

Registered number: OC322045

Dentons UKMEA LLP

Annual report and financial statements

for the year ended 30 April 2016



Dentons UKMEA LLP

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Dentons UKMEA LLP

Members' report

The members present their annual report on the affairs of the Group, together with the financial statements and auditor's report, for the year ended 30 April 2016.

Firm structure

Dentons UKMEA LLP is a Limited Liability Partnership registered in England and Wales. A list of designated members' names is available for inspection at the LLP's registered office at One Fleet Place, London EC4M 7WS.

Principal activity

Dentons UKMEA LLP (the "Partnership") and its subsidiary entities (together the "group") are principally engaged in the provision of legal services in Abu Dhabi, Amman, Cairo, Doha, Dubai, London, Milton Keynes, Muscat, Riyadh, Singapore (closed 8 July 2015), Tashkent and Watford. The principal subsidiary undertakings are set out in note 9.

Review of the business and future developments

The Group's business plan is to continue to invest and grow, in particular in its existing locations and key sectors, while retaining appropriate profitability.

The results for the year are set out on page 7. The members regard the results and future prospects to be satisfactory. Refer to note 1 for detail on the adoption of the going concern basis.

The launch of Dentons Business Services EMEA (DBSE), a business services centre in Poland, was announced in May 2016. DBSE will supply business support services predominantly across finance, business development and marketing, human resources and IT. The transition of related tasks will commence during 2016/17, and the Partnership is currently in the process of consulting with impacted business services teams.

Designated Members

The designated members holding office throughout the year, except as noted, were as follows:

Nigel Barnett	Resigned 30 April 2016
David Collins	Appointed 27 January 2016
Jeremy Cohen	
Matthew Hanslip-Ward	
Edward Hickman	Appointed 27 January 2016
Paul Holland	
Matthew Jones	Resigned 19 June 2015
Martin Kitchen	
Richard Macklin	
Chris McGee-Osborne	
Jonathan Polin	Resigned 30 April 2016
Brandon Ransley	
Serge Sergiou	
Stephen Shergold	
Scott Singer	
Madeleine Smallwood	
Elizabeth Tout	
Alastair Young	Resigned 27 January 2016

Dentons UKMEA LLP

Members' report

The Board

The Board has the responsibility for overseeing and reviewing the Group's business and activities. The Board consists of those designated members noted above, together with:

Stephen Watson	Finance Director
Nick Land	Non-executive Board Member
Neil Cuthbert	
Michael Kerr	

Audit Committee

The Audit Committee is appointed by the Board. It consists of Adrian Barr-Smith (Chairman, former member of the Board), Nick Land, Michael Kerr and Madeleine Smallwood. The Finance Director is secretary to the Committee. It reviews the Group's financial statements and receives reports from the Statutory auditor regarding the findings of the audit. The Audit Committee also reviews the client money audit reports. It considers the scope, results and effectiveness of external audits including the review of the independence of the Statutory auditor and non-audit services and fees. It also considers the effectiveness of the Group's internal control environment

Members' drawings and the subscription and repayment of members' capital

During the year, the profit-sharing members receive monthly drawings and, from time to time, additional members' remuneration. The cash requirements of the business are regularly reviewed to ensure that such payments can be made within the borrowing limits of the partnership.

Profits are divided into discretionary and non-discretionary allocations. Non-discretionary profits are allocated during the year in accordance with the Members' Agreement. Discretionary profits are allocated after the year end.

The capital requirements of the Partnership are determined by the Members' Agreement and are reviewed regularly. The amount of capital contributed by members is linked to their status and the earnings allocated to that member. On cessation of membership, capital is repaid on the date of departure for Preferred Interest Partners and for Full Interest Partners, in three equal annual instalments commencing one year from the date of a member's departure, or where the member is aged 55 on the date of retirement, in which case, the capital is repaid in one instalment on the anniversary of the member's departure.

Employees

Dentons UKMEA LLP is committed to equal opportunities for all. Our people are diverse and are chosen for their experience, potential and personal attributes regardless of gender, sexual orientation, gender reassignment, marital or civil partnership status, age, race, colour, nationality, ethnic origin, religion, belief or disability. This is right for our staff and our business.

The Group places considerable value on the involvement and input of all employees, demonstrated through a number of communication channels and forums including:

- Meetings and briefings hosted by the Chief Executive;
- Email news and updates;
- Intranet – where staff can access information on a range of benefits, support, health and wellbeing, CSR initiatives and staff networks;
- Staff Surveys – regular staff surveys and focus groups ensure we understand the issues of most concern to our staff and enable us to plan accordingly.

We regularly consult employee representatives on a wide range of matters affecting our staff's current and future interests.

Dentons UKMEA LLP

Members' report

Diversity and Inclusion

The Group is committed to equality and diversity in all our employment practices, across all of our international offices.

We endeavour to provide a flexible workplace environment, and engender in our employees respect for the individual by celebrating differences and understanding the benefit which the richness of diversity brings to the firm. We do this through our recruitment processes, induction and training as well as a variety of initiatives and supporting our staff network groups (namely, our Women's Network and LGBT Network). Diversity and Inclusion is overseen by a dedicated partner and HR manager who report directly to the Chief Executive. Diversity initiatives are considered and approved by our Diversity and Inclusion Committee comprising staff and partners drawn from across the Firm and which also advises the UKMEA Board.

