of legal and related advisory services. There have not been any significant changes in the LLP's principal activity in the year under review.

The LLP intends to continue to seek out appropriate opportunities for organic and acquisitive growth and take advantage of its increasingly prominent position in a competitive market place.

#### Business review

As shown in the statement of comprehensive income on page 12 the LLP's revenue was £69.4 million (2020 - £70.7 million). After adjustment for unbilled income, activity levels decreased by 2% and operating profit increased by 17% to £20.9 million (2020 - £17.9 million). Profit for the year before members' remuneration charged as an expense and profit share increased by 16% to £21.1m (2020 - £18.2m).

Given these results and a stable capital structure, the Members believe the LLP to be in a robust financial position, this has been further detailed and considered in the note 2 of the financial statements.

The economic conditions, regulatory changes and competition facing the legal services market place means that gains are not expected to be achievable uniformly across all legal services within the UK. The LLP continues to ensure that its financial integrity is safeguarded by close financial control and the business is positioned to take full commercial advantage of opportunities that may be available for growth.

#### Post Balance Sheet Event

On 1 May 2021, members in Shakespeare Martineau LLP exchanged their membership in the LLP to become members of AMPA Holdings LLP. AMPA Holdings LLP is a limited liability partnership registered in England and Wales. AMPA Holdings LLP is a corporate member of Shakespeare Martineau LLP.

#### Designated Members during the financial year and up to the date of approval

M J Beesley	(ceased 01 May 2021)
L S Drew	(ceased 1 November 2020)
A F Hannington	(ceased 01 May 2021)
V C Harvey	(ceased 01 May 2021)
M Merrell	(ceased 01 May 2021)
K Patel	(ceased 01 May 2021, appointed 18 October 2021)
R Phillips	(ceased 01 May 2021)
R Rose	(ceased 01 May 2021)
K H Spedding	(ceased 01 May 2021)
A Smith	(ceased 01 May 2021)
A R Whitehead	
S J Walker-Smith	(appointed 1 November 2020)
D Browne	(ceased 01 May 2021)
V Tester	(ceased 01 May 2021)
A Tromans	(ceased 01 May 2020)
R Wrigley	(ceased 01 May 2020)

## **Shakespeare Martineau LLP**

### **Members' Report for the year ended 30 April 2021 (*continued*)**

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#### **Principal risks and uncertainties**

The LLP faces opportunities and risks resulting from commercial and legislative changes to the marketplace. These include the influence of supply and demand of available talent and new entrants to the provision of legal services from other sectors and industries.

The commoditisation of traditional legal services has affected, and will continue to affect, fees together with a demand for constantly increasing value and efficiency. The LLP is confident that it will meet and surpass these challenges and continue to invest in technology, processes, talent and growth to ensure it can compete and successfully expand.

The LLP strives to provide the highest level of service to its clients by focusing on recruiting and retaining the most talented people, maintaining a clear commitment to ongoing professional development, and by ensuring the provision of excellent facilities and robust systems.

The LLP is financed by a mixture of Members' capital and bank finance. Gearing level, within the LLP, and exposure to capital market liquidity issues and interest rate fluctuations are low.

#### **Covid-19**

The LLP faced the unique uncertainty that covid-19 had on the marketplace during the financial year and continues to trade under the current government restrictions at the date of approval of the financial statements. The impact of this pandemic is covered in more detail in note 2.

#### **Environment**

The LLP recognises the importance of its environmental responsibilities, monitors its effect on the environment and designs and implements policies to reduce any adverse impact resulting from its activities. Initiatives include the safe disposal of electronic equipment, and recycling and reducing energy consumption wherever practical to do so.

#### **Employees**

Details of the number of employees and related costs can be found in note 7 to the financial statements.

The LLP believes that attracting, recruiting, developing and retaining the best people and enabling them to be their best creates the best outcomes for our clients. The LLP recognises that a diverse and vibrant workforce fuels energy and ambition across the business; and ensures it reflects the clients and markets it serves.

The LLP constantly works to reinforce a culture of openness and equality, where everyone can be themselves. In our culture people are treated fairly no matter their age, ability, ethnicity, gender, marital status, nationality, part time or fixed term status, parental responsibility, religion or belief, or sexual orientation.

With these aims, the LLP actively promotes equity and inclusion in all of its policies, practices, guidance and procedures, in professional dealings with its employees and Members, and with other solicitors, barristers, clients and third parties.

The LLP encourages its people to embrace empowered work; by working when and where they are most productive and effective, while always keeping client, colleague and business needs at the forefront, everyone benefits. It is committed to keeping everyone informed, connected and engaged – with what they need to know and with each other, no matter where and when they work. They do this using a mix of channels, including regular live all people updates (made available on-demand); video updates; internal e-newsletters; and a new employee app; as well as using collaboration technology such as MS Teams and Zoom.

## **Shakespeare Martineau LLP**

### **Members' Report for the year ended 30 April 2021 (*continued*)**

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#### **Environmental Policy**

The LLP's environmental policy aims to minimise, where practical, the LLP's impact on the environment and to make a positive difference where we can. Our ambition is to achieve Carbon net zero by 2025 we will achieve this through a continued targeted approach to reduction through education, changes in ways of working and purchasing decisions, collaboration with our suppliers and collaboration with other businesses and our clients, who we can work with and learn from, to identify steps we can take.

