CLIFFORD CHANCE LONDON LIMITED
Company Registration No. 3375920

Directors' Report and Financial Statements

For the year ended 30 April 2020

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Contents

Contents	Page
Strategic report	1
Directors' report	4
Independent auditors' report	6
Income Statement	9
Statement of comprehensive income	10
Balance sheet	11
Statement of changes in equity	12
Notes to the financial statements	13

Strategic report
For the year ended 30 April 2020

Principal activities and business review

Clifford Chance London Limited (the "Company") is a wholly owned subsidiary of Clifford Chance LLP.

The principal activity of the company is the supply of personnel, premises and other services to Clifford Chance LLP.

The directors are satisfied with the level of business and the company's position at 30 April 2020 and propose to continue with the current activities in the next financial year.

Principal risks and uncertainties

The principal risks essentially are those of its principal customer, Clifford Chance LLP. The Directors of the Company believe that a discussion of the Group's risks would not be appropriate for an understanding of the development, performance or position of the Company's business, as these are fully discussed in Clifford Chance LLP's financial statements for the year ended 30 April 2020, which do not form part of this report.

The Company's ultimate parent undertaking, Clifford Chance LLP, has confirmed that it will continue to provide support to the Company to meet its obligations as they fall due for as long as the Company is its subsidiary undertaking.

The Executive Leadership Group of Clifford Chance LLP manages the Group's operations on an operating segment basis. The development, performance and position of the Group are discussed in Clifford Chance LLP's financial statements for the year ended 30 April 2020, which does not form part of this report.

Results and dividends

The income statement for the year is set out on page 9, and the balance sheet on page 11.

Revenue for the year was £301m (2019: £326.5m). The profit before taxation for the year was £30.6m (2019: £25.7m). The average monthly number of staff employed by the company was 1,755 (2019: 1,805). Net liabilities amounted to £116.9m (2019: £130.4m).

No dividends have been paid or proposed for the year ended 30 April 2020 (2019: £nil).

Save as referred to below in relation to the pension scheme, there have been no events since the balance sheet date which materially affect the position of the company.

Section 172(1) Statement

Section 172 of the Companies Act 2006 requires a director of a company to act in the way he or she considers, in good faith, would most likely promote the success of the company for the benefit of its members as a whole but having regard to a range of factors set out in section 172(1)(a)-(f) in the Companies Act 2006.

Section 172(1) Statement (continued)

In discharging our section 172 duty, Directors are required to have regard, among other matters, to the:
(a) the likely consequences of any decision in the long term,
(b) the interests of the company's employees,
(c) the need to foster the company's business relationships with suppliers, customers and others,
(d) the impact of the company's operations on the community and the environment,
(e) the desirability of the company maintaining a reputation for high standards of business conduct, and
(f) the need to act fairly as between members of the company.

All the members of the Board of the Company are partners and members of Clifford Chance LLP, the Company's ultimate parent company. Additionally, four of the seven Directors of the Company who have served during the financial year, sit on the Executive Leadership Group of Clifford Chance LLP, ensuring that the Board's actions are aligned with those of its shareholder.

Although the nature of the Company's business is relatively straightforward, examples of how the Directors have had regard for the matters listed above in making decisions are set out below:

Pension Scheme
The Directors work closely with its Parent entity, Clifford Chance LLP, regarding the funding of the pension scheme in order to ensure the pension scheme's commitments towards current and former employees can be met.

In July 2020, an agreement was signed by the Company with the Trustees of the company's defined benefit pension scheme committing the Company to make substantial payments into the pension scheme over the next ten years, starting in May 2021, with a material one-off additional payment already paid in August 2020. These payments should significantly reduce the quantum of the pension scheme deficit (see note 13 for more details). Additionally, Clifford Chance LLP has granted a full guarantee directly to the pension scheme in the event of default by the Company in meeting its obligations towards the pension scheme.

Employees
The Directors see diversity and inclusion as a core value of the Company. It is an issue of fairness and justice. The Company is committed to delivering an inclusive environment based on mutual respect where everyone has an equal opportunity to succeed.

The Company communicates with all employees through regular staff briefings, through which they are made aware of the financial and economic factors that affect the performance of the Company. Subject to practical and commercial considerations, employees are consulted and involved in decisions that affect their employment or future prospects.

Note regarding Coronavirus pandemic: Where possible all employees are working from home, using enabling technology solutions and working flexibly around their domestic circumstances. For those employees unable to work from home, the Company has implemented both social distancing and elevated health measures, including temperature checking and additional cleaning regimes, to ensure the safety of all employees. All employees classified as vulnerable, or with a vulnerable family member, were identified early on and special measures put in place to support and safeguard them. The Company has adopted all government and public health authority guidelines. The Company has also put additional measures in place to support the health and wellbeing of all employees in these uncertain times.

Diversity and Inclusiveness
The Company has put in place a number of policies that set clear expectations of what employees can expect in relation to diversity, dignity and inclusion. The Company works carefully to ensure that the principles at the heart of these policies are integrated into all aspects of its business.

