CLIFFORD CHANCE LLP
Financial Statements for the year ended 30 April 2022
Registered no. OC323571

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REPORT TO THE MEMBERS

The Executive Leadership Group ("ELG") submit the annual report to the members of Clifford Chance LLP, a limited liability partnership registered in England and Wales with registered number OC323571. A list of members' names is available for inspection at 10 Upper Bank Street, London. E14 5JJ, United Kingdom, which is also Clifford Chance LLP's principal place of business and registered office.

Basis of preparation of the financial statements

These audited financial statements of Clifford Chance LLP ("the firm" / "LLP") and its subsidiaries for the year ended 30 April 2022 have been prepared in accordance with UK-adopted International Accounting Standards and with the requirements of the Companies Act 2006 as applicable to Limited Liability Partnerships reporting under those standards.

Principal activities

The principal activity is the provision of legal services. All results derive from continuing activities.

Group structure

Clifford Chance is the collective name for the legal practice comprising Clifford Chance LLP and its subsidiary entities. The consolidated financial statements incorporate the financial statements of Clifford Chance LLP and its subsidiary entities. The consolidated results for the years ended 30 April 2022 and 2021 represent a consolidation of all entities controlled either directly or indirectly by Clifford Chance LLP. These entities may be branches, partnerships or separate corporate entities ("the Group"). Clifford Chance LLP practices through overseas branches in Abu Dhabi, Amsterdam, Beijing, Brussels, Dubai and Shanghai.

Management

The ELG, chaired by the firm's Managing Partner, sets the Group's strategy and oversees its implementation. The effectiveness of the ELG is reviewed by the Partnership Council, led by the Group's Senior Partner.

The firm's constitution is governed by our Partnership Agreement. This requires that certain issues are subject to a vote of partners, including the election of the Managing Partner, the Senior Partner and the Partnership Council. Partners also vote on the admission of new partners, mergers or acquisitions and other major investments and changes to the Partnership Agreement itself. Each partner has a single vote, although on certain matters (such as the arrangements for remuneration of equity partners) only equity partners are entitled to vote.

The ELG meets regularly and is responsible for our strategy, the development of our competitive position, our relationship with clients, mid and long-term business planning, the performance of the various parts of the Group, and its financial management

The Partnership Council is an elected body chaired by the Senior Partner and currently comprising seven other elected council members, as well as one member appointed from outside the Group. The Partnership Council meets regularly in person to review the effectiveness of the Group's leadership and management. The Partnership Council also ensures that appointments to leadership roles are handled effectively and with due regard to the interests of the partnership.

REPORT TO THE MEMBERS

Business review

The results for the year ended 30 April 2022 show a seventh straight year of continued growth and record financial performance. There were many strong performances across the practice areas and regions. The total revenue for the year was £1,969m compared with £1,828m for the previous year, the Group's highest ever reported revenue.

Momentum from the second half of the previous year continued into the first half of this year as demand rebounded from the uncertainty created by the pandemic. In the second half of the year, activity levels returned to be broadly in line with historical levels. The firm successfully negotiated both the return to office based working and subsequent lockdowns notably in Asia-Pacific, continuing to support clients through this period. The firm's performance reflects the trust and confidence of our clients and the quality of our work and commitment of our staff and partners.

The profit before tax for the year before members' remuneration and profit share was £812m, £120m higher than the previous year. Significant market pressures, notably on lawyer salaries, drove up staff costs but other operating costs remained broadly in line with prior year.

Cash at the year-end was £378m, an increase of £8m from net cash as at 30 April 2021. The firm maintained strong cash reserves throughout the year and did not drawdown on its Revolving Credit Facility ("RCF"). The firm saw an extension in the working capital cycle over the course of the year from the exceptional performance in the prior year. The firm continues to improve the order to cash process which we believe will benefit both the firm and its clients.

Net assets attributable to members excluding members' interests classified as liabilities, improved significantly to £541m as at 30 April 2022 (2021: £372m). This is primarily due to a reduction in the defined benefit pension liability from £271m to £129m.

The firm ceased providing legal services in Russia after 31 May 2022 and closed its Moscow office at close of business on that date. Pursuant to a transfer agreement entered into on 27 April 2022 parts of the firm's operations in Moscow, including client work (subject to client consent), were taken over by a newly established independent law firm in Moscow called Bortkevicha & Partners. The financial impact on the financial statements for both the current year and subsequently is not material to the Group.

Going concern

Having considered current and expected activity levels, together with cashflow forecasts for the following twelve months from the date of approval of the financial statements and the availability of the firm's RCF, the ELG has concluded that the Group has adequate resources to continue in operations for the foreseeable future. Accordingly, the Group continues to adopt the going concern basis of accounting in preparing the financial statements.

Financing

The Group is financed through a combination of members' own capital and undistributed profits. Additionally, a RCF of £150m is also available. The amount of capital per profit sharing unit is determined by the Partnership Agreement with reference to the future requirements of the Group.

REPORT TO THE MEMBERS

Members' capital and drawings

The term "partner" in this document is used to refer to a member of Clifford Chance LLP, or an employee or consultant with equivalent standing and qualifications, or an individual with equivalent standing in one of Clifford Chance LLP's subsidiary entities. Partner can either be equity partner or non-equity partner as per the partnership agreement. The term "member" in this document is used to refer only to a member of Clifford Chance LLP.

The partners who are not members of the LLP receive remuneration on an equivalent basis to members. Their remuneration is presented in the Consolidated Income Statement under '*Staff and related costs*'. Remuneration which is not profit-related and not discretionary that is paid to members, is treated as a charge against profit and is presented in the Consolidated Income Statement under '*Members' remuneration charged as an expense*'.

Partners are paid a monthly drawing on account, in addition to profit share special distribution. Members' capital, which is measured at cost is repayable within six months of retirement, and accordingly, is required to be classified as a liability. Each member contributes capital to the Group in accordance with the Partnership Agreement and in proportion to their profit-sharing units. The amount of capital per profit sharing unit is determined by the Partnership Agreement with reference to the future requirements of the Group.

Profit sharing

The Partnership Agreement of Clifford Chance LLP sets out the basis for determining the profits available for sharing between equity partners. Such profits differ from the profits shown in these financial statements because different accounting policies are applied, and because the members of Clifford Chance LLP exclude certain equity partners and include certain partners who are not equity partners.

Qualifying third party indemnity

The Group has put in place, throughout the year and at the time of approving these financial statements, qualifying third party indemnity provisions for all the members of the Group.

REPORT TO THE MEMBERS

Statement of members' responsibilities in respect of the financial statements

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 the LLP financial statements in accordance with UK-adopted international accounting standards.

Under company law, as applied to limited liability partnerships, 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 LLP and of the profit or loss of the group 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 UK-adopted international accounting standards 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 LLP will continue in business.

The members are responsible for safeguarding the assets of the group and LLP and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The members are also responsible for keeping adequate accounting records that are sufficient to show and explain the group's and LLP's transactions and disclose with reasonable accuracy at any time the financial position of the group and LLP and enable them to ensure that the financial statements comply with the Companies Act 2006.

In so far as the members are aware.

- There is no relevant audit information of which the LLP's auditors are unaware; and
- The members have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Independent Auditors

The independent auditors of Clifford Chance LLP are PricewaterhouseCoopers LLP, who will be proposed for reappointment. PricewaterhouseCoopers LLP have expressed their willingness to continue in office as auditors.

Designated members

The designated members during the year ended 30 April 2022 and subsequent to the year end are:

David Harkness
Robin Abraham
Matthew Layton (resigned on 30 April 2022)
Charles Adams (appointed on 1 May 2022)

REPORT TO THE MEMBERS

Streamlined Energy and Carbon Reporting (SECR) under The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations, 2018

In accordance with the requirements of Streamlined Energy and Carbon Reporting (SECR) under The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations, 2018, below are the details for UK locations. A list of members is available on the Companies House website at:
https://beta.companieshouse.gov.uk/company/OC323571/officers

	2022	2021
1 Energy Consumption used to calculate emissions kWh	14,894,533	13,363,451
2 Emissions from combustion of gas tCO2e (Scope 1)	380	331
3 Emissions from combustion of fuel for transport purposes (Scope 1)	Not applicable	Not applicable
4 Emissions from business travel in rental cars or employee -owned vehicles where Group is responsible for purchasing the fuel (Scope 3)	-	-
5 Emissions from purchased electricity (Scope 2, location -based)	2,723	2,701
6 Total gross tCO2e based on above	3,103	3,032
7 Intensity ratio: tCO2e gross figure based from mandatory fields above (UK's FTE in Nos.)	1,904	1,993
8 Methodology	Defra is used for all UK emissions calculations	Defra is used for all UK emissions calculations
9 Emissions from other activities which the Group own or control including operation of facilities (Scope 1)	Not applicable	Not applicable
10 Emissions from purchased electricity (Scope 2, market - based factor)	4,053	4,026
11 Emissions from heat, steam and cooling purchased for own use (Scope 2)	Not applicable	Not applicable
12 Emissions from extraction and production of purchased materials and fuels for which the Group does not own or control (Scope 3) / tCO2e	Not applicable	Not applicable
13 Emissions from use of sold products and services for which the Group does not own or control (Scope 3) / tCO2e	Not applicable	Not applicable
14 Emissions from electricity related to extraction, production, and transportation of fuels consumed in the generation of electricity for which the Group does not own or control (Scope 3) / tCO2e	Not applicable	Not applicable
15 Emissions from purchase of electricity that is sold to an end user for which the Group does not own or control (Scope 3) / tCO2e	Not applicable	Not applicable
16 Emissions from generation of electricity that is consumed in a transmission and distribution system for which the Group does not own or control (Scope 3) / tCO 2e	Not applicable	Not applicable
17 Emissions from transportation of purchased fuels for which the Group does not own or control (Scope 3) / tCO2e	Not applicable	Not applicable
18 Emissions from transportation of waste out of financial / operational control (Scope 3) / tCO2e	Not applicable	Not applicable
19 Emissions from transportation of sold products for which the Group does not own or control (Scope 3) / tCO2e	Not applicable	Not applicable
20 Emissions from employee business travel which the Group does not own or control and where not responsible for purchasing the fuel (Scope 3) / tCO2e	309	99
21 Emissions from employees commuting to and from work for which the Group does not own or control (Scope 3) / tCO2e	Not applicable	Not applicable
22 Emissions from leased assets, franchises, and outsourced	Not applicable	Not applicable
23 Emissions from disposal of waste generated in operations for which the Group does not own or control (Scope 3) / tCO2e	Not applicable	Not applicable

REPORT TO THE MEMBERS

Streamlined Energy and Carbon Reporting (SECR) under The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations, 2018 (continued)

	2022	2021
24 Emissions from disposal of waste generated in production of purchased materials and fuels for which the Group does not own or control (Scope 3) / tCO2e	396	121
25 Emissions from disposal of sold products at the end of their life for which the Group does not own or control (Scope 3) / tCO2e	Not applicable	Not applicable
26 Total gross Scope 3 emissions / tCO2e	705	220
27 Total gross Scope 1, Scope 2 [location / market] & Scope 3 emissions / tCO2e	3,808	3,252
28 Carbon offsets / tCO2e	Not applicable	Not applicable
29 Domestic Carbon Units	Not applicable	Not applicable
30 Total annual net emissions / tCO2e	3,808	3,252
31 Additional intensity ratio: tCO2e net figure (UK's FTE in Nos.)	1,904	1,993
32 tCO2e per employee {(30) / (31)}	2.00	1.63

33 Energy Efficiency Action:

Our emissions as set out in the table above are higher than the previous year which reflects an increase in travel and a return to office based working. Compared with the year ended 30 April 2020, total annual net emissions have fallen from 8,123 to 3,808. We continued to implement energy saving initiatives, as set out below:

a. Chiller refurbishment and rebuilding chillers with variable speed drives to be more energy efficient with estimated savings 95 tCO2e p.a.
b. Refurbishment of escalators to shopping mall, here we also introduced new technology to remotely monitor the performance of the 2 units and reduce the operating energy consumption estimated savings 12.85 tCO2e p.a.
c. Plant room and core area LED lighting upgrade, estimated savings 1.21 tCO2e p.a.
d. Print room lighting switch by installation of 2 new lighting control switches to ensure 24/7 lighting can be switched off in unoccupied areas, estimated savings 2.17 tCO2e p.a.
e. Replace gas hobs in the catering areas to more energy efficient electrical appliances.
f. Increased the number of solar panels on the building and made significant repairs to existing damaged panels.