The LLP ensures that all laws, regulations and official guidelines operational in the United Kingdom are complied with. The LLP monitors areas where the LLP could have an impact on the environment and takes steps to reduce this impact. Reviews of the impact on the environment in these and other areas will continue to be undertaken to enable the LLP's environmental performance to be assessed and further improved.

#### **Waste and recycling, energy use and climate change**

As a business, we continually strive to improve our carbon footprint by reducing our landfill waste and increasing out recycling waste and have set the objective to reduce our waste to landfill.

The principal methods adopted by the LLP in the year to reduce energy consumption are as follows:

- Introduced agile / working from home for 90% of our people.
- Introduced digital new ways of working to greatly reduce paper usage and travel between offices.
- Removed all paper file storage and pedestals from office to reduce paper.

#### **Assessment Parameters**

The calculation methodology is based on a calculation of Shakespeare Martineau's Scope 1 & 2 annual emissions for 2020 calendar year based on actual metered energy use using the latest UK Government conversion factors (Version 1.0 - 2020 (expiry 1.6.21)) and following the GHG Protocol methodology.

All facilities under operational control were included in our assessment. The emission factor data source is that of DEFRA (2017).

The intensity ratio disclosed is emissions per full time employee equivalent (FTE).

## Shakespeare Martineau LLP

### Members' Report for the year ended 30 April 2021 (continued)

#### Environmental Policy (continued)

#### Greenhouse gas emissions

The greenhouse gas emissions data below provides a summary of the LLP's greenhouse gas emissions from 1 January 2020 to 31 December 2020. It gives a summary of emissions from fuel combustion and the operation of our buildings (scope 1), and from our purchased electricity (scope 2) during the year. We have reported on the all of the relevant emission sources required under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 using the operational control approach.

Greenhouse Gas Emission Source	2020		2019	
	(tCO <sub>2</sub> e)	(tCO <sub>2</sub> e/FTE)	(tCO <sub>2</sub> e)	(tCO <sub>2</sub> e/FTE)
Scope 1 Fuel Combustion	27	0.03	161.32	0.19
Scope 2 Purchased Electricity	105.1	0.12	447.5	0.52
Statutory total (Scope 1 & 2)	132.1	0.15	608.82	0.71

Metrics	2020	2019
FTE	864	855

Intensity Ratio	2020	2019
Tonnes of carbon dioxide equivalent per FTE (CO <sub>2</sub> e/FTE)	0.21	0.71

#### Transactions with Members

The LLP's drawings policy allocates an amount of profit on a monthly basis to each Member. The allocation of the residual profits to those who were Members during the financial year is made following the completion of the annual financial statements and their subsequent approval by the Members' board.

All payments are made subject to the cash requirements of the business, which take priority.

The capital requirement from each Member is set by the Members' board from time to time and is contributed by the Members in proportion to their interest in the LLP.



## Shakespeare Martineau LLP

### Members' Report for the year ended 30 April 2021 (*continued*)

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#### Members' responsibilities

The Members are responsible for preparing the Members' report and 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 financial statements for each financial year. Under these regulations the members have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 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 and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the LLP 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.

#### Disclosure of information to auditors

All of the designated Members have taken all of the steps that they ought to have taken to make themselves aware of any information needed by the 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.

The independent auditors of Shakespeare Martineau LLP are BDO LLP.

Approved by the Members and signed on their behalf:

DocuSigned by:  
  
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A R Whitehead  
Designated Member  
Date: 18 October 2021

## Shakespeare Martineau LLP

### Independent auditor's report

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#### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SHAKESPEARE MARTINEAU LIMITED LIABILITY PARTNERSHIP

##### Opinion on the financial statements

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 2021 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 applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of the Companies Act 2006) Regulations 2008.

We have audited the financial statements of Shakespeare Martineau Limited Liability Partnership ("the Limited Liability Partnership") for the year ended 30 April 2021 which comprise the statement of comprehensive income, the balance sheet, the reconciliation of movement in member's interests, the statement of cash flows 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).

##### 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

##### *Independence*

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.

##### 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.

## **Shakespeare Martineau LLP**

### **Independent auditor's report (*continued*)**

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#### **Other information**

The Members are responsible for the other information. The other information comprises the information included in the Members' report, 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.

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.

#### **Other Companies Act 2006 reporting as applied to limited liability partnerships**

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, the Members are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

#### **Auditor's responsibilities for the audit of the financial statements**

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

## Shakespeare Martineau LLP

### Independent auditor's report (*continued*)

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#### **Auditor's responsibilities for the audit of the financial statements (*continued*)**

##### *Extent to which the audit was capable of detecting irregularities, including fraud*

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We gained an understanding of the legal and regulatory framework applicable to the LLP and the industry in which it operates, and considered the risk of acts by the LLP which were contrary to applicable laws and regulations, including fraud. These included but were not limited to compliance with the Companies Act 2006 as applied to LLPs, the SRA Code of Conduct and Accounts Rules, the principles of FRS102, VAT and employment laws.