Strategic report
For the year ended 30 April 2020

Section 172(1) Statement (continued)

Diversity and Inclusiveness (continued)
The Company believes that being an equal opportunities employer means going beyond mere compliance with anti-discrimination legislation. The Company believes that promoting diversity means creating an inclusive work environment where everyone has the opportunity to succeed without obstacles based on their gender, gender identity and expression, marital and civil partnership status, race, colour, national or ethnic origin, social or economic background, disability, religious belief, sexual orientation, age or any other basis prohibited under applicable law.

The Company supports its employees with a broad range of policies, practices and procedures which aim to recognise individual contribution and performance, develop each individual's capability and give everyone an equal opportunity to use their talent and fulfil their potential.

Equality of opportunity, fairness, trust, acceptance of differences and the rights of individuals, including the right to work in an atmosphere free from discrimination and prejudice, are important principles of the Company; the 'Community' value, in particular, emphasises the importance the Company places on inclusiveness and meritocracy and aims to provide an environment where all individuals are treated with respect and dignity. 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.

The Directors of the Company actively engage directly with employees to by email, videos and open forums on a wide variety of topics relating to the general wellbeing of employees, including diversity and inclusion, to ensure that the messages are well understood by all concerned.

Suppliers
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. The Company's policy is to abide by these terms.

The Company is committed to building trusted partnerships with our suppliers, which are crucial to delivering the Company's commitments.

Note regarding Coronavirus pandemic: The Company has worked closely with the suppliers and contractors, supporting them to prioritise the health of their teams during this pandemic. Invoices have been paid promptly to aid supplier cash flow and support provided to contractors to work safely on site and when visiting premises.

Community and Environment
The Company has implemented a number of initiatives to help reduce its carbon footprint such as changing office lighting to low wattage LED and using new processes in the office to reduce paper consumption.

Reputation
The Directors believe that maintaining a reputation for high standards of business conduct is of critical importance to the success of the Company and the Directors seek to build and maintain that reputation in everything they do.

Shareholders
The Company has only one shareholder, Clifford Chance LLP. The Directors have due regard to the interests and wishes of Clifford Chance LLP in their consideration of the Company's business.

Approval

This report was approved by the board of directors on 26 April 2021 and signed on its behalf by David Harkness:

DavidHark

26 April 2021

Directors' report
For the year ended 30 April 2020

The directors present their report on Clifford Chance London Limited (the "Company") and the audited financial statements for the year ended 30 April 2020.

Directors

The directors of the company who served during the year and up to the date of approval of the financial statements were:

M D Bates
H L Carty
D Harkness
C E Hoxey
M Layton
E L Matebalavu
M F Newick
C C Perrin (resigned on 31 December 2020)

All of the directors listed above, as members of Clifford Chance LLP, have an interest in the entire share capital of the company at the beginning and end of the financial year.

Statement of directors' responsibilities in respect of the financial statements

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law).

Under company law, directors 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 company and of the profit or loss of the company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101 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 company will continue in business.

The directors 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.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and 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 2006.

Directors' confirmations

In the case of each director in office at the date the directors' report is approved:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's 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.

Qualifying third party indemnity

The company has put in place, throughout the year and at the time of approving these accounts, qualifying third party indemnity provisions for all the directors of the company.

Going Concern

The recent Coronavirus ("COVID-19") outbreak, declared a pandemic by the World Health Organisation in March 2020, is expected to have an impact on the future operations and business activities of the Company. Whilst it is difficult to predict the future financial performance due to the impact of COVID-19, the directors have considered different scenarios on the financial position, results of operations and cash flows in the future. After considering these different scenarios, the directors have at least a reasonable reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Therefore, the Company continues to adopt the going concern basis in preparing its financial statements.

This information is given and should be interpreted in accordance with the provision of s418 of the Companies Act 2006.

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

DavidHark

26 April 2021

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

Report on the audit of the financial statements

Opinion

In our opinion, Clifford Chance London Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 30 April 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Directors' Report and Financial Statements (the "Annual Report"), which comprise: the balance sheet as at 30 April 2020; the income statement, the statement of comprehensive income and the statement of changes in equity 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 company 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

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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

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 directors 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, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

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

Reporting on other information (continued)

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.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 30 April 2020 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of directors' responsibilities in respect of the financial statements set out on page 4, the directors 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 directors 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 directors are responsible for assessing the company'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 directors either intend to liquidate the company 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.

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.

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

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 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 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Nigel Reynolds (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
26 April 2021

Income Statement
For the year ended 30 April

	Note	2020 £000	2019 £000
Revenue	4	**301,014**	**326,461**
Operating costs			
Staff and related costs	5	(226,469)	(212,066)
Other operating expenses	6	(40,905)	(81,577)
Operating profit		**33,640**	**32,818**
Net finance expense			
Finance income	7	10,585	-
Finance expense	7	(13,620)	(7,128)
		(3,035)	(7,128)
Profit before taxation		**30,605**	**25,690**
Tax on profit	8	(3,852)	(3,236)
Profit for the financial year		**26,753**	**22,454**

The results disclosed above for the current period relate entirely to continuing operations.