Using verified Science-Based Targets (from a FYE2020 baseline year), by 2030 we commit to reducing our absolute GHG emissions:
- Scope 1 and 2 by 80%
- Scope 3 by 47%.

These are with the aim of being Net Zero by 2030.

Report to the members and the streamlined energy and carbon report are signed on behalf of the Executive Leadership Group by:

Charles Adams	**Patrick Glydon**
Managing Partner	**Chief Financial Officer**
13 **July 2022**	13 **July 2022**

Independent auditors' report to the members of Clifford Chance LLP

Report on the audit of the financial statements

Opinion

In our opinion, Clifford Chance LLP's group financial statements and LLP financial statements (the "financial statements"):

- give a true and fair view of the state of the group's and of the LLP's affairs as at 30 April 2022 and of the group's profit and the group's and LLP's cash flows for the year then ended;
- have been properly prepared in accordance with UK-adopted international accounting standards; and
- have been prepared in accordance with the requirements of the Companies Act 2006 as applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008.

We have audited the financial statements, included within the Financial Statements (the "Annual Report"), which comprise: consolidated and limited liability partnership balance sheets as at 30 April 2022; consolidated income statement, consolidated statement of comprehensive income, consolidated and limited liability partnership statements of changes in equity, and consolidated and limited liability partnership cash flow statements for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' 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 remained independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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

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.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the group's and the LLP's ability to continue as a going concern.

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

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The members are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

Responsibilities for the financial statements and the audit

Responsibilities of the members for the financial statements

As explained more fully in the Statement of members' responsibilities in respect of the financial statements, the members are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The members are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the members are responsible for assessing the group's and the LLP'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 LLP or to cease operations, or have no realistic alternative but to do so.

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

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

Based on our understanding of the group and industry, we identified that the principal risks of non-compliance with laws and regulations related to Solicitors Regulation Authority regulation, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006 as applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting of inappropriate journal entries to manipulate accounting records, overriding relevant controls to prepare incorrect financial information and management bias in accounting estimates.. Audit procedures performed by the engagement team included:

- Evaluation of the design of management's controls designed to prevent and detect irregularities;
- Review of all internal audit reports issued to the Audit and Risk Committee which highlighted any issues with respect to potential fraud;

- *Discussion with management, the Compliance Officer for Finance and Administration and the Compliance Officer for* Legal Practice, including consideration of known or suspected instances of non-compliance with law and regulations and fraud;
- Challenge of assumptions and judgements made by management in respect of significant accounting estimates; and
- Testing unusual or unexpected journal entries, particularly those impacting revenue.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances *of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the* financial statements. Also, 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 or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the members of the partnership as a body in accordance with the Companies Act 2006 as applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 as applicable to limited liability partnerships we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.

GLord.

Gilly Lord *(Senior Statutory Auditor)*
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
14 July 2022

CONSOLIDATED INCOME STATEMENT

Year ended 30 April	Note	2022 £m	2021 £m
Revenue	4	**1,969**	**1,828**
Other operating income		3	3
Operating costs			
Staff and related costs	5	(869)	(824)
Other operating costs		(253)	(285)
Net impairment losses on financial assets	26	(20)	(13)
Operating profit		**830**	**709**
Finance income		3	3
Finance costs		(21)	(20)
Finance costs - net	8	(18)	(17)
PROFIT BEFORE TAX AND MEMBERS' REMUNERATION AND PROFIT SHARE		**812**	**692**
Members' remuneration charged as an expense	9	(18)	(30)
PROFIT BEFORE TAX AVAILABLE FOR PROFIT SHARE AMONG MEMBERS	6	**794**	**662**
Income tax expense	10	(40)	(20)
PROFIT FOR THE FINANCIAL YEAR AVAILABLE FOR PROFIT SHARE AMONG MEMBERS		**754**	**642**

The results derive from continuing operations.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 30 April	**Note**	**2022** £m	**2021** £m
PROFIT FOR THE FINANCIAL YEAR AVAILABLE FOR PROFIT SHARE AMONG MEMBERS		754	642
Items that will not be reclassified subsequently to the Consolidated Income Statement:			
Actuarial gain/(loss) on defined benefit pension scheme	21	125	(11)
Deferred tax relating to items not reclassified	10	(51)	(4)
Items that may be reclassified subsequently to the Consolidated Income Statement:			
Net foreign exchange differences recognised within reserves	24	34	(1)
Other comprehensive income/(loss) for the year net of tax		**108**	**(16)**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**862**	**626**

CONSOLIDATED BALANCE SHEET

As at 30 April	Note	2022 £m	2021 £m
ASSETS			
Property, plant and equipment	13	65	72
Right-of-use assets	27	329	311
Finance lease receivable - non-current	27	98	120
Deferred tax asset	10	1	51
Total Non-Current Assets		**493**	**554**
Accrued income	26	369	305
Trade and other receivables	15	520	457
Finance lease receivable - current	27	24	23
Amounts due from members	16	81	88
Cash and cash equivalents	17	378	370
Total Current Assets		**1,372**	**1,243**
TOTAL ASSETS		**1,865**	**1,797**
LIABILITIES			
Trade and other payables	18	492	457
Employee benefit obligations	20, 21, 22	21	21
Provisions	20	1	2
Lease liability - current	27	94	87
Members' capital - current	23	31	31
Total Current Liabilities		**639**	**598**
Employee benefit obligations	20, 21, 22	266	429
Provisions	20	54	28
Lease liability - non-current	27	461	475
Members' capital - non-current	23	111	126
Total Non-Current Liabilities		**892**	**1,058**
TOTAL LIABILITIES		**1,531**	**1,656**
TOTAL EQUITY		**334**	**141**
Total Liabilities Excluding Members' Interests Classified As Liabilities		**1,324**	**1,425**
Net Assets Of Members Excluding Members' Interests Classified As Liabilities	24	**541**	**372**

CONSOLIDATED BALANCE SHEET

As at 30 April	Note	2022	2021
		£m	£m
REPRESENTED BY:			
Provision for annuities due to current members	20,22	65	74
Members' capital - current	23	31	31
Members' capital - non-current	23	111	126
Members' interests classified as liabilities		207	231
Reserves		334	141
		541	**372**
Total members' interests:			
Amounts due from members	16	(81)	(88)
Provision for annuities due to current members	20,22	65	74
Members' capital - current	23	31	31
Members' capital - non-current	23	111	126
Reserves		334	141
		460	**284**

The financial statements on pages 10 to 58 have been approved by the members and were signed on 12 July 2022 by Charles Adams, designated member

Charles Adams
Clifford Chance LLP

LIMITED LIABILITY PARTNERSHIP BALANCE SHEET

As at 30 April	**Note**	**2022**	**2021**	**As at 1 May 2020**
		£m	£m	£m
			*(restated)**	*(restated)**
ASSETS				
Investments	12	225	5	5
Property, plant and equipment	14	12	9	9
Right-of-use assets	27	125	120	134
Finance lease receivable - non-current	27	91	107	123
Total Non-Current Assets		**453**	**241**	**271**
Accrued income	26	163	136	120
Trade and other receivables	15	489	458	299
Finance lease receivable - current	27	17	17	16
Cash and cash equivalents	17	138	136	126
Total Current Assets		**807**	**747**	**561**
TOTAL ASSETS		**1,260**	**988**	**832**
LIABILITIES				
Trade and other payables	18	738	690	521
Amounts due to members	16	36	7	2
Employee benefit obligations	20, 21, 22	19	18	18
Provisions	20	1	2	-
Lease liability - current	27	45	44	45
Members' capital - current	23	31	31	28
Total Current Liabilities		**870**	**792**	**614**
Employee benefit obligations	20, 21, 22	248	138	131
Provisions	20	44	17	18
Lease liability - non-current	27	259	276	312
Members' capital - non-current	23	111	126	129
Total Non-Current Liabilities		**662**	**557**	**590**
TOTAL LIABILITIES		**1,532**	**1,349**	**1,204**
TOTAL EQUITY		**(272)**	**(361)**	**(372)**
Total Liabilities Excluding Members' Interests Classified As Liabilities		**1,334**	**1,127**	**973**
Net Liabilities Of Members Excluding Members' Interests Classified As Liabilities	24	**(74)**	**(139)**	**(141)**

LIMITED LIABILITY PARTNERSHIP BALANCE SHEET

As at 30 April	Note	2022	2021	As at 1 May 2020
		£m	£m	£m
			*(restated)**	*(restated)**
REPRESENTED BY:				
Provision for annuities due to current members	20,22	56	65	74
Members' capital - current	23	31	31	28
Members' capital - non-current	23	111	126	129
Members' interests classified as liabilities		198	222	231
Reserves		(272)	(361)	(372)
		(74)	**(139)**	**(141)**
Total members' interests:				
Amounts due to members	16	36	7	2
Provision for annuities due to current members	20,22	56	65	74
Members' capital - current	23	31	31	28
Members' capital non-current	23	111	126	129
Reserves		(272)	(361)	(372)
		(38)	**(132)**	**(139)**

As permitted by Section 408 of the Companies Act 2006, the LLP has not presented its own income statement. A profit of £332m *(2021: £283m profit (restated)) is included within the financial statements of the LLP.*

* Refer note 28 for restatement of previous year financial statements for reasons explained in that note.

The financial statements on pages 10 to 58 have been approved by the members and were signed on 13 July 2022 by Charles Adams, designated member

Charles Adams
Clifford Chance LLP

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Foreign Exchange Reserves	Other Reserves	Total Reserves Equity	*Provision for Annuities classified as liabilities*	*Members' Capital classified as liabilities*	*Members' Capital & Reserves*
	£m	£m	£m	*£m*	*£m*	*£m*
Balance as at 1 May 2020	36	64	100	*84*	*157*	*341*
Profit for the financial year available for profit share among members	-	642	642	-	-	*642*
Other comprehensive loss for the year	(1)	(15)	(16)	-	-	*(16)*
Total comprehensive (loss)/income for the year	(1)	627	626	-	-	626
Profit distributions and related tax	-	(585)	(585)	-	-	*(585)*
Change in provision for annuities	-	-	-	*(10)*	-	*(10)*
Balance as at 30 April 2021	35	106	141	*74*	*157*	*372*
Profit for the financial year available for profit share among members	-	754	754	-	-	*754*
Other comprehensive income for the year	34	74	108	-	-	*108*
Total comprehensive income for the year	34	828	862	-	-	*862*
Profit distributions and related tax	-	(669)	(669)	-	-	*(669)*
Change in provision for annuities (note 22)	-	-	-	*(9)*	-	*(9)*
Change in members' capital (note 23)	-	-	-	-	*(15)*	*(15)*
Balance as at 30 April 2022	69	265	334	*65*	*142*	*541*

LIMITED LIABILITY PARTNERSHIP STATEMENT OF CHANGES IN EQUITY

	Foreign Exchange Reserves	**Other Reserves**	**Total Reserves Equity**	***Provision for Annuities classified as liabilities***	***Members' Capital classified as liabilities***	***Members' Capital & Reserves***
	£m	£m	£m	*£m*	*£m*	*£m*
		(restated)	*(restated)*			*(restated)*
Balance as at 1 May 2020	32	(8)	24	*74*	*157*	*255*
Restatement adjustment (note 28)	-	(396)	(396)	-	-	*(396)*
Balance as at 1 May 2020 (restated)	32	(404)	(372)	74	157	(141)
Profit for the financial year available for profit share among members*	-	283	283	-	-	*283*
Other comprehensive loss for the year	(6)	-	(6)	-	-	*(6)*
Total comprehensive (loss)/income for the year	(6)	283	277	-	-	*277*
Profit distributions and related tax*	-	(266)	(266)	-	-	*(266)*
Change in provision for annuities	-	-	-	*(9)*	-	*(9)*
Balance as at 30 April 2021	26	(387)	(361)	*65*	*157*	*(139)*
Profit for the financial year available for profit share among members	-	332	332	-	-	*332*
Other comprehensive (loss)/income for the year	(3)	78	75	-	-	*75*
Total comprehensive (loss)/income for the year	(3)	410	407	-	-	*407*
Profit distributions and related tax	-	(318)	(318)	-	-	*(318)*
Change in provision for annuities (note 22)	-	-	-	*(9)*	-	*(9)*
Change in members' capital (note 23)	-	-	-	-	*(15)*	*(15)*
Balance as at 30 April 2022	23	(295)	(272)	*56*	*142*	*(74)*

* See note 28 for details on the restatement.