We focussed on laws and regulations that could give rise to a material misstatement in the Limited Liability Partnership financial statements. Our tests included but were not limited to:

- agreement of the financial statement disclosures to underlying supporting documentation;
- enquiries of management the compliance officer for legal practice (COLP) and the compliance officer for finance and administration (COFA), those charged with governance and the entity's legal advisers, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- review of minutes of board meetings throughout the year and of any correspondence with regulatory authorities;
- obtaining an understanding of the control environment in monitoring compliance with laws and regulations.

We also evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to manipulate financial results, management bias in accounting estimates and fraudulent activity in relation to furlough income. We addressed this risk through testing of unusual journal entries, assessing and challenging the significant accounting estimates made and evaluating whether there was any evidence of bias by the Members or by management that represented a risk of material misstatement due to fraud. We addressed the risk of fraud due to revenue recognition through detailed testing of the valuation of unbilled revenue. We addressed the risk of fraud in respect of furlough income by agreeing furlough claims to cash receipts and testing a sample of employees to ensure that they were not working during the time they were on furlough.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

## **Shakespeare Martineau LLP**

### **Independent auditor's report (*continued*)**

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#### **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 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.

DocuSigned by:

**Andrew Radford**

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Andrew Radford (Senior Statutory Auditor)  
For and on behalf of BDO LLP, statutory auditor  
London

Date : 19 October 2021

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

## Shakespeare Martineau LLP

### Statement of comprehensive income for the year ended 30 April 2021

	Note	2021 £'000	2020 £'000
Amounts billed		67,204	70,654
Movement in unbilled revenue		2,221	16
<b>Revenue</b>	5	<b>69,425</b>	70,670
Staff costs	7	(29,252)	(30,183)
Depreciation and amortisation of fixed assets	9	(1,312)	(1,555)
Grant income	10	862	141
Other operating charges		(18,782)	(21,198)
		<b>(48,484)</b>	(52,795)
<b>Operating profit</b>	6	<b>20,941</b>	17,875
Interest receivable and similar income		340	366
Interest payable and similar charges		(143)	(61)
<b>Profit for the year before members' remuneration charged as an expense and profit share</b>		<b>21,138</b>	18,180
Members' remuneration charged as an expense		(12,179)	(12,369)
<b>Profit and total comprehensive income for the financial year available for discretionary division amongst members</b>		<b>8,959</b>	5,811

All amounts relate to continuing operations.

The notes on pages 17 to 28 form part of these financial statements.

# Shakespeare Martineau LLP

## Balance sheet at 30 April 2021

**Registered number OC319029**

	Note	2021 £'000	2021 £'000	2020 £'000	2020 £'000
<b>Fixed assets</b>					
Tangible assets	9		6,328		3,852
<b>Current assets</b>					
Debtors	12	39,747		38,666	
Cash at bank and in hand		7,230		10,922	
		46,977		49,588	
<b>Creditors: amounts falling due within one year</b>	13	(19,311)		(18,287)	
<b>Net current assets</b>			27,666		31,301
<b>Total assets less current liabilities</b>			33,994		35,153
<b>Creditors: amounts falling due after more than one year</b>	14		(2,750)		(3,917)
<b>Provision for liabilities</b>	15		(3,557)		(3,616)
<b>Net assets attributable to members</b>			27,687		27,620
<b>Represented by:</b>					
<b>Loans and other debts due to members within one year</b>					
Members' capital classified as a liability	17		13,125		13,790
Other amounts			5,603		8,019
			18,728		21,809
<b>Members' other interests</b>					
Members' other interests			8,959		5,811
			27,687		27,620

The financial statements were approved by the Members' board and authorised for issue on 18 October 2021.

DocuSigned by:

Andrew Whitehead

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A R Whitehead

**Designated Member**

The notes on pages 17 to 28 form part of these financial statements.

## Shakespeare Martineau LLP

### Reconciliation of movements in members' interests for the years ending 30 April 2020 and 2021 For the year ended 30 April 2021

	EQUITY	LOANS AND OTHER DEBTS DUE TO MEMBERS			TOTAL
		Members' capital classified as a liability	Other amounts	Total	
	Other reserves £'000	£'000	£'000	£'000	Total 2021 £'000
<b>Amounts due to Members</b>	<b>5,811</b>	<b>13,790</b>	<b>8,019</b>	<b>21,809</b>	<b>27,620</b>
<b>Balance at 1 May 2020</b>	<b>5,811</b>	<b>13,790</b>	<b>8,019</b>	<b>21,809</b>	<b>27,620</b>
<b>Members' remuneration charged as an expense</b>	-	-	12,179	12,179	12,179
<b>Profit for the financial year available for discretionary division amongst members</b>	8,959	-	-	-	8,959
<b>Members' interests after profit for the year</b>	(5,811)	-	5,811	5,811	-
Other divisions of profit	-	2,490	-	2,490	2,490
Introductions by Members	-	(3,155)	-	(3,155)	(3,155)
Repayment of capital	-	-	(20,406)	(20,406)	(20,406)
Drawings	-	-	(20,406)	(20,406)	(20,406)
<b>Amounts due to Members</b>	<b>8,959</b>	<b>13,125</b>	<b>5,603</b>	<b>18,728</b>	<b>27,687</b>
<b>Balance at 30 April 2021</b>	<b>8,959</b>	<b>13,125</b>	<b>5,603</b>	<b>18,728</b>	<b>27,687</b>

The notes on pages 17 to 28 form part of these financial statements.



