Company Registration No: 3375920

Clifford Chance London Limited

Report and Financial Statements

30 April 2008

Clifford Chance London Limited

Report and financial statements 2008

Contents

Clifford Chance London Limited

Report and financial statements 2008

Officers and professional advisers

Directors

J Baird
E W Bradley
P J Charlton
D R Childs
D Harkness
R W Moore
C C Perrin
S Popham
J Sandelson

Secretary

Clifford Chance Secretaries Limited

Registered Office

10 Upper Bank Street
London
E14 5JJ

Auditors

Deloitte LLP
Chartered Accountants
London

Clifford Chance London Limited

Directors' report

The directors present their annual report and the audited financial statements for the year ended 30 April 2008.

Principal activities and business review

The company is a wholly owned subsidiary of Clifford Chance LLP.

The principal activity of the company is the supply of personnel to Clifford Chance LLP.
There have been no events since the balance sheet date which materially affect the position of the company.

The directors are satisfied with the level of business and the company's position at 30 April 2008 and propose to continue with the current activities in the next financial year.

The income statement for the year are set out on page 6, and the balance sheet on page 7.

Due to the nature of the company there are no relevant financial or non financial key performance indicators.

Principal risks and uncertainties

The company does not use derivatives to manage its financial risks. The most important components of financial risk are interest rate risk, currency risk, credit risk, liquidity risk, cash flow risk, and price risk. The directors consider none of these risks are applicable to this company.

Results and dividends

The income statement for the year is set out on page 6.

No dividends have been paid or proposed for the year period ended 30 April 2008 (2007: £nil).

Directors

The directors of the company who served throughout the year and up to the date of approval of the accounts, except as noted, were:-

J Baird	(Appointed effective 25 March 2008)
E W Bradley	(Appointed effective 25 March 2008)
P J Charlton	
D R Childs	
D Harkness	
R W Moore	(Appointed effective 25 March 2008)
C C Perrin	
S Popham	
J Sandelson	

Directors' report (continued)

Employees

The company communicates with all employees through regular staff briefings. Subject to practical and commercial considerations, employees are consulted and involved in decisions that affect their employment or future prospects.

The company employs disabled persons where the requirement of the job and the individual's disability make this possible. The company accepts the need to maintain and develop the careers of disabled employees and supports training and other programmes to that end.

If an employee becomes disabled the objective is the continued provision of suitable employment either in the same or an alternative position with appropriate training.

Prompt payment policy

It is the company's policy to negotiate terms with its suppliers in all sectors and to ensure that they know the terms on which payments will take place when the business is agreed. It is our policy to abide by these terms.

Disclosure of information to the auditors

The directors are not aware of any relevant audit information of which the company's auditors are unaware.

The directors have also taken all the steps they ought to have taken as directors in order to be aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provision of s234ZA of the Companies Act 1985.

Auditors

On 17 September 1997, the company passed an elective resolution to dispense with the obligation to appoint auditors annually in accordance with section 386(1) of the Companies Act 1985. Therefore, the auditors, Deloitte LLP, will be deemed to be reappointed for the succeeding financial year.

Approved by the Board of Directors
and signed on behalf of the Board

CPerrin

Chris Perrin
26 February 2009

Clifford Chance London Limited

Statement Of Directors' Responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law, the directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. The financial statements are required by law to be properly prepared in accordance with IFRSs as adopted by the European Union and the Companies Act 1985.

International Accounting Standard 1 requires that financial statements present fairly for each financial year the company's financial position, financial performance and cash flows. This requires the faithful representation of the effects of transactions, other events and conditions in accordance with the definitions and recognition criteria for assets, liabilities, income and expenses set out in the International Accounting Standards Board's 'Framework for the preparation and presentation of financial statements'. In virtually all circumstances, a fair presentation will be achieved by compliance with all applicable IFRSs. However, directors are also required to:

* Properly select and apply accounting policies;
* Present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
* Provide additional disclosures when compliance with the specific requirements in IFRSs is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
* Make an assessment of the company's liability to continue as a going concern.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent auditors' report to the members of Clifford Chance London Limited

We have audited the financial statements of Clifford Chance London Limited for the year ended 30 April 2008 which comprise the income statement, the balance sheet, the statement of recognised income and expense, the cash flow statement and the related notes 1 to 14. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The director's responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and International Financial Reporting Standards (IFRS's) as adopted by the European Union are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we consider necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

* the financial statements give a true and fair view, in accordance with IFRSs as adopted by the European Union, of the state of the company's affairs as at 30 April 2008 and of its profit for the year then ended;

* the financial statements have been properly prepared in accordance with the Companies Act 1985; and

* the information given in the Directors' Report is consistent with the financial statements.