CLIFFORD CHANCE LLP
Financial Statements for the year ended 30 April 2022

CONSOLIDATED CASH FLOW STATEMENT

Year ended 30 April	Note	2022 £m	2021 £m
Cash flows from operating activities:			
Profit before tax and members' remuneration and profit share		**812**	**692**
Interest paid	8	19	20
Interest received	8	(3)	(3)
Depreciation	13, 27	78	81
Contributions to defined benefit pension scheme	21	(22)	(36)
Amounts (credited)/charged for annuity obligations	22	(5)	2
Annuities paid to former partners	22	(20)	(20)
Increase/(decrease) in property and other provisions	20	13	(1)
Remuneration to members	9	(16)	(11)
Operating cashflow before movements in working capital		**856**	**724**
Increase in accrued income		(56)	(22)
(Increase)/decrease in receivables		(56)	34
Increase in payables		26	38
Cash generated from operations		**770**	**774**
Income taxes paid		(22)	(19)
NET CASH GENERATED FROM OPERATING ACTIVITIES		**748**	**755**
Cash flows from investing activities:			
Purchase of property, plant and equipment	13	(15)	(20)
Proceeds from sublease	27	26	25
NET CASH GENERATED FROM INVESTING ACTIVITIES		**11**	**5**
Cash flows from financing activities:			
Drawings and distributions to members		(647)	(571)
Repayment of lease liabilities (including interest paid £12m (2021: £13m))	27	(101)	(106)
Capital net repayments to members	23	(15)	-
NET CASH OUTFLOW FROM FINANCING ACTIVITIES		**(763)**	**(677)**
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		**(4)**	**83**
Cash and cash equivalents at beginning of year		370	299
Effects of foreign exchange rate changes		12	(12)
CASH AND CASH EQUIVALENTS AT END OF YEAR	17	**378**	**370**

Reconciliation of liabilities arising from financing activities:

	2022 Members Capital £m	2021 Members Capital £m
Opening	157	157
Financing cash flows	-	-
Capital transferred	(15)	-
Closing	142	157

Lease Liabilities	Opening £m	Net Additions £m	Financing cash flows £m	Financing charge £m	Translation difference £m	Closing £m
For the year ended 30 April 2022	562	75	(101)	12	7	555
For the year ended 30 April 2021	628	46	(106)	13	(19)	562

LIMITED LIABILITY PARTNERSHIP CASH FLOW STATEMENT

Year ended 30 April	Note	2022 £m	2021 £m *(restated)*
Cash flows from operating activities:			
Profit before tax and members' remuneration and profit share		**359**	**310**
Interest paid		10	12
Interest received		(3)	(3)
Depreciation	14, 27	24	25
Contributions to defined benefit pension scheme	21	(15)	-
Amounts (credited)/charged for annuity obligations		(3)	3
Annuities paid to former partners	22	(18)	(17)
Increase in property and other provisions	20	14	1
Impairment of financial assets		2	-
Operating cashflow before movements in working capital		**370**	**331**
Increase in accrued income		(29)	(18)
Increase in receivables		(33)	(166)
Increase in payables		47	171
Cash generated from operations		**355**	**318**
Income taxes paid		(10)	(8)
NET CASH GENERATED FROM OPERATING ACTIVITIES		**345**	**310**
Cash flows from investing activities:			
Purchase of property, plant and equipment	14	(8)	(4)
Proceeds from sublease		18	18
NET CASH GENERATED FROM INVESTING ACTIVITIES		**10**	**14**
Cash flows from financing activities:			
Drawings and distributions to members		(290)	(261)
Repayment of lease liabilities (including interest paid £6m (2021: £10m))		(49)	(51)
Capital net repayments to members	23	(15)	-
NET CASH OUTFLOW FROM FINANCING ACTIVITIES		**(354)**	**(312)**
NET INCREASE IN CASH AND CASH EQUIVALENTS		1	12
Cash and cash equivalents at beginning of year		136	126
Effects of foreign exchange rate changes		1	(2)
CASH AND CASH EQUIVALENTS AT END OF YEAR	17	**138**	**136**

Reconciliation of liabilities arising from financing activities:

	2022 Members Capital *£m*	2021 Members Capital *£m*
Opening	157	157
Financing cash flows	-	-
Capital transferred	(15)	-
Closing	142	157

Lease Liabilities	Opening £m	Net Additions £m	Financing cash flows £m	Financing charge £m	Translation difference £m	Closing £m
For the year ended 30 April 2022	320	26	(49)	6	1	304
For the year ended 30 April 2021	357	5	(51)	10	(1)	320

NOTES TO THE FINANCIAL STATEMENTS

1 General

Clifford Chance LLP is a limited liability partnership registered in England and Wales and with offices in principal business centres worldwide. Clifford Chance LLP is the ultimate parent of the Clifford Chance Group.

2 Significant accounting policies

a) Basis of preparation

These financial statements present the consolidated and standalone results of Clifford Chance LLP and its subsidiary entities for the year ended 30 April 2022.

On 31 December 2020, IFRS as adopted by the European Union at that date was brought into UK law and became UK-adopted International Accounting Standards, with future changes being subject to endorsement by the UK Endorsement Board. Clifford Chance LLP transitioned to UK-adopted International Accounting Standards in its consolidated and standalone financial statements on 1 May 2021. This change constitutes a change in accounting framework. However, there is no impact on recognition, measurement or disclosure in the period reported as a result of the change in framework.

The consolidated and standalone financial statements of Clifford Chance LLP have been prepared in accordance with UK-adopted International Accounting Standards and with the requirements of the Companies Act 2006 as applicable to Limited Liability Partnerships reporting under those standards.
There are no new and amended accounting standards, or IFRIC interpretations that are effective for the year ended 30 April 2022 that have a material impact on these financial statements.

The below financial statement line items have been newly presented in the current year, for both the consolidated and limited liability partnership financial statements, to provide more useful information to the users of the financial statements. Prior year amounts have also been reclassified to conform to this

- Staff and related costs, other operating costs and net impairment losses on financial assets in the consolidated income statement.
- Employee benefit obligations and provisions in consolidated and limited liability partnership balance sheets.

Refer to note 28 for restatement of previous year financial statements for reasons explained in that note.

b) Basis of consolidation

The consolidated financial statements incorporate the financial statements of Clifford Chance LLP and its subsidiary entities. Subsidiary entities are those entities controlled by Clifford Chance LLP, which may be partnerships, limited liability partnerships or separate corporate entities. Control exists when Clifford Chance LLP is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. The financial statements of subsidiary entities are included in the consolidated financial statements from the date that control commences until the date that control ceases. As permitted under section 408 of the Companies Act 2006, no separate income statement is presented for Clifford Chance LLP.

Intra-group balances and transactions are eliminated in the consolidated financial statements.

2 *Significant accounting policies (continued)*

c) Revenue

Revenue represents amounts chargeable to clients for professional services provided, excluding external disbursements and sales tax. The Group is generally paid in arrears for its services. Invoices are typically payable within 30 to 60 days.

The Group provides services to clients under a contract or matter. In most instances, services within a matter are not considered distinct and are therefore accounted for as a single performance obligation. However, where a contract or matter requires services that are capable of being distinct, are distinct in the context of the contract and are accounted for as separate performance obligations, revenue is allocated to each of the performance obligation based on a standalone fee.

Typically performance obligations are satisfied over time as services are provided, because the client receives and uses the benefits simultaneously. Revenue for variable time-based contracts, is recognised as the customer is receiving these services. For fixed or capped fee contracts, revenue is recognised based on the proportion of the service performance with an input method used to measure progress for each performance obligation. The Group has applied the practical expedient of IFRS 15 paragraph 121 to not disclose information about remaining performance obligations as the performance obligations are part of contracts or matters with an original expected duration of one year or less.

Revenue for services which is contingent and dependent on external events is recognised when the event is highly probable and a significant reversal is unlikely. The Group does not incur significant costs in obtaining or fulfilling a contract and therefore all such costs are expensed as incurred

d) Members' remuneration, drawings and distributions

The partners who are not members of the LLP receive remuneration on an equivalent basis to members. Their remuneration is presented in the consolidated income statement under Staff and related costs. Remuneration which is not profit-related and not discretionary that is paid to members is treated as a charge against profits and is presented in the consolidated income statement under Members' remuneration charged as an expense.

Partners are paid a monthly drawing in advance of the calculation and payment of profit distributions. Such amounts are classified as amounts due from members within current assets. Distributions of profits are recognised within equity when the distribution occurs.

e) Foreign currency

Transactions in foreign currencies are recorded at the foreign exchange rate ruling on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the foreign exchange rates ruling on that date. Foreign exchange differences arising are recognised in the consolidated income statement. The presentation currency of the Group is Sterling Pound (GBP).

The results of offices, which do not prepare their financial statements in GBP, are translated into GBP at the average rates for the year which approximate to the rates at the date of the transactions. The balance sheets of these offices are translated at the exchange rate ruling on the balance sheet date. Exchange differences arising from the retranslation of opening net assets, together with the difference between the income statement translated at the average and closing exchange rates, and certain exchange differences arising on the distribution of profits to members, are recorded in the foreign exchange reserve.

2 Significant accounting policies (continued)

f) Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation and any recognised impairment loss. Depreciation is charged to the income statement on a straight-line basis over the estimated useful lives of the assets. The estimated useful lives are as follows:

Leasehold improvements and fitting out costs	-	10 - 15 years, or life of lease if shorter
Personal computers and small IT assets	-	2 - 4 years
Other equipment	-	5 years
Furniture and fittings	-	3 - 10 years

g) Intangible assets

Costs associated with the development of the global accounting and practice management system, including internal costs directly attributable to development, were recognised in the financial statements as an intangible asset. The Firm expected to derive economic benefits from the development costs capitalised in this manner over a period of ten years. These intangible assets are now fully amortised.

h) Impairment of tangible and intangible assets

At each balance sheet date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of any impairment loss. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount is reduced to its recoverable amount and the impairment loss is recognised as an expense immediately

i) Pensions

i. ***Defined contribution plans***
Contributions to defined contribution pension plans are recognised as an expense in the income statement as incurred

ii. ***Defined benefit scheme***
Defined benefit scheme, the assets of which are held in separate trustee-administered fund, is funded by payments from the employer, taking account of the recommendations of an independent qualified actuary.

Full actuarial valuations of the principal scheme are carried out every three years and the scheme actuary updates these at each balance sheet date.

Defined benefit schemes are accounted for under IAS 19 (revised): Employee Benefits. The retirement benefits obligation represents the present value of the obligation to provide benefits, less the fair value of the schemes' assets The financing costs of the schemes are recognised in the consolidated income statement and actuarial gains and losses are recognised in full in the consolidated statement of comprehensive income. Net interest is calculated by applying the discount rate to the net defined pension liability.

2 Significant accounting policies (continued)

j) Annuities

The cost of providing annuities to current and retired partners is determined annually by an independent actuary and charged to the income statement over the estimated service lives of the partners.

k) Provisions

A provision is recognised in the balance sheet when there is a legal or constructive present obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are determined by discounting, if the effect is material, the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money.

l) Contingent liabilities

Contingent liabilities include possible obligations whose existence will be confirmed by uncertain future events that are not wholly within the control of the entity and obligations that are not recognised because their amount cannot be measured reliably or because settlement is not probable. Where contingent liabilities exist, they are disclosed in the notes to the financial statements. See note 18 for further details.

m) Financial instruments

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

Investments in subsidiaries
Investments in subsidiaries are held at cost less accumulated impairment losses

Trade and other receivables
Trade and other receivables are measured at cost less any impairment, including an expected credit loss provision.

Cash and cash equivalents
Cash and cash equivalents comprise cash in hand or demand deposits and other short-term highly liquid investments.

Accrued Income
Accrued income is measured at the selling value of unbilled hours chargeable to clients less any impairment, including an expected credit loss provision.

Trade and other payables
Trade and other payables, including borrowings, are measured at fair value on inception, then subsequently at amortised cost.

In relation to the impairment of financial assets, IFRS 9 requires an expected credit loss model. The Group applies the simplified approach to measure expected credit losses using a lifetime expected loss allowance for trade receivables and accrued income. In case of investments in subsidiaries, the LLP carries out annual impairment tests to ascertain if the carrying value of such investments are impaired. These tests comprise a comparison between the carrying value of such investments and the net asset value of such subsidiaries. In some instances, the future estimated profit or loss are considered or valuations of subsidiaries are prepared. Valuations for impairment tests are based on established market multiples or risk-adjusted future cash flows over the estimated useful life of the asset, where limited, discounted using appropriate interest rates. The assumptions relating to future cash flows, estimated useful lives and discount rates are based on business forecasts and are, therefore, inherently judgemental. Future events could cause the assumptions used in these impairment tests to change with a consequent adverse effect on the future results of the subsidiaries.