## Shakespeare Martineau LLP

### Reconciliation of movements in members' interests for the years ending 30 April 2020 and 2021 (continued) For the year ended 30 April 2020

	EQUITY	LOANS AND OTHER DEBTS DUE TO MEMBERS		TOTAL	
	Other reserves £'000	Members' capital classified as a liability £'000	Other amounts £'000	Total £'000	Total 2020 £'000
<b>Amounts due to Members</b>	<b>11,229</b>	<b>14,005</b>	<b>5,034</b>	<b>19,039</b>	<b>30,268</b>
<b>Balance at 1 May 2019</b>	<b>11,229</b>	<b>14,005</b>	<b>5,034</b>	<b>19,039</b>	<b>30,268</b>
<b>Members' remuneration charged as an expense</b>	-	-	12,369	12,369	12,369
<b>Profit for the financial year available for discretionary division amongst members</b>	5,811	-	-	-	5,811
<b>Members' interests after profit for the year</b>	(11,229)	-	11,229	11,229	-
Other divisions of profit	-	1,150	-	1,150	1,150
Introductions by Members	-	(1,365)	-	(1,365)	(1,365)
Repayment of capital	-	-	(20,613)	(20,613)	(20,613)
Drawings	-	-	(20,613)	(20,613)	(20,613)
<b>Amounts due to Members</b>	<b>5,811</b>	<b>13,790</b>	<b>8,019</b>	<b>21,809</b>	<b>27,620</b>
<b>Balance at 30 April 2020</b>	<b>5,811</b>	<b>13,790</b>	<b>8,019</b>	<b>21,809</b>	<b>27,620</b>

The notes on pages 17 to 28 form part of these financial statements.

# Shakespeare Martineau LLP

## LLP statement of cash flows for the year ended 30 April 2021

	2021 £'000	2020 £'000
<b>Cash flows from operating activities</b>		
Profit for the financial year before members remuneration	21,138	18,180
Adjustments for:		
Depreciation of tangible assets	1,312	1,555
Profit on disposal of property, plant and equipment	(3)	-
Interest paid	143	61
Interest received	(340)	(366)
Increase in debtors	(1,081)	(1,792)
Increase in creditors	1,602	3,537
Decrease in provisions	(59)	(212)
<b>Cash from operations</b>	<b>22,712</b>	<b>20,963</b>
Interest paid	(143)	(61)
Members' drawings in relation to remuneration	(20,406)	(20,613)
<b>Net cash generated from operating activities</b>	<b>2,163</b>	<b>289</b>
<b>Cash flows from investing activities</b>		
Proceeds from sale of equipment	8	-
Purchases of tangible assets	(3,793)	(1,937)
Purchases of other assets	-	(570)
Interest received	340	366
<b>Net cash outflow from investing activities</b>	<b>(3,445)</b>	<b>(2,141)</b>
<b>Cash flows from financing activities</b>		
Capital introduced by members	2,490	1,150
Repayment of capital to members	(1,900)	(1,365)
New bank loans	-	8,000
Repayment of bank loans	(3,000)	(1,083)
<b>Net cash used in financing activities</b>	<b>(2,410)</b>	<b>6,702</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>	<b>(3,692)</b>	<b>4,850</b>
<b>Cash and cash equivalents at the beginning of year</b>	<b>10,922</b>	<b>6,072</b>
<b>Cash and cash equivalents at end of year</b>	<b>7,230</b>	<b>10,922</b>
<b>Cash and cash equivalents comprised</b>		
Cash at bank and in hand	7,230	10,922
<b>Cash and cash equivalents at end of year</b>	<b>7,230</b>	<b>10,922</b>

The notes on page 17 to 28 form part of these financial statements.

# Shakespeare Martineau LLP

## Notes forming part of the financial statements for the year ended 30 April 2021

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### 1 Entity information

Shakespeare Martineau LLP is a Limited Liability Partnership ("LLP"), its country of incorporation is in England and Wales and its registered office is No 1 Colmore Square, Birmingham B4 6AA.

Shakespeare Martineau LLP is a limited liability partnership registered in England and Wales with number OC319029. The LLP is a firm of solicitors qualified to practise in England and Wales and are authorised and regulated by the Solicitors Regulation Authority ("SRA") with number 442480. The LLP operates in accordance with a code of conduct and other regulations contained within the SRA's handbook. For further information or to see a copy of the handbook, please visit [www.sra.org.uk](http://www.sra.org.uk).