Deloitte LLP Deloitte LLP

Chartered Accountants and Registered Auditors
London, United Kingdom
26 February 2009

Clifford Chance London Limited

Income statement
Year ended 30 April 2008

	Notes	2008 £000's	2007 £000's
Revenue	1	233,403	208,148
Administrative expenses	3	(230,503)	(208,272)
Profit/(loss) from operations		2,900	(124)
Finance income	7	1,318	1,398
Profit from operations before taxation	2	4,218	1,274
Taxation	4	-	-
Profit after tax and profit retained for the financial year		**4,218**	**1,274**

All profits arise from continuing operations.

Clifford Chance London Limited

Balance sheet
30 April 2008

	Notes	2008 £000's	2007 £000's
Non current assets	7	684	-
Current assets			
Receivables	5	36,443	36,392
Cash and cash equivalents		108	183
Total current assets		36,551	36,576
Total assets		37,235	36,576
Current liabilities			
Trade and other payables	6	(35,458)	(35,486)
Non-current liabilities			
Retirement benefit obligation	7	-	(3,530)
Total liabilities		(35,458)	(39,016)
Net assets/(liabilities)		1,777	(2,441)
Equity			
Share capital	8	1,100	1,100
Retained earnings	9	677	(3,541)
Total equity		1,777	(2,441)

These financial statements were approved by the Board of Directors on 26 February 2009.

Signed on behalf of the Board of Directors

C Perrin

Chris Perrin
Director

Clifford Chance London Limited

Statement of recognised income and expense
Year ended 30 April 2008

	2008 £000's	2007 £000's
Profit for the year	4,218	1,274
Total recognised income and expense for the year	**4,218**	**1,274**

Clifford Chance London Limited

Cash flow statement
Year ended 30 April 2008

	Notes	2008 £000's	2007 £000's
Net cash outflow from operating activities	10	(75)	(5,246)
Net decrease in cash and cash equivalents	11	(75)	(5,246)
Cash and cash equivalents at beginning of year		183	5,429
Cash and cash equivalents at end of year		108	183

Clifford Chance London Limited

Notes to the accounts
Year ended 30 April 2008

1. Accounting policies

The financial statements have been prepared in accordance with IFRS adopted for use in the European Union (EU) and therefore comply with Article 4 of the EU International Accounting Standards (IAS) regulation.

The financial statements have been prepared on the historical cost basis.

The accounting policies set out below have been applied consistently to all periods in these financial statements.

Critical accounting estimates and key sources of estimation

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates and judgements. It also requires management to exercise judgement in the process of applying 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. In the opinion of the directors, there are no critical accounting estimates and key sources of estimation relevant to these accounts.

Pension scheme

Clifford Chance London Limited operates a defined benefit scheme based on final pay and pensionable service at retirement. The scheme's assets are invested independently of the company. Contribution levels to the scheme are as advised by independent actuaries. The most recent actuarial valuation of the scheme's assets was performed as at 30 April 2007, and on actuarial advice the present funding rate will remain at 8%. The company provides no other post retirement benefits to its employees.

Pension costs in relation to defined benefit schemes are recognised in accordance with International Accounting Standard 19 - Employee Benefits ("IAS 19").

The cost of providing benefits is determined using the Projected Unit Method. Full actuarial valuations are carried out every three years and the Scheme actuary updates these at each balance sheet date for the purposes of IAS 19.

The net periodic pension costs, including the amortisation of the unrecognised obligation described below, is charged to the income statement. Past service cost is recognised immediately in the income statement to the extent that the benefits are already vested and otherwise amortised on a straight-line basis over the average period until the benefits become vested.

