

19

RESOLUTION OF THE BOARD OF COUNTY COMMISSIONERS
COUNTY OF ESSEX

RESOLUTION NO. _____ AUTHORITY FOR RESOLUTION: N.J.S.A. 40:41A-38(n)
PROPOSED BY: COUNTY EXECUTIVE AUTHORITY FOR ACTION: N.J.S.A. 40:41A-36(i)

SUBJECT: OFFICE OF COUNTY COUNSEL – PROFESSIONAL SERVICES AGREEMENT TO PROVIDE LEGAL SERVICES REGARDING THE MATTER OF DAN GELIN, DECEDENT, BY LESTPHALETT GELIN, ADMINISTRATRIX AD PROSEQUENDUM OF THE ESTATE OF DAN GELIN v. COUNTY OF ESSEX, COUNTY OF UNION, JOSEPH DiVINCENZO, PHILIP ALAGIA, ALFARO ORTIZ, GUY CIRILLO, ANTHONY PIRES, CORRECTIONS OFFICER ZAMPINO, CFG HEALTH SYSTEMS, LLC, MICHAEL OJELADE, JOHN DOE ESSEX CORRECTIONS OFFICERS 1-25, JOHN DOE UNION COUNTY CORRECTIONS OFFICERS 1-25, JOHN DOE MEDICAL PROFESSIONALS 1-25, JOHN DOES 1-25 and ABC PUBLIC ENTITIES 1-25 (being fictitious names of unidentified parties) - DOCKET NO. ESX-L-6048-22 – OUTSIDE COUNSEL CONTRACT WITH KENNEDYS LAW IN AN AMOUNT NOT TO EXCEED \$50,000.00 – FEBRUARY 15, 2023 – DECEMBER 31, 2023 – REPRESENTING DEFENDANTS – COUNTY OF ESSEX, JOSEPH DiVINCENZO, PHILIP ALAGIA, ALFARO ORTIZ, GUY CIRILLO, ANTHONY PIRES, CORRECTIONS OFFICER ZAMPINO

WHEREAS, the County of Essex has a need for special outside counsel to provide legal services and/or legal representation regarding Dan Gelin, Decedent, by Lestphalett Gelin, Administratrix Ad Prosequendum of the Estate of Dan Gelin v. County of Essex, et al., Docket No. ESX-L-6048-22, representing the Defendants, County of Essex, Joseph DiVincenzo, Philip Alagia, Alfaro Ortiz, Guy Cirillo, Anthony Pires, Corrections Officer Zampino (the “Legal Matter”); and

WHEREAS, the Office of the County Counsel through the Office of Purchasing has publicly advertised for a Request for Proposal/Qualification for 2023 Legal Services (the “Services”); and

WHEREAS, the Board of County Commissioners has approved the 2023 list of qualified firms for the performance of such Services which includes the firm of Kennedys Law, 120 Mountain View Boulevard, Basking Ridge, NJ 07920; and

WHEREAS, it is recommended by the Office of County Counsel that a Contract for Services for the Legal Matter be awarded to Kennedys Law for the period February 15, 2023 through December 31, 2023, in an amount not to exceed \$50,000.00; and

WHEREAS, the Chief Financial Officer has certified the availability of funds to pay such contract, which certification is attached hereto; and

WHEREAS, said may be awarded without public bidding, as professional services in accordance with N.J.S.A. 40A:11-5(1) of the Local Public Contracts Law, on condition that a resolution authorizing the contract for professional services without competitive bidding, and the contract itself, be made available for public inspection; and

WHEREAS, the Board of County Commissioners is empowered by N.J.S.A. 40:41A-38(n) to approve, by resolution, contracts presented by the County Executive; and

NOW, THEREFORE, BE IT RESOLVED by the Board of County Commissioners of the County of Essex as follows:

1. That the agreement with Kennedys Law, a copy of which is attached hereto, is approved;
2. That the contract is awarded without competitive bid as "Professional Services" in accordance with N.J.S.A.40A:11-5(1)(a) of Local Public Contracts Law because the services to be rendered are performed by persons authorized by law to practice a recognized profession which is regulated by law and the performance of which requires knowledge of an advanced type in a field of learning acquired by prolonged formal, specialized instruction;
3. That notice of this contract award be published by the Clerk of the Board of County Commissioners in accordance with the provisions of N.J.S.A. 40A:11-5(1); and
4. That the Clerk of the Board forward two copies of said fully executed copies of said contract and this resolution to Jerome M. St. John, Essex County Counsel; Julius N. Coltre, Director of Purchasing; and one copy to Kennedys Law, 120 Mountain View Boulevard, Basking Ridge, NJ 07920.

Approved as to form and legality _____ Date 3/2/23
[Signature]
 ESSEX COUNTY COUNSEL

RECORD OF VOTE (X=Vote N.V.=Abstention ABS=Absent)

Moved by Commissioner _____
 Second by Commissioner _____

Commissioner	Yes	No	N.V.	ABS	Commissioner	Yes	No	N.V.	ABS
Cooper					Mercado				
Gill					Pomares, V.P.				
Graham					Richardson, Pres.				
Johnson					Sebold				
Luciano									

It is hereby certified that the foregoing Resolution was () adopted () defeated () tabled by roll call vote at a _____ meeting of the Board of County Commissioners of the County of Essex, New Jersey held on _____.

Is Publication Required () Yes () No

Date Published _____

 Wayne L. Richardson, President



COUNTY OF ESSEX

DECISION MEMORANDUM

COUNTY EXECUTIVE

BOARD AGENDA ITEM

COUNTY ADMINISTRATOR

DEPARTMENT: County Counsel

DIVISION: _____

TO: Robert D. Jackson
County Administrator

FROM: Jerome M. St. John
County Counsel *JMS*

DATE: March 1, 2023

RE: Professional Services Contract with Kennedys regarding Dan Gelin, decedent, by Lestphalett Gelin, Administratrix Ad Prosequendum of the Estate of Dan Gelin v. County of Essex, et al. - Docket No. ESX-L-6048-22 representing the Defendants, County of Essex, Joseph DiVincenzo, Philip Alagia, Alvaro Ortiz, Guy Cirillo, Anthony Pires, Corrections Officer Zampino

A. INTRODUCTION.

The County is in need for the services of outside counsel to provide legal services and/or legal representation regarding the assertion of claims related to a Civil Rights violations lawsuit brought by Plaintiff's family in connection with his incarceration at the Essex County Correctional Facility.

B. RECOMMENDATION.

The law firm of Kennedys Law is on the County's approved RFQ outside counsel list and was chosen for representation.

It is recommended that the Board of County Commissioners approve a contract between the County of Essex and the law firm of Kennedys Law, in the amount of \$50,000.00 for the period from February 15, 2023 through December 31, 2023.

C. REASON FOR RECOMMENDATION.

The County is in need of outside counsel and specialized legal expertise to handle the above matter.

JMSJ:ks

C:\CONTRACT\2023\Kennedys\Gelin\Dec.Memo:ks



OFFICE OF ACCOUNTS AND CONTROL
HALL OF RECORDS, ROOM 542
NEWARK, NEW JERSEY 07102

CERTIFICATION OF FUNDS

Vendor Name Kennedys Law
Account Name Professional Services
Account # 01-201-20-155-100-028
Contract Period (If Applicable) 02/15/2023 12/31/2023
Purpose of Contract To provide Legal Services and /or Legal Representation regarding Dan Gelin, Decedent, by Lestphalett Gelin, Administratrix Ad Prosequendum of the Estate of Dan Gelin v. County of Essex, etal., Docket No. ESX-L-6048-22, representing the Defendants, County of Essex , Joseph DiVicenzo, Philip Alagia, Alfaro Ortiz, Guy Cirillo, Anthony Pires, Correction Officer Zampino

50,000.00 Contract Amount

Funding

Temporary Budget Amount
Current Fund Budget Amount
50,000.00 Contingent Current Year Amount
Grant Funding
Capital Funding
Trust Funding
Contingent Subsequent Years

I, do hereby certify that the funding is legally appropriated per the above information for the purpose specified in the attached contract. Furthermore, it has been represented to me that the contracts have been processed in accordance with the applicable provisions of the Optional County Charter Law, the Essex County Administrative Code and the Essex County Standard Operating Policies and Procedures.

CM Date: 3/6/2023
Cert: 737



Ehab Salama
Chief Financial Officer

CONTRACT FOR PROFESSIONAL LEGAL SERVICES

This Agreement made the 15TH day of February, 2023 between the **County of Essex**, a body politic and corporate of the State of New Jersey (hereinafter referred to as "County") and **Kennedys Law, 120 Mountain View Boulevard, Basking Ridge, NJ 07920** (hereinafter referred to as "Counsel").

WHEREAS, the County is in need of the services of outside counsel to provide legal services and/or legal representation in the matter venued in the Superior Court of New Jersey, Essex County-Law Division, Docket No. ESX-L-6048-22 known as **Dan Gelin, Decedent, by Lestphalett Gelin, Administratrix Ad Prosequendum of the Estate of Dan Gelin v. County of Essex, County of Union, Joseph DiVincenzo, Philip Alagia, Alfaro Ortiz, Guy Cirillo, Anthony Pires, Corrections Officer Zampino, CFG Health Systems, LLC, Michael Ojelade, John Doe Essex Corrections Officers 1-25, John Doe Union County Corrections Officers 1-25, John Doe Medical Professionals 1-25, John Does 1-25 and ABC Public Entities 1-25 (being fictitious names of unidentified parties)** representing the Defendants, County of Essex, Joseph DiVincenzo, Philip Alagia, Alfaro Ortiz, Guy Cirillo, Anthony Pires, Corrections Officer Zampino (hereinafter referred to as the "Legal Matter"); and

NOW, THEREFORE, it is agreed as follows:

- 1. Services.** Counsel shall provide the County of Essex with legal representation in the above-referenced Legal Matter and perform in accordance with the terms and conditions set forth herein. The services to be provided are "professional services" within the meaning of N.J.S.A. 40A:11-5 (1) (a) (i).
- 2. Term.** The term of this agreement shall be February 15, 2023 through December 31, 2023.
- 3. Compensation.** The total contract price for this agreement, including reimbursement for expenses, shall not exceed a maximum of **\$50,000.00** without prior approval of the County of Essex Board of County Commissioners. Counsel will cease all activities on the within Legal Matter that have reached their contract limit and will not undertake any further representation without prior written approval of the Board of County Commissioners. County Counsel and the above named Counsel are aware that any work undertaken beyond the contracted amount, without prior approval, will be at Counsel's expense, and the County will not be liable therefor. Unless otherwise provided in this agreement, billing and payment shall be in accord with standard County procedure. Counsel shall be compensated for legal services billed in six minute increments at its customary hourly rates not to exceed two hundred dollars (\$200.00) per hour. The rates for paralegals and law clerks shall not exceed seventy-five dollars (\$75.00) per hour billed in six minute increments. The County will not be charged for the time spent by Counsel preparing, reviewing, or discussing its bill(s) for or with the County. The County shall also not be charged for the time of Counsel's clerical staff. The County will not be charged for the firm's appearance at the required Essex County Board of County Commissioners' meeting approving their contract.

4. **Disbursements.** In addition to its fees, Counsel will be entitled to payment or reimbursement for reasonable out-of-pocket costs and expenses incurred hereunder on the County's behalf, provided, however, such reimbursements shall be included within the contract maximum amount. Payment for services rendered by third party providers such as expert witnesses, certified shorthand providers, transcripts, title company fees, expert witnesses, surveyors, arbitrators and mediators shall be advanced by Counsel and reimbursed and charged against the contract maximum amount as hereinabove provided.

5. **Estimates.** Although Counsel will, upon the County's request, furnish estimates of fees and costs that are anticipated, the parties understand that these estimates are by their nature inexact.

6. **In-House Costs.** The County shall not be charged for in-house costs for photocopies, telephone calls, e-mails, facsimiles, postage or overnight deliveries.

7. **Billing.** Fees and expenses will be billed monthly. The County shall not be obligated to pay fees and expenses not billed within sixty days of when incurred. The County is aware that pursuant to Court Rule 1:20A-6 it may dispute any of Counsel's invoices and initiate fee arbitration by immediately contacting the local Fee Committee secretary to request the appropriate forms.

8. **Severability of Provisions.** If any provision of this agreement or the application of any provision to any party or circumstance shall be prohibited by or invalid under applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity without invalidating the remainder of the provisions of this agreement or the application of the provision to other parties or to other circumstances.

9. **Titles.** The titles to the paragraphs of this agreement are solely for the convenience of the parties and shall not be used to explain, modify, simplify, or aid in the interpretation of the provisions of this agreement.

10. **Waiver of breach.** The waiver by the County of any breach of any term or condition of this Agreement shall not be deemed to constitute the waiver of any other breach of the same or any other term or condition of this agreement.

11. **Choice of Law.** This agreement shall be construed, governed, and enforced in accordance with the laws of the State of New Jersey. Any action based upon the terms of this agreement shall be venued within the County of Essex.

12. **Discrimination.** The provisions of N.J.S.A. 10:2-1 through 10:2-4, inclusive, relating to discrimination in employment on public contracts, and the rules and regulations promulgated thereunder, are incorporated into the terms and conditions of Counsel's retention and made a part hereof.

13. **Conflicts.** The Supreme Court in In Re Supreme Court Advisory Committee Opinion on Professional Ethics Opinion No. 697, set forth the applicable standard on “conflicts” to which we agree to abide. See 188 N.J. 549 (2006)

14. **Incorporation.** The following documents are attached hereto and made a part hereof:

- Appendix A - Standard Terms and Conditions;
- Appendix B - Statement of Certain Political Contributions;
- Appendix C - Applicant/Proposer’s Qualifications and Representations;
- Appendix D - Affirmative Action Requirements; and
- Appendix E - Proof of Business filed with the NJ Division of Taxation.