### 2 Basis of preparation

These financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including the Statement of Recommended Practice (2014) 'Accounting by Limited Liability Partnerships', and with the Companies Act 2006 as applied to Limited Liability Partnerships. The financial statements have been prepared on the historical cost basis except for the modification to a fair value basis for certain financial instruments as specified in the accounting policies below.

The preparation of the accounts in compliance with FRS102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the firm's accounting policies (see note 4).

The financial statements are presented in the LLP's functional currency, Sterling (£).

#### *Going concern*

Each year the Members are required to assess the LLP's ability to continue to trade as a going concern to determine that it is appropriate for the financial statements to be prepared on a going concern basis.

In undertaking this assessment, performed for a period of at least twelve months from the date of approval of these financial statements, due consideration has been given to the LLP's historical and current trading together with forward looking projections, and the LLP's financing facilities.

The Members have prepared detailed cashflow forecasts to October 2022 and has performed stress testing on its cash flow modelling from a best case to a significantly material prolonged reduction in revenue of almost 16%. Like other professional services organisations, the financial performance of the LLP is sensitive to reductions in revenue. The key assumptions within the forecast are focused on the revenue levels, associated cash receipts and any levers available to the LLP in the event of a downturn in the sector. The Members consider there to be sufficient headroom within the forecasts prepared to compensate for any adverse economic activity.

The LLP's overdraft facilities are due for renewal within twelve months of the date of signing the financial statements as per the usual renewal cycle. There are no indications at the date of signing these financial statements that these facilities will not be renewed by the LLP's principal bankers. In addition if needed the LLP partners would be required to inject further capital.

These forecasts incorporate the repayment of the appropriate proportion of the loan facilities and the interest associated with all the facilities available to the LLP. As at 30 April 2021, the LLP had £10.5m of unused overdraft facilities. The LLP has external bank borrowings of £3.9m at 30 April 2021 with associated covenants. The forecasts prepared by the Members for the period up to 31 October 2022 show all covenant tests being met.

## Shakespeare Martineau LLP

### Notes forming part of the financial statements for the year ended 30 April 2021 (*continued*)

#### 2 Basis of preparation (*continued*)

##### *Going concern (continued)*

Measures available to stay within our cash resources in the extremely unlikely event that overdraft facilities are not renewed include deferring Member distributions, implementing reduced hours for staff and partners, further reductions in operational costs, deferral of capital expenditure and potential redundancy measures.

On the basis of their assessment the Members believe they have reasonable assurance that the LLP will be able to continue as a going concern, and therefore it is appropriate for the financial statements to be prepared on a going concern basis.

#### 3 Accounting policies

##### *Revenue*

Revenue represents amounts chargeable to clients for professional services provided during the year, excluding value added tax and disbursements billed to clients. Revenue is recognised when a right to consideration has been obtained through performance under each contract. Revenue is not recognised where the right to receive payment is contingent on events outside the control of the LLP. The nature of the contingency is assessed by reference to conditions existing at the balance sheet date.

Revenue is measured at the fair value of the consideration received or receivable, net of discounts and value added taxes. Segmental information is not disclosed as the Members believe that to do so would be prejudicial to the interests of the firm.

Services provided to clients during the year which, at the balance sheet date, have not been invoiced to clients, have been recognised as revenue. Revenue recognised in this manner is based on an assessment of the fair value of the services provided by the balance sheet date as a proportion of the total value of the engagement. Unbilled revenue is included in debtors.

##### *Tangible assets*

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

Depreciation is calculated to write down the cost less estimated residual value of all tangible fixed assets, other than freehold land, over their expected useful lives, using the straight-line method. The rates applicable are:

Freehold land	-	Nil
Leasehold improvements	-	Remaining length of lease
Office equipment including	-	2 to 5 years
Computer equipment		
Motor vehicles	-	4 years, reducing balance

## Shakespeare Martineau LLP

### Notes forming part of the financial statements for the year ended 30 April 2021 (*continued*)

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#### 3 Accounting policies (*continued*)

##### *Financial assets*

Financial assets, other than investments and derivatives, are initially measured at transaction price (including transaction costs) and subsequently held at cost, less any impairment.

##### *Financial liabilities and equity*

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form. Financial liabilities, excluding convertible debt and derivatives, are initially measured at transaction price (including transaction costs) and subsequently held at amortised cost.

##### *Government grants*

Government grants represent assistance by government in the form of a transfer of resources to the LLP in return for past or future compliance with specified conditions relating to the operating activities of the LLP.

In accordance with FRS 102 the LLP recognises government grant income using a revenue-based accrual model. Grants relating to revenue are recognised in income on a systematic basis over the periods in which the LLP recognises the related costs for which the grant is intended to compensate.

Grant income during the period relates to the Coronavirus Job Retention Scheme.

##### *Leases*

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the lease term, unless the rental payments are structured to increase in line with expected general inflation, in which case the LLP recognises annual rent expense equal to amounts owed to the lessor.

The aggregate benefit of lease incentives are recognised as a reduction to the expense recognised over the lease term on a straight line basis. Lease incentives for leases that commenced prior to 1 May 2014 continue to be spread over the period to the next rent review as permitted under the transitional rules of FRS 102.