Statement of comprehensive income
For the year ended 30 April

	Note	2020 £000	2019 £000
Profit for the financial year		26,753	22,454
Items that will not be reclassified subsequently to the profit and loss account:			
Actuarial loss on defined benefit pension scheme	13	(18,703)	(11,378)
Deferred tax relating to items not reclassified	9	7,168	210
Total comprehensive income for the year		**15,218**	**11,286**

Balance sheet
As at 30 April

	Note	2020 £000	2019 £000
Fixed assets			
Property, plant and equipment	10	32,224	32,396
Right of use assets	14	439	-
Finance lease receivable - non current	14	303,210	-
Trade and other receivables	11	-	1,704
Deferred tax asset	9	55,192	47,525
		391,065	**81,625**
Current assets			
Trade and other receivables	11	151,444	102,161
Finance lease receivable - current	14	36,880	-
Cash at bank and in hand		7,812	7,515
		196,136	**109,676**
Total assets		**587,201**	**191,301**
Creditors: Amounts falling due within one year:			
Current tax liability		(2,095)	(1,352)
Lease liabilities - current	14	(40,096)	-
Trade and other payables	12	(39,089)	(36,359)
		(81,280)	**(37,711)**
Net current assets		**114,856**	**71,965**
Total assets less current liabilities		**505,921**	**153,590**
Creditors: Amounts falling due after more than one year:			
Trade and other payables	12	(30,925)	-
Lease liabilities - non current	14	(300,039)	-
Retirement benefit liability	13	(291,859)	(284,027)
		(622,823)	**(284,027)**
Total liabilities		**(704,103)**	**(321,738)**
Net liabilities		**(116,902)**	**(130,437)**
Deficit			
Called up share capital	15	1,100	1,100
Profit and loss account		(118,002)	(131,537)
Total deficit		**(116,902)**	**(130,437)**

The financial statements on pages 9 - 31 were approved by the board of directors and authorised for issue on 26 April 2021. They were signed on its behalf by:

DavidHark

David Harkness
Director

Statement of changes in equity
For the year ended 30 April

	Called up share capital £000	Profit and loss account £000	Total deficit £000
Balance at 1 May 2018	1,100	(142,823)	(141,723)
Profit for the financial year	-	22,454	22,454
Other comprehensive income for the year	-	(11,168)	(11,168)
Total comprehensive income for the year	-	11,286	11,286
Balance at 30 April 2019	**1,100**	**(131,537)**	**(130,437)**
Impact on adoption of IFRS 16 (note 14)	-	(1,683)	(1,683)
Adjusted Balance at 1 May 2019	**1,100**	**(133,220)**	**(132,120)**
Profit for the financial year	-	26,753	26,753
Other comprehensive expense for the year	-	(11,535)	(11,535)
Total comprehensive income for the year	-	15,218	15,218
Balance at 30 April 2020	**1,100**	**(118,002)**	**(116,902)**

1. Presentation of the financial statements

General information

Clifford Chance London Limited (the "Company") is a private company limited by shares and incorporated and domiciled in the UK (England and Wales) .The address of the registered office is 10 Upper Bank Street, London, England E14 5JJ, United Kingdom.

The nature of the company's operation and its principal activities are set out in the Strategic Report.

2. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below.

These policies have been consistently applied, unless otherwise stated. There has been no accounting standards, amendments and interpretations effective for the first time in these financial statements.

(a) Basis of preparation

The Company meets the definition of a qualifying entity under Financial Reporting Standard 100 issued by the requirements for recognising and measuring financial assets and financial liabilities. The Group has adopted an expected credit loss method of impairment of financial assets and this did not have a material impact on the Company due to the existing specific provisions against aged receivables.

Leases
The Company, for the first time, has adopted IFRS 16 Leases. IFRS 16 introduces new or amended requirements with respect to lease accounting. It introduces significant changes to the lessee accounting by removing the distinction between operating leases and finance leases and requiring the recognition of a right of use asset and a lease liability at the lease commencement for all leases, except for short term leases and leases of low value assets. In contrast to lessee accounting, the requirements for lessor accounting have remained largely unchanged except that some leases have become finance leases. Details of the new requirements and impact of the adoption of IFRS 16 on the Company's financial statements are described in Note 14.

Going concern
After making enquiries and taking into account possible changes in trading performance in light of uncertainty related to economic conditions, and other longer-term plans, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. In arriving at this conclusion the directors have taken account of the fact that the company's ultimate parent undertaking, Clifford Chance LLP, has confirmed that it will continue to provide support to the company to meet its obligations as they fall due for as long as the company is its subsidiary undertaking. There are no plans to change the structure or activities of the company and given the nature of the company (as outlined in the Strategic report), it is likely that the company will remain a subsidiary undertaking of Clifford Chance LLP for the foreseeable future. Accordingly, the directors continue to adopt the going concern basis in preparing the annual report and financial statements.