15. **Agreement.** Counsel’s signature on this agreement, or if work has already begun the Counsel’s failure to object to these terms promptly in writing, constitutes acceptance of the foregoing terms and conditions. This agreement constitutes the entire understanding concerning the County’s engagement of Counsel and cannot subsequently be modified except in a writing signed by authorized representatives of each party.

16. **Authorization Required.** Counsel is required to get prior written approval from the Office of County Counsel for all settlements of suit; motions to be filed; and depositions to be taken.

IN WITNESS WHEREOF, the parties have signed and sealed this agreement on the dates set forth below.

WITNESS:

KENNEDYS LAW

Katherine E. Duff
(print) Katherine E. Duff

By: Teresa M. Cinnamond
Teresa M. Cinnamond, Partner

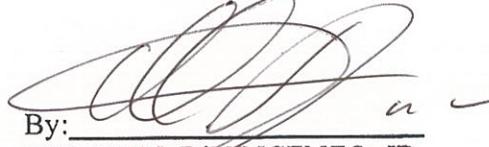
DATE: 2-28-2023

DATE: 2-28-23

ATTEST:

COUNTY OF ESSEX

DEBORAH DAVIS FORD, CLERK
ESSEX COUNTY BOARD OF
COUNTY COMMISSIONERS

By: 
JOSEPH N. DIVINCENZO, JR.
ESSEX COUNTY EXECUTIVE

DATE:

DATE: 3/6/23

APPROVED AS TO FORM


JEROME M. ST. JOHN
ESSEX COUNTY COUNSEL

C:\2023\CONTRACT\KENNEDY\GELIN:ks

STANDARD TERMS AND CONDITIONS

1. Insurance

Counsel shall maintain professional liability insurance of at least \$1,000,000.00 per occurrence.

2. Non-Discrimination

The parties to this agreement do hereby agree that the provisions of N.J.S.A. 10:2-1 through 10:2-4, dealing with discrimination in employment on public contracts, and the rules and regulations promulgated pursuant thereto, are hereby made a part of this agreement and are binding upon them.

3. Affirmative Action

During the performance of this contract, Counsel agrees as follows:

Counsel, where applicable, will not discriminate against any employee or applicant for employment because of age, race, creed, color, national origin, ancestry, marital status, sex, affectional or sexual orientation. The consultant will take affirmative action to ensure that such applicants are recruited and employed, and that employees are treated during employment, without regard to their age, race, creed, color, national origin, ancestry, marital status, sex, affectional or sexual orientation. Such action shall include, but not be limited to the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. Counsel agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the Public Agency Compliance Officer setting forth provisions of this nondiscrimination clause;

Counsel, where applicable, will in all solicitations, or advertisements for employees placed by or on behalf of the Counsel, state that all qualified applicants will receive consideration for employment without regard to age, race, creed, color, national origin, ancestry, marital status, sex, affectional or sexual orientation;

Counsel, where applicable, will send to each labor union or representative of workers with which it has a collective bargaining agreement or other contract or understanding, a notice, to be provided by the agency contracting officer advising the labor union or workers' representative of the Counsel's commitments under this act and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

Counsel, where applicable, agrees to comply with the regulations promulgated by the Treasurer pursuant to N.J.S.A. 10:5-31, et seq. and P.L. 1975, c. 127, as amended and supplemented from time to time and the Americans with Disabilities Act.

Counsel agrees to attempt in good faith to employ minority and female workers consistent with the applicable county employment goals prescribed by N.J.A.C. 17:27-5.2 promulgated by the Treasurer pursuant to P.L. 1975, c. 127, as amended and supplemented from time to time or in accordance with a binding determination of the applicable county employment goals determined by the Division of Contract and Compliance & EEO pursuant to N.J.A.C. 17:27-5.2 promulgated by the Treasurer pursuant to P.L. 1975, c. 127, as amended and supplemented from time to time.

Counsel agrees to inform in writing appropriate recruitment agencies in the area, including employment agencies, placement bureaus, colleges, universities, labor unions, that it does not discriminate on the basis of age, creed, color, national origin, ancestry, marital status, sex, affectional or sexual orientation, and that it will discontinue the use of any recruitment agency which engages in direct or indirect discriminatory practices.

Counsel agrees to revise any of its testing procedures, if necessary, to assure that all personnel testing conforms with the principals of job-related testing, as established by the statutes and court decisions of the State of New Jersey and as established by applicable Federal law and applicable Federal Court decisions.

Counsel agrees to review all procedures relating to transfer, upgrading, downgrading and layoff to ensure that all such actions are taken without regard to age, creed, color, national origin, ancestry, marital status, sex, affectional or sexual orientation, and conform with the applicable employment goals, consistent with the statutes and court decisions of the State of New Jersey, and applicable Federal Law and applicable Federal court decisions.

Counsel shall furnish such reports or other documents to the Division of Contract Compliance & EEO as may be requested by the office from time to time in order to carry out the purposes of these regulations, and public agencies shall furnish such information as may be requested by the Division of Contract Compliance & EEO for conducting a compliance investigation pursuant to Subchapter 10 of the Administrative Code (N.J.A.C. 17:27).

4. Effective Date

This agreement shall not be effective and binding upon the parties unless and until it is executed by the Essex County Executive and approved by the Essex County Board of Chosen Freeholders by resolution. Upon such approval, this contract shall be retroactive to the date services are first provided by Counsel.

5. Governing Law

This agreement shall be construed, governed by, and interpreted in accordance with the laws of the State of New Jersey.

6. Representations

Counsel represent that all attorneys who will be providing services hereunder are duly licensed and that there are no disciplinary proceedings against anyone in the firm.

APPLICANT/PROPOSER'S QUALIFICATIONS AND REPRESENTATIONS

The Applicant/Proposer makes the following statements and representations as part of the proposal:

1. Applicant/Proposer (firm name or individual): Kennedys CMK, LLP

2. Address: 120 Mountain View Blvd., P.O. Box 650
Basking Ridge, NJ 07920

3. Federal Employer Identification Number: 22-3493328

4. How long have you been in business? Kennedy CMK LLP -
Since June 2017 merger with UK-based firm Kennedys
Law, LLP. Carroll, McNulty & Kull, LLP - the US predecessor firm -
has operated since 1997.

5. How long at present address? Since 1997.

6. If incorporated, state date of incorporation and in what state incorporated and designate whether a Not-For-Profit corporation or other classification. (If not a domestic corporation, attach a copy of the Certificate of Authority issued by the Secretary of State of New Jersey pursuant to the General Corporation Law).

N/A

7. List below names and addresses of all officers of the Corporation (attach additional sheet(s) if necessary):

<u>Name</u>	<u>Address</u>	<u>Title</u>
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N/A

APPLICANT/PROPOSER'S QUALIFICATIONS AND REPRESENTATIONS

7a. List below the names and addresses of all members of the Board of Directors.

<u>Name</u>	<u>Address</u>	<u>Title</u>
Meg Catalano + Christopher Carroll	120 Mountain View Blvd., Basking Ridge, NJ 07920	US Managing Partner + Partner
Matt Andrews	Level 48, 25 Martin Place Sydney, NSW 2000 / P.O. Box 465 Sydney South NSW 1235, Australia.	Partner Partner
Ben Aram * See additional sheet	20 Finchchurch St. London EC3M 3BY, United Kingdom	

7b. Complete the following as to any stockholder holding 10% or more of the issued and outstanding stock. If any stockholder is another corporation, attach a rider giving the answers to questions 1 through 7b with respect to that corporation.

<u>Name</u>	<u>Address</u>	<u># Shares Held</u>	<u>% Shares Issued</u>
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N/A

7c. Has any corporation, partnership, association or individual, other than the stockholder(s) herein set forth, any beneficial interest, directly or indirectly in the stock held by said stockholders? Yes No

If answer is "yes" state the name and address of the corporation, partnership association or individual having such beneficial interest and specify the nature of such interest. If such beneficial interest is held by a corporation, attach rider giving answers as required in questions 1 through 7b with respect to that corporation.

N/A

7a continued:

Christopher Dunn	20 Fenchurch St. London EC3M 3BY, United Kingdom	Partner
Engrid Hobbs	20 Fenchurch St. London EC3M 3BY, United Kingdom	Partner
Suzanne Liversidge	20 Fenchurch St. London EC3M 3BY, United Kingdom	Global Managing Partner
Jeremy Riley	20 Fenchurch St. London EC3M 3BY, United Kingdom	Partner
Nick Thomas	20 Fenchurch St. London EC3M 3BY, United Kingdom	Senior Partner
Richard West	20 Fenchurch St. London EC3M 3BY, United Kingdom	Partner
Nick Williams	20 Fenchurch St. London EC3M 3BY, United Kingdom	Partner

APPLICANT/PROPOSER'S QUALIFICATIONS AND REPRESENTATIONS

8. Are you a partnership? Kennedy's is a limited liability partnership.

If so, list names and addresses of all partner (attach additional sheet(s) if necessary). The following partners are resident & practice in our Basking Ridge, NJ office at 120 Mountain View Blvd. (07920)

<u>Christopher Carroll</u>	<u>Jillian Denny</u>	<u>Kristin Gallyher</u>
<u>Teresa Cinnamon</u>	<u>Edward DeMarco</u>	<u>Mark Hamilton</u>
<u>My Catalano</u>	<u>Frank Falcone</u>	<u>Kate Hyde</u>
<u>Anand Dash</u>	<u>Gary Kull</u>	<u>Jared Greisman</u>
	<u>David Kupfer</u>	<u>Heather Simpson</u>

9. If you are doing business under a trade name, give state and country in which certificate is filed.

Our trade name, Kennedy's CMK LLP, is registered with the State of New Jersey (#0450171416)

10. Average number of employees: 300

11. Have you ever bid or submitted a proposal on County of Essex business under another name? No. If the answer is yes, list below the name or names.

12. Have you any outstanding bids or proposals for contracts with the County of Essex? No. If the answer is yes, please list them.

Subject

Requesting Agency

P. continued:

Danielle Valliere

Jeff Trimarchi

John Orzel

John Guffillan

Joshua Wurtshafter

Maurice Perro

Paquale Pontorico

APPLICANT/PROPOSER'S QUALIFICATIONS AND REPRESENTATIONS

13. Have you any current contract awards from the County? No.
If the answer is yes, please list them including the amount of the award.

<u>Subject</u>	<u>Amount</u>	<u>Awarding Agency</u>
Outside Legal Counsel - Response to Request for Qualifications Pitch was submitted to County of Essex on December 5, 2022. This assignment of a case followed.		

14. Describe any other contracts for professional services which you have entered into with the County of Essex within the past three (3) years beginning with the most recent to least recent (include agency or department name, brief description of the department contact person's name and telephone number). Applicant need not provide more than five (5) such descriptions. Attach additional sheet(s) as required.

None.

15. Bank references.

See attached pdf - The Provident Bank.

16. Statement of financial conditions (please attach most recent audit report or annual financial statement).

See attached audited global financial report,
for reference.

Kennedys

120 Mountain View Boulevard
Post Office Box 650
Basking Ridge, NJ 07920
USA

T +1 908.848.6300
F +1 908.848.6310

www.kennedyslaw.com

PROVIDENT BANK - KENNEDYS CMK LLP NJ Operating Account

Incoming Wire – Domestic Transfer:

Beneficiary Bank: The Provident Bank
Beneficiary Bank ABA#: 221272303
Beneficiary Bank Address: 100 Wood Ave S. Iselin, NJ 08830-1001
Beneficiary Name: Kennedys CMK LLP
Beneficiary Account: 1000001451

Incoming Wire – International Transfer:

Corresponding Bank: Pay through Any United States Correspondent
Beneficiary Bank: The Provident Bank
Beneficiary Bank ABA#: 221272303
Beneficiary Bank Address: 100 Wood Ave S. Iselin, NJ 08830-1001
Beneficiary Name: Kennedys CMK LLP
Beneficiary Account: 1000001451
Swift Code: PRNDUS33XXX

Incoming ACH – Debits or Credits

Depository Bank: The Provident Bank
Depository Bank ABA#: 221272303
Depository Bank Address: 100 Wood Ave S. Iselin, NJ 08830-1001
Depository Customer Name: Kennedys CMK LLP
Depository Customer Account: 1000001451



Margaret F. Catalano
Managing Partner

Kennedys Law LLP, a UK Limited Liability Partnership, is a partner of Kennedys CMK LLP.

Kennedys offices, associations and cooperations: Australia, Argentina, Belgium, Bermuda, Brazil, Chile, China, Colombia, Denmark, England and Wales, France, Hong Kong, India, Ireland, Italy, Mexico, New Zealand, Northern Ireland, Norway, Pakistan, Peru, Poland, Portugal, Puerto Rico, Russian Federation, Scotland, Singapore, Spain, Sweden, Thailand, United Arab Emirates, United States of America.

Kennedys Law LLP

ANNUAL REPORT AND GROUP FINANCIAL STATEMENTS

For the year ended 30 April 2021

Kennedys Law LLP
REPORT AND FINANCIAL STATEMENTS
Year ended 30 April 2021

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DESIGNATED MEMBERS

N P G Thomas
N D Williams
R P West
B Aram
C Malla

REGISTERED OFFICE

25 Fenchurch Avenue
London
EC3M 5AD

REGISTRATION NUMBER

OC353214

INDEPENDENT AUDITOR

BDO LLP
55 Baker Street
London
W1U 7EU

Kennedys Law LLP

MEMBERS' REPORT

Year ended 30 April 2021

The designated members submit their report on behalf of the members together with the audited Group financial statements of Kennedys Law LLP ("the LLP") and its subsidiaries and other related entities for the year ended 30 April 2021.

Included within the Group's subsidiaries are UK statutory entities with branches based outside of the UK (located in Dubai, Singapore, Portugal, Belgium and the Russian Federation).