##### *Provisions for liabilities*

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

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

## Shakespeare Martineau LLP

### Notes forming part of the financial statements for the year ended 30 April 2021 (*continued*)

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#### 3 Accounting policies (*continued*)

##### *Provisions for liabilities (continued)*

Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value using a pre-tax discount rate. The unwinding of the discount is recognised as a finance cost the statement of comprehensive income in the period it arises.

Where the LLP has a legal obligation, a dilapidations provision is created. These provisions are a best estimate of the cost required to return leased properties to their original condition upon termination of the lease and are reviewed annually.

In common with comparable businesses, the LLP is involved in disputes in the ordinary course of business which may give rise to claims. Provision is made in the financial statements for all claims where costs are likely to be incurred and represents the cost of defending and concluding claims. Shakespeare Martineau LLP carries professional indemnity insurance and no separate disclosure is made of the cost of claims covered by insurance as to do so could materially prejudice the position of the LLP.

##### *Taxation*

Taxation on all of the LLP's profits is solely the personal liability of individual Members. Consequently, neither taxation nor related deferred taxation arising in the LLP is accounted for in these financial statements. Amounts retained for tax are treated in the same way as other profits of the LLP and so are included in Members' other interests or in loans and other debts due to Members depending on whether or not division of profits has occurred.

##### *Employee benefits*

Short-term employee benefits and contributions to defined contribution plans are recognised as an expense in the period in which they are incurred.

Certain of the LLP's employees are members of the Cheviot Trust With Profits Pension Scheme. The scheme imposes funding obligations on employers and as a result is treated as a defined benefit pension scheme. At 30 April 2021, the scheme is in surplus and the firm's share of the scheme surplus and scheme assets and liabilities is not material to the financial statements. Therefore no adjustments have been made to the financial statements to account for the scheme as a defined benefit scheme and contributions are charged to the profit and loss account as they become payable.

The LLP recognises a provision for annual leave accrued by employees as a result of services rendered in the current period, and which employees are entitled to carry forward and use within the next 12 months. The provision is measured at the salary and on-costs payable for the period of absence and is presented within accruals.

##### *Drawings*

Drawings represent payments on account of profits which may be allocated to Members. The amount of such drawings is set at the beginning of each financial year, taking into account the anticipated cash needs of the LLP and may be reclaimed from Members until profits have been allocated to them. Unallocated profits are included within Members' other interests, classified as equity.

## **Shakespeare Martineau LLP**

### **Notes forming part of the financial statements for the year ended 30 April 2021 (*continued*)**

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#### **3 Accounting policies (*continued*)**

##### *Members' capital*

Initial capital contributions ('principal capital') of each of the Members are amounts as set out in the LLP agreement. Further Members shall contribute upon admission to the LLP such capital as determined by the LLP agreement.

Members can not withdraw or receive back any part of their principal capital contribution account except in specific circumstances detailed in the LLP agreement. Members' principal capital is therefore classified as liability.

##### *Profit allocations*

Profit allocations are recognised in the year in which they are declared and become a present obligation of the LLP. Unallocated profits are recognised in equity ('other reserves') until such a time as they become allocated.

#### **4 Judgements in applying accounting policies and key sources of estimation uncertainty**

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

- Significant judgement is taken in assessing the recoverable amount of unbilled work performed in respect of client work. Consideration is given to the historic recovery rates of unbilled work when making the judgement.
- Significant judgement is taken in assessing the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience. See note 12 for the net carrying amount of the debtors and associated impairment provision.
- Determined whether there are indicators of impairment of the LLP's tangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.

##### *Other key sources of estimation uncertainty*

- *Other provisions (see note 15)*

Provisions represent an estimate of the potential cost of defending claims and, where appropriate, the estimated cost of settling claims up to the excess terms of the LLP's professional indemnity insurance.

Provisions also include the estimated provision required in respect of dilapidations for the LLP's property lease portfolio, which is subject to a number of assumptions.

#### **5 Revenue**

Segmental information is not disclosed as the Members believe that to do so would be prejudicial to the interests of the firm.

## Shakespeare Martineau LLP

### Notes forming part of the financial statements for the year ended 30 April 2021 (*continued*)

<b>6</b>	<b>Operating profit</b>	<b>2021</b>	<b>2020</b>
		<b>£'000</b>	<b>£'000</b>
	Operating profit is stated after charging:		
	Auditor's remuneration:		
	Fees payable to the LLP's auditor for the audit of the LLP's annual accounts	59	56
	Fees payable to the LLP's auditor and its associates for other services	39	39
	Other operating lease rentals	3,566	3,356
	Depreciation of tangible fixed assets	1,312	1,555
		<hr/>	<hr/>
<b>7</b>	<b>Employees</b>	<b>2021</b>	<b>2020</b>
		<b>£'000</b>	<b>£'000</b>
	Staff costs consist of:		
	Wages and salaries	25,668	26,506
	Social security costs	2,515	2,645
	Other pension costs	1,069	1,032
		<hr/>	<hr/>
		29,252	30,183
		<hr/>	<hr/>
<p>The LLP contributes to defined contribution pension schemes for the benefit of the employees. The assets of the schemes are administered by independent pension providers. Pension payments recognised as an expense during the year amount to £1,069,000 (2020 - £1,032,000).</p> <p>The average number of employees of the LLP during the year was:</p>			
		<b>2021</b>	<b>2020</b>
		<b>Number</b>	<b>Number</b>
	Fee earners	406	413
	Administrative support staff	325	332
		<hr/>	<hr/>
		731	745
		<hr/>	<hr/>



## Shakespeare Martineau LLP

### Notes forming part of the financial statements for the year ended 30 April 2021 (*continued*)

#### 8 Members' remuneration

Profits are shared among the Members in accordance with agreed profit sharing arrangements. Members are required to make their own provision for pensions from their profit shares.