Going concern

The Group meets its day-to-day working capital requirements through a bank overdraft facility, which was renewed in February 2013 for an indefinite period.

As a result of the Brexit vote the economic conditions and any impact on the demand for legal services are less certain at this point in time. The Group's forecasts and projections, taking account of reasonably possible changes in the trading performance, show that the Group will be able to operate comfortably within the level of its current facility.

The Board has a reasonable expectation that the Partnership and the Group have adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Donations

Dentons UKMEA LLP does not make any cash or in-kind donations to any political party or other groups with a political agenda.

The UK office contributed £100,000 (2015: £75,000) to the Dentons UKMEA LLP Charitable Trust during the year. In addition, other offices have supported various other charities throughout the year.

Supplier payment policy

The Group seeks to make prompt settlement of supplier invoices, subject to the services received being in accordance with agreed terms.

Re-appointment of auditor

In accordance with s.485 of the Companies Act 2006, Deloitte LLP will be proposed for re-appointment.

On behalf of the Members



Jeremy Cohen
Chief Executive and designated member

20 July 2016

Dentons UKMEA LLP

Members' responsibilities statement

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

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

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

The members are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the Limited Liability Partnership and enable them to ensure that the financial statements comply with the Companies Act 2006, as applicable to Limited Liability Partnerships, and in accordance with the requirements of the Statement of Recommended Practice Accounting by Limited Liability Partnership (issued July 2014). They are also responsible for safeguarding the assets of the Limited Liability Partnership and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Independent auditor's report to the members of Dentons UKMEA LLP

We have audited the financial statements of Dentons UKMEA LLP for the year ended 30 April 2016 which comprise the consolidated profit and loss account, the consolidated statement of other comprehensive income, the consolidated and limited liability partnership balance sheets, the consolidated and limited liability partnership statements of changes in member' interests, the consolidated cash flow statement and the related notes 1 to 20. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

This report is made solely to the Limited Liability Partnership's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 as applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008. Our audit work has been undertaken so that we might state to the Limited Liability Partnership's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Limited Liability Partnership and the Limited Liability Partnership members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of members and auditor

As explained more fully in the Members' Responsibilities Statement, the members are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group and the Limited Liability Partnership's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the members; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group and limited liability partnership's affairs as at 30 April 2016 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 as applied to limited liability partnerships.

Independent auditor's report to the members of Dentons UKMEA LLP (continued)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

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



Jeremy Black FCA (Senior Statutory Auditor)
for and on behalf of Deloitte
Chartered Accountants and Statutory Auditor
London, UK
20 July 2016

Dentons UKMEA LLP

Consolidated profit and loss account For the year ended 30 April 2016

	Notes	2016 £'000	2015 £'000
Turnover		<u>169,196</u>	<u>157,027</u>
Staff costs	4	(78,636)	(74,296)
Depreciation		(3,404)	(3,342)
Other operating expenses		<u>(39,928)</u>	<u>(36,958)</u>
Operating profit		<u>47,228</u>	<u>42,431</u>
Interest receivable and similar income		133	43
Interest payable and similar charged		<u>(32)</u>	<u>(117)</u>
Profit on ordinary activities before taxation and members' remuneration and profit shares	3	<u>47,329</u>	<u>42,357</u>
Tax on profit on ordinary activities of the subsidiaries	6	<u>(713)</u>	<u>(793)</u>
Profit on ordinary activities before members' remuneration and profit shares		<u>46,616</u>	<u>41,564</u>
Members' remuneration charged as an expense		<u>(43,283)</u>	<u>(38,179)</u>
Profit for the financial year available for discretionary division among members	7	<u><u>3,333</u></u>	<u><u>3,385</u></u>

All results relate to continuing activities.

Dentons UKMEA LLP

Consolidated statement of comprehensive income **For the year ended 30 April 2016**

	2016 £'000	2015 £'000
Profit for the financial year available for discretionary division among members	3,333	3,385
Currency translation difference on foreign currency net investments	529	734
Total comprehensive income available for discretionary division among members	3,862	4,119

Dentons UKMEA LLP

Consolidated balance sheet

At 30 April 2016

	Notes	2016 £'000	2015 £'000
Fixed assets			
Tangible assets	8	8,053	9,355
Investments	9	-	-
		<u>8,053</u>	<u>9,355</u>
Current assets			
Debtors	10	78,323	71,467
Cash at bank and in hand		<u>15,064</u>	<u>8,498</u>
		93,387	79,965
Creditors: amounts falling due within one year	11	<u>(36,348)</u>	<u>(32,407)</u>
Net current assets		<u>57,039</u>	<u>47,558</u>
Total assets less current liabilities		65,092	56,913
Creditors: amounts falling due after more than one year	12	(878)	(1,679)
Provisions for liabilities	13	<u>(2,846)</u>	<u>(2,687)</u>
Net assets attributable to members		<u>61,368</u>	<u>52,547</u>
Represented by:			
Loans and other debts due to members within one year			
Other amounts due to Members		29,226	24,079
Loans and other debts due to members after more than one year			
Members' capital classified as a liability		<u>27,546</u>	<u>24,349</u>
		56,772	48,428
Members' other interests			
Currency retranslation reserve		1,263	734
Other reserves classified as equity		<u>3,333</u>	<u>3,385</u>
		61,368	52,547
Total members' interests			
Amounts due from members		(56)	(79)
Loans and other debts due to members		56,772	48,428
Members' other interests		<u>4,596</u>	<u>4,119</u>
		<u>61,312</u>	<u>52,468</u>