2 Significant accounting policies (continued)

n) Leases

The Group assesses whether a contract is, or contains a lease at the inception of the contract. A lease conveys the right to direct the use and obtain substantially all of the economic benefits of an identified asset for a period of time in exchange for consideration.

As a lessee

The Group leases buildings for its office space. The leases of office space typically run for a defined period, but may have extension options. Contracts may contain both lease and non-lease components. For property leases the Group has elected to separate lease and non lease components and allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Lease liabilities include the net present value of the following lease payments:
- fixed payments;
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date, and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Group:
- uses a relevant corporate bond rate within each specific region,
- makes an adjustment specific to the lease term and the risk in each region relative to the overall market.

The Group is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset. The Group has no variable lease payments for its property leases other than those linked to an index or a rate.

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, less any lease incentives receivable, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

The practical expedients for short term leases were not adopted for the leases within the Group. The Group also has low value leases that are primarily classified as office equipment and a few motor vehicle leases. The office equipment mostly comprise printers and photocopiers. The Group has not adopted the practical expedient for short term or low value leases and have included all these leases on the balance sheet.

2 Significant accounting policies (continued)

n) Leases (continued)

As a lessee (continued)
There are no material termination options included in the property leases across the Group. The Group has included one material extension option for the Singapore office lease as management is reasonably certain the extension option, held by the Group will be exercised. Leases due to expire within 12 months of year end were examined to see if there were any extension options exercisable by lessee that may potentially be exercised. In considering all the facts and circumstances the Group determined that none of these leases expiring in 12 months should include an extended lease term.

As a lessor
The Group also sub-let some of its office buildings, primarily in the UK and the US. The Group determines at each sub-lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease.

When the Group is an intermediate lessor, it accounts for its interest in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset.

o) Income taxation

Income tax payable on partnership profits is the personal liability of individual members in most jurisdictions including the UK. In some locations, income tax payable on partnership profits is the liability of the relevant partnership. There is a separate tax charge in the income statement and a separate tax liability in the balance sheet for such amounts payable by partnerships together with tax payable by consolidated corporate subsidiaries and certain partnerships, representing tax payable by them as entities in their own right.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements of the Group's corporate subsidiaries and the corresponding tax bases used in the computation of taxable profit and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised in future. The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the balance sheet date in the relevant country Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the intention is to settle the current tax assets and liabilities on a net basis.

Current and deferred tax are recognised in the income statement, except when they relate to items that are recognised in the statement of comprehensive income or directly in statement of changes in equity, in which case, the current and deferred tax are also recognised in statement of comprehensive income or directly in equity respectively.

2 Significant accounting policies (continued)

p) Members' capital

Non-US members are required to give a minimum of not less than six months notice of retirement, whilst US members are not required to give notice. Members' capital which is measured at cost is repayable within six months of retirement. Accordingly, members' capital is required to be classified as a liability, with capital due to US and retiring partners classified as a current liability, and the remaining liability classified as a non-current liability

q) Critical accounting estimates & judgements and key sources of estimation

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates and judgements, including judgements regarding the application of the accounting policies Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events, that are believed to be reasonable under the circumstances. The critical accounting estimates and key sources of estimation applied in these financial statements are set out below. Any significant change in these estimates could have a material effect on the Group's financial position and results of operations.

Actuarial assumptions

The pension liabilities in respect of the principal defined benefit scheme and the provisions for annuity payments to current and retired partners have been independently valued by actuaries based on information provided by Clifford Chance LLP. The assumptions are set out in notes 21 and 22 and have been determined having taken advice from the independent actuaries.

Leases - discount rate

Given the absence of the interest rate implicit in a lease the Group has applied a methodology to determine the lessee's incremental borrowing rate. This rate is determined as being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions. An adjustment is then made specific to the risk factor in each region

r) Going concern

The applicability of going concern basis is reviewed by the management taking into account the continued availability of sufficient funding for the operations of the Group. The Group's main sources of funding are partners' capital, undistributed profits and borrowing facilities. The current borrowing facilities are described in note 19 and the availability of these facilities is dependent upon continued compliance with the applicable financial covenants. Regular financial forecasts are prepared to monitor the Group's funding requirements and projected compliance with the covenants. Consideration is given to the potential business risks which could affect future compliance and the potential actions which could be taken to mitigate the effect of these risks. The main financial risks to which the Group is exposed are described in note 26.

It is considered that the Group will be able to continue to comply with the applicable covenants for a period of at least twelve months from the date of approval of these financial statements, given the current level of cash at bank and forecasted trading performance

Accordingly, the going concern basis of accounting has been adopted in preparing these financial statements.

2 Significant accounting policies (continued)

s) Related party transactions

Within the Group financial statements, balances between Clifford Chance LLP and its subsidiary entities have been eliminated on consolidation. Total transactions with and year end balances held with other related parties are disclosed in note 25.

Remuneration of the Executive Leadership Group members, who are related parties, is disclosed in note 25.

3 *Entities included in the consolidation*

Clifford Chance LLP practices through overseas branches in Abu Dhabi, Amsterdam, Beijing, Brussels, Dubai and Shanghai. As at 30 April 2022, Clifford Chance LLP also had the following undertakings, all 100% controlled, except as detailed in the section headed "Alliances" below.

The principal activity of the entities listed below is the provision of legal services with the exception of those marked below as follows:

(1) entities which provide services to other Group entities; or
(2) entities which hold investments in other Group undertakings; or
(3) entities which are dormant.

The UK subsidiaries annotated with an '*' from the following list of subsidiaries are exempt from the Companies Act 2006 requirements relating to the audit of their individual accounts by virtue of Section 479A of the Companies Act 2006 as Clifford Chance LLP has guaranteed the subsidiary companies under Section 479C of the Companies Act 2006.

Name of entity	Country of Operation	Registered address
Clifford Chance	Australia	Plaza Building, Level 16, No 1 O'Connell Street, Sydney NSW 2000, Australia
Clifford Chance Australia Pty Ltd (2)	Australia	Plaza Building, Level 16, No 1 O'Connell Street, Sydney NSW 2000, Australia
Clifford Chance Australia Services Pty Ltd (1)	Australia	Plaza Building, Level 16, No 1 O'Connell Street, Sydney NSW 2000, Australia
Clifford Chance Ltda	Brazil	Rua Funchal 418 15th Floor, SP 04551-060 São Paulo, Brazil
Clifford Chance Sociedade de Consultores	Brazil	Rua Funchal 418 15th Floor, SP 04551-060 São Paulo, Brazil
Clifford Chance Prague LLP*	Czech Republic	10 Upper Bank Street, London, E14 5JJ, UK
Clifford Chance Europe LLP	France	10 Upper Bank Street, London, E14 5JJ, UK
Clifford Chance SELAFA (1)	France	1, rue d'Astorg, CS 60058, 75377 Paris Cedex 08, France
Clifford Chance Services GmbH (1)	Germany	Kölner Straße 3 a, 65760 Eschborn Germany
Clifford Chance Steuerberatungsgesellschaft mbH	Germany	Junghofstraße 14, 60311 Frankfurt am Main Germany

3 Entities included in the consolidation - continued

Name of entity	Country of Operation	Registered address
Clifford Chance Partnerschaft mit beschränkter Berufshaftung	Germany	Junghofstraße 14, 60311 Frankfurt am Main Germany
Clifford Chance Tech GmbH (1)	Germany	Junghofstraße 14, 60311 Frankfurt am Main Germany
Clifford Chance	Hong Kong	27th Floor, Jardine House, One Connaught Place, Hong Kong
Brecon Limited (1)	Hong Kong	27th Floor, Jardine House, One Connaught Place, Hong Kong
Legibus Secretaries (Hong Kong) Ltd (1)	Hong Kong	27th Floor, Jardine House, One Connaught Place, Hong Kong
Clifford Chance Business Services Private Limited (1)	India	Ambience Corporate Tower – II, Ambience Island, NH-8, Delhi, Gurgaon, Haryana
Studio Legale Associato in Associazione con Clifford Chance	Italy	Via di Villa Sacchetti 11, 00197, Rome, Italy
Clifford Chance (Tokyo) LLP	Japan	31 West 52nd Street, New York, NY 10019-6131, USA
Clifford Chance Law Office	Japan	Palace Building, 3rd floor, 1-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo 100-0005, Japan
Clifford Chance (Gaikokuho Kyodo Jigyo)	Japan	Palace Building, 3rd floor, 1-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo 100-0005, Japan
Clifford Chance Société en commandite simple	Luxembourg	10 Bld G.D. Charlotte, B.P.1147, L-1911 Luxembourg, Grand-Duche de Luxembourg
Clifford Chance SARL (2)	Luxembourg	10 Bld G.D. Charlotte, B.P.1147, L-1911 Luxembourg, Grand-Duche de Luxembourg
Oscar Services Ltd (3) (Liquidated on 14 December 2021)	Mauritius	IFS Court, Bank Street, Twenty Eight Cybercity, Ebène 72201, Mauritius
Clifford Chance, Janicka, Krużewski, Namiotkiewicz i Wspólnicy sp.k.	Poland	Norway House, ul Lwowska 19, 00-660 Warsaw, Poland
Clifford Chance Badea SPRL	Romania	Excelsior Center, 28-30 Academiei Street, Sector 1, Bucharest, 010016, Romania
Clifford Chance CIS Limited*#	Russia	10 Upper Bank Street, London, E14 5JJ, UK
Clifford Chance Pte Ltd	Singapore	Marina Bay Financial Centre, 25th Floor, Tower 3, 12 Marina Boulevard, Singapore
Clifford Chance International LLP*	Singapore / Morocco	10 Upper Bank Street, London, E14 5JJ, UK
Clifford Chance S.L.P.U	Spain	Paseo de la Catellana 110, 28046, Madrid, Spain
Moleglade AB	Sweden	C/O TMF Sweden AB, Sergels Torg 12, 111 57, Stockholm, Sweden
Clifford Chance (Thailand) Ltd (3)	Thailand	Level 11, Mercury Tower, 540 Pleonchit Road, Lumpini, Pathumwan, Bangkok, 10330, Thailand
Judde Holdings Ltd (3)	Thailand	Level 11, Mercury Tower, 540 Pleonchit Road, Lumpini, Pathumwan, Bangkok, 10330, Thailand
Clifford Chance Danismanlik Hizmetleri Avukatlik Ortakligi	Turkey	Kanyon Ofis Binasi Kat. 10, Buyukdere Cad. No. 185, Istanbul 34394, Turkey
Clifford Chance Danişmanlik Hizmetleri Limited Şirketi (1)	Turkey	Kanyon Ofis Binasi Kat 10, Buyukdere Cad No 185, Istanbul 34394, Turkey
Clifford Chance Newcastle Ltd (1)*	UK	10 Upper Bank Street, London, E14 5JJ, UK
Clifford Chance No 2 Ltd (2)*	UK	10 Upper Bank Street, London, E14 5JJ, UK

3 Entities included in the consolidation - continued

Name of entity	Country of Operation	Registered address
Clifford Chance Germany LLP (3)* (formerly Clifford Chance Deutschland LLP)	UK	10 Upper Bank Street, London, E14 5JJ, UK
Clifford Chance Nominees No.2 Limited (1)*	UK	10 Upper Bank Street, London, E14 5JJ, UK
Clifford Chance Pension Trustees Ltd (3)	UK	10 Upper Bank Street, London, E14 5JJ, UK
Clifford Chance Property Nominees Ltd (1)*	UK	10 Upper Bank Street, London, E14 5JJ, UK
Clifford Chance Secretaries Ltd (2)*	UK	10 Upper Bank Street, London, E14 5JJ, UK
Mithras Ltd (2)	UK	10 Upper Bank Street, London, E14 5JJ, UK
Moleglade Ltd*	UK	10 Upper Bank Street, London, E14 5JJ, UK
Clifford Chance London Limited (1)	UK	10 Upper Bank Street, London, E14 5JJ, UK
CC Worldwide Limited	UK, UAE & Netherlands	10 Upper Bank Street, London, E14 5JJ, UK
Clifford Chance Applied Solutions Ltd	UK	10 Upper Bank Street, London, E14 5JJ, UK
Clifford Chance Technology Limited*	UK	10 Upper Bank Street, London, E14 5JJ, UK
Clifford Chance Holdings LLP (1)*	UK	10 Upper Bank Street, London, E14 5JJ, UK
Clifford Chance Business Services Holdings Limited (2)*	UK	10 Upper Bank Street, London, E14 5JJ, UK
Clifford Chance US LLP	USA	31 West 52nd Street, New York, NY 10019-6131, USA
Clifford Chance Law Firm (3)	Saudi Arabia	C/O Abuhimed Alsheikh Alhagbani Law Firm Building 15, The Business Gate King Khaled International Airport Road Cordoba District, Riyadh Kingdom of Saudi Arabia

The firm ceased operations in Russia from 31 May 2022, after which the provision of legal services from our existing Moscow office ceased Existing Russian client work was transferred to a new, independent law firm.