	2021 Number	2020 Number
Average number of Members during the year	111	110

The LLP divides profits amongst Members on a monthly basis but does not divide the residual profits until after the financial statements have been finalised and approved by Members. The profit allocation to the Member with the largest entitlement is set out below:

	£'000	£'000
Profit attributable to the Member with the largest entitlement	389	286

#### 9 Tangible fixed assets

	Freehold land £'000	Leasehold improvements £'000	Office equipment £'000	Motor vehicles £'000	Assets in the course of construction £'000	Total £'000
Cost						
At 1 May 2020	5	3,785	9,723	8	1,446	14,967
Additions	-	331	1,790	-	1,672	3,793
Transfers	-	-	313	-	(313)	-
Disposals	-	-	(8)	(8)	-	(16)
At 30 April 2021	5	4,116	11,818	-	2,805	18,744
Depreciation						
At 1 May 2020	-	2,262	8,845	8	-	11,115
Provided in the year	-	671	641	-	-	1,312
Disposals	-	-	(3)	(8)	-	(11)
At 30 April 2021	-	2,933	9,483	-	-	12,416
Net book value						
30 April 2021	5	1,183	2,335	-	2,805	6,328
30 April 2020	5	1,523	878	-	1,446	3,852

## Shakespeare Martineau LLP

Notes forming part of the financial statements  
for the year ended 30 April 2021 (*continued*)

### 10 Other Income

	2021 £'000	2020 £'000
Coronavirus Job Retention Scheme	862	141

### 11 Fixed asset investments

The undertakings in which the LLP has an interest at the year end are as follows:

Subsidiary undertakings	Country of incorporation, registration and operation	Proportion of voting rights and ordinary share capital held	Nature of business
Needham & James Secretarial Services Limited*	England & Wales	100%	Dormant
Norbury Park Nominees Limited**	England & Wales	100%	Dormant
Shakespeares Legal Services Limited***	England & Wales	100%	Dormant
SM Client Nominees Limited*	England & Wales	100%	Dormant
Martineau Secretaries Limited**	England & Wales	100%	Dormant
Needham & James Services Limited*	England & Wales	100%	Dormant
Putsmans Limited**	England & Wales	100%	Dormant
Marjo Nominees Limited**	England & Wales	100%	Dormant
St. Peter's House Limited**	England & Wales	100%	Dormant
St. Peter's House (Nominees) Limited**	England & Wales	100%	Dormant
Shakespeares Legal Directors Limited*	England & Wales	100%	Dormant
SGH Trustees Limited*	England & Wales	100%	Dormant
Needham & James Limited*	England & Wales	100%	Dormant
Martineau Johnson Properties Limited**	England & Wales	100%	Dormant
Legal Solutions Management Limited*	England & Wales	100%	Dormant
SP Legal Directors Limited*	England & Wales	100%	Dormant
Berryman Shacklock Limited*	England & Wales	100%	Dormant
Shakespeares (Nominees) Limited*	England & Wales	100%	Dormant
Building Bridges (Mediation Services) Limited*	England & Wales	100%	Dormant
Martineau Johnson Trustees Limited**	England & Wales	100%	Dormant
Gorrara Haden Limited*	England & Wales	100%	Dormant
Colmore Square Trustees Limited**	England & Wales	100%	Dormant
Wood Glaister Limited***	England & Wales	100%	Dormant
Philsec Limited**	England & Wales	100%	Dormant
Meaujo Incorporations Limited**	England & Wales	100%	Dormant
SGH Trustee Services Limited*	England & Wales	100%	Dormant
SGH Company Secretaries Limited*	England & Wales	100%	Dormant

Registered office:

- \* 6<sup>th</sup> Floor, 60 Gracechurch Street, London, EC3V 0HR
- \*\* No 1 Colmore Square, Birmingham, B4 6AA
- \*\*\* Somerset House, Temple Street, Birmingham, B2 5DJ

## Shakespeare Martineau LLP

Notes forming part of the financial statements  
for the year ended 30 April 2021 (*continued*)

### 12 Debtors

	2021 £'000	2020 £'000
Trade debtors	26,391	25,776
Unbilled revenue	8,957	6,736
Other debtors	979	1,044
Prepayments and accrued income	3,420	5,110
	<u>39,747</u>	<u>38,666</u>

The impairment loss recognised in the LLP profit or loss for the period in respect of bad and doubtful trade debtors was £1,152,000 (2020 - £2,617,000). All amounts shown under debtors fall due for payment within one year.