The full retirement obligation represents the present value of the obligation to provide benefits, as adjusted for unrecognised past service costs, less fair value of the Scheme's assets. The cumulative amount of this obligation which has resulted from actual experience differing from the actuarial assumptions, less an allowance amounting to the greater of 10% of the obligation and 10% of the value of the Scheme's assets, is charged to the income statement and recognised as a liability over the estimated remaining service lives of Scheme members. Accordingly, the balance sheet liability represents the full retirement benefits obligation less the amount that has yet to be amortised.

Revenue

Revenue, which is stated net of VAT, represents amounts invoiced to Clifford Chance LLP in the United Kingdom other than revenue of £85,000 (2007:£nil) invoiced to a third party. Revenue is recognised as services are provided to Clifford Chance LLP,

Taxation

Current tax, including corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date.

Deferred tax is recognised without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by IAS 12.

Clifford Chance London Limited

Notes to the accounts
Year ended 30 April 2008

2. Profit from operations before tax

	2008 £'000	2007 £'000
Profit from operations before tax is stated after charging :		
Audit fee	8	10

No non-audit services were provided by the auditors to the company in the year (2007 : £nil).

None of the directors received any remuneration for services as a director of Clifford Chance London Limited (2007: £nil).

3. Administrative expenses

	2008 £'000	2007 £'000
Administrative expenses include the following in respect of staff costs:		
Wages and salaries	168,318	155,229
Social security costs	18,868	17,120
Other pension costs	7,242	9,934

The average monthly number of persons employed by the company was:

	2008 No.	2007 No.
Lawyers	890	880
Trainee solicitors	213	209
Support staff	1,301	1,353
	2,404	2,442

Clifford Chance London Limited

Notes to the accounts
Year ended 30 April 2008

4. Taxation

	2008	2007
	£'000	£'000
Corporation tax on profit for the year at 28% (2007 : 30%)	-	-

The tax charge for the year is lower than that resulting from applying the standard rate of corporation tax in the UK : 28% (2007 : 30%). The differences are explained below.

	2008	2007
	£'000	£'000
Profit on ordinary activities before tax	4,218	1,274
Tax at 28% thereon	1,181	382
Effects of:		
Net charge to the income statement in respect of the application of IAS 19	1,659	2,561
Pension contributions made during the year	(2,839)	(2,943)
Tax on transfer pricing adjustment - current year	3,266	3,453
- prior year	50	1,839
Change in corporation tax rate	214	-
Payable by Clifford Chance LLP for tax on transfer pricing adjustment	(3,531)	(5,292)
	-	-

Under the UK-UK transfer pricing legislation introduced in FA 2004 the directors recognise that the company has not charged Clifford Chance LLP, the controlling shareholder, at an arm's length charge for the services rendered to the LLP. Although no increase is proposed in the management fee in respect of the year ended 30 April 2008, it is recognised that a profit will, for tax purposes be deemed to arise in the company and will be material in the context of the company's net assets. However the company has received an undertaking from Clifford Chance LLP that the corporation tax liability on the adjusted profit will be borne by the LLP and so no provision for the liability is therefore made in the company's accounts.

5. Receivables

	2008	2007
	£'000	£'000
Amounts due from ultimate parent undertaking	35,231	35,177
Other receivables	105	669
Prepayments	1,107	546
	36,443	36,392

Notes to accounts
Year ended 30 April 2008

6. Trade and other payables

	2008 £'000	2007 £'000
Corporation tax	1,633	1,917
Other taxation and social security	8,336	8,397
Other creditors	-	332
Amounts due to fellow subsidiary undertakings	1	57
Accruals	25,488	24,783
	35,458	35,486

7. Retirement benefit obligation

Certain employees of Clifford Chance London Limited participate in a pension scheme (the "Scheme") of which Clifford Chance Pension Trustees Limited is the trustee providing benefits based on final pensionable salary and pensionable service. The assets of the Scheme are held separately from those of the Firm. The Scheme is closed to new members.

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. Because the Scheme has a membership with an average of 25 years to retirement, there remain many years of contribution at the level advised by the Scheme actuary to provide the funding that will be required to meet its liabilities as they fall due.