Alliances

The Group has entered into contractual arrangements with the entities below such as to require their results to be consolidated with the financial statements of the Group.

Name of entity	Country of Operation	Registered address
Cavenagh Law LLP	Singapore	Marina Bay Financial Centre, 25th Floor, Tower 3, 12 Marina Boulevard, Singapore 018982
CITFCI Law Firm (formerly known as Yegin Ciftci Avukatlik Ortakligi)	Turkey	Kanyon Ofis Binasi Kat. 10, Buyukdere Cad. No. 185, Istanbul 34394, Turkey
Ciftci Avukatik Ortakligi (also known as Ciftci Attorney Partnership)	Turkey	Kanyon Ofis Binasi Kat. 10, Buyukdere Cad. No. 185, Istanbul 34394, Turkey

4. Revenue

The Group derives revenue from the provision of professional services to clients over time in the following geographic and client segment areas:

Revenue by geographic area

	2022	2021
	£m	£m
United Kingdom	687	640
Continental Europe	622	591
Asia Pacific	344	301
Americas	259	246
Middle East	57	50
	1,969	1,828

	2022	2021
Revenue by client segment:	£m	£m
Financial Investors	704	612
Corporate Enterprises	631	603
Banks	531	529
Others	103	84
	1,969	1,828

The Group has recognised accrued income of £369m (2021: £305m) in relation to contracts with customers. Accrued income arises when the Group fulfills contractual performance obligations ahead of billing the customers.
The Group also recognised a loss allowance for accrued income of £3m (2021: £1m), also see note 26.

5. Staff and related costs

	Consolidated		LLP	
	2022	2021	2022	2021
	£m	£m	£m	£m
Salaries and other remuneration of non-members	684	668	67	92
Social security contributions	54	52	6	7
Pension contributions	23	20	8	9
Annuities (credit) / cost (notes 8, 9, 20 and 22)	(5)	2	(3)	2
Other staff costs	113	82	55	34
	869	824	133	144

The monthly average number of partners and employees during the year was as follows:

	Consolidated		LLP	
	2022	2021	2022	2021
	Nos	Nos.	Nos.	Nos
Total partners	563	560	230	237
Associates and other fee earners	2,452	2,349	316	325
Total trainees	636	601	87	86
Administrative and support staff	3,010	2,972	234	266
	6,661	6,482	867	914

The monthly average number of members included above for the Group is 457 (2021: 461).

The amount of profit for the current year which is attributable to the member with the largest entitlement to profit is £4.94m (2021: £3.21m)

6. Profit for the year

Profit before tax for the year available for profit share among members has been arrived at after charging/(crediting):

	2022	2021
	£m	£m
Depreciation of property, plant and equipment (note 13)	20	22
Depreciation on right-of-use assets (note 27)	58	59
(Gains)/losses on foreign exchange	(10)	15
Operating lease income from sub tenants (note 27)	(3)	(3)

7. Auditors' remuneration

	2022	2021
	£m	£m
The following amounts have been charged against operating profit:		
Fees payable to the LLP's auditors for the audit of the LLP's financial statements	1.0	0.7
Fees payable to the auditors and their associates for other services to the Group:		
- Fees for the audit of the LLP's subsidiary entities pursuant to legislation	0.3	0.4
Total audit fees	1.3	1.1
Audit-related assurance services	*0.1*	*0.1*
Taxation compliance services	0.8	1.0
Other taxation advisory services *	0.0	0.1
Other services and fees payable in respect of associated pension schemes	0.1	0.1
Total non-audit fees	1.0	1.3
Total fees to auditors	2.3	2.4

* Other taxation advisory services is made up of services totaling to £42,639.

8. Finance income and costs

	2022	2021
	£m	£m
Finance income		
Finance lease income from sub tenants (note 27)	(3)	(3)
	(3)	(3)
Finance costs		
Pensions (note 21)	5	4
Finance charge on lease liabilities (note 27)	12	13
Annuities (note 22)	2	3
Interest on tax payments	2	-
	21	20
Finance costs - net	18	17

9. Members' remuneration charged as an expense

Members' remuneration charged as an expense comprises the remuneration of certain partners who are members of Clifford Chance LLP but whose remuneration is not a share of profits and not discretionary amounting to £16m (2021: £11m), and a charge of £2m (2021: £19m) for annuities (refer note 22).

10. Income tax expense

	2022	2021
	£m	£m
Current tax		
UK corporation tax	4	4
Overseas taxes	21	14
Prior year adjustments	16	2
	41	20
Deferred tax		
In respect of accelerated capital allowances & allowable losses carried forward	(1)	-
	(1)	-
Income tax expense	40	20

In most locations, including the UK, income tax payable on the allocation of profits to members is the personal liability of the members and hence is not shown in these financial statements.

Reconciliation of tax charge:	2022	2021
	£m	£m
Profit before taxation	794	662
Amounts subject to personal tax	(649)	(559)
Profit before taxation	145	103
Tax at UK standard corporate rate 19% (2021: 19%)	28	20
Permanent difference between the basis of recognition of profits for tax and accounting purposes	(8)	(5)
Tax effects of differing overseas tax rates	4	3
Prior year adjustment	16	2
Total income tax expense	40	20

Amounts recognised in the statement of comprehensive income

	2022	2021
	£m	£m
Deferred tax charge in the reporting period and not recognised in the income statement but directly charged to other comprehensive income	51	4

It has been announced that the UK corporation tax rate will rise to 25% from 2023. This has been substantively enacted therefore the deferred tax asset is now valued using the 25% rate.

Deferred tax asset

Deferred tax asset movements during the current year were as follows	2022	2021
	£m	£m
At the beginning of the year	51	55
Movement in the year	(50)	(4)
At the end of the year	1	51

The deferred tax asset is recognised in respect of accelerated capital allowances & allowable losses carried forward. In the current year, the LLP, Clifford Chance London Limited ("CCLL") and the Trustee of the Pension Scheme, in which certain employees of CCLL participated, have agreed under a 'Flexible Apportionment Arrangement' to the transfer of the whole pension liability of CCLL to the LLP as on 30 November 2021. As a result, the deferred tax asset recognised in CCLL in respect of temporary differences related to the defined benefit pension scheme was reversed.

11. Profit attributable to the Limited Liability Partnership

The profit for the financial year available for profit share among members dealt with in the financial statements of the parent undertaking, Clifford Chance LLP, is set out in note 24.

12. Investments - LLP

	£m
Cost:	
Balance as at 1 May 2020	5
Additions	-
Balance as at 30 April 2021	5
Additions	220
Balance as at 30 April 2022	225
Impairment:	
Balance as at 1 May 2020	-
Additions	-
Balance as at 30 April 2021	-
Additions	-
Balance as at 30 April 2022	-
Carrying amount:	
As at 30 April 2021	5
As at 30 April 2022	225

The subsidiaries of the LLP as at 30 April 2022 are as follows:

Name	Direct shares held (%)	Registered Address
Moleglade Ltd	100	10 Upper Bank Street, London, E14 5JJ, UK
Clifford Chance No 2 Ltd	100	10 Upper Bank Street, London, E14 5JJ, UK
Clifford Chance London Limited	*	10 Upper Bank Street, London, E14 5JJ, UK

* The LLP, Clifford Chance London Limited ("CCLL") and the Trustee of the Pension Scheme, in which certain employees of CCLL participated have agreed under a 'Flexible Apportionment Arrangement' to the transfer of the whole pension liability of CCLL to the LLP as on 30 November 2021. The outstanding pension liability on 30 November 2021 was £220m. The transfer has been accounted for as a capital contribution by the LLP in CCLL and resulted in an increase in investments by an amount equal to the net pension liability at the date of the transfer.

Also refer note 3 for list of entities included in the consolidation.

13. Property, plant and equipment and intangible assets - Consolidated

	Property, plant and equipment				Intangible assets
	Leasehold improvements	Office and IT equipment	Furniture and fittings	Total	
Cost:	£m	£m	£m	£m	£m
Balance as at 1 May 2020	121	87	33	241	51
Foreign exchange movements	(5)	(2)	(2)	(9)	-
Additions	9	5	6	20	-
Disposals	(7)	(13)	(9)	(29)	-
Balance as at 30 April 2021	118	77	28	223	51
Foreign exchange movements	3	1	1	5	-
Additions	4	10	1	15	-
Disposals	(9)	(5)	(2)	(16)	-
Balance as at 30 April 2022	116	83	28	227	51
Accumulated depreciation:					
Balance as at 1 May 2020	(68)	(70)	(26)	(164)	(51)
Foreign exchange movements	4	2	1	7	-
Depreciation charge for the year	(11)	(8)	(3)	(22)	-
Disposals	7	13	8	28	-
Balance as at 30 April 2021	(68)	(63)	(20)	(151)	(51)
Foreign exchange movements	(2)	(1)	(1)	(4)	-
Depreciation charge for the year	(9)	(9)	(2)	(20)	-
Disposals	6	5	2	13	-
Balance as at 30 April 2022	(73)	(68)	(21)	(162)	(51)
Carrying amount:					
As at 30 April 2021	50	14	8	72	-
As at 30 April 2022	43	15	7	65	-

The intangible assets are capitalised software development costs and are fully amortised.

14. Property, plant and equipment and intangible assets - LLP

	Property, plant and equipment				Intangible assets
	Leasehold improvements	**Office and IT equipment**	**Furniture and fittings**	**Total**	**Software**
Cost:	£m	£m	£m	£m	£m
Balance as at 1 May 2020	10	39	5	54	51
Additions	2	2	-	4	-
Disposals	(1)	(2)	(1)	(4)	-
Balance as at 30 April 2021	11	39	4	54	51
Additions	4	4	-	8	-
Disposals	(4)	(2)	(1)	(7)	-
Balance as at 30 April 2022	11	41	3	55	51
Accumulated depreciation:					
Balance as at 1 May 2020	(7)	(34)	(4)	(45)	(51)
Depreciation charge for the year	(1)	(3)	-	(4)	-
Disposals	1	2	1	4	-
Balance as at 30 April 2021	(7)	(35)	(3)	(45)	(51)
Depreciation charge for the year	(1)	(3)	-	(4)	-
Disposals	4	2	-	6	-
Balance as at 30 April 2022	(4)	(36)	(3)	(43)	(51)
Carrying amount:					
As at 30 April 2021	4	4	1	9	-
As at 30 April 2022	7	5	-	12	-

The intangible assets are capitalised software development costs and are fully amortised

15. Trade and other receivables

	Consolidated		LLP	
	2022	**2021**	**2022**	**2021**
	£m	£m	£m	£m
				(restated)
Trade receivables	452	393	217	191
Amounts due from subsidiary entities	-	-	234	237
Sundry receivables and prepayments	68	64	38	30
	520	457	489	458

The LLP intends to recover amounts paid by the LLP to members, from associated entities, which represent profits earned by and allocated from associated entities.

Further information regarding credit risk and the allowance for doubtful debts in relation to client receivables is given in note 26.

There is no material difference between the fair value and carrying value of trade and other receivables. The amounts for intercompany result from fees owed by other offices in respect of client matters, and arise when the leading office issues a fee note to the client, as well as in respect of inter-office charges for items such as management charges. Such balances are interest free and repayable on demand

16. Amounts due from and due to members

Amounts due from and due to members comprise drawings paid to members during the financial year, which are advance payments in relation to the profit for the financial year available for profit share among members, together with advance payments of taxes thereon, less net amounts withheld from prior year profit distributions but not yet paid over to the tax authorities in relation to partners' prior year tax liabilities

17. Cash and cash equivalents

	Consolidated		LLP	
	2022	**2021**	**2022**	**2021**
	£m	£m	£m	£m
Cash at bank and in hand	378	370	138	136

There is no material difference between the fair value and carrying value of cash and cash equivalents

18. Trade and other payables

	Consolidated		LLP	
	2022	**2021**	**2022**	**2021**
	£m	£m	£m	£m
				(restated)
Accounts payable	39	32	25	18
Amounts due to subsidiary entities	-	-	552	498
Social security and other taxes	19	21	1	1
Corporate and income taxes payable	10	3	4	1
Capital of non-members	28	28	14	15
Undistributed earnings due to non-members	104	110	31	38
Other creditors	44	53	17	33
	244	247	644	604
Accruals	229	200	75	77
Deferred income	19	10	19	9
	492	457	738	690

There is no material difference between the fair value and carrying value of trade and other payables.