The financial statements of Dentons UKMEA LLP (registered number OC322045) were approved by the Board and authorised for issue on 20 July 2016. They were signed on behalf of the Partnership by:


 Jeremy Cohen
 Chief Executive and Designated member


 Stephen Watson
 Finance Director

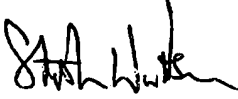
Dentons UKMEA LLP

Limited Liability Partnership balance sheet At 30 April 2016

	Notes	2016 £'000	2015 £'000
Fixed assets			
Tangible assets	8	6,246	7,981
Investments	9	-	-
		<u>6,246</u>	<u>7,981</u>
Current assets			
Debtors	10	80,852	75,757
Cash at bank and in hand		9,020	3,283
		<u>89,872</u>	<u>79,040</u>
Creditors: amounts falling due within one year	11	<u>(36,130)</u>	<u>(37,532)</u>
Net current assets		<u>53,742</u>	<u>41,508</u>
Total assets less current liabilities		<u>59,988</u>	<u>49,489</u>
Creditors: amounts falling due after more than one year	12	(800)	(1,600)
Provisions for liabilities	13	(1,341)	(1,293)
Net assets attributable to members		<u>57,847</u>	<u>46,596</u>
Represented by:			
Loans and other debts due to members within one year			
Other amounts due to Members		27,230	18,732
Loans and other debts due to members after more than one year			
Members' capital classified as a liability		27,546	24,349
		<u>54,776</u>	<u>43,081</u>
Members' other interests			
Currency retranslation reserve		(368)	(312)
Other reserves classified as equity		3,439	3,827
		<u>57,847</u>	<u>46,596</u>
Total members' interests			
Amounts due from members		(56)	(79)
Loans and other debts due to members		54,776	43,081
Members' other interests		3,071	3,515
		<u>57,791</u>	<u>46,517</u>

The financial statements of Dentons UKMEA LLP (registered number OC322045) were approved by the Board and authorised for issue on 20 July 2016. They were signed on behalf of the Partnership by:


Jeremy Cohen
Chief Executive and Designated member


Stephen Watson
Finance Director

Dentons UKMEA LLP

Consolidated statement of changes in members' interests At 30 April 2016

	Loans and other debts due to/(from) members					
	Members' capital classified as a liability £'000	Members' other amounts £'000	Total £'000	Currency translation reserve £'000	Other reserves £'000	Total £'000
Members' interest at 1 May 2014	22,956	11,973	34,929	(207)	3,861	3,654
Members' remuneration charged as an expense	-	-	-	-	38,179	38,179
Profit for the financial year available for discretionary division among members	-	-	-	-	3,385	3,385
Members' interest after profit for the year	22,956	11,973	34,929	(207)	45,425	45,218
Currency translation difference on foreign currency net investments	-	-	-	734	-	734
Total comprehensive income available for discretionary division among members	22,956	11,973	34,929	527	45,425	45,952
Allocated profits in respect of the prior year	-	41,789	41,789	207	(42,040)	(41,833)
Net Members' capital introduced	1,797	-	1,797	-	-	-
Movement relating to prior year	-	(132)	(132)	-	-	-
Movement on tax reserves	-	1,457	1,457	-	-	-
Drawings (including tax payments)	-	(30,496)	(30,496)	-	-	-
Reclassification of retiring members' balances to creditors	(404)	(591)	(995)	-	-	-
At 30 April 2015	24,349	24,000	48,349	734	3,385	4,119
Changes on transition to FRS 102 (see note 20)	-	-	-	-	-	-
Members' interest at 1 May 2015	24,349	24,000	48,349	734	3,385	4,119
Members' remuneration charged as an expense	-	-	-	-	43,283	43,283
Profit for the financial year available for discretionary division among members	-	-	-	-	3,333	3,333
Members' interest after profit for the year	24,349	24,000	48,349	734	50,001	50,735
Currency translation difference on foreign currency net investments	-	-	-	529	-	529
Total comprehensive income available for discretionary division among members	24,349	24,000	48,349	1,263	50,001	51,264
Allocated profits in respect of the prior year	-	46,668	46,668	-	(46,668)	(46,668)
Net Members' capital introduced	4,341	-	4,341	-	-	-
Movement relating to prior year	-	(260)	(260)	-	-	-
Movement on tax reserves	-	725	725	-	-	-
Drawings (including tax payments)	-	(39,881)	(39,881)	-	-	-
Repayment of other balances	-	(34)	(34)	-	-	-
Reclassification of retiring members' balances to creditors	(1,144)	(2,048)	(3,192)	-	-	-
At 30 April 2016	27,546	29,170	56,716	1,263	3,333	4,596

Dentons UKMEA LLP

Limited Liability Partnership statement of changes in members' interest At 30 April 2016