PRINCIPAL ACTIVITIES

The principal activity of the Group and the LLP during the year continued to be the provision of legal services. The LLP is authorised and regulated by the Solicitors Regulation Authority.

RESULTS

The profit for the year after taxation and members fixed shares was £47.836m (2020: £36.799m).

REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

The members are delighted with the strong performance reflected in the financial statements for the year ended 30 April 2021.

The financial year was another strong year of growth seeing global turnover increase by 11% as we continued to execute our growth strategy. The results confirm that the firm's global strategy, to be the go-to firm for the insurance sector and to provide the best on-the-ground capability where clients need it, is working. We also launched our new vision and strategy 'Facing our future with confidence'.

Despite the challenges of the global pandemic, we continue to look to the future with confidence and we are proud that we have continued to be able to offer our clients the support that they need. We're hugely encouraged that we have continued to grow our reputation as an outstanding global legal services provider for insurance claims and coverage and for dispute resolution. Alongside this, we have continued to further develop a successful and growing global commercial practice.

These results serve as a testament to the incredible professionalism and hard work of our teams across the world.

Supporting our people

During the pandemic, the Board's priority was to look after and support our people. We were one of the few firms not to make any redundancies, reduce hours, cut pay, or avail ourselves of the Government's furlough scheme.

We are delighted that we have been able to continue to recruit and promote people and have continued to honour our bonus commitments.

- In the last 12 months we have made 25 partner hires, strengthening our offering in Australia, Israel, Oman, the US and the UK.
- We promoted 36 associates to senior associates on 1 September 2020 across in Australia, Denmark, Latin America, Middle East and the UK.
- We promoted 10 new partners on 1 May 2021 to the global partnership. 4 of those promoted are based in the UK, with 6 based in the US.
- During the year we conducted a global survey to canvas views from 2,250 people across all of our 43 offices to gauge how they wanted to work in the future when many of them returned to work in the office. 71% of our people responded to the survey. In addition, over 50 virtual workshops were attended by over 1,000 of our people to understand better how they wanted to work in more detail. As a result of the feedback from our people we launched our new global hybrid working policy in June 2021.

Supporting our clients

Despite the challenging environment as a result of COVID-19, over the past financial year, the firm continued its impressive expansion in response to client need with four new office openings, the formation of 2 new associations and moves into 2 new offices across the network in the last 12 months:

Kennedys Law LLP

MEMBERS' REPORT

Year ended 30 April 2021

REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS (continued)

- Kennedys opened its first base on the West Coast of America, in San Francisco, with the addition of a four-partner team. This was closely followed by the firm's first presence into Canada, with an association with the leading Canadian insurance law firm, Dolden Wallace Folick LLP.
- Other office openings saw all partners and staff of former associate firm Zelichov, Ben-Dan & Co join Kennedys to create a new Kennedys office in Israel. As a result, Kennedys became the first global law firm to open in Israel with local lawyers practising Israeli law.
- At the start of this year, the firm opened an office in Leeds with the acquisition of a 36-strong insurance team from Langleys.
- We moved into new offices in Hong Kong and Manchester, as our business has expanded;
- Shortly after year end, the firm opened its 43rd office in Perth, Australia with the arrival of a ten-strong team from Clyde & Co.
- The firm has also recently formed an association with Turkish law firm, Baysal & Demir.

Focusing on the issues that matter to our people and our clients

Diversity and inclusion (D&I) is a key priority for the firm. We understand that it is important to represent the diversity of our people, our clients and our communities, and to create an inclusive culture in which everyone, regardless of their background, identity or circumstance, can thrive at work. Building a diverse and inclusive firm is essential for our future success. It will help us to attract and retain the best talent, drive innovation, and deliver the best experience for our people and clients.

We have supported a number of D&I programmes:

- We created five regional D&I Advisory Groups (Asia Pacific, Europe, Middle East and Africa, Latin America and the Caribbean, North America, and the United Kingdom) where members are empowered to share their ideas and advise on areas of priority, as well as turn intention into tangible action.
- We also created a global D&I Advisory Group which comprises members from each regional group and meets on a quarterly basis. The global D&I Advisory Group is chaired by our Managing Partner, Suzanne Liversidge, who ensures the board remains informed, accountable and fully committed to our diversity and inclusion agenda.
- We continue to be a global festival partner at the Dive In Festival 2020. Colleagues from across the network took part and supported a series of virtual D&I events that took place over the three day festival.
- We brought onboard our first Global Diversity Manager to help us drive our strategic D&I agenda forward on behalf of the board.
- We launched our virtual work experience programme to make it easier for the widest possible pool of would-be lawyers to take part in the programme and gain a taste of legal life. Having previously taken on 120 students each year, within a few days of the launch we had over 2,500 students from all over the world register to take part in the programme.

We have supported a number of Corporate Social Responsibility programmes:

- In 2020, we undertook a review of our Corporate Social Responsibility (CSR) and sustainability policies and how we optimise these and challenge ourselves to improve upon our global programmes.
- We appointed our first dedicated CSR Manager.
- We signed a Letter of Commitment to align our CSR and sustainability objectives to the UN Global Compact's 10 principles framework.
- We prioritised five of the 17 UN strategic development goals that we feel are most relevant to our business and have set commitments and targets to work towards achieving these.
- We established CSR and charity committees across the global in APAC, EMEA, LATAM and the US. Committee members, represented by all levels, from across the business volunteered to join the CSR action groups.
- Our first Sustainability report outlining what we have done over the last 12 months across the network was published in May 2021.

The firm's vision and the strategies adopted to date, mean that Kennedys is well placed to continue to deliver consistent world class legal services to its prestigious client base both domestically and across the globe.

Kennedys Law LLP

MEMBERS' REPORT

Year ended 30 April 2021

KEY PERFORMANCE INDICATORS

The members consider a number of key performance indicators usually associated with the financial management of the business including operating profit and profit per share point on a continual basis throughout the year.

FINANCIAL RISK MANAGEMENT

The Group's liquidity risk is managed by periodic reviews of its short, medium and long term funding requirements as well as continuously monitoring its working capital usage to ensure that sufficient funds are available for ongoing operations and future developments.

The amount of income receivable from bank balances or payable on bank overdrafts will be affected by fluctuations in interest rates.

CHARITABLE DONATIONS

During the year the Group made charitable donations of £0.095m (2020: £0.073m) primarily to the firm's nominated charities.

EMPLOYEE INVOLVEMENT

The Group encourages the involvement of its employees in its management through regular consultation (for example hybrid working), by keeping them informed and up to date on issues affecting the performance of the Group and also on matters affecting them as employees. This is achieved through both formal and informal meetings. All staff are provided with access to an Employee Assistance Programme if they so require it.

DISABLED PERSONS

The Group will employ disabled persons when they appear to be suitable for a particular vacancy and every effort is made to ensure that they are given full and fair consideration when such vacancies arise.

Each employee is given an equal opportunity within the Group. Where there are employees with disabilities the Group always seeks to provide them with appropriate assistance and equipment to ensure their optimum level of performance. The number of disabled persons employed by the Group during the year was 25 (2020: 27).

GOING CONCERN

After reviewing the Group's forecasts and projections, the members have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. The LLP therefore continues to adopt the going concern basis in preparing its consolidated financial statements.

In addition to partner funding, the Group's external working capital requirements are provided in the form of overdrafts, term loans and a revolving credit facility. In January 2020, AIB and HSBC entered into a new bank facility agreement to provide funding to Kennedys Law LLP for a period of three years and with options to renew for a further two years. The total amount of the facility was £45m and is secured by a debenture in favour of AIB and HSBC as a charge over the assets of the LLP and supported by designated guarantors within the Kennedys Group.

The members are pleased that the business has continued to operate profitably during the COVID-19 pandemic. At the start of the pandemic, the firm took prudent decisions to delay some non-essential expenditure and ensure additional financing arrangements were in place should they be needed. The firm's Global Strategy Board has been closely monitoring the impact of COVID-19 on both our markets and the markets in which our clients operate and continue to evolve strategies to manage any issues and uncertainties. During the year under review, and subsequently, the business has remained robust and continues to operate profitably. To date additional financing arrangements have not been needed and global cash flow forecasts and financial modelling looking forward 3 financial years have provided the members with confidence that the future business outlook remains profitable and cash generative.

Kennedys Law LLP

MEMBERS' REPORT

Year ended 30 April 2021

MEMBERS DRAWINGS AND CAPITAL

In accordance with the LLP agreement members are permitted to make drawings in anticipation of profits which will be allocated to them. The amount of such drawings is set at the beginning of each financial year, taking into account the anticipated cash needs of the Group and the LLP. Any further distributions are made only once the results and the allocation of profits for the year are finalised.

Each member is personally liable for the tax payable on their profit allocations. However, a sum equivalent to tax is withheld and remitted to the tax authorities on behalf of members as, and when, the tax becomes due.

The Group's capital requirements are regularly reviewed and determined by the Board. New members are required to subscribe a minimum level of capital and in subsequent years members are invited to subscribe for further capital, the amount of which is determined by the performance and seniority of those members. On retirement or cessation of membership of the firm, capital is repaid to members as set out in the terms of the members' agreement.

During the reporting period £4.085m of capital was contributed and £0.505m was returned to members.

The LLP agreement provides that for certain members fixed amounts determined each year, will be paid to them, irrespective of the profit of the LLP. These amounts are included on the income statement within members' remuneration charged as expense - fixed shares. The allocation of profits is governed by the Members Agreement and the automatic allocation of these amounts are included on the income statement within members' remuneration - automatic allocation of profits.

A member's share of the profit or loss for the year is accounted for as an allocation of profits. Unallocated profits and losses that relate to certain corporate subsidiaries are included within 'other reserves classified as equity'.

DISCLOSURE OF INFORMATION TO INDEPENDENT AUDITORS

In the case of each of the persons who are designated members of the LLP at the date this report is approved, the following applies:

- So far as each of the designated members is aware, there is no relevant audit information of which the LLP's auditors are unaware; and
- Each of the designated members has taken all steps that they ought to have taken as a designated member to make themselves aware of any relevant audit information and to establish that the LLP's auditors are aware of that information.

EVENTS AFTER THE REPORTING PERIOD

Following the year end, Kennedys CMK LLP, a group subsidiary entity registered in the US, was granted forgiveness from repaying monies received from the US government in respect of The Coronavirus Aid, Relief & Economic Security (CARES) Act. At the balance sheet date, the balance received totalling £2,853,699 was included within other creditors.

DESIGNATED MEMBERS

The following designated members have held office during the year and up to the date of signing these financial statements:

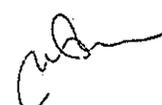
N P G Thomas
N D Williams
R P West
B Aram
C Malla

APPROVAL AND SIGNING OF MEMBERS REPORT

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

N P G Thomas - Designated member

Date: 2 December 2021



Kennedys Law LLP

STATEMENT OF MEMBERS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS Year ended 30 April 2021

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

Company law, as applied to Limited Liability Partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 (the "Regulations"), requires the members to prepare financial statements for each financial year. Under that law the members have prepared the Group and Limited Liability Partnership financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law). Under company law, as applied to Limited Liability Partnerships, the members must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Limited Liability Partnership and of the profit or loss of the Group and Limited Liability Partnership for that period. In preparing the financial statements, the members are required to:

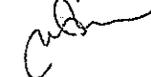
- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and Limited Liability Partnership will continue in business.

The members are also responsible for safeguarding the assets of the Group and Limited Liability Partnership and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The members are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and Limited Liability Partnership's transactions and disclose with reasonable accuracy at any time the financial position of the Group and Limited Liability Partnership and enable them to ensure that the financial statements comply with the Companies Act 2006 as applied to Limited Liability Partnerships by the Regulations.

These responsibilities are exercised by the Board on behalf of the members.

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



N P G Thomas
Designated member

Date: 2 December 2021

Kennedys Law LLP

STREAMLINED ENERGY AND CARBON REPORT

Introduction

Kennedys Law LLP will continue to improve our commitment to climate change and measuring and reducing our environmental impact through proactive central management of our buildings, support activities, and stakeholder engagement. We have committed to the Science Base Targets initiative to reduce our greenhouse emissions.

In March 2021, we partnered with a third party carbon specialist, Carbon Intelligence, who have assisted with the preparation of this report on our carbon emissions data for 1 May 2020 to 30 April 2021 compared to the same period last year:

	2021	2020
Type of Emission	Tonnes of CO ₂ e	Tonnes of CO ₂ e
Scope 1 - Direct (Gas emission and owned transport)	78 tCO ₂ e	436 tCO ₂ e
Scope 2 - Indirect (Purchased electricity and heat)	460 tCO ₂ e	562 tCO ₂ e
Scope 3 - Indirect (Business travel Air and Rail)	117 tCO ₂ e	-
Total carbon emissions	655 tCO ₂ e	998 tCO ₂ e
Carbon offset	-	-
Total carbon emissions with offset	655 tCO ₂ e	998 tCO ₂ e

	2021	2020
Energy Consumption	Total kWh	Total kWh
Scope 1 - Direct (Gas emission and owned transport)	245,256 kWh	1,922,800 kWh
Scope 2 - Indirect (Purchased electricity and heat)	1,973,274 kWh	2,199,216 kWh
Scope 3 - Indirect (Business travel Air and Rail)	33,743 kWh	-
Total carbon emissions	2,252,273 kWh	4,122,016 kWh
Carbon offset	-	-
Total carbon emissions with offset	2,252,273 kWh	4,122,016 kWh

The Group's methodology uses the Government's greenhouse gas reporting conversion factors to quantify emissions and aligns with Defra's environmental reporting guidelines.