2. Summary of significant accounting policies (continued)

Disclosure exemptions adopted
In preparing these financial statements the Company has taken advantage of all disclosure exemptions conferred by FRS 101. Therefore, these financial statements do not include:

- IFRS 7 'Financial instruments: Disclosures';
- Paragraph 38 of IAS 1, 'Presentation of financial statements' - comparative information requirements in respect of paragraph 79(a)(iv) of IAS 1 and paragraph 73(e) of IAS 16, 'Property, plant and equipment';
- The following paragraphs of IAS 1, 'Presentation of financial statements':
    - 10(d) (statement of cash flows);
    - 16 (statement of compliance with all IFRS);
    - 38A (requirement for minimum of two primary statements, including cash flow statements);
    - 38B-D (additional comparative information);
    - 111 (cash flow statement information); and
    - 134-136 (capital management disclosures);
- IAS 7 'Statement of cash flows';
- Paragraphs 30 and 31 of IAS 8, 'Accounting policies, changes in accounting estimates and errors' (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective).
- Paragraph 17 of IAS 24, 'Related party disclosures' (key management compensation); and
- The requirements in IAS 24 "Related party disclosures" to disclose related party transactions entered into between two of more wholly owned members of a group.
- Paragraph 52, paragraph 58, the second sentence of paragraph 89, and paragraphs 90,91 and 93 of IFRS 16 "Leases"

The financial statements of Clifford Chance LLP can be obtained as described in Note 2(b)

(b) Ultimate and immediate parent undertaking

The intermediate and ultimate parent undertaking and controlling party is Clifford Chance LLP, a limited liability partnership registered in England and Wales. The largest and smallest group of undertakings for which group financial statements are prepared and which include the results of the LLP are the consolidated financial statements of Clifford Chance LLP. Copies of the consolidated financial statements can be obtained from the Designated Members, Clifford Chance LLP, 10 Upper Bank Street, London, England, E14 5JJ, United Kingdom. The Company have taken exemption in terms of paragraph 4(a) of IFRS 10. These financial statements are separate financial statements.

(c) Revenue

Revenue, which is stated net of VAT, represents amounts receivable from Clifford Chance LLP in the United Kingdom. Revenue is recognised as services are provided.

(d) 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 profit and loss account on a straight-line basis over the estimated useful lives of the assets. The estimated useful lives of the assets are as follows :

Leasehold improvements	10 - 15 years, or life of lease if shorter
Property, plant & equipment	3 - 5 years

2. Summary of significant accounting policies (continued)

(e) Taxation

Corporation 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.

(f) Deferred Tax

Deferred tax is the tax expected to be payable or recoverable on the differences between the carrying amounts of assets and liabilities in the financial statements 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 is probable that taxable profits will be available against which deductible temporary differences can be utilised in future. The carrying amount of deferred tax is reviewed at each balance sheet date and reduced to the extent that it is no longer probable 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 profit or loss statement, except when they relate to items that are recognised in the statement of comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in the statement of comprehensive income or directly in equity respectively.

(g) Leases

The Company had to change its accounting policies are a result of adopting IFRS 16. IFRS 16 'Leases', is effective for the Company from the current year end and it replaces IAS 17 and introduces a single, on-balance sheet lease accounting model for lessees.

Until 30 April 2019, leases of property in which a significant portion of the risks and rewards of ownership were not transferred to the company as a lessee were classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) were charged to the profit or loss on a straight-line basis over the period of the lease.

The Company elected to adopt IFRS 16 on a modified retrospective basis from 1 May 2019 and has taken the cumulative adjustments to retained earnings, on the date of initial application. Accordingly, prior year financial information is not restated and will continue to be reported under IAS 17: Leases.

As a lessee

The right-of-use asset and lease liability are initially measured at the present value of the remaining lease payments. The new policy, numbers and the transitional impact of the change is detailed in Note 14.

As a lessee

The Company is not required to make any adjustments on transition to IFRS 16 for leases in which it acts as a lessor, except for the sub-lease. The Company accounted for its leases in accordance with IFRS 16 from the date of initial application. Under IFRS 16, the company is required to assess the classification of a sub-lease with reference to the right-of-use asset, not the underlying asset. On transition, the Company reassessed the classification of the sublease contracts and concluded that there was a finance lease receivable under IFRS 16. See note 14.

2. Summary of significant accounting policies (continued)

(h) Critical accounting estimates and key sources of estimation

The preparation of financial statements in conformity with FRS 101 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. 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 Company'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 are set out in note 13 and have been determined having taken advice from the independent actuaries.

Estimation uncertainty relating to the global health pandemic on COVID-19

In assessing the recoverability of trade receivables, the Company has considered internal and external information up to the date of approval of these financial statements including credit default assessment and economic forecasts of each counterparty. The impact of the global health pandemic may be different from that estimated as at the date of approval of these financial statements and the Company will continue to closely monitor any material changes to future economic conditions.

Leases

The accounting for leases under IFRS 16 involves making various judgements which are disclosed below.