	Loans and other debts due to/(from) members					
	Members' capital classified as a liability £'000	Members' other amounts £'000	Total £'000	Currency translation reserve £'000	Other reserves £'000	Total £'000
Members' interest at 1 May 2014	22,956	9,491	32,447	49	4,166	4,215
Members' remuneration charged as an expense	-	-	-	-	32,775	32,775
Profit for the financial year available for discretionary division among members	-	-	-	-	3,830	3,380
Members' interest after profit for the year	22,956	9,491	32,447	49	40,771	40,820
Currency translation difference on foreign currency net investments	-	-	-	(312)	-	(312)
Total comprehensive income available for discretionary division among members	22,956	9,491	32,447	(263)	40,771	40,820
Allocated profits in respect of the prior year	-	36,948	36,948	(49)	(36,944)	(36,993)
Net Members' capital introduced	1,797	-	1,797	-	-	-
Movement relating to prior year	-	(644)	(644)	-	-	-
Movement on tax reserves	-	1,457	1,457	-	-	-
Drawings (including tax payments)	-	(30,496)	(30,496)	-	-	-
Reclassification of retiring members' balances to creditors	(404)	(535)	(939)	-	-	-
Distribution in advance of profit share	-	2,432	2,432	-	-	-
At 30 April 2015	24,349	18,653	43,002	(312)	3,827	3,515
Changes on transition to FRS 102 (see note 20)	-	-	-	-	-	-
Members' interest at 1 May 2016	24,349	18,653	43,002	(312)	3,827	3,515
Members' remuneration charged as an expense	-	-	-	-	41,247	41,247
Profit for the financial year available for discretionary division among members	-	-	-	-	3,440	3,440
Members' interest after profit for the year	24,349	18,653	43,002	(312)	48,514	48,202
Currency translation difference on foreign currency net investments	-	-	-	(56)	-	(56)
Total comprehensive income available for discretionary division among members	24,349	18,653	43,002	(368)	48,514	48,146
Allocated profits in respect of the prior year	-	45,075	45,075	-	(45,075)	(45,075)
Net Members' capital introduced	4,341	-	4,341	-	-	-
Movement relating to prior year	-	(705)	(705)	-	-	-
Movement on tax reserves	-	725	725	-	-	-
Drawings (including tax payments)	-	(39,881)	(39,881)	-	-	-
Repayment of other balances	-	(34)	(34)	-	-	-
Reclassification of retiring members' balances to creditors	(1,144)	(2,006)	(3,151)	-	-	-
Distribution in advance of profit share	-	5,348	5,348	-	-	-
At 30 April 2016	27,546	27,175	54,720	(368)	3,439	3,071

Dentons UKMEA LLP

Consolidated cash flow statement For the year ended 30 April 2016

	Note	2016 £'000	2015 £'000
Net cash flows from operating activities	15	45,274	43,366
Cash flows from investing activities			
Proceeds from sale of tangible fixed assets		-	-
Purchase of tangible fixed assets		(2,082)	(2,185)
Interest received		133	43
Net cash flows from investing activities		<u>(1,949)</u>	<u>(2,142)</u>
Cash flows from financing activities			
Repayments of borrowings		(1,288)	(2,000)
Repayments of obligations under finance lease		(33)	(546)
New bank loans raised		-	1,000
Interest paid		(32)	(117)
Payments to or on behalf of the members		(39,881)	(30,496)
Capital contributions by members		6,024	3,185
Capital repayments to members /former members		(1,717)	(1,388)
Net cash flows from financing activities		<u>(36,927)</u>	<u>(30,362)</u>
Net increase in cash and cash equivalents		<u>6,398</u>	<u>10,862</u>
Cash and cash equivalents at beginning of year		<u>8,498</u>	<u>(2,510)</u>
Effect of foreign exchange rate changes		168	146
Cash and cash equivalents at end of year		<u>15,064</u>	<u>8,498</u>
Reconciliation to cash at bank and in hand:			
Cash at bank and in hand		<u>15,064</u>	<u>8,498</u>

Dentons UKMEA LLP

Notes to the financial statements **For the year ended 30 April 2016**

1. Accounting policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and to the preceding year.

a. General information and basis of accounting

Dentons UKMEA LLP ("the Partnership") is incorporated in the United Kingdom under the Limited Liability Partnership Act 2000. The address of the registered office is given on page 1. The nature of the group's operations and its principal activities are set out in the members' report on pages 1 to 3.

The financial statements have been prepared under the historical cost convention, modified to include certain items at fair value, and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council and the requirements of the Statement of Recommended Practice Accounting by Limited Liability Partnerships (issued July 2014).

Management assessed the impact of adoption of FRS102 and no material adjustments were required. See Note 20.

The functional currency of Dentons UKMEA LLP is considered to be pounds sterling because that is the currency of the primary economic environment in which the Partnership operates. The consolidated financial statements are also presented in pounds sterling. Foreign operations are included in accordance with the policies set out below.

Dentons UKMEA LLP meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements, which are presented alongside the consolidated financial statements. Exemptions have been taken in relation to financial instruments, presentation of a cash flow statement, intra-group transactions and remuneration of key management personnel.

b. Basis of consolidation

The consolidated financial statements incorporate the financial statements of Dentons UKMEA LLP (the "LLP") and entities controlled by the LLP (its subsidiaries). Control is achieved where the LLP and its subsidiaries have the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or sold are consolidated for the periods from or to the date on which control passed. All intra-group transactions, balances, income and expenses are eliminated on consolidation.

Investments in subsidiaries are accounted for at cost less impairment in the partnership balance sheet.

c. Going concern

The Group's business activities, together with the factors likely to affect its performance and position are set out in the Review of the Business and Future Developments which forms part of the members' report.

The Group meets its day-to-day working capital requirements through a bank overdraft facility, which was renewed in February 2013 for an indefinite period.

The economic conditions have improved over the last year with increased demand for the Group's services. The Group's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the Group should be able to operate comfortably within the level of its current facility.