The amounts due to subsidiary entities result from fees due to other offices in respect of client matters, and arise when the leading office issues a fee note to the client, as well as in respect of inter-office charges for items such as management charges Such balances are interest free and repayable on demand.

The Group may be involved in disputes in the ordinary course of business, which may give rise to claims by clients or regulatory investigations or proceedings The Group defends such claims where appropriate, and also benefits from substantial professional indemnity insurance. Where costs are likely to be incurred in defending and concluding such claims, an accrual is made based on management's assessment of the specific circumstances in each case and the likely costs to be incurred by the Group No separate disclosure is made of the cost or nature of claims covered by insurance, as to do so could seriously prejudice the position of the Group.

19. Borrowings

No borrowings were outstanding at the balance sheet date (2021: £nil). The average effective interest rate was 1.02% (2021:0.91%).

At 30 April 2022 available undrawn committed borrowing facilities in both the Group and the LLP amounted to £150m (2021: £150m), which expires in April 2025.

20. Provisions and Employee benefit obligations

	Consolidated				
	Employee benefit obligations		Provisions		
	Pensions £m (note 21)	Annuities £m (note 22)	Property £m	Other provisions £m	Total £m
Balance at 1 May 2020	292	175	21	10	498
Charge during the year	4	24	-	1	29
Amounts paid / utilised	(36)	(20)	(1)	(1)	(58)
Net loss due to changes in actuarial assumptions	11	-	-	-	11
Balance at 30 April 2021	271	179	20	10	480
Charge/(credit) during the year	5	(1)	-	27	31
Amounts paid / utilised	(22)	(20)	-	(2)	(44)
Net gain due to changes in actuarial assumptions	(125)	-	-	-	(125)
Balance at 30 April 2022	129	158	20	35	342

20. Provisions and Employee benefit obligations (continued)

	LLP				
	Employee benefit obligations		**Provisions**		
	Pensions	**Annuities**	**Property**	**Other provisions**	**Total**
	£m	£m	£m	£m	£m
	(note 21)	(note 22)			
Balance at 1 May 2020	-	149	15	3	167
Charge during the year	-	24	-	2	26
Amounts paid / utilised	-	(17)	(1)	-	(18)
Balance at 30 April 2021	-	156	14	5	175
Transferred from Clifford Chance London Limited*	220	-	-	-	220
Charge during the year	2	-	1	26	29
Amounts paid / utilised	(15)	(18)	-	(1)	(34)
Net gain due to changes in actuarial assumptions	(78)	-	-	-	(78)
Balance at 30 April 2022	129	138	15	30	312

The above amounts have been disclosed in the balance sheet as follows:

	Consolidated		**LLP**	
	2022	**2021**	**2022**	**2021**
	£m	£m	£m	£m
Employee benefit obligations - current	21	21	19	18
Employee benefit obligations - non-current	266	429	248	138
	287	450	267	156
Provisions - current	1	2	1	2
Provisions - non-current	54	28	44	17
	55	30	45	19
	342	480	312	175

* The LLP, Clifford Chance London Limited ("CCLL") and the Trustee of the Pension Scheme, in which certain employees of CCLL participated have agreed under a 'Flexible Apportionment Arrangement' to the transfer of the whole pension liability of CCLL to the LLP as on 30 November 2021. The outstanding pension liability on 30 November 2021 was £220m. The transfer has been accounted for as a capital contribution by the LLP in CCLL and resulted in an increase in investments by an amount equal to the pension liability at the date of the transfer.

21. Defined benefit pension scheme

Clifford Chance Pension Trustees Limited is the trustee of a defined benefit scheme in which certain employees of Clifford Chance London Limited participated ("the Scheme"). The Scheme was closed to future accrual with effect from 30 April 2011. The assets of the Scheme are held separately from those of the Group.

Payments into the Scheme are assessed in accordance with the advice of an independent qualified actuary with the funding rate intended to enable the Scheme to be fully funded over time.

A full actuarial valuation of the Scheme was carried out as at 30 April 2022 by a qualified independent actuary. Details of such updated valuation are as under:

The key accounting assumptions used are set out below:

	2022	**2021**
Discount rate	3.1%	2.0%
Future pension increases - pensions accrued prior to 30 April 2005	3.2%	3.0%
Future pension increases - pensions accrued after 30 April 2005	2.3%	2.2%
Price inflation	3.3%	3.1%

Mortality assumptions have been based on S3 SAPS Light tables with CMI 2021 improvements (2021: S3 SAPS Light tables CMI 2020 improvements), projected according to each member's year of birth. The assumptions for both years include an allowance for increased longevity, assuming a long-term rate of improvement of 1.0% per annum.

The assumed life expectations on retirement at age 65 are:

	2022	**2021**
Retiring today:		
Males	88.3	87.9
Females	89.8	89.7
Retiring in 20 years		
Males	89.3	88.8
Females	91.0	90.8

The amount recognised in the consolidated income statement was as follows:

	2022	**2021**
	£m	**£m**
Interest charge (net) under net finance costs (note 8)	5	4

The amount recognised in the consolidated other comprehensive income was as follows:

	2022	**2021**
	£m	**£m**
Remeasurement (gain)/loss from changes in financial assumptions	(154)	64
Remeasurement loss/(gain) from changes in experience	6	(7)
Remeasurement loss/(gain) from changes in demographic assumptions	12	(1)
Remeasurement loss/(gain) on the scheme assets	11	(45)
(Gain)/loss recognised in the consolidated statement of comprehensive income	(125)	11

21. Defined benefit pension scheme (continued)

The liability included in the consolidated balance sheet was as follows:

	Consolidated		LLP	
	2022	2021	2022	2021
	£m	£m	£m	£m
Present value of defined benefit obligation	743	869	743	-
Fair value of plan assets	(614)	(598)	(614)	-
Present value of net obligation (note 20)	129	271	129	-

Movements in the present value of defined benefit obligations in the year were as follows:

	Consolidated		LLP	
	2022	2021	2022	2021
	£m	£m	£m	£m
At the beginning of the year	869	806	-	-
Transferred from Clifford Chance London Limited*	-	-	971	-
Interest on obligations	17	13	7	-
Remeasurement (gain)/loss from changes in financial assumptions	(154)	64	(241)	-
Remeasurement loss/(gain) from changes in experience	6	(7)	(2)	-
Remeasurement loss/(gain) from changes in demographic assumptions	12	(1)	12	-
Benefits paid	(7)	(6)	(4)	-
At the end of the year	743	869	743	-

Movements in the fair value of Scheme assets were as follows:

	Consolidated		LLP	
	2022	2021	2022	2021
	£m	£m	£m	£m
At the beginning of the year	598	514	-	-
Transferred from Clifford Chance London Limited*	-		751	-
Interest income on Scheme assets	12	9	5	-
Remeasurement (loss)/gain on the scheme assets	(11)	45	(153)	-
Contributions made	22	36	15	-
Benefits paid	(7)	(6)	(4)	-
At the end of the year	614	598	614	-

The assets held by the Scheme were as follows	2022 value £m	% of total value	2021 value £m	% of total value
Equities and other growth assets**	569	92%	530	88%
Bonds	29	5%	29	5%
Other assets	16	3%	39	7%
	614	100%	598	100%

* The LLP, Clifford Chance London Limited ("CCLL") and the Trustee of the Pension Scheme, in which certain employees of CCLL participated have agreed under a 'Flexible Apportionment Arrangement' to the transfer of the whole pension liability of CCLL to the LLP as on 30 November 2021. The outstanding pension liability on 30 November 2021 was £220m. The transfer has been accounted for as a capital contribution by the LLP in CCLL and resulted in an increase in investments by an amount equal to the pension liability at the date of the transfer

** The equities and other growth assets category includes an Liability Driven Investment ("LDI") portfolio. Included within the portfolio are bonds totalling £535m which are used to support the LDI strategy.

Based on the results of the most recently completed triennial actuarial valuation as at 30 April 2019, the employer has agreed that it will aim to eliminate the Scheme's deficit (as assessed on the ongoing funding basis) by 31 May 2028 The contributions paid by the employer for the period from 1 May 2021 to 30 November 2021 were £7m and from 1 December 2021 to 30 April 2022 were £15m. Funding levels are monitored on an annual basis and the next triennial valuation is currently underway as at 30 April 2022. Expected employer contributions to the Scheme for the year ending 30 April 2023 are around £12m. There are no member contributions expected for the year to 30 April 2023 The weighted average duration of the defined benefit obligation is around 22 years.

21. Defined benefit pension scheme (continued)

Sensitivities

The key assumptions used for the actuarial valuation are the discount rate, price inflation and mortality. If different assumptions were used, this could have a material effect on the results disclosed. The sensitivity of the results to these assumptions is as follows:

	Consolidated		LLP	
	2022	**2021**	**2022**	**2021**
Discount rate less 0.25% per annum	£m	£m	£m	£m
Present value of defined benefit obligation	784	927	784	-
Fair value of assets	(614)	(598)	(614)	-
Revised net pension liability	170	329	170	-
Revised total charge to the income statement	5	6	5	-
RPI inflation plus 0.25% per annum	£m	£m	£m	£m
Present value of defined benefit obligation	778	926	778	-
Fair value of assets	(614)	(598)	(614)	-
Revised net pension liability	164	328	164	-
Revised total charge to the income statement	5	6	5	-
Mortality assumption with 1.25% per annum long term rate of improvement	£m	£m	£m	£m
Present value of defined benefit	750	879	750	-
Fair value of assets	(614)	(598)	(614)	-
Revised net pension liability	136	281	136	-
Revised total charge to the income statement	4	6	4	-

The sensitivity information shown above is approximate and has been determined taking into account the duration of the liabilities and the overall profile of the plan membership

Risks

The Group is exposed to a number of risks through the Scheme, of which the most significant are detailed below

Asset volatility

The liabilities are calculated using a discount rate set with reference to corporate bond yields; if assets underperform this yield, this will create a deficit. The Scheme holds a significant proportion of growth assets (including equities, diversified growth funds and property) which are expected to outperform corporate bonds in the long-term while resulting in volatility and risk in the short-term. The allocation to growth assets is monitored such that it is consistent with the Scheme's long term objectives.

Changes in bond yields

A decrease in corporate bond yields will increase the Scheme's liabilities although this will be partially offset by an increase in the value of the Scheme's bond holdings.

21. Defined benefit pension scheme (continued)

Inflation risk

The majority of the Scheme's benefit obligations are linked to inflation and higher inflation will lead to higher liabilities (although, in most cases, caps on the level of inflationary increases are in place to protect against extreme inflation). A significant proportion of the Scheme's assets are invested in a liability driven investment portfolio which is designed to match the liabilities of the Scheme and provide protection against increases in inflation.

Life expectancy

The majority of the Scheme's obligations are to provide benefits for the life of the member, so increases in the life expectancy will result in an increase in the liabilities.

In addition to the UK scheme, the Firm operates some smaller defined benefit schemes in other countries. The total pension cost for the year and the aggregate assets and liabilities of these schemes were not material.

22. Annuity obligations to current and former partners

An independent qualified actuary has assessed the cost of annuity obligations. The economic assumptions used by the actuary in assessing the cost of annuity obligations in both the Consolidated and LLP financial statements are as follows:

	2022	**2021**
	%	**%**
Discount rate	3.0	1.0
Rate of price inflation	4.8	3.4

The cost of annuities which are dependent upon the future profitability of the Firm has been estimated based upon current and projected levels of profitability and having regard to a cap applicable to such annuity payments.

Amounts recognised in the consolidated income statement were as follows:	**2022**	**2021**
	£m	£m
Movements in provision arising from:		
Current service cost	3	3
Other actuarial (gains)/losses	(6)	18
Amount (credited)/charged to the consolidated income statement*	(3)	21
Interest costs associated with obligations shown under net finance costs (note 8)	2	3
Total (credit)/charge to the consolidated income statement (note 20)	(1)	24

* Of this amount, £2m (2021: £19m) has been included within members' remuneration charged as an expense, and a credit of £5m (2021: charge of £2m) in relation to partners who were not members and former partners has been included in staff and related costs.