Policy applicable from 1 May 2019 - Definition of a lease

There is a degree of judgement in determining whether a contract is, or contains, a lease.

At inception of a contract, the entity assesses whether a contract is, or contains a lease. A contract is, or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the entity assesses whether:

- the contract involved the use of an identified asset this may be specified explicitly or implicitly and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive right to substitution then the asset is not identified.
- the entity has the right to obtain substantially all of the economic benefit from use of the asset throughout the period of use; and
- the entity has the right to direct the use of the asset. The entity has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the entity has the right to direct the use of the asset if either:
  - the entity has the right to operate the asset; or
  - the entity designed the asset in a way that predetermines how and for what purpose it will be used.

This policy will be applied to contracts entered into, or changes, on or after 1 May 2019.

Lease term

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

2. Summary of significant accounting policies (continued)

(h) Critical accounting estimates and key sources of estimation (continued)

Discount Rate

Given the absence of the interest rate implicit in a lease the Company 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.

Impairment of amounts due from ultimate parent undertaking and other group undertakings

The Company makes an estimate of the expected credit loss of amounts owed by ultimate parent undertaking and other group undertakings. When assessing allowance for expected credit losses of amounts owed by Group undertakings, management considers factors including the ageing profile of receivables, historical experience and estimates of future conditions. See Note 11 for the net carrying amount due from Group undertakings and associated expected loss allowance (where this is applicable).

(i) Pension scheme

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

The defined benefit scheme is closed.

Full actuarial valuations of the scheme are carried out every three years and the scheme actuary updates these at each balance sheet date based on information prepared by the company. The assumptions are set out in note 13 and have been determined having taken advice from the independent actuary.

The defined benefit scheme is 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 scheme's assets. The financing costs of the scheme are recognised in the profit and loss account and actuarial gains and losses are recognised in full in the statement of comprehensive income. Net interest is calculated by applying the discount rate to the net defined pension liability.

(j) Trade and other receivables

Trade and other receivables consists of amounts due from Group undertakings which are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method less provision for impairment. For amounts due from Group undertakings, the general approach is used where the Company recognises the losses that are expected to result from all possible default events over the expected life of the amounts due from Group undertakings when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the receivable has not increased significantly since initial recognition, the Company measures the expected loss allowance based on losses that are expected to result from default events that are possible within 12 months after the reporting date. When an amount due from a Group undertaking is determined to be uncollectable it is written off, firstly against any expected credit loss allowance available and then to the income statement. Subsequent recoveries of amounts previously provided for are credited to the income statement. Long-term receivables are discounted where the effect is material.

(k) Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and current balances with banks and similar institutions.
They are readily convertible into known amounts of cash and have an insignificant risk of changes in value.

2. Summary of significant accounting policies (continued)

(l) Creditors

Creditors are initially recognised at fair value and then held at amortised cost using the effective interest method. Long-term creditors are discounted where the effect is material.

(m) Finance income and finance expense

Finance income and finance expense are recognised on an accruals basis using the effective interest method in relation to intercompany loans.

(n) Employee benefits

i. Defined contribution plans

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

ii. Defined benefit schemes

Refer Note 2(i) for accounting policy related to defined benefit schemes.

3. Audit fees

The auditors did not receive any remuneration from the Company (2019: £nil). The audit fee of £7,688 (2019:£7,500) was paid by Clifford Chance LLP. The Company did not incur any non-audit service fees during the financial period (2019: £nil). The consolidated financial statements as mentioned in note 2(b) have complied with the statutory disclosure requirement.

4. Revenue

Analysis of revenue by geography:

	2020 £'000	2019 £'000
United Kingdom	301,014	326,461
	301,014	326,461

Analysis of revenue by category:

	2020 £'000	2019 £'000
Sale of services	301,014	326,461
	301,014	326,461

5. Staff and related costs

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

	2020 No.	2019 No.
Lawyers	642	640
Trainee solicitors	168	161
Support staff	945	1,004
	1,755	1,805

The average number of directors during the year was 8 (2019: 8).

	2020 £'000	2019 £'000
Staff and related costs include the following:		
Wages and salaries	166,226	157,965
Social security costs	20,159	19,319
Other staff costs	24,889	23,518
Contributions to defined contribution plans	15,195	11,264
Total staff costs	226,469	212,066

None of the directors received any remuneration for services as a director of Clifford Chance London Limited (2019: nil).