The Board has a reasonable expectation that the LLP and the Group have adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Dentons UKMEA LLP

Notes to the financial statements (continued)

For the year ended 30 April 2016

1. Accounting policies (continued)

d. Tangible fixed assets

Tangible fixed assets are stated at cost or valuation, net of depreciation and any provision for impairment.

Depreciation is calculated to write down the cost of tangible fixed assets, less the estimated residual value, over their estimated useful economic lives as follows:

Leasehold improvements	Over the shorter of ten years and the remaining period of the lease on a straight-line basis
Office furniture, fittings and equipment	Five years on a straight-line basis
Computer equipment	Four years on a straight-line basis
Motor vehicles	25% per annum on a reducing balance basis

Residual value represents the estimated amount which would currently be obtained from disposal of an asset, after deducting estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life.

Assets under construction are not depreciated until brought into use.

e. Impairment of assets

The carrying value of tangible fixed assets is reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable and at each reporting date. If there is an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared with its carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in the profit and loss account.

If an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in the profit and loss account.

f. Debtors

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

g. Creditors

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

Dentons UKMEA LLP

Notes to the financial statements (continued)

For the year ended 30 April 2016

1. Accounting policies (continued)

h. Taxation

The taxation payable on the partnership profits is the personal liability of the members, although payment of such liabilities is administered by the partnership on behalf of the members. Consequently, neither partnership taxation nor related deferred taxation are accounted for in the financial statements. Sums set aside in respect of members' tax obligations are included in the balance sheet within loans and other debts due to members or set against amounts due from members as appropriate.

The tax expense represents the sum of the current and deferred tax relating to the corporate subsidiaries. The current tax expense is based on taxable profits of these companies.

Current tax, including UK 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 substantively enacted by the balance sheet date.

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

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of the timing difference.

Current tax assets and liabilities are offset only when there is a legally enforceable right to set off the amounts and the Group intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

i. Members' interests

The capital requirements of the Partnership are determined by the Members' Agreement and are reviewed regularly. The amount of capital contributed by members is linked to their status and the earnings allocated to that member. On cessation of membership, capital is repaid on the date of departure for Preferred Interest Partners and for Full Interest Partners, in three equal annual instalments commencing one year from the date of a member's departure, or where the member is aged 55 on the date of retirement, in which case, the capital is repaid in one instalment on the anniversary of the member's departure. Members' capital is repayable on retirement of the member and is therefore classified as a liability and because members typically have their capital repaid at least one year later, members' capital is shown as being due after one year.

Loans and other debts due to members (other than members' capital classified as debt) rank pari passu with unsecured creditors. The legal opinion given in an appendix to the SORP, is that members' other interests rank after unsecured creditors.

Dentons UKMEA LLP

Notes to the financial statements (continued)

For the year ended 30 April 2016

1. Accounting policies (continued)

j. Divisible profits and members' remuneration

Profits are divided into discretionary and non-discretionary allocations. Non-discretionary profits are allocated during the year in accordance with the Members' Agreement and are treated as members' remuneration charged as an expense to the profit and loss account in arriving at profit available for discretionary division among members. Discretionary profits are allocated after the year end.

The remainder of profit shares, which have not been allocated until after the balance sheet date, are treated in these financial statements as unallocated at the balance sheet date and included within other reserves.

Consolidation of the results of certain subsidiary undertakings, the spreading of acquisition integration costs and the treatment of long leasehold interests are all items which may generate differences between profits calculated for the purpose of allocation and those reported within the financial statements. Where such differences arise, they have been included within other amounts in the balance sheet.

k. Turnover

Revenue for services represents the fair value of legal services provided during the year on client assignments. Fair value reflects the amount expected to be recoverable from clients and is based on time spent, expertise and skills provided, and expenses incurred. Fee income is stated net of Value Added Tax.

Legal services provided to clients during the year which, at the balance sheet date, have not been invoiced to clients, have been recognised as fee income in accordance with Section 23 Revenue of Financial Reporting Standard 102. Fee income recognised in this manner is based on an assessment of the fair value of the services provided by the balance sheet date as a proportion of the total value of the engagement.

Unbilled fee income is included as amounts recoverable on contracts within debtors. Amounts recoverable on contracts are stated at fair value where the right to consideration has been obtained. Provision is made against unbilled amounts on those engagements where the right to receive payments is contingent on factors outside the control of the group. Contingent fee income (over and above any agreed minimum fee which is recognised as above) is recognised in the period when the contingent event occurs.

l. Foreign currency

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date.

The results of overseas operations are translated at the average rates of exchange during the period and their balance sheets at the rates ruling at the balance sheet date. Exchange differences arising on translation of the opening net assets and results of overseas operations are reported in other comprehensive income and accumulated in equity.

Other exchange differences are recognised in profit or loss in the period in which they arise except for:

- exchange differences arising on gains or losses on non-monetary items which are recognised in other comprehensive income; and
- in the case of the consolidated financial statements, exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised in other comprehensive income and reported under equity.

Dentons UKMEA LLP

Notes to the financial statements (continued) **For the year ended 30 April 2016**

1. Accounting policies (continued)

m. Leases

The Group as lessee

Assets held under finance leases, hire purchase contracts and other similar arrangements, which confer rights and obligations similar to those attached to owned assets, are capitalised as tangible fixed assets at the fair value of the leased asset (or, if lower, the present value of the minimum lease payments as determined at the inception of the lease) and are depreciated over the shorter of the lease terms and their useful lives. The capital elements of future lease obligations are recorded as liabilities, while the interest elements are charged to the profit and loss account over the period of the leases to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term.