22. Annuity obligations to current and former partners (continued)

Movements in the net liability recognised in the consolidated balance sheet were as follows:

	Consolidated		LLP	
	2022	**2021**	**2022**	**2021**
	£m	**£m**	**£m**	**£m**
Provision at the beginning of the year	179	175	156	149
(Credit) / charge to the income statement	(1)	24	-	24
Annuities paid	(20)	(20)	(18)	(17)
Provision at the end of the year (note 20)	158	179	138	156

The basis of calculation of the annuities provision in the balance sheet of Clifford Chance LLP is the same as set out above in relation to the consolidated balance sheet, but takes into account only those partners whose annuity entitlements are a direct obligation of Clifford Chance LLP. Annuity entitlements of other partners are a contingent obligation of Clifford Chance LLP.

Sensitivities

The key assumption used for the actuarial valuation is the discount rate. The impact of a 0.1% decrease to the discount rate would be to increase the liability by approximately £1m (2021: £1m).

23. Members' capital

	Consolidated and LLP	
	2022	**2021**
	£m	£m
Total members' capital at the beginning of the year	157	157
Capital contributed during the year	-	12
Capital repaid during the year	(15)	(12)
Total members' capital at the end of the year	142	157

Non-US members are required to give a minimum of not less than six months notice of retirement, whilst US members are not required to give notice. Members' capital which is measured at cost is repayable within six months of retirement. Members' capital is required to be classified as a liability, with capital due to US and retiring partners classified as a current liability, and the remaining liability classified as a non-current liability.

24. Statement of movements in net assets / (liabilities) attributable to members

A summary of movements in net assets / (liabilities) attributable to members since the last balance sheet date is as follows:

	Consolidated		LLP	
	2022	**2021**	**2022**	**2021**
	£m	£m	£m	£m *(restated)*
Net assets / (liabilities) attributable to members excluding members' interests classified as liabilities at the beginning of the year	372	341	(139)	(141)
Profit for the year	754	642	332	283
Foreign exchange differences arising on translation of foreign operations	34	(1)	(3)	(6)
Actuarial gain/(loss) on defined benefit pension scheme	125	(11)	78	-
Deferred tax on defined benefit pension scheme	(51)	(4)	-	-
Decrease in provisions attributable to members	(9)	(10)	(9)	(9)
Capital repayments (net)	(15)	-	(15)	-
Profit distributions and related tax	(669)	(585)	(318)	(266)
Net assets / (liabilities) attributable to members excluding members' interests classified as liabilities at the end of the year	541	372	(74)	(139)

25. Related party transactions

Within the Group financial statements, balances between Clifford Chance LLP and its subsidiary entities have been eliminated on consolidation

During the year, Clifford Chance LLP provided management and legal services to its subsidiary entities totaling £150m (2021: £142m (restated)). Management and legal services were purchased from other Group members totaling £408m (2021: £407m (restated)). The balances outstanding between Clifford Chance LLP and its subsidiary entities at the end of the financial year are shown in notes 15 and 18.

The key management personnel comprise the Executive Leadership Group (ELG). The total remuneration of the 14 ELG members (2021: 14 ELG members) in respect of the financial year amounted to £34m (2021: £28m). The total remuneration in respect of the financial year for the relative of an ELG member, who is an employee, amounted to £1m (2021: £1m).

26. Financial assets and liabilities

The following information is provided in accordance with the requirements of IFRS 7 "Financial Instruments: Disclosures".

Categories of financial assets and liabilities

The following table categorises the carrying value of the financial assets and liabilities at the balance sheet date. In each case, the fair value is not materially different to the carrying value.

	Consolidated		LLP	
Financial assets	**2022**	**2021**	**2022**	**2021**
	£m	£m	£m	£m
				(restated)
Accrued income	369	305	163	136
Trade receivables	452	393	217	191
Amounts due from subsidiary entities	-	-	234	237
Finance lease receivables	122	143	108	124
Amounts due from members	81	88	-	-
Cash at bank and in hand	378	370	138	136
	1,402	1,299	860	824
Financial liabilities				
Trade and other current payables excluding accruals and deferred income	244	247	92	106
Amounts due to subsidiary entities	-	-	552	498
Lease liabilities	555	562	304	320
Amounts due to members	-	-	36	7
Members' capital	142	157	142	157
Annuities	158	179	138	156
Accruals	229	200	75	77
	1,328	1,345	1,339	1,321

Risks arising from financial assets and liabilities

The following summarises the principal risks associated with the group's financial assets and liabilities and how those risks are managed.

Liquidity and capital risk

The business is predominantly financed by partners' capital and undistributed earnings with a RCF available. The capital structure is reviewed regularly to ensure that it is adequate to fund the current and projected needs of the business. The adequacy of borrowing facilities is regularly reviewed in light of projections of future cash flows. The Group has comfortably complied with the banking covenants set under the borrowing facilities.

The Group continues to focus on working capital management, in particular implementing new processes to manage WIP and debtor days. As at 30 April 2022 there are total undrawn committed borrowing facilities of £150m in both the Group and the LLP. The Group also has a substantial cash at bank balance of £378m (2021: £370m).

Currency risk

The reporting currency is Sterling but the Group's business is international. Within each office, revenues and costs are predominantly in the same currency. The consolidated balance sheet exposure to currencies other than Sterling (principally US Dollars and Euros) are regularly monitored and are considered to be naturally hedged.

Credit risk

The treasury policy requires that surplus funds be deposited only with approved counterparties and within counterparty limits. An assessment is made of the credit risk associated with clients by reviewing independent ratings and by monitoring the level of unpaid fees.

26. Financial assets and liabilities (continued)

The Group has two types of financial asset that are subject to the expected credit loss model.
- Trade receivables
- Accrued income

While cash at bank and in hand and amount due from members are also subject to the impairment requirements of IFRS 9, the identified impairment loss was not material.

The Group applies the IFRS 9 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all trade receivables and accrued income, and therefore does not track changes in credit risk. With respect to amounts due from group undertakings, a general approach under IFRS 9 is applied under which the loss allowance is measured at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. However, if, at the reporting date, the credit risk on the amounts due from group undertakings have not increased significantly since initial recognition, an entity shall measure the loss allowance at an amount equal to 12-month expected credit losses.

To measure the expected credit losses, trade receivables and accrued income have been grouped based on shared credit risk characteristics and the days past due. Assessing the credit risk on a client by client basis would involve significant cost and effort. As such, credit risk is considered on an office by office basis, as each office can be considered to reflect a particular level of credit risk.

Trade receivables and accrued income are written off when there is no probability of recovery Indicators would include failure to make any contractual payments, entering liquidation procedures or clear signs of financial difficulties

The accrued income amounts relate to unbilled work in progress. Under the ECL provision matrix methodology, the "less than 30 days" loss ratio (Group: 0.8% (2021: 0.3%); LLP: 0.6% (2021: 0.3%)) calculated in respect of current trade receivables, is applied to the whole of the WIP balance after specific provisions, on the basis that all of these amounts are unbilled and therefore fully current

The Group considers the ageing profile of billings and receivables over a three-year period, being that period over which more than 99% of invoices are collected. The expected loss rates are based on the weighted average rates of payment profiles over the billing cycle of financial year ended 30 April 2018 and 2019, adjusted by country specific credit default swap rates to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

26. Financial assets and liabilities (continued)

The loss allowance as at 30 April 2022 and 30 April 2021 for debtors due is set out below. The loss rate for 30 days has been wholly applied to the accrued income balance.

Consolidated

Ageing	Gross trade receivables due		Loss rates		Loss allowance	
	2022	2021	2022	2021	2022	2021
	£m	£m	%	%	£m	£m
30 days	265	256	0.8	2.0	(2)	(5)
60 days	71	58	1.4	1.7	(1)	(1)
90 days	39	25	5.1	4.0	(2)	(1)
180 days	54	38	7.4	5.3	(4)	(2)
1 year	31	29	19.4	27.6	(6)	(8)
3 years	34	31	88.2	87.1	(30)	(27)
Over 3 years	17	11	82.4	100.0	(14)	(11)
	511	**448**			**(59)**	**(55)**

	Accrued income		Loss rates		Loss allowance	
	2022	2021	2022	2021	2022	2021
	£m	£m	%	%	£m	£m
Current	372	306	0.8	0.3	(3)	(1)

LLP

Ageing	Gross trade receivables due		Loss rates		Loss allowance	
	2022	2021	2022	2021	2022	2021
	£m	£m	%	%	£m	£m
30 days	135	133	0.7	2.3	(1)	(3)
60 days	34	29	-	3.4	-	(1)
90 days	17	10	5.9	10.0	(1)	(1)
180 days	20	16	5.0	6.3	(1)	(1)
1 year	12	12	16.7	25.0	(2)	(3)
3 years	16	12	93.8	100.0	(15)	(12)
Over 3 years	7	4	57.1	100.0	(4)	(4)
	241	**216**			**(24)**	**(25)**

	Accrued income		Loss rates		Loss allowance	
	2022	2021	2022	2021	2022	2021
	£m	£m	%	%	£m	£m
Current	164	136	0.6	0.3	(1)	(0)

26. Financial assets and liabilities (continued)

Accrued income

The table below analyses accrued income at the balance sheet date by geographic region:

	Consolidated		LLP	
	2022	**2021**	**2022**	**2021**
	£m	£m	£m	£m
Americas	56	42	-	-
Asia Pacific	76	58	25	16
Continental Europe	115	106	18	21
Middle East	10	7	10	7
United Kingdom	112	92	110	92
Total	369	305	163	136

Trade receivables

The table below analyses trade receivables at the balance sheet date by geographic region:

	Consolidated		LLP	
	2022	**2021**	**2022**	**2021**
	£m	£m	£m	£m
Americas	50	50	-	-
Asia Pacific	73	61	4	7
Continental Europe	140	118	24	22
Middle East	18	13	18	13
United Kingdom	171	151	171	149
Total	452	393	217	191

26. Financial assets and liabilities (continued)

Movements in the allowance for doubtful debts were as follows:

	Consolidated		LLP	
	2022	**2021**	**2022**	**2021**
	£m	£m	£m	£m
Balance at the beginning of the year	(55)	(63)	(25)	(23)
Increase in provision	(28)	(29)	(9)	(14)
Reversal of provision	10	16	6	6
Amounts utilised during the year	17	18	5	5
Foreign exchange movements	(3)	3	(1)	1
Balance at the end of the year	(59)	(55)	(24)	(25)

Trade receivables not yet paid are reviewed regularly and provisions are established on a specific basis if collection of the amount due is in doubt Amounts are written off against the provision once it becomes clear that no further recovery is likely to occur, at which point enforcement activity will cease.

Net impairment losses on financial assets recognised in consolidated income statement were as follows:

	Consolidated	
	2022	**2021**
	£m	£m
Net impairment losses - movement in loss allowance for trade receivables	(18)	(13)
Net impairment losses - movement in loss allowance for accrued income	(2)	(0)
	(20)	(13)

Currency profile of financial assets and liabilities

The currency profile of the Group's financial assets and liabilities at the balance sheet date was as follows:

	Consolidated		LLP	
	2022	**2021**	**2022**	**2021**
				(restated)
Financial assets	£m	£m	£m	£m
GBP	578	576	458	476
USD	215	197	44	46
EUR	309	275	104	94
Other	300	251	254	208
	1,402	1,299	860	824
Financial liabilities				
GBP	800	887	886	936
USD	134	132	8	11
EUR	261	212	122	94
Other	133	114	323	280
	1,328	1,345	1,339	1,321

26. Financial assets and liabilities (continued)

Maturity profile of financial liabilities

The following tables show the maturity profile of the Group's financial liabilities at the balance sheet date

	Consolidated				
2022	**0-1 year**	**1-5 years**	**More than 5 years**	**Others**	**Total**
	£m	£m	£m	£m	£m
Trade and other current payables excluding accruals and deferred income	244	-	-	-	244
Members' capital *	9	-	-	133	142
Annuities	21	59	78	-	158
Accruals	229	-	-	-	229
	503	59	78	133	773 #

	LLP				
2022	**0-1 year**	**1-5 years**	**More than 5 years**	**Others**	**Total**
	£m	£m	£m	£m	£m
Trade and other current payables excluding accruals and deferred income	92	-	-	-	92
Amounts due to subsidiary entities	552	-	-	-	552
Members' capital *	9	-	-	133	142
Amounts due to members	36	-	-	-	36
Annuities	19	53	66	-	138
Accruals	75	-	-	-	75
	783	53	66	133	1,035 #

* As per the partnership agreement, members' capital is repayable within six months of a member retiring from the partnership, and accordingly, the maturity of this amount is dependent upon when a partner retires, amount under "0-1 year" represents capital repayable of such retired partners. The remaining portion of members' capital, we are unable to accurately measure this for the purpose of building a maturity profile of when members' capital will be settled.