6. Other operating expenses

	2020 £'000	2019 £'000
The following items have been charged in operating costs:		
Depreciation charge of property, plant and equipment	7,733	4,616
Depreciation charge of right-of-use assets	869	-
Other operating expenses	32,303	76,961
	40,905	81,577

7. Net finance expense

	2020 £'000	2019 £'000
Finance income		
Interest on loan to group undertakings	(10)	-
Intercompany income from finance lease receivables (note 14)	(10,575)	-
	(10,585)	-
Finance expense		
Charge in relation to retirement benefit liability (note 13)	6,879	7,128
Interest on loan from group undertakings	105	-
Finance lease interest (note 14)	42	-
Intercompany interest on lease liabililities (note 14)	6,594	-
	13,620	7,128
Net finance expense	3,035	7,128

8. Tax on profit

	2020 £'000	2019 £'000
Current year UK corporation tax charge	4,249	3,166
Prior year adjustments	1	87
	4,250	3,253
Deferred tax asset (note 9)	(398)	(17)
	(398)	(17)
Corporation tax charge	3,852	3,236

Reconciliation of tax charge:	2020 £'000	2019 £'000
Profit before taxation	30,605	25,690
Tax at 19% (2019: 19%) thereon	5,815	4,881
Effects of:		
Net charge to the income statement in respect of the application of IAS 19	1,307	1,355
Transitional arrangements as a result of the application of IFRS 16	(212)	-
Pension contributions made during the year	(3,372)	(3,282)
Prior year adjustments	1	87
Permanent disallowables (incl. depreciation on ineligible additions)	711	214
Group relief claimed	-	(2)
	4,250	3,253
Deferred tax on accelerated capital allowances (note 9)	(398)	(17)
Corporation tax charge	3,852	3,236

The main rate of corporation tax was reduced to 19% from 1 April 2017. Further reductions were enacted by Finance Act 2016 to reduce the corporation tax rate to 17% from 1 April 2020. On 11 March 2020, the Chancellor announced that from 1 April 2020 the corporation tax rate would remain at 19%. This new law was substantively enacted on 17 March 2020.

9. Deferred tax asset

The following are the major deferred tax asset movements during the current and prior reporting period.	2020 £'000	2019 £'000
a. Retirement benefit obligations:		
At 1 May 2019	48,285	48,075
Utilised in period	(3,372)	(2,936)
Movement in period	10,540	3,146
Charge to other comprehensive income	7,168	210
At 30 April 2020	55,453	48,285
b. Accelerated capital allowances:		
At 1 May 2019	(760)	(777)
Prior year adjustments	(7)	-
Current year charge	398	17
At 30 April 2020	(369)	(760)
c. IFRS 16 transitional arrangements:		
At 1 May 2019	-	-
Arising in period	108	-
At 30 April 2020	108	-
Deferred tax asset - total	55,192	47,525

10. Property, plant and equipment

	Property, plant & equipment £'000	Leasehold Improvements £'000	Total £'000
Cost			
Balance at 1 May 2019	4,339	40,183	44,522
Additions	648	6,914	7,562
Disposals	(718)	(4,832)	(5,550)
Balance at 30 April 2020	4,269	42,265	46,534
Accumulated depreciation			
Balance at 1 May 2019	2,930	9,196	12,126
Depreciation for the year	911	6,822	7,733
Disposals	(717)	(4,832)	(5,549)
Balance at 30 April 2020	3,124	11,186	14,310
Carrying amount			
At 30 April 2019	1,409	30,987	32,396
At 30 April 2020	1,145	31,079	32,224

11. Trade and other receivables

Amounts due within one year

	2020 £'000	2019 £'000
Amounts due from ultimate parent undertaking	141,593	95,283
Amounts due from other group undertakings	3,405	-
Other debtors	2,101	1,966
Prepayments	4,345	4,912
	151,444	102,161

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

Amounts due after more than one year

	2020 £'000	2019 £'000
Amounts due from group undertakings	-	1,704
	-	1,704

The loan was made to Clifford Chance Newcastle Ltd on 14 February 2018, a wholly owned subsidiary of Clifford Chance LLP. Interest was charged on the loan at the higher of the annual rate of a) 0.1% or b) GBP LIBOR plus 2.5% for the period in respect of which the interest was being calculated. Interest accrued on a daily basis of a 365 day year, compounded on 30 April 2019 and annually thereafter. The loan, including accrued interest, was repaid in full during the year.

12. Trade and other payables

Amounts falling due within one year

	2020 £'000	2019 £'000
Accounts payable	1,111	-
Amounts owed to group undertakings	545	115
Other taxation and social security	7,675	8,618
Accruals	29,758	27,626
	39,089	36,359

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

12. Trade and other payables (continued)

Amounts falling due after one year

	2020	2019
	£'000	£'000
Amounts due to group undertakings	30,925	-
	30,925	-

Amounts due after one year consist of the following amount due owed to:

a. Mithras Limited in relation to loan facility (dated 17 January 2020) of £30,000 thousands at the HSBC Bank Plc base rate + margin (specified at 0.86% in loan request forms). Such loan facility is unsecured and has a termination date of 30 April 2025. Out of this facility, amounts aggregating to £25,320 thousands were advanced during the current year. The amount outstanding as on 30 April 2020 is £25,424 thousands with loan maturity date of 30 April 2025.

b. Clifford Chance No 2 Limited in relation to loan facility (dated 15 April 2020) limit of £10,000 thousands at the HSBC Bank Plc base rate + margin (specified at 0.85% in loan request form). Such loan facility is unsecured and has a termination date of 30 April 2025. Out of this facility, an amount of £5,500 thousands has been advanced during the current year. The amount outstanding as on 30 April 2020 is £5,501 thousands with loan maturity date of 30 April 2025.