The Group as lessor

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

n. Provisions

Provision is made for the best estimate of expected losses from onerous contracts, in particular, in respect of surplus property. This is calculated as the present value of future lease payments for surplus property after allowance for anticipated income from subtenants.

Provision is made for dilapidations in respect of property leases which contain requirements for the premises to be returned to their original state prior to the conclusion of the lease term.

The provision for claims represents the estimated cost to the Group of defending and settling claims where a liability is considered by the members to be probable, after allowing for recoveries under insurance policies.

o. Segmental analysis

No segmental analysis has been shown. The Board considers that such disclosure would be seriously prejudicial to the business.

Dentons UKMEA LLP

Notes to the financial statements (continued)

For the year ended 30 April 2016

2. Critical accounting judgements and key sources of estimation uncertainty

In the application of the LLP's accounting policies, which are described in note 1, the members are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Revenue recognition – accrued revenue

The value of accrued revenue is derived on the basis of estimations and assumptions regarding the fair value of unbilled time at the year end, having regard to the Group's accounting policy for revenue recognition.

Onerous lease obligations

The provisions recorded in respect of onerous leases have been made using estimates of future use, and the present value of rental payments and future income offset by amounts contracted to be received under the sub-lease.

Impairment of debtors

The Group makes an estimate of the recoverable value of debtors, other debtors and amounts recoverable on contracts. When assessing impairment of trade receivables, other debtors and amounts recoverable on contracts, management considers factors including the current credit rating of the debtor, the ageing profile and historic experience. See note 10 for the net carrying amount of the Group's debtors and associated impairment provision.

Measurement of provisions

The Group's provisions, as set out in note 13 to the financial statements, include provisions for professional indemnity and other commercial claims, and are based on Management's best estimate of future cash flows.

Dentons UKMEA LLP

Notes to the financial statements (continued)

For the year ended 30 April 2016

3. Profit on ordinary activities before taxation and members' remuneration and profit shares

Profit on ordinary activities before taxation is stated after charging/(crediting):

	Note	2016 £'000	2015 £'000
Depreciation of tangible fixed assets	8	3,404	3,342
Operating lease rentals		8,383	9,283
Foreign exchange (gain)/loss		(305)	154
Loss on disposal of fixed assets	8	50	35
		<hr/>	<hr/>

The analysis of the auditor's remuneration is as follows:

	2016 £'000	2015 £'000
Fees payable to the Dentons UKMEA LLP's auditor and its associates for the audit of the Limited Liability Partnerships annual accounts	82	72
Fees payable to the Dentons UKMEA LLP's auditor and its associates for other services to the Group		
The audit of the Dentons UKMEA LLP's subsidiaries	81	87
Total audit fees	<hr/> 163 <hr/>	<hr/> 159 <hr/>
Audit-related assurance services	-	-
Taxation compliance services	96	94
Other taxation advisory services	-	-
Other assurance services	49	54
Other services	3	4
Total non-audit fees	<hr/> 148 <hr/>	<hr/> 152 <hr/>
Total fees	<hr/> 311 <hr/>	<hr/> 311 <hr/>

Fees payable to Deloitte and its associates for non-audit services to the Partnership are not required to be disclosed because the consolidated financial statements are required to disclose such fees on a consolidated basis.

No services were provided pursuant to contingent fee arrangements.

Fees payable to other auditors in relation to services pursuant to legislation were £26,000 (2015: £38,000).

Dentons UKMEA LLP

Notes to the financial statements (continued)

For the year ended 30 April 2016

4. Staff numbers and costs

The average number of employees of the Group during the year was:

	2016 Number	2015 Number
Fee Earners	435	408
Administrative and support staff	464	450
	<u>899</u>	<u>858</u>

Their aggregate remuneration comprised:

	2016 £'000	2015 £'000
Wages and salaries	54,501	52,009
Other staff costs including Social security costs	20,224	18,376
Pension costs	3,911	3,911
	<u>78,636</u>	<u>74,296</u>

5. Members' remuneration and transactions

Profits are shared among the members in accordance with agreed profit sharing arrangements.

The profit attributable to the member with the largest entitlement was £1.3m (2015: £0.8m).

The average number of members during the year was 124 (2015: 118).

Dentons UKMEA LLP

Notes to the financial statements (continued) For the year ended 30 April 2016

6. Tax on profit on ordinary activities

Taxation arises within the subsidiary undertakings of the group and represents:

	2016 £'000	2015 £'000
Current tax on profit on ordinary activities		
UK corporation tax	507	450
Double tax relief	-	-
	<hr/>	<hr/>
	507	450
Non- UK corporation tax (Foreign tax)	298	336
Adjustments in respect of prior years		
UK corporation tax	5	(11)
Foreign tax	(105)	
	<hr/>	<hr/>
Total current tax	<hr/> 705 <hr/>	<hr/> 775 <hr/>
Deferred tax		
Origination and reversal of timing differences	8	18
Effect of increase in tax rate on opening liability	-	-
Decrease in estimate of recoverable deferred tax asset	-	-
	<hr/>	<hr/>
Total deferred tax (see note 13)	<hr/> 8 <hr/>	<hr/> 18 <hr/>
Total current tax and deferred tax	<hr/> 713 <hr/>	<hr/> 793 <hr/>
Compensating payments due from members	-	-
	<hr/>	<hr/>
Total tax on profit on ordinary activities	<hr/> 713 <hr/>	<hr/> 793 <hr/>

During the year beginning 1 May 2016, the amount of the net reversal of deferred tax expected to occur is £nil.