Emissions Ratios	2021	2020
Tonnes of CO ₂ e per £m revenue	4.48	7.36
Tonnes of CO ₂ e per employee	0.51	0.80

Kennedys Law LLP

STREAMLINED ENERGY AND CARBON REPORT

Energy efficiency improvement measures undertaken during the year

Overall, our Scope 1 and 2 emissions have decreased by 46% in the year. This was largely impacted by the COVID-19 pandemic whereby the majority of our people were working from home. We purchase our renewable electricity for a small number of our offices and we are assessing whether it is possible to expand this with our remaining offices and where utilities are procured via our landlords. This year, we have expanded our reporting boundary to include Scope 3 emissions for our UK travel.

The COVID-19 pandemic has also provided us with an opportunity to progress with our project of digitalising paper, reducing our paper waste within our offices and implementing a Hybrid Working Policy which allows our people to work from home up 40% per week. Our workplace transformation programme continues to incorporate future sustainable ways of working, which is supported by the senior leadership team and key firm stakeholders.

Future energy efficiency improvement

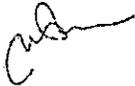
The firm is committed and is working towards aligning our sustainable development goals, carbon footprint reporting and our ISO14001 targets globally.

Over the next year, as part of our climate change strategy to raise awareness and embed sustainability, we will be establishing global environmental champions within the firm. We will continue to gather our carbon data globally, which will enable us to report on our scope 1, 2 & 3 emissions in 2022 while implementing a data management system to track our Science Based Targets as we aspire to become net zero.

Members

A full list of members of the LLP can be found at Companies House:
<https://find-and-update.company-information.service.gov.uk/company/OC353214/officers>

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



N P G Thomas
Designated Member

Date: 2 December 2021

Kennedys Law LLP

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF KENNEDYS LAW LLP

Opinion on the financial statements

In our opinion, the financial statements:

- give a true and fair view of the state of the Group and 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 Kennedys Law LLP ("the Limited Liability Partnership") and its subsidiaries ("the Group") for the year ended 30 April 2021, which comprise the Consolidated Income Statement, Consolidated Statement of Comprehensive Income, Consolidated Statement of Financial Position, Limited Liability Partnership Statement of Financial Position, Consolidated Statement of Cash Flows, Consolidated Statement of Changes in Members' Interests, Limited Liability Partnership Statement of Changes in Members' Interests 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 Group and the Limited Liability Partnership in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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

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

Other information

The Members are responsible for the other information. The other information comprises the information included in the annual 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

Kennedys Law LLP

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF KENNEDYS LAW LLP

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

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

Auditor's responsibilities for the audit of the financial statements

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

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:

Our approach was as follows:

We obtained an understanding of the legal and regulatory frameworks that are applicable to Kennedys Law LLP and the Group. We determined that the most significant laws and regulations which are directly relevant to specific assertions in the financial statements are those related to the reporting framework (FRS 102 and the Companies Act 2006), regulations impacting labour regulations and the Solicitors Regulation Authority rules in the United Kingdom.

- We understood how the Group and Limited Liability Partnership is complying with those legal and regulatory frameworks by making enquiries of management and those responsible for legal and compliance procedures. We corroborated our enquiries through our review of board minutes and confirmation from insurers of the status of and completeness of professional indemnity claims ongoing at year end. Our review of legal expense accounts was performed to ensure no other material legal matters were identified through our audit procedures.

Kennedys Law LLP

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF KENNEDYS LAW LLP

- We assessed the susceptibility of the Group and Limited Liability Partnership's financial statements to material misstatement, including how fraud might occur by meeting with management to understand where it is considered there was a susceptibility of fraud. Our considerations included enquiries with management and group management.
- We also considered potential fraud drivers: including financial or other pressures, opportunity, and personal or corporate motivations. We considered the programmes and controls that the Group and Limited Liability Partnership has established to address risks identified, or that otherwise prevent, deter and detect fraud; and how senior management monitors those programmes and controls. Where the risk was considered higher, we performed audit procedures to address each identified fraud risk. These procedures included testing manual journals and key areas of estimation uncertainty or judgement, for example; estimations of valuation of amounts recoverable on contracts relating to work performed in the year and estimation of provisions in place for trade receivables.

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.

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.

Nicholas Carter-Pegg (Senior Statutory Auditor)
For and on behalf of BDO LLP, statutory auditor
London
United Kingdom
Date:

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

Kennedys Law LLP
CONSOLIDATED INCOME STATEMENT
For the year ended 30 April 2021

	Notes	2021 £'000	2020 £'000
TURNOVER	5	259,171	232,461
OTHER OPERATING INCOME		<u>2,703</u>	<u>2,291</u>
		261,874	234,752
STAFF COSTS	7	(116,031)	(109,893)
OTHER OPERATING EXPENSES	6	<u>(49,148)</u>	<u>(54,270)</u>
OPERATING PROFIT		96,695	70,589
SHARE OF OPERATING LOSS OF JOINT VENTURE	20	(44)	(1,275)
INTEREST RECEIVABLE AND SIMILAR INCOME		1,098	1,243
INTEREST PAYABLE AND SIMILAR CHARGES		<u>(1,344)</u>	<u>(1,293)</u>
PROFIT FOR THE FINANCIAL YEAR BEFORE TAX AND BEFORE MEMBERS' REMUNERATION AND PROFIT SHARES		96,405	69,264
TAX ON PROFIT ON ORDINARY ACTIVITIES	9	<u>(1,410)</u>	<u>(261)</u>
PROFIT FOR THE FINANCIAL YEAR AFTER TAX AND BEFORE MEMBERS' REMUNERATION AND PROFIT SHARES		94,995	69,003
MEMBERS' REMUNERATION CHARGED AS AN EXPENSE - FIXED SHARES		<u>(47,159)</u>	<u>(32,204)</u>
PROFIT FOR THE FINANCIAL YEAR AFTER MEMBERS FIXED SHARES		<u>47,836</u>	<u>36,799</u>
MEMBERS' REMUNERATION CHARGED AS AN EXPENSE - AUTOMATIC ALLOCATION OF PROFITS		<u>(45,291)</u>	<u>(35,848)</u>
PROFIT FOR THE FINANCIAL YEAR AVAILABLE FOR DISCRETIONARY DIVISION AMONG MEMBERS		<u>2,545</u>	<u>951</u>
PROFIT FOR THE FINANCIAL YEAR AVAILABLE FOR DISCRETIONARY DIVISION AMONG MEMBERS ATTRIBUTABLE TO:			
OWNERS OF THE PARENT		2,022	685
NON-CONTROLLING INTERESTS		<u>523</u>	<u>266</u>

The notes on pages 19 to 38 form part of these financial statements

Kennedys Law LLP
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the year ended 30 April 2021

	2021 £'000	2020 £'000
PROFIT FOR THE FINANCIAL YEAR AVAILABLE FOR DISCRETIONARY DIVISION AMONG MEMBERS	2,545	951
EXCHANGE DIFFERENCES ON RETRANSLATION OF FOREIGN OPERATIONS	<u>(2,162)</u>	<u>177</u>
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR	<u>383</u>	<u>1,128</u>
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ATTRIBUTABLE TO:		
OWNERS OF THE PARENT	(140)	867
NON-CONTROLLING INTERESTS	<u>523</u>	<u>261</u>

The notes on pages 19 to 38 form part of these financial statements

Kennedys Law LLP

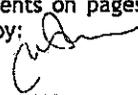
CONSOLIDATED STATEMENT OF FINANCIAL POSITION

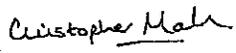
As at 30 April 2021

Registration No: OC353214

	Notes	2021 £'000	2020 £'000
FIXED ASSETS			
Intangible assets	10	1,922	1,304
Tangible assets	11	6,004	6,057
Investments	12	-	44
		<u>7,926</u>	<u>7,405</u>
CURRENT ASSETS			
Debtors	13	142,221	128,065
Cash at bank and in hand		<u>23,354</u>	<u>23,613</u>
		165,575	151,678
CREDITORS: Amounts falling due within one year	14	(84,866)	(86,763)
NET CURRENT ASSETS		80,709	64,915
TOTAL ASSETS LESS CURRENT LIABILITIES		88,635	72,320
CREDITORS: Amounts falling due after more than one year	15	(8,250)	(11,250)
PROVISIONS FOR LIABILITIES			
Other provisions	17	<u>(3,316)</u>	<u>(598)</u>
NET ASSETS EXCLUDING PENSION LIABILITY		<u>77,069</u>	<u>60,472</u>
DEFINED BENEFIT PENSION LIABILITY	25	(275)	(919)
NET ASSETS ATTRIBUTABLE TO MEMBERS		<u>76,794</u>	<u>59,553</u>
REPRESENTED BY:			
LOANS AND OTHER DEBTS DUE TO MEMBERS WITHIN ONE YEAR			
Members' capital classified as a liability		22,938	19,358
Other amounts due to members		<u>49,828</u>	<u>38,371</u>
		72,766	57,729
MEMBERS' OTHER INTERESTS			
Undistributed reserves classified as equity	20	4,528	2,845
NON-CONTROLLING INTEREST			
Amounts attributable to non-controlling interest	21	(499)	(1,021)
		<u>76,795</u>	<u>59,553</u>
TOTAL MEMBERS' INTERESTS			
Members' capital classified as a liability		22,938	19,358
Other amounts due to members		49,828	38,371
Members' other interests		4,528	2,845
		<u>77,294</u>	<u>60,574</u>

These financial statements on pages 12 to 38 were approved and authorised for issue by the members and signed on their behalf by:


 N P G Thomas
 Designated Member
 Date: 2 December 2021


 C Malla
 Designated Member
 Date: 2 December 2021

The notes on pages 19 to 38 form part of these financial statements

Kennedys Law LLP

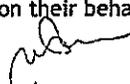
LIMITED LIABILITY PARTNERSHIP STATEMENT OF FINANCIAL POSITION
As at 30 April 2021

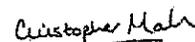
Registration No. OC353214

	Notes	2021 £'000	2020 £'000
FIXED ASSETS			
Intangible assets	10	1,916	1,294
Tangible assets	11	3,023	3,142
Investments	12	<u>7,377</u>	<u>7,368</u>
		<u>12,316</u>	<u>11,804</u>
CURRENT ASSETS			
Debtors	13	104,760	101,091
Cash at bank and in hand		<u>6,618</u>	<u>13,642</u>
		<u>111,378</u>	<u>114,733</u>
CREDITORS: Amounts falling due within one year	14	(68,158)	(77,107)
NET CURRENT ASSETS		<u>43,220</u>	<u>37,626</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		55,536	49,430
CREDITORS: Amounts falling due after more than one year	15	(8,250)	(11,250)
PROVISIONS FOR LIABILITIES			
Other provisions	17	<u>(3,310)</u>	<u>(598)</u>
NET ASSETS EXCLUDING PENSION LIABILITY		<u>43,976</u>	<u>37,582</u>
DEFINED BENEFIT PENSION LIABILITY	25	(275)	(919)
NET ASSETS ATTRIBUTABLE TO MEMBERS		<u>43,701</u>	<u>36,663</u>
REPRESENTED BY:			
LOANS AND OTHER DEBTS DUE TO MEMBERS WITHIN ONE YEAR			
Members' capital classified as a liability		18,610	16,118
Other amounts due to members		<u>25,091</u>	<u>20,545</u>
		<u>43,701</u>	<u>36,663</u>
TOTAL MEMBERS' INTERESTS			
Members' capital classified as a liability		18,610	16,118
Other amounts due to members		<u>25,091</u>	<u>20,545</u>
		<u>43,701</u>	<u>36,663</u>

The exemption taken under section 408 of the Companies Act 2006 from presenting the parent LLP's income statement has been taken. The LLP's profit after members fixed shares for the year ended 30 April 2021 was £36.885m (2020: £30.067m).

These financial statements on pages 12 to 38 were approved and authorised for issue by the members and signed on their behalf by:


N P G Thomas
Designated Member
Date: 2 December 2021


C Malla
Designated Member
Date: 2 December 2021

The notes on pages 19 to 38 form part of these financial statements

Kennedys Law LLP
CONSOLIDATED STATEMENT OF CASH FLOWS
Year ended 30 April 2021

	2021 £'000	2020 £'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the financial year before members' remuneration and profit shares	94,995	69,003
Adjustments for:		
Depreciation and amortisation	3,082	2,868
Loss/ (profit) on disposal of fixed assets	493	(20)
Share of operating loss from joint ventures	44	1,275
Interest paid	1,344	1,293
Interest received	(1,098)	(1,243)
Taxation expense	1,410	261
Increase in trade and other debtors	(14,395)	(18,048)
Increase in trade and other creditors	3,843	8,007
Increase/ (decrease) in provisions	2,718	(62)
(Decrease)/ increase in defined benefit pension liability	<u>(644)</u>	<u>613</u>
Cash from operations	91,792	63,396
Taxation paid	(390)	(1,007)
Members drawings	<u>(78,370)</u>	<u>(57,437)</u>
Net cash generated from operating activities	<u>13,032</u>	<u>4,952</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of fixed assets	(4,141)	(3,553)
Proceeds from sale of fixed assets	-	83
Interest received	<u>1,098</u>	<u>1,243</u>
Net cash from investing activities	<u>(3,043)</u>	<u>(2,227)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from borrowings	-	59,632
Repayment of borrowings	(12,485)	(34,387)
Interest paid	(1,344)	(1,293)
Capital introduced by members	4,085	2,444
Capital repaid to members	<u>(504)</u>	<u>(1,521)</u>
Net cash from financing activities	<u>(10,248)</u>	<u>24,875</u>
Net increase in cash and cash equivalents	(259)	27,600
Cash and cash equivalents at the beginning of the year	<u>23,613</u>	<u>(3,987)</u>
Cash and cash equivalents at the end of the year	<u>23,354</u>	<u>23,613</u>
Cash and cash equivalents comprise:		
Cash at bank and in hand	<u>23,354</u>	<u>23,613</u>