A full actuarial valuation of the Scheme was carried out as at 30 April 2007 by a qualified independent actuary. The key assumptions used in updating these calculations are set out below:

	2008	2007
Long-term rate of return on assets	7.70%	7.40%
Discount rate	6.45%	5.60%
Future pension increases - pensions accrued prior to 30 April 2005	3.50%	3.00%
Future pension increases - pensions accrued after 30 April 2005	2.40%	2.30%
Price and salary inflation	3.50%	3.00%

Mortality assumptions have been based on 90% of the PNA00 mortality tables (2007: PA92 mortality tables), projected according to each member's year of birth. In addition, the 2008 assumptions include an allowance for increased longevity based upon the widely adopted "medium cohort" projection.
The factors which have the most significant effect on the valuation are the discount rate, the amount by which the discount rate exceeds the assumed rate of pension increases and the mortality assumptions.

The amounts recognised in the income statement are as follows:

	2008 £'000	2007 £'000
Current service costs	5,733	7,418
Recognised net actuarial losses	1,509	2,516
Charge shown under staff and related costs	7,242	9,934
Interest on obligations	12,730	11,535
Expected return on plan assets	(14,048)	(12,933)
Credit shown under net financing costs	(1,318)	(1,398)
Net charge to income statement	5,924	8,536

7. Retirement benefit obligation (Cont.)

The amount included in the balance sheet arising from the obligation in respect of the Scheme is as follows:

	2008 £'000	2007 £'000
Present value of defined benefit obligation	234,773	225,747
Fair value of plan assets	(189,555)	(186,059)
Present value of net obligation	45,218	39,688
Unrecognised actuarial losses	(45,902)	(36,158)
(Asset)/liability of defined benefit pension scheme	(684)	3,530

Movements in the amount recognised in the balance sheet were as follows:

	2008 £'000	2007 £'000
Adjusted net liability at start of year	3,530	4,804
Contributions made	(10,138)	(9,810)
Charge recognised in the income statement	5,924	8,536
Net (asset)/liability at end of year	(684)	3,530

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

	2008 £'000	2007 £'000
At the beginning of the year	225,747	218,872
Interest on obligation	12,730	11,535
Service cost	5,733	7,418
Actuarial gains	(6,852)	(10,576)
Benefits paid	(2,585)	(1,502)
At the end of the year	234,773	225,747

Clifford Chance London Limited

Notes to the accounts
Year ended 30 April 2008

7. Retirement benefit obligation (Cont.)

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

	2008 £'000	2007 £'000
At the beginning of the year	186,058	168,282
Expected return on Scheme assets	14,048	12,933
Actuarial losses	(18,104)	(3,465)
Contributions made	10,138	9,810
Benefits paid	(2,585)	(1,502)
At the end of the year	189,555	186,058

The fair value of Scheme assets and the expected rate of return were as follows:

	30 April 2008			30 April 2007		
	Expected rate of return %	Value £'000	% of total value	Expected rate of return %	Value £'000	% of total value
Equities	8.0%	139,703	74%	7.8%	140,860	76%
Bonds	6.5%	36,927	19%	5.6%	29,939	16%
Other assets	7.5%	12,925	7%	5.3%	15,260	8%
	7.7%	189,555		7.4%	186,059	

The overall expected return on assets is calculated as the weighted average of the expected returns on each individual asset class. The expected returns are set by reference to market indicators, including price inflation, dividend yields, economic growth, yields on index-linked gilts and bonds and interest rates.

The following table summarises the history of experience gains and losses:

	2008 £'000	2007 £'000	2006 £'000	2005 £'000
Present value of defined benefit obligations	234,773	225,747	218,872	222,752
Fair value of Scheme assets	(189,555)	(186,059)	(168,282)	(123,860)
Present value of net obligations	45,218	39,688	50,590	98,892
Experience adjustment on Scheme liabilities:				
Actuarial (decrease)/increase in Scheme liabilities	(6,852)	(10,576)	7,944	17,844
Percentage of Scheme liabilities	(3%)	(5%)	4%	8%
Experience adjustment on Scheme assets:				
Actuarial (decrease)/increase in Scheme assets	(18,105)	(3,464)	25,838	889
Percentage of Scheme assets	(10%)	(2%)	15%	1%

The estimated amount of contribution expected to be paid to the Scheme during the financial year ending 30 April 2009 is £9.8 million (2008: £9.3 million).