The maturity profile of lease liabilities of 30 April 2022 is included in Note 27: Group £555m (undiscounted £601m), LLP £304m (undiscounted £323m)

26. Financial assets and liabilities (continued)

Maturity profile of financial liabilities

The following tables show the maturity profile of the Group's financial liabilities at the balance sheet date:

	Consolidated				
2021	**0-1 year**	**1-5 years**	**More than 5 years**	**Others**	**Total**
	£m	£m	£m	£m	£m
Trade and other current payables excluding accruals and deferred income	247	-	-	-	247
Members' capital *	8	-	-	149	157
Annuities	21	62	96	-	179
Accruals	200	-	-	-	200
	476	62	96	149	783 #

	LLP				
2021	**0-1 year**	**1-5 years**	**More than 5 years**	**Others**	**Total**
	£m	£m	£m	£m	£m
Trade and other current payables excluding accruals and deferred income	106	-	-	-	106
Amounts due to subsidiary entities (restated)	498	-	-	-	498
Members' capital *	8	-	-	149	157
Amounts due to members	7	-	-	-	7
Annuities	18	54	84	-	156
Accruals	77	-	-	-	77
	714	54	84	149	1,001 #

* As per the partnership agreement, members' capital is repayable within six months of a member retiring from the partnership, and accordingly, the maturity of this amount is dependent upon when a partner retires; amount under "0-1 year" represents capital repayable of such retired partners. The remaining portion of members' capital, we are unable to accurately measure this for the purpose of building a maturity profile of when members' capital will be settled.

The maturity profile of lease liabilities of 30 April 2021 is included in Note 27: Group £562m (undiscounted £604m), LLP £320m (undiscounted £338m).

26. Financial assets and liabilities (continued)

Sensitivity to market risks

Foreign currency risk arises on financial instruments that are denominated in a currency other than the functional currency in which they are measured, including foreign currency denominated intercompany receivables and payables which, although eliminate in the Group's financial statements, the effect on the result of their revaluation under IAS 21, is not fully eliminated.

The most significant foreign currencies to the Group are US Dollars and the Euro The sensitivity of the Group's income statement to changes in these exchange rates arises from US Dollar and Euro denominated financial instruments including US Dollar and Euro denominated intercompany receivables and payables which do not form part of a net investment in a foreign operation. The Group does not engage in cash flow hedging activities.

The exchange rates used in the preparation of these financial statements were as follows:

	2022		**2021**	
	Average rate	**Closing rate**	**Average rate**	**Closing rate**
United States Dollar / £	1.35	1.26	1.32	1.39
Euros / £	1.18	1.19	1.12	1.15

The following table details the Group's sensitivity to a 10% increase or decrease in the strength of Sterling to the US Dollar and to the Euro. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates.

A negative number below indicates a decrease in profit and other equity where Sterling strengthens 10% against the relevant currency. For a 10% weakening of Sterling against the relevant currency, there would be a comparable impact on the profit and other equity, and the balances below would be positive.

	Consolidated			
	Impact on post-tax profit		**Impact on other components of equity**	
	2022	**2021**	**2022**	**2021**
	£m	£m	£m	£m
Sterling 10% stronger against US Dollar	(23)	(23)	-	-
Sterling 10% stronger against Euro	(16)	(15)	-	-

	LLP			
	Impact on post-tax profit		**Impact on other components of equity**	
	2022	**2021**	**2022**	**2021**
	£m	£m	£m	£m
		(restated)		*(restated)*
Sterling 10% stronger against US Dollar	(7)	(6)	(3)	(3)
Sterling 10% stronger against Euro	(7)	(6)	4	3

The Group's net interest cost on external borrowings is £nil and accordingly the sensitivity of the group's profits and financial assets and liabilities to changes in interest rates is insignificant.

27. Leases

(a) As a lessee:

This note provides information for leases where the Group is a lessee. For leases where the Group is a lessor see note 27 (b)

(i) Amounts recognised in the balance sheet

The balance sheet shows the following amounts relating to leases:

	Consolidated		LLP	
	2022	**2021**	**2022**	**2021**
Right-of-use assets	£m	£m	£m	£m
Property	326	308	125	120
Other	3	3	-	-
	329	311	125	120

The following are the changes in the carrying value of right-of-use assets for the year:

	Consolidated			LLP
	Property	**Other**	**Total**	**Property**
Cost:	**£m**	**£m**	**£m**	**£m**
Balance as at 1 May 2020	392	4	396	153
Additions	47	2	49	9
Terminations	(15)	(1)	(16)	(20)
Translation difference	(12)	-	(12)	(1)
Balance as at 30 April 2021	412	5	417	141
Additions	77	1	78	28
Terminations	(10)	(2)	(12)	(6)
Translation difference	8	-	8	2
Balance as at 30 April 2022	487	4	491	165
Accumulated Depreciation:				
Balance as at 1 May 2020	(60)	(2)	(62)	(20)
Depreciation	(58)	(1)	(59)	(20)
Terminations	12	1	13	18
Translation difference	2	-	2	1
Balance as at 30 April 2021	(104)	(2)	(106)	(21)
Depreciation	(57)	(1)	(58)	(20)
Terminations	5	2	7	2
Translation difference	(5)	-	(5)	(1)
Balance as at 30 April 2022	(161)	(1)	(162)	(40)
Carrying amount:				
As at 30 April 2021	308	3	311	120
As at 30 April 2022	326	3	329	125

The Group leases many assets which are primarily buildings for its office space worldwide.

	Consolidated		LLP	
	2022	**2021**	**2022**	**2021**
Lease liabilities	£m	£m	£m	£m
Current	94	87	45	44
Non-current	461	475	259	276
	555	562	304 *	320 *

*this lease liability balance includes £265m (2021: £303m) payable to an intermediate lessor (related party).

As at 30 April 2022, an 8 year lease contract which relates to the Sydney office was committed and not commenced amounting to £26m. As at 30 April 2021 a 10 year lease contract which related to the Amsterdam office was committed and not commenced amounting to £27m

27. Leases

(a) As a lessee (continued):

(i) Amounts recognised in the balance sheet (continued)

The following is the movement in lease liabilities during the year:

	Consolidated			LLP
	Property	Other	Total	Total
	£m	£m	£m	£m
Balance as at 1 May 2020	625	3	628	357
Additions	49	2	51	9
Terminations	(5)	-	(5)	(4)
Finance cost accrued during the year	13	-	13	10
Payment of lease liabilities	(105)	(1)	(106)	(51)
Translation difference	(19)	-	(19)	(1)
Balance as at 30 April 2021	558	4	562	320
Additions	79	1	80	29
Terminations	(5)	-	(5)	(3)
Finance cost accrued during the year	12	-	12	6
Payment of lease liabilities	(99)	(2)	(101)	(49)
Translation difference	7	-	7	1
Balance as at 30 April 2022	552	3	555	304

Total undiscounted lease liabilities as at 30 April	Consolidated		LLP	
	2022	2021	2022	2021
	£m	£m	£m	£m
Maturity analysis - contractual undiscounted cash flows				
Less than one year	106	98	51	49
One to five years	342	341	202	190
More than five years	153	165	70	99
	601	604	323	338

(ii) Amounts recognised in the income statement

The income statement shows the following amounts relating to leases

	Consolidated	
	2022	2021
	£m	£m
Depreciation charge of right-of-use assets		
Property	57	58
Other	1	1
	58	59
Interest on lease liabilities (included in finance cost)	12	13
Income from sub-leasing right-of-use assets - operating leases	(3)	(3)
Income from sub-leasing right-of-use assets - finance leases	(3)	(3)

Amounts recognised in the statement of cash flows

Net cash outflow for leases	(75)	(81)

27. Leases (continued)

(a) As a lessee (continued):

(iii) Extension and termination options

There are no material termination options included in the property leases across the Group. The Group has included one material extension option for the Singapore office lease as management is reasonably certain the extension option, held by the Group will be exercised. Leases due to expire within 12 months of year end were examined to see if there were any exercisable by lessee that may potentially be extended. In considering all the facts and circumstances the Group determined that none of these leases expiring in 12 months should include an extended lease term.

(iv) Liquidity

The Group does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due, for more details on the liquidity risk see note 26.

(b) As a lessor:

Lease income from lease contracts in which the Group acts as a lessor is as below

	Consolidated	
	2022	**2021**
	£m	£m
Finance Income		
Finance income on the net investment in the lease	3	3
Operating lease		
Lease income	3	3

The following is the movement in finance lease receivables for the year:

	Consolidated	LLP
	£m	£m
Balance as at 1 May 2020	168	139
Interest income accrued during the year	3	3
Lease receipts	(25)	(18)
Foreign exchange reserve	(3)	-
Balance as of 30 April 2021	**143**	**124**
Interest income accrued during the year	3	2
Lease receipts	(26)	(18)
Foreign exchange reserve	2	-
Balance as of 30 April 2022	122	108

27. Leases (continued)

(b) As a lessor (continued):

	Consolidated	LLP
	2022	**2022**
Lease receivables	**£m**	**£m**
Current	24	17
Non-current	98	91
	122	**108**

	Consolidated	LLP
	2021	**2021**
Lease receivables	**£m**	**£m**
Current	23	17
Non-current	120	107
	143	**124**

Operating leases

The following table sets out the maturity analysis of the lease payments for the sub leases classified as operating leases, showing the undiscounted lease payments to be received after the reporting date.

	Consolidated	LLP
	2022	**2022**
	£m	**£m**
Less than 1 year	3	2
One to two years	2	2
Two to three years	-	-
Three to four years	-	-
Four to five years	-	-
More than 5 years	-	-
Total undiscounted lease payment	**5**	**4**

	Consolidated	LLP
	2021	**2021**
	£m	£m
Less than 1 year	3	2
One to two years	3	2
Two to three years	2	2
Three to four years	-	-
Four to five years	-	-
More than 5 years	-	-
Total undiscounted lease payment	8	6

27. Leases (continued)

(b) As a lessor (continued):

Finance leases

The following table sets out the maturity analysis of the lease payments for the sub leases classified as finance leases, showing the undiscounted lease payments to be received after the reporting date.

	Consolidated	LLP
	2022	**2022**
	£m	**£m**
Less than 1 year	26	19
One to two years	25	18
Two to three years	19	19
Three to four years	19	19
Four to five years	19	19
More than 5 years	21	20
Total undiscounted lease payments receivable	**129**	**114**
Unearned finance income	(7)	(6)
Total lease receivables	**122**	**108**

	Consolidated	LLP
	2021	**2021**
	£m	**£m**
Less than 1 year	26	19
One to two years	26	19
Two to three years	25	18
Three to four years	19	19
Four to five years	19	19
More than 5 years	38	39
Total undiscounted lease payments receivable	**153**	**133**
Unearned finance income	(10)	(9)
Total lease receivables	**143**	**124**

28. Restatement of Financial Statements of Limited Liability Partnership

This year, we have reviewed the processes used to record transactions between subsidiary undertakings and Clifford Chance LLP. This has included a review of the methodology for recovering amounts paid by the LLP to members, from associated entities, which represent profits earned by and allocated from associated entities. As a result, the prior year limited liability partnership financial statements have been restated. There is no impact to the consolidated financial statements of Clifford Chance LLP. The restatement is set out below

Limited Liability Partnership Balance Sheet as at 1 May 2020

	Audited	Restatement	Restated
	£m	£m	£m
ASSETS			
Trade and other receivables	652	(353)	299
LIABILITIES			
Trade and other payables	478	43	521
REPRESENTED BY:			
Reserves	24	(396)	(372)

Limited Liability Partnership Balance Sheet as at 30 April 2021

	Audited	Restatement	Restated
ASSETS			
Trade and other receivables	874	(416)	458
LIABILITIES			
Trade and other payables	631	59	690
REPRESENTED BY:			
Reserves*	114	(475)	(361)

	Audited	Restatement	Restated
	£m	£m	£m
Profit for the year ended 30 April 2021	287	(4)	283

Limited Liability Partnership Cash Flow Statement for the year ended 30 April 2021

	Audited	Restatement	Restated
Cash flows from operating activities	236	74	310
Cash flows from financing activities	(238)	(74)	(312)

*The resulting restatement to reserves in respect of the year ended 30 April 2021 is a reduction of £79m. Profit distributions and related tax were previously stated as £191m in the LLP standalone Statement of Changes in Equity and have now been restated to £266m, along with a £4m reduction in profit for the year ended 30 April 2021 as noted in the table above.