Kennedys Law LLP

CONSOLIDATED STATEMENT OF CHANGES IN MEMBERS' INTERESTS Year ended 30 April 2021

	Members' capital classified as a liability £'000	Amounts due to members £'000	Sub-total £'000	Members' other interest £'000	Total members' interests £'000
Year ended 30 April 2020:					
At 1 May 2019	18,213	29,601	47,814	1,930	49,744
Profit for the financial year available for discretionary division among members	-	-	-	685	685
Members remuneration charged as an expense - automatic profit allocation	-	35,848	35,848	-	35,848
Other comprehensive income	-	(53)	(53)	230	177
Members interests after total comprehensive income	<u>18,213</u>	<u>65,396</u>	<u>83,609</u>	<u>2,845</u>	<u>86,454</u>
Drawings	-	(27,025)	(27,025)	-	(27,025)
Capital introduced	4,006	-	4,006	-	4,006
Capital repaid	<u>(2,861)</u>	<u>-</u>	<u>(2,861)</u>	<u>-</u>	<u>(2,861)</u>
At 30 April 2020	<u>19,358</u>	<u>38,371</u>	<u>57,729</u>	<u>2,845</u>	<u>60,574</u>
Year ended 30 April 2021:					
At 1 May 2020	19,358	38,371	57,729	2,845	60,574
Profit for the financial year available for discretionary division among members	-	-	-	2,022	2,022
Members remuneration charged as an expense - automatic profit allocation	-	45,291	45,291	-	45,291
Other comprehensive income	-	(1,823)	(1,823)	(339)	(2,162)
Members interests after total comprehensive income	<u>19,358</u>	<u>81,839</u>	<u>101,197</u>	<u>4,528</u>	<u>105,725</u>
Drawings	-	(32,011)	(32,011)	-	(32,011)
Capital introduced	4,085	-	4,085	-	4,085
Capital repaid	<u>(505)</u>	<u>-</u>	<u>(505)</u>	<u>-</u>	<u>(505)</u>
At 30 April 2021	<u>22,938</u>	<u>49,828</u>	<u>72,766</u>	<u>4,528</u>	<u>77,294</u>

Kennedys Law LLP

LIMITED LIABILITY PARTNERSHIP STATEMENT OF CHANGES IN MEMBERS' INTERESTS Year ended 30 April 2020

	Members' capital classified as a liability £'000	Amounts due to members £'000	Members other interests £'000	Total members' interests £'000
Year ended 30 April 2020:				
At 1 May 2019	14,787	15,972	-	30,759
Members remuneration charged as an expense - automatic profit allocation	-	30,067	-	30,067
Members interests after total comprehensive income	<u>14,787</u>	<u>46,039</u>	-	<u>60,826</u>
Drawings	-	(25,494)	-	(25,494)
Capital introduced	3,332	-	-	3,332
Capital repaid	<u>(2,001)</u>	-	-	<u>(2,001)</u>
At 30 April 2020	<u>16,118</u>	<u>20,545</u>	-	<u>36,663</u>
Year ended 30 April 2021:				
At 1 May 2020	16,118	20,545	-	36,663
Members remuneration charged as an expense - automatic profit allocation	-	36,885	-	36,885
Members interests after total comprehensive income	<u>16,118</u>	<u>57,430</u>	-	<u>73,548</u>
Drawings	-	(32,339)	-	(32,339)
Capital introduced	3,106	-	-	3,106
Capital repaid	<u>(614)</u>	-	-	<u>(614)</u>
At 30 April 2021	<u>18,610</u>	<u>25,091</u>	-	<u>43,701</u>

Kennedys Law LLP

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 April 2021

1. ENTITY INFORMATION

The principal activity of the Group and the LLP during the year continued to be the provision of legal services. The LLP is authorised and regulated by the Solicitors Regulation Authority.

The LLP is incorporated and registered in England & Wales at 25 Fenchurch Avenue, London, EC3M 5AD, which is also its principal place of business.

2. BASIS OF PREPARATION

The financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 - 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' ('FRS 102'), Companies Act 2006 as applied by LLPs, and the Statement of Recommended Practice (SORP), Accounting by Limited Liability Partnerships, issued in January 2017. 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 functional currency of Kennedys Law LLP is considered to be pounds sterling because that is the currency of the primary economic environment in which it operates. The financial statements are also presented in pounds sterling.

BASIS OF CONSOLIDATION

The consolidated financial statements present the results of Kennedys Law LLP and its subsidiaries ("the Group") as if they formed a single entity. Intergroup transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the balance sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The result of acquired operations are included in the consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date control ceases.

PARENT LLP DISCLOSURE

The LLP has taken advantage of section 408 of The Companies Act 2006 as applied by The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 and has not included its own profit and loss account in these financial statements. The LLP's profit after members fixed shares for the year ended 30 April 2021 was £36.885m (2020: £30.067m).

The individual financial statements of Kennedys Law LLP have also adopted the following disclosure exemption:

- the requirement to present a statement of cash flows and related notes.
- the requirement to disclose financial instruments.
- the requirement to disclose certain related party transactions.
- the requirement to disclose remuneration of key management personnel.

GOING CONCERN

After reviewing the Group's forecasts and projections, the members have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. The LLP therefore continues to adopt the going concern basis in preparing its consolidated financial statements.

In addition to partner funding, the Group's external working capital requirements are provided in the form of overdrafts, term loans and a revolving credit facility. In January 2020, AIB and HSBC entered into a new bank facility agreement to provide funding to Kennedys Law LLP for a period of three years and with options to renew for a further two years. The total amount of the facility was £45m and is secured by a debenture in favour of AIB and HSBC as a charge over the assets of the LLP and supported by designated guarantors within the Kennedys Group.

GOING CONCERN (continued)

The members are pleased that the business has continued to operate profitably during the COVID-19 pandemic. At the start of the pandemic, the firm took prudent decisions to delay some non-essential expenditure and ensure additional financing arrangements were in place should they be needed. The firm's Global Strategy Board has been closely monitoring the impact of COVID-19 on both our markets and the markets in which our clients operate and continue to evolve strategies to manage any issues and uncertainties. During the year under review, and subsequently, the business has remained robust and continues to operate profitably. To date additional financing arrangements have not been needed and global cash flow forecasts and financial modelling looking forward 3 financial years have provided the members with confidence that the future business outlook remains profitable and cash generative.

3. PRINCIPAL ACCOUNTING POLICIES

The principal accounting policies are summarised below and have been consistently applied during the period.

3.1. Business combinations

Acquisitions of subsidiaries and businesses are accounted for using the purchase method. The cost of the business combination is measured at the aggregate of the fair values (at the date of exchange) of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree plus costs directly attributable to the business combination.

Any excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets and liabilities is recognised as goodwill. If the net fair value of the identifiable assets and liabilities exceeds the cost of the business combination, the excess is recognised separately on the face of the consolidated statement of financial position immediately below goodwill.

3.2. Intangible Assets

Intangible assets are measured at cost less accumulated amortisation and any provision for impairment. Amortisation is calculated to write down the cost less estimated residual value of all intangible assets over their expected useful lives, using the straight line method. The estimated useful lives are as follows:

Computer Software	3 years
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3.3. Tangible Assets

Tangible assets are measured at cost less accumulated depreciation and any provision for impairment.

Depreciation is calculated to write down the cost less estimated residual value of all tangible assets over their expected useful lives, using the straight line method. The estimated useful lives range as follows:

Leasehold Improvements	The shorter of: the length of the lease or the remaining length of the lease.
Fixtures & Fittings	7 years
Computer Hardware	5 years
Motor Vehicles	4 years

The carrying values of tangible assets are reviewed for impairment when events or changes in circumstances indicate that their carrying values may not be recoverable.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'other operating income and losses' within total comprehensive income.

3.4. Investment in subsidiaries

The consolidated financial statements incorporate the financial statements of the LLP and entities controlled by the Group (its subsidiaries).

The results of subsidiaries acquired or disposed of during the year are included in total comprehensive income from the effective date of acquisition and up to the effective date of disposal, as appropriate using accounting policies consistent with those of the parent. All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

Investments in subsidiaries are accounted for at cost less impairment in the individual financial statements.

3. PRINCIPAL ACCOUNTING POLICIES (continued)

3.5. Investments in associates and joint ventures

An entity is treated as an associated undertaking where the group exercises significant influence in that it has the power to participate in the operating and financial policy decisions.

An entity is treated as a joint venture where the group is party to a contractual agreement with one or more parties from outside the group to undertake an economic activity that is subject to joint control.

Investments in associates and joint ventures are recognised initially in the consolidated statement of financial position at the transaction price and subsequently adjusted to reflect the Group's share of total comprehensive income and equity of the associate or joint venture, less any impairment.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the associate or joint venture recognised at the date of acquisition, although treated as goodwill, is presented as part of the investment in the associate or joint venture. Amortisation is charged so as to allocate the cost of goodwill over its estimated useful life, using the straight-line method. Losses in excess of the carrying amount of an investment in an associate or joint venture are recorded as a provision only when the company has incurred legal or constructive obligations or has made payments on behalf of the associate or joint venture.

Investments in associates and joint ventures are accounted for at cost less impairment in the individual financial statements.

3.6. Financial instruments

The LLP has elected to apply the provisions of section 11 'Basic Financial Instruments' and section 12 'Other Financial Instruments' of FRS 102, in full, to all of its financial instruments.

Financial assets and liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities.

(i) Financial assets and liabilities

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a finance transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

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

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

(ii) Equity instruments

Equity instruments issued by the Group are recorded at the fair value of cash or other resources received or receivables, net of direct issue costs.

3. PRINCIPAL ACCOUNTING POLICIES (continued)

(iii) Fair value measurement

The best evidence of fair value is a quoted price for an identical asset in an active market. When quoted prices are available, the price of a recent transaction for an identical asset provides evidence of fair value as long as there has not been a significant change in economic circumstances or a significant lapse of time since the transaction took place. If the market is not active and recent transactions of an identical asset on their own are not a good estimate of fair value, the fair value is estimated by using a valuation technique.

3.7. Turnover and amounts recoverable on contracts

Fee income represents revenue earned under a wide variety of contracts to provide professional services. Revenue is recognised as earned when, and to the extent that, the LLP obtains the right to consideration in exchange for its performance under these contracts. It is measured at the fair value of the right to consideration which represents amounts chargeable to clients, including expenses and disbursements but excluding VAT.

Revenue is generally recognised as contract activity progresses so that for incomplete contracts it reflects the partial performance of the outstanding obligations. For such contracts the amount of revenue reflects the accrual of the right to consideration by reference to the value of work performed. Revenue not billed to clients is included in current assets as amounts recoverable on contracts.

3.8. Debtors

Short term debtors are measured at transaction price, less any provision for impairment.

3.9. Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including loans, are measured initially at fair value net of transactions costs, and are measured subsequently at amortised cost using the effective interest method.

3.10. Leases

Assets financed by leasing agreements that give rights approximating to ownership ("finance leases"), are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable during the lease term. The corresponding leasing commitments are shown as obligations to the lessor. Lease payments are treated as consisting of capital and interest elements, and the interest is charged to the income statement in proportion to the remaining balance outstanding.

Rentals payable under operating leases are charged to the income statement on a straight line basis over the lease term. Depreciation on the relevant asset is charged to the income statement over the shorter of estimated useful economic life and the term of the lease.

3.11. Provisions

Provision for liabilities

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group 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.

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 in the income statement in the period it arises.

3.12. Holiday pay accrual

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

3. PRINCIPAL ACCOUNTING POLICIES (continued)

3.13. Members drawings and profit allocations

Members are permitted to make drawings in anticipation of profits which will be allocated to them. The amount of such drawings is set at the beginning of each financial year, taking into account the anticipated cash needs of the Group and the LLP.

The LLP agreement provides that for certain members fixed amounts determined each year, will be paid to them, irrespective of the profit of the LLP. These amounts are included on the income statement within members' remuneration charged as expense - fixed shares. The allocation of profits is governed by the Members Agreement and the automatic allocation of these amounts are included within on the income statement within members' remuneration - automatic allocation of profits.

Profit allocations are recognised in the year they are declared and become a present obligation of the LLP. A member's share of the profit or loss for the year is accounted for as an allocation of profits. Unallocated profits and losses that relate to certain corporate subsidiaries are included within 'other reserves classified as equity'.

3.14. Members capital

New members are required to subscribe a minimum level of capital and in subsequent years members are invited to subscribe for further capital, the amount of which is determined by the performance and seniority of those members. On retirement capital is repaid to members.

3.15. Taxation

The tax payable on profits is the personal liability of the members. A retention from profits is made to fund payments of taxation on members' behalf. The retention is reflected in amounts due to/from members and payments are charged against this retention.

Group entities are subject to a variety of income and corporation taxes based on their taxable profits, at rates between 15% and 35%. Generally, limited liability partnerships and partnerships, within the Group are not subject to taxation; rather their members are subject to personal income tax. This is a personal liability of the members individually and not of the limited liability partnerships and partnerships.

Deferred Taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the taxable profits and the results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

3.16. Pension costs

The Group contributes to the personal pension schemes of certain employees. Amounts charged in the income statement represent amounts payable in the year.

The Group also operates a defined benefit pension scheme for certain qualifying employees. This scheme was transferred to Kennedys Law LLP following the merger with Waltons & Morse LLP.

The assets of the scheme are held separately from those of the Group in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date.

In accordance with the terms of the merger agreement, the contributions payable in respect of the defined benefit pension scheme are charged directly to the former partners of Waltons & Morse LLP.

Other long-term employee benefits are measured at the present value of the benefit obligation at the reporting date.

3. PRINCIPAL ACCOUNTING POLICIES (continued)

3.17. Foreign Currency Translation

Functional currency and presentation currency

The individual financial statements of each group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the consolidated financial statements, the results and the financial position are presented in pounds sterling (£).