Dentons UKMEA LLP

Notes to the financial statements (continued)

For the year ended 30 April 2016

6. Tax on profit on ordinary activities (continued)

The differences between the total tax charge shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax is as follows:

	2016 £'000	2015 £'000
Profits on ordinary activities before tax of subsidiary undertakings	5,064	4,485
Tax on Group profit on ordinary activities at standard UK corporation tax rate of 20% (2015: 20.92%)	1,013	938
Effects of:		
- Expenses not deductible for tax purposes	2	(7)
- Different tax rates in other jurisdictions	(224)	(154)
- Losses in subsidiary undertakings not relieved	37	98
- Other timing differences	(15)	(82)
- Change in unrecognised deferred tax assets	-	11
- Adjustments to tax charge in respect of previous periods	(100)	(11)
Group total tax charge for period	713	793

7. Profit of the partnership

The partnership has taken advantage of Section 408 of the Companies Act 2006 as applied by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 and has not included its own profit and loss account in these financial statements. Its own profit for the year available for discretionary division among members was £44.7 million (2015: £36.6 million).

Dentons UKMEA LLP

Notes to the financial statements (continued) For the year ended 30 April 2016

8. Tangible fixed assets

Group	Leasehold improvements £'000	Computer equipment £'000	Office furniture & fittings £'000	Motor vehicles £'000	Total £'000
Cost or valuation					
At 1 May 2015	11,020	11,461	2,328	77	24,886
Additions	630	546	906	-	2,082
Disposals	(2,678)	(587)	(176)	-	(3,441)
Exchange adjustment	113	68	36	1	218
At 30 April 2016	<u>9,085</u>	<u>11,488</u>	<u>3,094</u>	<u>78</u>	<u>23,745</u>
Depreciation					
At 1 May 2015	7,317	6,695	1,463	56	15,531
Charge for the year	912	2,151	336	5	3,404
Disposals	(2,676)	(543)	(171)	-	(3,390)
Exchange adjustment	69	57	21	-	147
At 30 April 2016	<u>5,622</u>	<u>8,360</u>	<u>1,649</u>	<u>61</u>	<u>15,692</u>
Net book value					
At 30 April 2015	<u>3,703</u>	<u>4,766</u>	<u>865</u>	<u>21</u>	<u>9,355</u>
At 30 April 2016	<u>3,463</u>	<u>3,128</u>	<u>1,445</u>	<u>17</u>	<u>8,053</u>
Leased assets included above:					
Net book value					
At 30 April 2015	<u>410</u>	<u>-</u>	<u>14</u>	<u>-</u>	<u>424</u>
At 30 April 2016	<u>323</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>323</u>

Dentons UKMEA LLP

Notes to the financial statements (continued)

For the year ended 30 April 2016

8. Tangible fixed assets (continued)

Partnership	Leasehold improvements £'000	Computer Equipment £'000	Office furniture & fittings £'000	Motor vehicles £'000	Total £'000
Cost or valuation					
At 1 May 2015	8,957	10,138	1,218	14	20,327
Additions	190	422	745	-	1,357
Disposals	(2,635)	(460)	(77)	-	(3,172)
Exchange adjustment	-	2	-	-	2
At 30 April 2016	6,512	10,102	1,886	14	18,514
Depreciation					
At 1 May 2015	6,086	5,533	713	14	12,346
Charge for the year	761	2,061	232	-	3,054
Disposals	(2,635)	(420)	(77)	-	(3,132)
Exchange adjustment	-	-	-	-	-
At 30 April 2016	4,212	7,174	868	14	12,268
Net book value					
At 30 April 2015	2,871	4,605	505	-	7,981
At 30 April 2016	2,300	2,928	1,018	-	6,246
Leased assets included above:					
Net book value					
At 30 April 2015	410	-	14	-	424
At 30 April 2016	323	-	-	-	323

Dentons UKMEA LLP

Notes to the financial statements (continued)

For the year ended 30 April 2016

9. Fixed asset investments

	Group and Partnership	
	2016 £'000	2015 £'000
Subsidiary undertakings	-	-
Other investments and loans	-	-
Total	-	-

Group and Partnership Investments

The parent Partnership and the Group have investments in the following subsidiary undertakings and other investments.