13. Retirement benefit liability

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 2019 and updated to 30 April 2020 by a qualified independent actuary. The key assumptions used in updating these calculations are set out below:

	2020	2019
Discount rate	1.60%	2.50%
Future pension increases - pensions accrued prior to 30 April 2005	2.30%	3.00%
Future pension increases - pensions accrued after 30 April 2005	1.85%	2.20%
Price inflation	2.30%	3.10%

Mortality assumptions in both years have been based on SAPS Light tables with CMI 2019 improvements (2019: SAPS Light tables) CMI 2019 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 of 65 are:

	2020	2019
Retiring today		
Males	87.8	87.5
Females	89.6	89.3
Retiring in 20 years		
Males	88.8	88.4
Females	90.8	90.4

The amount recognised in the profit and loss account was as follows:

	2020	2019
	£'000	£'000
Interest on net defined benefit liability, charge within financing costs	6,879	7,128

13. Retirement benefit liability (continued)

The amount recognised in the statement of comprehensive income was as follows:

	2020 £'000	2019 £'000
Actuarial loss on the Scheme liabilities arising from changes in financial assumptions	(34,669)	(37,780)
Gains on the Scheme liabilities arising from changes in experience	33,343	4,159
(Loss)/gain on the Scheme liabilities arising from changes in demographic assumptions	(9,227)	15,433
Actuarial (loss)/gain on the Scheme assets	(8,150)	6,810
Loss recognised in the statement of comprehensive income	(18,703)	(11,378)

The liability included in the balance sheet was as follows:

	2020 £'000	2019 £'000
Present value of defined benefit obligation	806,085	782,336
Fair value of plan assets	(514,226)	(498,309)
Present value of net obligation	291,859	284,027

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

	2020 £'000	2019 £'000
At the beginning of the year	782,336	752,033
Interest on obligations	19,480	19,457
Remeasurement losses from changes in financial assumptions	34,669	37,780
Remeasurement gains from changes in experience	(33,343)	(4,159)
Remeasurement losses/(gains) from changes in demographic assumptions	9,227	(15,433)
Benefits paid	(6,284)	(7,342)
At the end of the year	806,085	782,336

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

	2020 £'000	2019 £'000
At the beginning of the year	498,309	469,240
Interest income on Scheme assets	12,601	12,329
Remeasurement (loss)/gain on Scheme assets in excess of that in recognised net interest	(8,150)	6,810
Contributions made	17,750	17,272
Benefits paid	(6,284)	(7,342)
At the end of the year	514,226	498,309

13. Retirement benefit liability (continued)

The assets held by the Scheme were as follows:

	2020 Value £'000	% of total value	2019 Value £'000	% of total value
Equities	439,739	86%	385,118	77%
Bonds	42,096	8%	44,793	9%
Other assets	32,391	6%	68,398	14%
At the end of the year	514,226		498,309	

Based on the most recently completed actuarial valuation as at 30 April 2016, the employer has agreed that it will aim to eliminate the Scheme's deficit (as assessed on the ongoing funding basis) by 31 May 2026. The contributions paid by the employer for the year to 30 April 2020 was £18m. Funding levels are monitored on an annual basis and the next triennial valuation, as at 30 April 2019, is completed. Expected employer contributions to the Scheme for the year ending 30 April 2021 are around £24m and these are due to increase each year with RPI. The company has also committed to contribute an additional £4m in May 2021.There are no member contributions expected for the year to 30 April 2021. The weighted average duration of the defined benefit obligation is around 24 years.

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:

	2020	2019
Discount rate less 0.25% per annum	£'000	£'000
Present value of defined benefit obligation	856,013	831,452
Fair value of assets	(514,226)	(498,309)
Revised net pension liability	341,787	333,143
Revised total charge	4,500	7,300

	2020	2019
RPI inflation rate plus 0.25% per annum	£'000	£'000
Present value of defined benefit obligation	850,179	824,629
Fair value of assets	(514,226)	(498,309)
Revised net pension liability	335,953	326,320
Revised total charge	5,200	7,900

	2020	2019
Mortality assumption with 1.25% per annum long term rate of improvement	£'000	£'000
Present value of defined benefit obligation	815,924	792,384
Fair value of assets	(514,226)	(498,309)
Revised net pension liability	301,698	294,075
Revised total charge	4,700	7,100

13. Retirement benefit liability (continued)

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 Scheme's membership.

The company 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.

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). The majority of the assets are either unaffected by or loosely correlated with inflation, meaning that an increase in inflation will also increase the deficit.

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.