Transactions and balances

In preparing the financial statements of the individual entities, transactions in currencies other than the functional currency of the individual entities (foreign currencies) are recognised at the spot rate at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences are recognised in the income statement in the period in which they arise. However, in the consolidated financial statements exchange differences arising on monetary items that form part of the net investment in a foreign operation are recognised in other comprehensive income and are not reclassified to the income statement.

Translation of group companies

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated from their functional currency to pounds sterling (£) using the closing exchange rate. Income and expenses are translated using the average rate for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising on the translation of group companies are recognised in other comprehensive income and are not reclassified to the income statement.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

4. JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where these judgements and estimations have been made include:

Working capital assets

Management review the policies applied in the valuation of the various elements of working capital regularly. The approach to revenue recognition depends on work type. For work that is not contingent, revenue is recognised through an assessment of the fair value of unbilled services provided at the reporting date as a proportion of the anticipated value of the engagement. Revenue from contingent work is recognised where the amount of revenue can be measured reliably and it is probable that economic benefits will arise from that work. The judgement applied in testing the reliability of expected future recovery rates is based on historical data and analysis over a period consistent with the work type. Management recognise that a proportion of invoices billed to clients and disbursements incurred on behalf of clients, will prove to be irrecoverable and appropriate provision is made based on transaction age and work type.

Other provisions

Provisions represent an estimate of the potential cost of defending claims and the estimated cost of settling claims up to the excess terms of the LLP's professional indemnity insurance. Factors taken into consideration when making this estimation include the likelihood of an unfavourable ruling as well as the potential cost.

Kennedys Law LLP
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 April 2021

4. JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

Recoverability of intercompany balances

The partnership deems that all intergroup balances and amounts owed by related parties are recoverable whilst the group is solvent. The group utilises intergroup and related party balances to transfer funds to meet working capital and other obligations. On a periodic basis, the balances are reviewed to ensure they remain recoverable in reference to the growth and performance of the corresponding entities or related parties to which funds are due from. Where balances are not thought to be recoverable, provisions against those balances are made.

5. TURNOVER

	2021 £'000	2020 £'000
Turnover analysed geographically between markets was as follows:		
UK	168,720	138,679
North America	40,690	39,676
Asia Pacific	31,619	29,910
Europe, Middle East and Africa	14,773	19,817
Latin America and the Caribbean	3,369	4,379
	<u>259,171</u>	<u>232,461</u>

Turnover arose from the rendering of services and was attributable to the principal activity.

6. OPERATING PROFIT

	2021 £'000	2020 £'000
The operating profit is stated after:		
Other operating lease rentals	13,019	12,639
Foreign exchange losses	611	340
Depreciation of tangible assets	2,224	1,995
Amortisation of intangible assets	858	853
(Profit)/loss on disposal of assets	493	(20)
Fee payable to the LLP's auditors for the audit of the LLP's annual financial statements	193	170
Fees payable to the LLP's auditors and its associates for other services:		
-audit of the financial statements of subsidiaries	55	54
-other services	44	41
	<u>116,030</u>	<u>109,893</u>

7. STAFF COSTS

	2021 £'000	2020 £'000
Staff costs during the year were as follows:		
Wages and salaries	94,022	87,914
Social security costs	8,391	7,694
Other pension costs	3,626	3,390
Other benefits	4,892	5,800
Other staff costs	5,099	5,095
	<u>116,030</u>	<u>109,893</u>

Kennedys Law LLP
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 April 2021

7. STAFF COSTS (continued)

The average number of employees of the Group during the year was:	2021 No.	2020 No.
Fee earners	1,108	1,026
Other	726	690
	<u>1,834</u>	<u>1,716</u>

There were no staff employed directly by Kennedys Law LLP during the year (2020: Nil).

The average number of members during the year was:	2021 No.	2020 No.
Full members	95	77
Partial members	156	164
	<u>251</u>	<u>241</u>

Partial members receive a fixed remuneration and a variable element of profit share. The variable profit share element is the members' allocated profit points. Profit share is based on distributable profits available within the global profit pool.

	2021 £'000	2020 £'000
Distributable profits allocated to partial members	3,216	2,600
Distributable profits available for division amongst full members	40,252	33,195
	<u>43,468</u>	<u>35,795</u>
Total remuneration to key management (being designated members and Board Members) in the group for the year:	13,819	10,492
The amount of profit attributable to the member with the largest entitlement was:	<u>1,809</u>	<u>1,445</u>

Profit attributable to the member with the largest entitlement is calculated based upon any remuneration included within 'members remuneration charged as an expense' plus any profit allocations.

8. DEFINED CONTRIBUTION PENSION SCHEME

The Group operates a stakeholder defined contribution pension schemes for the benefit of certain employees. The assets of the schemes are administered by independent pensions providers. Pension payments recognised as an expense during the year amounted to £3.626m (2020: £3.390m).

Contributions totalling £548,583 (2020: £493,297) were payable to schemes at the end of the year and are included in creditors.

Kennedys Law LLP
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 April 2021

9. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2021	2020
	£'000	£'000
UK Corporation tax	1,486	366
Current year taxation	-	(214)
Adjustments in respect of previous periods		
Overseas Taxation	137	115
Total current tax	<u>1,623</u>	<u>267</u>
Deferred taxation: Origination and reversal of timing differences:	(213)	(6)
Tax on profit on ordinary activities	<u>1,410</u>	<u>261</u>

The tax assessed for the year is lower than (2020: lower than) the standard rate of corporation tax in the United Kingdom at 19% (2020: 19%). The differences are explained as follows:

	2021	2020
	£'000	£'000
Profit on ordinary activities before tax	<u>96,405</u>	<u>69,264</u>
Tax on profit on ordinary activities at the standard rate of 19% (2020: 19%)	18,317	13,160
Factors affecting change for the year:		
Tax effect of profits of the Group not chargeable to corporation tax	(15,394)	(11,671)
Difference in tax rates	549	(334)
Short term timing differences and non-taxable items	(1,815)	(368)
R&D tax relief	-	(168)
Adjustments in respect of previous periods	(34)	(352)
Deferred tax timing differences	(213)	(6)
Tax results on ordinary activities	<u>1,410</u>	<u>261</u>

10. INTANGIBLE ASSETS

	Group	LLP
	£'000	£'000
Computer Software		
COST		
1 May 2020	5,059	5,001
Additions	<u>1,476</u>	<u>1,476</u>
30 April 2021	<u>6,535</u>	<u>6,477</u>
ACCUMULATED AMORTISATION		
1 May 2020	3,755	3,707
Charge for the year	<u>858</u>	<u>854</u>
30 April 2021	<u>4,613</u>	<u>4,561</u>
NET BOOK VALUE		
30 April 2021	<u>1,922</u>	<u>1,916</u>
30 April 2020	<u>1,304</u>	<u>1,294</u>

Kennedys Law LLP
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 April 2021

11. TANGIBLE ASSETS

GROUP	Leasehold Improvements £'000	Fixtures & Fittings £'000	Computer Hardware £'000	Motor Vehicles £'000	Total £'000
COST					
1 May 2020	10,936	6,028	5,556	316	22,836
Additions	1,436	144	1,084	-	2,664
Disposals	(365)	(376)	(91)	(85)	(917)
30 April 2021	<u>12,007</u>	<u>5,796</u>	<u>6,549</u>	<u>231</u>	<u>24,583</u>
ACCUMULATED DEPRECIATION					
1 May 2020	8,446	4,347	3,796	190	16,779
Charge for the year	1,086	330	775	33	2,224
Disposals	-	(267)	(89)	(68)	(424)
30 April 2021	<u>9,532</u>	<u>4,410</u>	<u>4,482</u>	<u>155</u>	<u>18,579</u>
NET BOOK VALUE					
30 April 2021	<u>2,475</u>	<u>1,386</u>	<u>2,067</u>	<u>76</u>	<u>6,004</u>
30 April 2020	<u>2,490</u>	<u>1,681</u>	<u>1,760</u>	<u>126</u>	<u>6,057</u>
LLP					
	Leasehold Improvements £'000	Fixtures & Fittings £'000	Computer Equipment £'000	Motor Vehicles £'000	Total £'000
COST					
1 May 2020	8,114	3,731	4,161	290	16,296
Additions	520	168	934	-	1,622
Disposals	(341)	(97)	(2)	(85)	(525)
30 April 2021	<u>8,293</u>	<u>3,802</u>	<u>5,093</u>	<u>205</u>	<u>17,393</u>
ACCUMULATED DEPRECIATION					
1 May 2020	6,945	3,325	2,722	162	13,154
Charge for the year	583	123	614	33	1,353
Disposals	-	(69)	-	(68)	(137)
30 April 2021	<u>7,528</u>	<u>3,379</u>	<u>3,336</u>	<u>127</u>	<u>14,370</u>
NET BOOK VALUE					
30 April 2021	<u>765</u>	<u>423</u>	<u>1,757</u>	<u>78</u>	<u>3,023</u>
30 April 2020	<u>1,169</u>	<u>406</u>	<u>1,439</u>	<u>128</u>	<u>3,142</u>

Kennedys Law LLP
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 April 2021

12. INVESTMENTS

	Group		LLP	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Total fixed asset investments comprise :				
Interests in associates	-	44	-	-
Interests in subsidiaries	-	-	7,377	7,368
	<u>-</u>	<u>44</u>	<u>7,377</u>	<u>7,368</u>

Interests in subsidiaries

As at 30 April 2021 the Group and the LLP had interests in the following subsidiaries:

Subsidiary undertaking	Class of holding	Proportion held	Country of Incorporation	Direct / indirect holding	Nature of business
Registered office: 25 Fenchurch Avenue, London, EC3M 5AD					
Kennedys Dubai LLP	Equity	100%	England	Direct	Legal Services
Kennedys Belfast LLP	Equity	100%	Northern Ireland	Direct	Legal Services
Kennedys Singapore LLP	Equity	100%	England	Direct	Provision of Staff
Kennedys Portugal LLP ¹	Equity	50%	England	Direct	Legal Services
Kennedys Brussels LLP	Equity	100%	England	Direct	Legal Services
Kennedys Innovations Limited	Ordinary	100%	England	Direct	Intermediate Holding Company
Kennedys Management Holdings Limited	Ordinary	100%	England	Direct	Intermediate Holding Company
Kennedys Management Services Limited	Ordinary	100%	England	Direct	Provision of Staff
Kennedys International Holdings LLP	Equity	100%	England	Direct	Dormant
Kennedys CIS Limited	Ordinary	100%	England	Indirect	Cost Control Services
Kennedys Overseas Services Limited	Ordinary	100%	England	Indirect	Dormant
Kennedys IQ Limited	Ordinary	100%	England	Indirect	Research and Development

Registered office: Westlands Rd, Eastern District, Hong Kong

Kennedys	Equity	100%	Hong Kong	Direct	Legal Services
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Registered office: Level 22, 85 Castlereagh Street, Sydney, NSW 1235, Australia

Kennedys (Australasia) Pty Ltd ²	Ordinary	100%	Australia	Indirect	Legal Services
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Registered office: Baird House, 4 Lower Gilmore Bank, Edinburgh EH3 9QP

Kennedys Scotland	Equity	100%	Scotland	Direct	Legal Services
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Kennedys Law LLP
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 April 2021

12. INVESTMENTS (continued)

Subsidiary undertaking	Class of holding	Proportion held	Country of Incorporation	Direct / indirect holding	Nature of business
Registered office: 2nd Floor, Bloodstone Building, Sir John Rogerson's Quay, Dublin 2, D02 KF24, Ireland					
Kennedys Solicitors LLP	Equity	100%	Ireland	Direct	Legal Services
Kennedys Law Ltd	Ordinary	100%	Ireland	Direct	Property Management
Registered office: No. 98, Room 2901-2904, 29th Floor, Sathorn Square Office Building, North Sathorn Road, Silom, Bang Rak, Bangkok, 10500					
Kennedys (Thailand) Limited ³	Ordinary	74%	Thailand	Indirect	Legal Services
Kennedys Holding (Thailand) Co. Limited ¹	Ordinary	49%	Thailand	Direct	Intermediate Holding Company
Registered office: 31 Rue de Lisbonne, Paris 75008, France					
Kennedys France AARPI	Equity	-	France	Indirect	Legal Services
Registered office: 20 Brunswick Street, Hamilton HM 10, Bermuda					
Kennedys Chudleigh Ltd ⁵	-	-	Bermuda	-	Legal Services
Registered office: 120 Mountain View Boulevard, P.O. Box 650, Basking Ridge, New Jersey 07920, USA					
Kennedys CMK LLP ⁴	Equity	100%	USA	Direct	Legal Services
Registered office: Regnbuepladsen 5, 4th Floor, 1550 Copenhagen, Denmark					
Kennedys Advokatpartnerselskab	Equity	100%	Denmark	Direct	Legal Services
EDS ApS	Equity	100%	Denmark	Direct	Holding Company
Registered office: Av Rivera Navarrete 495 Piso 13, San Isidro Lima 27, Lima, Peru					
Kennedys Law Peru SRL	Equity	100%	Peru	Direct	Legal Services
Registered office: Ground Floor, Chandragiri, Technopark, Kazhakuttom, Trivandrum 695581, India					
Kennedys Kognitive Computing Private Ltd	Equity	100%	India	Indirect	Research and Development
Registered office: Cuzco IV, Paseo de Castellana 141 - 5 floor, Madrid, Comunidad de Madrid 28046, Spain					
Kennedys Law SL	Ordinary	100%	Spain	Indirect	Legal Services

Kennedys Law LLP
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 April 2021