### 13 Creditors: amounts falling due within one year

	2021 £'000	2020 £'000
Bank loans	1,167	3,000
Trade creditors	7,444	7,043
Taxation and social security	5,766	4,800
Other creditors	1,340	211
Accruals and deferred income	3,594	3,233
	<u>19,311</u>	<u>18,287</u>

Bank loans are secured against assets of the LLP. The LLP has two bank loans. One being a term loan which is repayable in quarterly instalments over 5 years with interest of LIBOR plus commercial margin. The second loan has a fixed rate of interest and is repayable in monthly instalments within the next 12 months.

Bank overdrafts are secured by a floating charge over the assets of the firm.

Included within other creditors is an amount of £1,255,000 (2020 - £nil) which relates to amounts due to former members.

### 14 Creditors: amounts falling due after more than one year

	2021 £'000	2020 £'000
Bank loans	<u>2,750</u>	<u>3,917</u>

## Shakespeare Martineau LLP

### Notes forming part of the financial statements for the year ended 30 April 2021 (*continued*)

#### 15 Provisions for liabilities

	Property provisions £'000	Professional indemnity £'000	Total £'000
At 1 May 2020	2,267	1,349	3,616
Additions	144	465	609
Utilised/released in year	-	(668)	(668)
	<u>2,411</u>	<u>1,146</u>	<u>3,557</u>
At 30 April 2021	<u>2,411</u>	<u>1,146</u>	<u>3,557</u>

Property provisions relate to dilapidations in line with the LLP's stated accounting policies and any other associated property costs. Dilapidations are provided for and are included in the financial statements at the expected costs associated with bringing the relevant property into an acceptable state. The provisions have not been discounted to present values as the impact on the financial statements is immaterial.

A provision for professional indemnity claims is evaluated each year end based on the likely outcome of potential claims against the LLP. The values provided for are the excess amounts not covered under the LLP's insurance policy.

#### 16 Financial instruments

The LLP's financial instruments may be analysed as follows:

	2021 £'000	2020 £'000
<b>Financial assets</b>		
Financial assets that are debt instruments measured at amortised cost	<u>43,557</u>	<u>44,478</u>
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost	<u>16,295</u>	<u>17,404</u>

Financial assets measured at amortised cost comprise cash, trade debtors, other debtors and unbilled revenue.

Financial liabilities measured at amortised cost comprise bank loans and overdrafts, trade creditors, other creditors, deferred income, amounts due to former members, and certain accruals.

#### 17 Members' interests

Loans and other debts due to Members rank *pari passu* with unsecured creditors in the event of a winding up.

## Shakespeare Martineau LLP

Notes forming part of the financial statements  
for the year ended 30 April 2021 (*continued*)

### 18 Commitments under operating leases

The LLP had minimum lease payments under non-cancellable operating leases as set out below:

	2021 £'000	2020 £'000
Not later than 1 year	2,956	3,425
Later than 1 year and not later than 5 years	4,535	6,662
	<hr/>	<hr/>
Total	7,491	10,087
	<hr/>	<hr/>

### 19 Related party disclosures

During the year there was no ultimate controlling party of Shakespeare Martineau LLP. Following the year end as disclosed in note 22, the ultimate controlling party became Ampa Holdings LLP.

At the year end £194,350 (2020: £247,000) was owed by SGH Martineau LLP to Shakespeare Martineau LLP. The designated Members of SGH Martineau LLP are also among the designated Members of Shakespeare Martineau LLP. Due to the financial position of SGH Martineau LLP a provision in respect of this balance is recognised for the full amount outstanding as at the year end.

Key management personnel include all designated Members who together have authority and responsibility for planning, directing and controlling the activities of the LLP. The total compensation paid to key management personnel for services provided to the LLP was £3,990,000 (2020: £3,164,000).

### 20 Capital commitments

The LLP had capital commitments at the year end of £nil (2020: £217,000).

## Shakespeare Martineau LLP

Notes forming part of the financial statements  
for the year ended 30 April 2021 (*continued*)

### 21 Net debt reconciliation

	At 1 May 2020	Cash flows	Other non-cash changes	At 30 April 2021
	£'000	£'000	£'000	£'000
Cash at bank and in hand	10,922	(3,692)	-	7,230
Bank loans	(6,917)	3,000	-	(3,917)
	<u>4,005</u>	<u>(692)</u>	<u>-</u>	<u>3,313</u>

There are no restrictions over the use of the cash and cash equivalents balances which comprises cash at bank and in hand, and bank overdrafts.

Non-cash movements in the year relate to amounts due to former members not yet paid of £1,255,000.

### 22 Post balance sheet events

On 1 May 2021, members in Shakespeare Martineau LLP exchanged their membership in the LLP to become members of Ampa Holdings LLP. AMPA Holdings LLP is a limited liability partnership registered in England and Wales. Ampa Holdings LLP is a corporate member of Shakespeare Martineau LLP.

Since the year end, the LLP purchased a book of contingent and non contingent legal work from a third party, including associated disbursement expenses, for £1.4m.