14. Leases

Right-of-use assets:
Amounts recognised in the balance sheet

The balance sheet shows the following amounts relating to leases:

	30 April 2020	1 May 2019
Right-of-use assets	**£'000**	**£'000**
Property	439	1,308
	439	1,308

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

	Property
Cost	**£'000**
Balance as at 1 May 2019	1,308
Additions	-
Terminations	-
Balance as at 30 April 2020	1,308
Accumulated Depreciation	
Balance as at 1 May 2019	-
Depreciation	(869)
Terminations	-
Balance as at 30 April 2020	(869)
Carrying amount	
As at 1 May 2019	1,308
As at 30 April 2020	439

Lease liabilities:

	30 April 2020	1 May 2019
Lease liabilities	**£'000**	**£'000**
Current	40,096	38,735
Non-current	300,039	340,135
	340,135*	378,870

*This lease liability balance includes £338m payable to an intermediate lessor (related party).

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

	Property
	£'000
Balance as at 1 May 2019	378,870
Additions	-
Terminations	-
Finance cost accrued during the period	6,636
Payment of lease liabilities	(45,371)
Balance as at 30 April 2020	340,135

14. Leases (continued)

Lease liabilities (continued):

Total undiscounted lease liabilities as at 30 April 2020	**Property**
Maturity analysis - contractual undiscounted cash flows	**£'000**
Less than one year	45,992
One to five years	177,022
More than five years	144,314
	367,328

Amounts recognised in the income statement

The income statement shows the following amounts relating to leases:

	30 April 2020
	£'000
Depreciation charge of right-of-use assets	
Property	869
	869
Interest on lease liabililties (included in net finance expenses)	42
Intercompany interest on lease liabililties (included in net finance expenses)	6,594
Intercompany income from the finance lease receivable (included in net finance expenses)	(10,575)
	(3,939)

The Company's leasing activities and how these are accounted for:

The Company leases a building for its office space. The Company 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.

Until year ended 30 April 2019, leases were classified as either finance leases or operating leases. From 1 May 2019, 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 Company.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:
- fixed payments, less any lease incentives receivable
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- 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 company, 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.

14. Leases (continued)

The company leasing activities and how these are accounted for (continued):

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

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. 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, 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.

Finance lease receivable:

Arrangements between the Company and Clifford Chance LLP mean the right of use asset represented by lease of the Upper Bank street premises has been derecognised and replaced with a finance lease receivable due from a related party.

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

Cost	**Property £'000**
Balance as at 1 May 2019	375,879
Lease income accrued during the period	10,575
Lease receipts	(46,364)
Balance as at 30 April 2020	340,090

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

	£'000
Less than one year	46,364
One to five years	231,820
More than five years	104,319
Total	**382,503**
Unearned finance Income	42,413

Transitional Disclosures

This note explains the impact of the adoption of IFRS 16 Leases on the Company's financial statements.
As indicated in note 2(a) significant accounting policies, the Company has adopted IFRS 16 Leases restrospectively from 1 May 2019, but has not restated comparatives for the 2019 reporting period, as permitted under the specific transition provisions in the standard. The reclassifications and adjustments arising from the new leasing rules are therefore recognised in the opening balance sheet on 1 May 2019.

Transitional Disclosures (continued)

The change in accounting policy affected the following items in the balance sheet on 1 May 2019:

Right of use assets - Increase by £1,308k
Finance lease receivable - Increase by £375,879k
Lease Liabilities - current - increase by £38,735k
Lease Liabilities - non current - Increase by £340,135k
The net impact on retained earnings on 1 May 2019 was a debit of £1,683k

On adoption of IFRS 16, the Company recognised lease liabilities in relation to leases which had previously been classified as "operating leases" under the principles of IAS 17 Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using regional specific incremental borrowing rate. The lessee's incremental borrowing rate applied to the lease liabilities on 1 May 2019 was 1.89%.

Practical expedients applied

In applying IFRS 16 for the first time, the Company has used the following practical expedients permitted by the standard:
- applying a single discount rate to a portfolio of leases with reasonably similar characteristics
- using hindsight in determining the lease term when the contract contains options to extend and terminate the lease

The Company has elected to separate non-lease components and account for the lease and non-lease components as separate components.

Measurement of lease liabilities

	£'000
Operating lease commitments disclosed as at 30 April 2019	**435,116**
Discounted using the lessee's incremental borrowing rate at the date of initial application	(32,746)
Less: adjustments as a result of a different treatment of extension and termination options	(8,266)
Less: components excluded from the lease liability	(15,234)
Lease liability recognised as at 1 May 2019	378,870
Of which are:	
Current lease liabilities	38,735
Non-current lease liabilities	340,135
	378,870

15. Called up share capital

	2020 £'000	2019 £'000
Authorised share capital:		
1,100,000 shares of £1 each (2019: 1,100,000)	1,100	1,100
Allotted, called up and fully paid:		
1,100,000 shares of £1 each (2019: 1,100,000)	1,100	1,100

16. 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 services 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 2020 the amount due from Clifford Chance LLP to Clifford Chance London Limited was £142 million (2019: £95 million).

17. Related party transactions

As a wholly owned subsidiary of the ultimate parent company, Clifford Chance LLP, advantage has been taken of the exemption afforded by FRS 101 Reduced Disclosure Framework not to disclose any related party transactions with other wholly owned members of the Group, or information around remuneration of key management personnel compensation.