12. INVESTMENTS (continued)

Subsidiary undertaking	Class of holding	Proportion held	Country of Incorporation	Direct / indirect holding	Nature of business
Registered office: Avenida Insurgentes Sur 1524, Piso 10 PO-06, Colonia Credito Constructor, Mexico City, 03940, Mexico					
Kennedys Holdings Mexico	Ordinary	100%	Mexico	Direct	Intermediate Holding Company
Kennedys Law Mexico	Equity	100%	Mexico	Direct	Legal services
Registered office: 80 Raffles Place, #44-01 UOB Plaza 1, Singapore 048624, Singapore					
Kennedys Legal Solutions Pte	Ordinary	65%	Singapore	Indirect	Legal Services
Registered office: Unit No. 30-01-2430, Jewellery & Gemplex 3, Plot No: DMCC-PH2-J&GPlexS, Dubai, UAE					
Kennedys Tuli & Co DMCC Dubai	Ordinary	100%	UAE	Indirect	Cost Control Services
Registered office: Carrera 9 #113-01, Piso 28, Edificio Tierra Firme, Usaquen, Bogota, Colombia					
Kennedys Colombia SA	Ordinary	100%	Colombia	Indirect	Legal Services
Registered office: Ed. Brasken Century Office, Rua Joaquim Floriano, 466 - Conj 506/507, Itaim-Bibi, São Paulo CEP 04534-002, Brazil					
Kennedys Technical Services Ltd	Ordinary	75%	Brazil	Indirect	Cost Control Services
Registered office: 2 Hamanofim Street, 4672553 Herzliya, Tel Aviv, Israel					
Kennedys Israel	Equity	100%	Israel	Direct	Legal Services
Registered office: Office 323 Globex Business Centre 2nd Floor, Office Tower, Panorama Mall, Bousher Muscat, Sultanate of Oman					
Kennedys Muscat SPC	Equity	100%	UAE	Indirect	Cost Control Services
Registered office: Office 375 Globex Business Centre 2nd Floor, Office Tower, Panorama Mall, Bousher Muscat, Sultanate of Oman					
Naser Bin Rasheed Bin Sulaiman Al Shamali, Advocates & Legal Consultants (NASLAW) ⁵	-	-	UAE	-	Legal Services

¹ Kennedys Law LLP is deemed to be the controlling party of Kennedys Portugal LLP and Kennedys Holding (Thailand) Co. Limited. As such, these entities have been treated as subsidiary undertakings.

² Kennedys (Australasia) Pty Ltd is owned 6% directly and 94% indirectly.

³ Kennedys (Thailand) Limited is owned 49% directly and 25% indirectly.

⁴ Kennedys CMK LLP is owned 99% directly and 1% indirectly.

⁵ Kennedys Law LLP has no ownership in Kennedys Chudleigh Ltd or NASLAW but a trade agreement is in place.

Kennedys Law LLP
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 April 2021

12. INVESTMENTS (continued)

Audit exemption

The following subsidiaries are exempt from the requirements of the UK Companies Act 2006 relating to the audit of individual accounts by virtue of s479A of the Act: Kennedys Dubai LLP (OC352675), Kennedys Belfast LLP (NC000601), Kennedys Singapore LLP (OC352676), Kennedys Portugal LLP (OC360324), Kennedys Brussels LLP (OC305968), Kennedys IQ Limited (10774749), Kennedys CIS Limited (09488173), Kennedys Innovations Limited (07653371) and Kennedys Management Holdings Limited (03114872).

	Group £'000	LLP £'000
At 1 May 2020	44	7,368
Additions	-	282
Disposals	-	(273)
Change in value of investments	(44)	-
At 30 April 2021	<u>-</u>	<u>7,377</u>

Interests in associates

At 30 April 2021 the Group had interests in the following associates:

Associate undertaking (held indirectly) :	Class of holding	Proportion held	Country of Incorporation	Place of business	Nature of business
Legal Solutions LLC	Ordinary	30%	Singapore	Singapore	Legal Services

Kennedys Law LLP
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 April 2021

13. DEBTORS

	Group		LLP	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Amounts falling due within one year:				
Trade debtors	91,175	89,113	58,520	57,323
Amounts recoverable on contracts	32,360	23,828	15,388	10,306
Amounts owed by subsidiary undertakings	-	-	18,653	23,330
Amounts owed by associated undertakings	2,944	1,504	1,559	1,548
Other debtors	8,340	7,134	6,048	4,104
Prepayments and accrued income	6,753	6,050	4,592	4,480
	<u>141,572</u>	<u>127,629</u>	<u>104,760</u>	<u>101,091</u>
Amounts falling due after one year (see note 18):				
Deferred tax asset	649	436	-	-
	<u>142,221</u>	<u>128,065</u>	<u>104,760</u>	<u>101,091</u>

Impairment losses of £5.768m (2020: £8.380m) have been recognised against trade debtors and £2.6m (2020: £2.6m) against amounts owed by subsidiary undertakings.

Amounts owed by subsidiary undertakings are unsecured, repayable on demand and attract interest at a fixed rate of 3.5%.

In the comparative figures, an adjustment to Group of £3.178m and to the LLP of £3.069m, has been made to reclassify recoverable disbursements from prepayments and accrued income to other debtors. There is no impact to profit.

14. CREDITORS: Amounts falling due within one year

	Group		LLP	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Bank loans (secured - see note 15)	21,000	30,485	21,000	30,000
Trade creditors	31,448	31,633	23,205	23,659
Amounts due to subsidiary undertakings	-	-	14,062	14,218
Taxation and social security	8,825	8,880	6,059	6,227
Corporation tax	852	-	-	-
Other creditors	5,568	5,365	522	544
Accruals and deferred income	17,173	10,400	3,310	2,459
	<u>84,866</u>	<u>86,763</u>	<u>68,158</u>	<u>77,107</u>

Amounts due to subsidiary undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

Amounts due to members rank behind unsecured creditors.

Kennedys Law LLP
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 April 2021

15. CREDITORS: Amounts falling due after more than one year

	Group		LLP	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Bank loans	8,250	11,250	8,250	11,250
	<u>8,250</u>	<u>11,250</u>	<u>8,250</u>	<u>11,250</u>
Maturity analysis				
Between 1 to 2 years	8,250	3,000	8,250	3,000
Between 2 to 5 years	-	8,250	-	8,250
	<u>8,250</u>	<u>11,250</u>	<u>8,250</u>	<u>11,250</u>

Bank loans are secured by a fixed and floating charge over the assets of the LLP and supported by designated guarantors within the Kennedys Group. They accrue interest at a rate of 1.9% plus LIBOR.

16. NET DEBT RECONCILIATION

Group	1 May 2020 £'000	Cash movements £'000	30 April 2021 £'000
Cash at bank and in hand	23,354	259	23,613
Bank loans	(41,735)	12,485	(29,250)
	<u>(18,381)</u>	<u>12,744</u>	<u>(5,637)</u>

17. PROVISIONS FOR LIABILITIES

Group	Professional Indemnity £'000	Property Provisions £'000	Total £'000
At 1 May 2020	598	-	598
Increase in provisions	1,394	1,324	2,718
At 30 April 2021	<u>1,992</u>	<u>1,324</u>	<u>3,316</u>
LLP	Professional Indemnity £'000	Property Provisions £'000	Total £'000
At 1 May 2020	598	-	598
Increase in provisions	1,394	1,318	2,712
At 30 April 2021	<u>1,992</u>	<u>1,318</u>	<u>3,310</u>

Kennedys Law LLP
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 April 2021

18. DEFERRED TAXATION

Deferred taxation is provided for at the latest known rate of tax applicable in the relevant local jurisdiction as set out below:

	2021 £'000	2020 £'000
Group		
Differences in the tax bases	<u>649</u>	<u>436</u>
Deferred tax asset	649	436
	<u>649</u>	<u>436</u>

19. FINANCIAL INSTRUMENTS

The Group has the following financial instruments:

	2021 £'000	2020 £'000
Group		
Financial assets		
<i>Instruments measured at amortised cost:</i>		
Trade debtors	91,175	89,113
Amounts recoverable on contracts	32,360	23,828
Amounts owed by associated undertakings	2,944	1,504
Other debtors	1,756	3,178
	<u>128,235</u>	<u>117,623</u>

	2021 £'000	2020 £'000
Group		
Financial liabilities		
<i>Instruments measured at amortised cost:</i>		
Bank loans due within one year	21,000	30,485
Trade creditors	31,448	31,633
Other creditors	5,568	5,365
Accruals	17,173	10,400
Bank loans due after more than one year	8,250	11,250
	<u>83,439</u>	<u>89,133</u>

Kennedys Law LLP
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 April 2021

20. UNDISTRIBUTED RESERVES

	2020 £'000	2020 £'000
1 May 2020	2,845	1,930
Foreign exchange differences on reserves and profits	(339)	230
Profit for the year on subsidiaries	2,066	1,960
Share of operating profit of joint ventures and associates	(44)	(1,275)
30 April 2021	<u>4,528</u>	<u>2,845</u>

Undistributed reserves arise where the subsidiary undertaking, joint venture or investment is a corporate body. They are included in members' other interests.

21. NON-CONTROLLING INTEREST

	2021 £'000	2020 £'000
1 May 2020	(1,021)	(1,283)
Profit / (loss) for the year	523	266
Foreign exchange differences on reserves	(1)	(4)
30 April 2021	<u>(499)</u>	<u>(1,021)</u>

22. LEASING COMMITMENTS

The Group's future minimum operating lease payments are as follows:

	2021 £'000	2020 £'000
Expiring:		
Within one year	9,524	10,280
Between one and five years	16,832	19,308
More than five years	7,232	8,826
	<u>33,588</u>	<u>38,414</u>

The LLP's future minimum operating lease payments are as follows:

	2021 £'000	2020 £'000
Expiring:		
Within one year	3,865	4,640
Between one and five years	4,153	6,193
More than five years	242	880
	<u>8,260</u>	<u>11,713</u>

Kennedys Law LLP
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 April 2021

23. RELATED PARTIES TRANSACTIONS

The Group has taken advantage of the exemption available under Financial Reporting Standard 102 not to disclose transactions with other members of the Group where the voting rights are wholly controlled within the Group. The following disclosures apply to non-wholly owned entities.

	2021 £'000	2020 £'000
Sales to associates	121	219
Sales to joint venture	-	38
Sales to subsidiaries	231	573
Purchases from associates	45	5
Purchases from joint venture	-	54
Purchases from subsidiaries	23	19
Amounts due (to)/from associates	572	1,548
Amounts due (to)/from joint venture	-	(215)
Amounts due from subsidiaries	1,511	3,543
Key management personnel compensation	2,503	2,927

Loans to subsidiaries and associates are unsecured and incur interest at a fixed rate of 3.5%.

Key management personnel include designated members and a number of senior partners and managers within the group who have authority and responsibility for planning, directing and controlling the activities of group entities.

24. FINANCIAL RISK MANAGEMENT

The Group has exposure to three main areas of risk - foreign exchange transactional currency exposure, liquidity risk and client credit exposure. To a lesser extent the Group is exposed to interest rate risk.

Foreign exchange transactional currency exposure

The Group is exposed to currency exchange rate risk due to a significant proportion of its receivables and operating expenses being denominated in non-Sterling currencies. The net exposure of each currency is monitored and managed by the treasury function.

Liquidity risk

The objective of the Group in managing liquidity risk is to ensure that it can meet its financial obligations as and when they fall due. The Group expects to meet its financial obligations through operating cash flows. In the event that the operating cash flows would not cover all the financial obligations the Group has credit facilities available. Given the maturity of the bank loans (see note 15), the Group is in a position to meet its commitments and obligations as they come due.

Client credit exposure

The Group may offer credit terms to its clients which allow payment of the debt after delivery of the goods or services. The Group is at risk to the extent that a client may be unable to pay the debt on the specified due date. This risk is mitigated by the strong on-going client relationships.

Interest rate risk

The Group borrows from its bankers using either overdrafts or term loans whose tenure depends on the nature of the asset and management's view of the future direction of interest rate.

25. DEFINED BENEFIT PENSION LIABILITY

The Group participates in a defined benefit pension plan arising from a merger with Waltons & Morse LLP which took place on 31 October 2016. The scheme requires contributions to be made to separately administered funds. The scheme is closed to new entrants and became paid up with effect from 31 July 2009.

The scheme deficit as at 30 April 2021 was £275k (2020: £919k) and is included on the face of the statement of financial position while any deficit is fully recoverable from the former partners of Waltons & Morse LLP (and therefore there is a debtor balance of £275k (2020: £919k) included within other debtors). The scheme is accounted for under FRS 102. However further FRS 102 disclosures have not been provided because the amounts involved are not considered to be material to the partnership and Group financial statements.

26. CONTROLLING PARTY

The LLP does not have a parent undertaking. The ultimate controlling party of the LLP and Group is considered to be the members in aggregate.

27. EVENTS AFTER THE REPORTING PERIOD

Following the year end, Kennedys CMK LLP, a group subsidiary entity registered in the US, was granted forgiveness from repaying monies received from the US government in respect of The Coronavirus Aid, Relief & Economic Security (CARES) Act. At the balance sheet date, the balance received totalling £2,853,699 was included within other creditors.