Clifford Chance London Limited

Notes to the accounts
Year ended 30 April 2008

8. Share capital

	2008 £'000	2007 £'000
Authorised share capital:		
1,100,000 shares of £1 each	1,100	1,100
Allotted, called up and fully paid:		
1,100,000 shares of £1 each	1,100	1,100

9. Statement of movements in equity

	Share capital £'000	Retained earnings £'000	Total equity £'000
Balance at 1 May 2006	1,100	(4,815)	(3,715)
Retained profit	-	1,274	1,274
Balance at 30 April 2007	1,100	(3,541)	(2,441)

	Share capital £'000	Retained earnings £'000	Total equity £'000
Balance at 1 May 2007	1,100	(3,541)	(2,441)
Retained profit	-	4,218	4,218
Balance at 30 April 2008	1,100	677	1,777

10. Reconciliation of profit/(loss) from operations to net cash used by operating activities

	2008 £'000	2007 £'000
Profit/(loss) from operations	2,900	(124)
Increase in receivables	(4,853)	(15,231)
Increase in trade and other payables	4,774	9,985
Adjustment for pension funding	(2,896)	124
Net cash used by operating activities	(75)	(5,246)

11. Reconciliation of net cash flow to movement in net funds

	2008 £'000	2007 £'000
Net funds at start of year	183	5,429
(Decrease) in cash in the year	(75)	(5,246)
Net funds at end of year	108	183

12. Interest in group undertakings

Clifford Chance London Limited holds all of the issued ordinary £1 share capital of Clifford-Turner Limited, a dormant company registered in England and Wales. Group accounts have not been prepared as the activities of the subsidiary are immaterial.

13. Ultimate parent undertaking

The company is beneficially owned by Clifford Chance LLP, a limited liability partnership registered in England and Wales. Clifford Chance London Limited provided employees to Clifford Chance in accordance with a service contract made between the two parties. All the company's material transactions derive from this relationship. At 30 April 2008 the amount due from Clifford Chance LLP to Clifford Chance London Limited was £35.2 million (2007: £35.1 million).

14 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 of the Company at the balance sheet date. In each case, the fair value is not materially different to the carrying value.

	2008 £'000	2007 £'000
Financial assets - loans and receivables		
Amounts due from parent	35,231	35,177
Other receivables	105	669
Cash at bank and in hand	108	183
	35,444	36,029
Financial liabilities - at amortised cost		
Trade and other current payables excluding accruals and deferred income	9,970	10,703
	9,970	10,703

14 Financial assets and liabilities (continued)

Risks arising from financial assets and liabilities

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

Liquidity risk

The business is predominantly funded by amounts received from group undertakings. The capital structure is reviewed regularly to ensure that it is adequate to fund the current and projected needs of the business.

Currency risk

The functional currency is Sterling in which all material cash flows take place.

Credit risk

The only material credit risk relates to amounts due from the ultimate parent undertaking.

The ageing of receivables at the balance sheet date was as set out in the table below.

Financial assets and liabilities (continued)

	Year ended 2008 £'000	**Year ended 2007 £'000**
Amounts not yet due	-	-
Amounts due:		
0 - 2 months	35,268	35,344
2 - 4 months	34	167
4 - 8 months	34	167
8 - 12 months	-	168
Over 12 months	-	-
	35,336	35,846
Bad debt provision	-	-
Amounts due, net of provision	35,336	35,846
Receivables	35,336	35,846

Clifford Chance London Limited

Notes to the accounts
Year ended 30 April 2008

14 Financial assets and liabilities (continued)

Maturity profile of financial liabilities

The following table shows the maturity profile of the Company's financial liabilities at the balance sheet date.

2008 £'000	6 months or less	6-12 months	1 - 5 years	Other	Total
Trade and other current payables excluding accruals and deferred income	8,337	1,633	-	-	9,970
	8,337	1,633	-	-	9,970

2007 £'000	6 months or less	6-12 months	1 - 5 years	Other	Total
Trade and other current payables excluding accruals and deferred income	8,786	1,917	-	-	10,703
	8,786	1,917	-	-	10,703