APPLICANT/PROPOSER'S QUALIFICATIONS AND REPRESENTATIONS

17. That the Applicant/Proposer and each person signing on behalf of any Applicant/Proposer certifies, and in the case of a joint proposal, each party thereto certifies as to its own organization, under penalty of perjury, that to the best of his/her knowledge and belief:
- (a) The prices in the proposal have been arrived at independently without collusion, consultation, communication, or agreement for the purpose of restricting competition as to any matter relating to such prices with any other proposer or with any competitor;
 - (b) Unless otherwise required by law, the prices which have been quoted in the proposal have not been knowingly disclosed by the Applicant/Proposer and will not knowingly be disclosed by the Applicant/Proposer prior to opening, directly or indirectly, to any other Applicant/Proposer or to any competitor;
 - (c) No attempt has made or will be made by the Applicant/Proposer to induce any other person, partnership or corporation to submit or not to submit a proposal for the purpose of restricting competition;
 - (d) That no freeholder or other officer or employee or person whose salary is payable in whole or in part from the County Treasury is directly or indirectly interested in the proposal, or in the supplies, materials, equipment, work, or labor to which it relates, or in any of the profits thereof; and
 - (e) That said Applicant/Proposer is not in arrears to the County of Essex upon any debt or contract, and is not a defaulter, as surety or otherwise, upon any obligation to the County of Essex, and has not been declared not responsible, or disqualified, by any agency of the County of Essex or State of New Jersey. Nor is there any proceeding pending relating to the responsibility or qualification of the Applicant/Proposer to receive public contracts except: (if none, Applicant/Proposer will insert "none").
18. That the Applicant/Proposer, if an individual, is of lawful age; that the Applicant/Proposer is the only one interested in this proposal; and that no person, firm or corporation other than that named has any interest in the proposal, or in the contract proposed to be taken.

APPLICANT/PROPOSER'S QUALIFICATIONS AND REPRESENTATIONS

19. That the Applicant/Proposer fully understands and submits its proposal with the specific knowledge that:
 - (a) All proposals must be approved by the County of Essex; and
 - (b) In the event Applicant/Proposer's proposal is accepted and receives all necessary approvals, the proposal will be incorporated into a contract containing provisions provided by the County of Essex, and that the resultant contract must be approved as to form by the County Counsel of the County of Essex, approved by the Board of Chosen Freeholders of the County of Essex.
20. That the Applicant/Proposer certifies that it is duly licensed to do business in the State of New Jersey and agrees to obtain all necessary permits and/or licenses required by law or regulation for the performance of any contract awarded and to obtain necessary insurance coverage as directed by the County of Essex.
21. That the Applicant/Proposer will not alter the personnel assignments shown in the proposal without the written consent of the County.

APPLICANT/PROPOSER'S QUALIFICATIONS AND REPRESENTATIONS

The following affidavit must be subscribed and sworn to before a Notary Public or Commissioner of Deeds. (If the applicant is an individual he must be the subscriber; if applicant is a partnership, one of the partners must be the subscriber; if applicant is a corporation, the affidavit must be subscribed by an officer of the corporation who must state what office he holds).

STATE OF NEW JERSEY :

ss:

AFFIDAVIT

COUNTY OF Somerset :

The undersigned hereby certifies to the truth and accuracy of all statements, answers and data contained in this proposal and application, and hereby authorizes the County of Essex to make any necessary examination or inquiry in order to make a determination as to his qualifications and responsibility. The undersigned has examined all parts of the Request for Proposal and understands that it is completely discretionary with the County officials whether to accept, reject, or negotiate its proposal submitted pursuant thereto.

Teresa M. Annamond
Signature of Applicant

Partner, Kennedy's CMR LLP
Title

Sworn to before me this

28 day of Feb.

2023

Anthony Dezenzo
(Seal) Notary Public or Commissioner of Deeds

ANTHONY J. DEZENZO
Notary Public, State of New Jersey
Commission # 50170236
My Commission Expires 8/31/2026

DISCLOSURE STATEMENT

The attention of prospective vendors is drawn to the provisions of the Local Government Ethics Law (N.J.S.A. 40A:9-22-1, et seq.) which prohibits a County Officer or employee or member of his/her immediate family from having an interest in a business organization or engaging in any business transaction, or professional activity which is in substantial conflict with the proper discharge of his/her duties in the public interest.

In furtherance thereof, every vendor must disclose below, being an Essex County officer or employee or whether an immediate family member is an Essex County officer or employee. If the vendor is a business organization, then disclosure shall be made with respect to anyone having an interest in the business and their immediate family members.

Please answer the following:

Is the vendor or a member of the vendor's immediate family, or anyone having an interest in the vendor's business organization including their immediate family members, an officer or employee of Essex County?

NO



YES

S. Teresa M. Cinnamond

* President, Vice President or Signature of
Authorized Representative

Teresa M. Cinnamond

Print Name

Partner, Kennedy CMK LLP

Title

If yes, provide the name of the individual and identify the position held, below, and notify in writing the Office of County Counsel, Hall of Records, 465 Dr. Martin Luther King, Jr. Blvd., Room 535, Newark, NJ 07102. (Attach a copy of the correspondence to this form).

NOTE: All terms used herein are to be construed in accordance with their meaning under the Local Government Ethics Law, cited above.

AMERICANS WITH DISABILITIES ACT

EQUAL OPPORTUNITY FOR INDIVIDUALS WITH DISABILITIES

The contractor and the County of Essex, (hereafter "Owner") do hereby agree that the provisions of Title 11 of the Americans With Disabilities Act of 1990 (the "Act") (42 U.S.C. S121.01 et seq.), which prohibits discrimination on the basis of disability by public entities in all services, programs and activities provided or made available by public entities, and the rules and regulations promulgated pursuant thereto, are made a part of this contract. In providing any aid, benefit, or service on behalf of the Owner pursuant to this contract, the contractor agrees that the performance shall be in strict compliance with the Act. In the event the contractor, its agents, servants, employees, or subcontractors violate or are alleged to have violated the Act during the performance of this contract, the contractor shall defend the Owner in any action or administrative proceeding commenced pursuant to this Act. The contractor shall indemnify, protect, and save harmless the Owner, its agents, servants, and employees from and against any and all suits, claims, losses, demands, or damages of whatever kind or nature arising out of or claimed to arise out of the alleged violation. The contractor shall, at its own expense, appear, defend, and pay any and all charges for legal services and any and all costs and other expenses arising from such action or administrative proceeding or incurred in connection therewith. In any and all complaints brought pursuant to the Owner's grievance procedure, the contractor agrees to abide by any decision of the Owner which is rendered pursuant to said grievance procedure. If any action or administrative proceeding results in an award of damages against the Owner, or if the Owner incurs any expense to cure a violation of the ADA which has been brought pursuant to its grievance procedure, the contractor shall satisfy and discharge the same at its own expense.

The Owner shall, as soon as practicable after a claim has been made against it, give written notice thereof to the contractor along with full and complete particulars of the claim. If any action or administrative proceeding is brought against the Owner or any of its agents, servants, and employees, the Owner shall expeditiously forward or have forwarded to the contractor every demand, complaint, notice, summons, pleading, or other process received by the Owner or its representatives.

It is expressly agreed and understood that any approval by the Owner of the services provided by the contractor pursuant to this contract will not relieve the contractor of the obligation to comply with the Act and to defend, indemnify, protect, and save harmless the Owner pursuant to this paragraph.

It is further agreed and understood that the Owner assumes no obligation to indemnify or save harmless the contractor, its agents, servants, employees and subcontractors for any claim which may arise out of their performance of this Agreement. Furthermore, the contractor expressly understands and agrees that the provisions of this indemnification clause shall in no way limit the contractor's obligations assumed in this Agreement, nor shall they be construed to relieve the contractor from any liability, nor preclude the Owner from taking any other actions available to it under any other provisions of this Agreement or otherwise at law.

SI Teresa M. Cinnamond

Partner, Kennedy Cook LLP

President, Vice President or Signature of Authorized Representative

Teresa M. Cinnamond

Print Name

Partner

Title

2-28-23

Date

AFFIRMATIVE ACTION COMPLIANCE NOTICE
N.J.S.A. 10:5-31 et seq. and N.J.A.C.17:27
GOODS AND SERVICES CONTRACTS
(INCLUDING PROFESSIONAL SERVICES)

This form is a summary of the successful respondent's requirement to comply with the requirements of N.J.S.A. 10:5-31 et seq. and N.J.A.C.17:27.

The successful respondent shall submit to the public agency, after notification of award but prior to execution of this contract, one of the following three documents as forms of evidence:

- (a) A photocopy of a valid letter that the contractor is operating under an existing Federally approved or sanctioned affirmative action program (good for one year from the date of the letter);

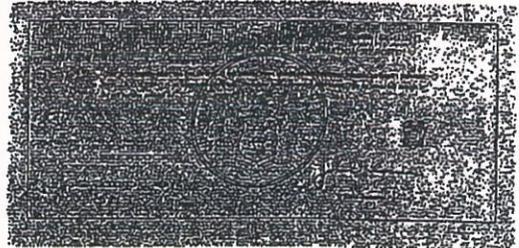
OR

- (b) A photocopy of a Certificate of Employee Information Report approval, issued in accordance with N.J.A.C. 17:27-4;

OR

- (c) A photocopy of an Employee Information Report (Form AA302) provided by the Division and distributed to the public agency to be completed by the contractor in accordance with N.J.A.C. 17:27-4.

Sample of Certificate



The successful vendor may obtain the Affirmative Action Employee Information Report (AA302) from the contracting unit during normal business hours.

The successful vendor(s) must submit the copies of the AA302 Report to the Division of Contract Compliance and Equal Employment Opportunity in Public Contracts (Division). The Public Agency copy is submitted to the public agency, and the vendor copy is retained by the vendor.

The undersigned vendor certifies that he/she is aware of the commitment to comply with the requirements of N.J.S.A. 10:5-31 et seq. and N.J.A.C.17:27 and agrees to furnish the required forms of evidence.

The undersigned vendor further understands that his/her response shall be rejected as non-responsive if said contractor fails to comply with the requirements of N.J.S.A. 10:5-31 et seq. and N.J.A.C.17:27.

COMPANY: Kennedy CM LLP SIGNATURE: Teresa M. Cinnamond

PRINT NAME: Teresa M. Cinnamond TITLE: Partner

DATE: 2-28-23

PROOF OF BUSINESS REGISTRATION (Revised)

** See attached Certificate of Registration.*

Pursuant to PL 2004, Chapter 57, each respondent (contractor) is required to be registered at or before time of response award. Proof of registration shall be a copy of the respondent's Business Registration Certificate (BRC), which must be submitted by or before award of contract. A BRC is obtained from the New Jersey Division of Revenue.

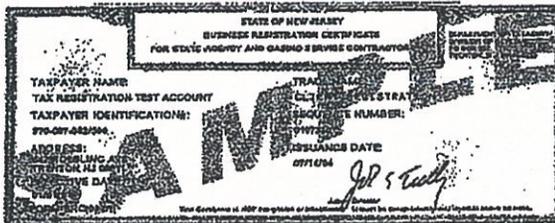
A contractor, subcontractor or supplier who fails to provide proof of business registration or provides false business registration information shall be liable to a penalty of \$25 for each day of violation, not to exceed \$50,000 for each business registration not properly provided or maintained under a contract with a contracting agency. The NJ State website address for getting registered is as follows: <http://www.state.nj.us/treasury/revenue/gettingregistered.htm> or contact the state by phone at (609) 292-1730.

N.J.S.A. 52:32-44 imposes the following requirements on contractors and all subcontractors that knowingly provide goods or perform services for a contractor fulfilling this contract:

- 1) The contractor shall provide written notice to its subcontractors and suppliers to submit proof of business registration to the contractor;
- 2) Prior to receipt of final payment from a contracting agency, a contractor must submit to the contacting agency an accurate list of all subcontractors or attest that none was used;
- 3) During the term of this contract, the contractor and its affiliates shall collect and remit, and shall notify all subcontractors and their affiliates that they must collect and remit to the Director, New Jersey Division of Taxation, the use tax due pursuant to the Sales and Use Tax Act, (N.J.S.A. 54:32B-1 et seq.) on all sales of tangible personal property delivered into this State.

A contractor, subcontractor or supplier who fails to provide proof of business registration or provides false business registration information shall be liable to a penalty of \$25 for each day of violation, not to exceed \$50,000 for each business registration not properly provided or maintained under a contract with a contracting agency. Information on the law and its requirements is available by calling (609) 292-9292.

PLEASE NOTE: NON-PROFIT ORGANIZATIONS ARE EXEMPT-HOWEVER, NON-PROFIT ORGANIZATIONS MUST PROVIDE A COPY OF THEIR 501C STATUS OR EQUIVALENT



STATE OF NEW JERSEY BUSINESS REGISTRATION CERTIFICATE	
Taxpayer Name:	TAX REG TEST ACCOUNT
Trade Name:	
Address:	847 ROEBLING AVE TRENTON, NJ 08611
Certificate Number:	1093907
Date of Issuance:	October 14, 2004
For Office Use Only 3084191-413282523	

NEW JERSEY DEPARTMENT OF THE TREASURY
DIVISION OF REVENUE AND ENTERPRISE SERVICES

CERTIFICATE OF REGISTRATION

KENNEDYS CMK LLP
0450171416

The above-named DOMESTIC LIMITED LIABILITY PARTNERSHIP was duly filed in accordance with New Jersey State Law on 05/25/2017 and was assigned identification number 0450171416. Following are the articles that constitute its original certificate.

1. **Name:**
KENNEDYS CMK LLP
2. **Registered Agent:**
GRACE C. BERTONE, ESQ.
3. **Registered Office:**
BERTONE PICCINI LLP
777 TERRACE AVENUE, SUITE 201
HASBROUCK HEIGHTS, NEW JERSEY 07604
4. **Business Purpose:**
LAW FIRM
5. **Effective Date of this Filing is:**
05/25/2017
6. **Main Business Address:**
120 MOUNTAINVIEW BLVD
BASKING RIDGE, NEW JERSEY 07920

Signatures:

CHRISTOPHER R. CARROLL
AUTHORIZED PARTNER



Certificate Number : 4034282845

Verify this certificate online at

https://www1.state.nj.us/TYTR_StandingsCertJSP/Verify_Cert.jsp

*IN TESTIMONY WHEREOF, I have
hereunto set my hand and
affixed my Official Seal
25th day of May, 2017*

A handwritten signature in black ink, appearing to read "Ford M. Scudder".

Ford M. Scudder
State Treasurer