Subsidiary undertakings	Country of incorporation	Principal activity	Type of shares held	%
Dentons CA Limited ⁺	United Kingdom	Legal services in Uzbekistan	Ordinary	100
Dentons UKMEA Overseas Services Limited ⁺	United Kingdom	Employment services to international offices	Ordinary	100
Dentons UKMEA Legal Services	United Kingdom	Employment services to the partnership	Ordinary	100
Fleet Trustees Limited ⁺	United Kingdom	Trustee Services to pension schemes and trusts	Ordinary	100
Dentons (CIS) Limited ⁺	United Kingdom	Ceased to trade	Ordinary	100
SNR Denton Kazakhstan Limited ⁺	United Kingdom	Ceased to trade	Ordinary	100
Denton Directors UKMEA Limited	United Kingdom	Dormant	Ordinary	100
Denton Hall Limited	United Kingdom	Dormant	Ordinary	100
Denton Sapte Limited	United Kingdom	Dormant	Ordinary	100
Denton Wilde Limited	United Kingdom	Dormant	Ordinary	100
Denton Wilde Sapte Limited	United Kingdom	Dormant	Ordinary	100
Denton WS Limited	United Kingdom	Dormant	Ordinary	100
Dentons ASP Limited	United Kingdom	Dormant	Ordinary	100
Dentons Directors Limited	United Kingdom	Dormant	Ordinary	100
Dentons Legal UKMEA Limited	United Kingdom	Dormant	Ordinary	100
Dentons Managers Limited	United Kingdom	Dormant	Ordinary	100
Dentons Managers UKMEA Limited	United Kingdom	Dormant	Ordinary	100
Dentons Nominees Limited	United Kingdom	Dormant	Ordinary	100
Dentons Nominees UKMEA Limited ⁺	United Kingdom	Dormant	Ordinary	100
Dentons Secretaries Limited	United Kingdom	Dormant	Ordinary	100
Dentons Secretaries UKMEA Limited	United Kingdom	Dormant	Ordinary	100
Finsquare Registrars Limited	United Kingdom	Dormant	Ordinary	100
Gray's Inn Nominees Limited ⁺	United Kingdom	Dormant	Ordinary	100
Gray's Inn Secretaries Limited	United Kingdom	Dormant	Ordinary	100
Refal 400 Limited	United Kingdom	Dormant	Ordinary	100
SNR Denton Limited	United Kingdom	Dormant	Ordinary	100
Wilde Sapte Limited	United Kingdom	Dormant	Ordinary	100

+ Held directly by Dentons UKMEA LLP.

In addition, the results of Dentons Middle East Partners LLP and its subsidiaries (Dentons Middle East Limited, Dentons & Co - a general partnership and Dentons Egypt LLC – Egyptian Limited Liability Company) are consolidated by virtue of control in that the members of Dentons Middle East Partners LLP are also members of Dentons UKMEA LLP. These entities perform legal services in these jurisdictions.

Dentons UKMEA LLP

Notes to the financial statements (continued)

For the year ended 30 April 2016

9. Fixed asset investments (continued)

Other investments and loans

	Group			Partnership		
	Other investments £'000	Loans £'000	Total £'000	Other investments £'000	Loans £'000	Total £'000
Carrying value before impairment						
At 1 May 2015	165	2,362	2,527	165	2,146	2,311
Additions	-	65	65	-	-	-
Effect of Foreign exchange	-	133	133	-	120	120
At 30 April 2016	165	2,560	2,725	165	2,266	2,431
Provisions for impairment						
At 1 May 2015	(165)	(2,362)	(2,527)	(165)	(2,146)	(2,311)
Charged to the profit and loss account	-	(65)	(65)	-	-	-
Effect of foreign exchange	-	(133)	(133)	-	(120)	(120)
At 30 April 2016	(165)	(2,560)	(2,725)	(165)	(2,266)	(2,431)
Carrying value	-	-	-	-	-	-

Other investments are held at cost less impairment because their fair value cannot be measured reliably.

10. Debtors

	Group		Partnership	
	2016 £'000	2015 £'000	2016 £'000	2015 £'000
Trade debtors	59,025	53,724	49,104	42,985
Amounts recoverable on contracts	14,223	12,333	11,823	9,933
Amounts owed by group undertakings	-	-	16,522	19,561
Amounts due from members	56	79	56	79
Corporation tax	140	85	-	-
Other debtors	1,239	1,385	644	425
Prepayments and accrued income	3,640	3,861	2,703	2,774
	78,323	71,467	80,852	75,757

All debtors fall due within one year. No interest is charged on amounts owed by group undertakings.

A provision of £3.4m (2015: £2.5m) has been recognised against trade debtors.

Dentons UKMEA LLP

Notes to the financial statements (continued) For the year ended 30 April 2016

11. Creditors: amounts falling due within one year

	Group		Partnership	
	2016	2015	2016	2015
	£'000	£'000	£'000	£'000
Bank loans and overdrafts (see note 12)	800	1,288	800	1,288
Obligations under finance leases and hire purchase contracts (see note 12)	-	33	-	33
Trade creditors	9,299	7,610	13,732	10,893
Amounts owed to group undertakings	-	-	3,960	4,512
Corporation tax	1,257	1,030	-	-
Other taxation and social security	4,640	4,290	3,058	3,001
Other creditors	4,967	4,774	10,676	13,621
Accruals and deferred income	15,385	13,382	3,904	4,184
	<u>36,348</u>	<u>32,407</u>	<u>36,130</u>	<u>37,532</u>

12. Creditors: amounts falling due after more than one year

	Group		Partnership	
	2016	2015	2016	2015
	£'000	£'000	£'000	£'000
Bank loans	800	1,600	800	1,600
Other creditors	78	79	-	-
	<u>878</u>	<u>1,679</u>	<u>800</u>	<u>1,600</u>

Borrowings are repayable as follows:

	Group		Partnership	
	2016	2015	2016	2015
	£'000	£'000	£'000	£'000
Bank loans				
Between one and two years	800	800	800	800
Between two and five years	-	800	-	800
On demand or within one year	800	1,295	800	1,295
	<u>1,600</u>	<u>2,895</u>	<u>1,600</u>	<u>2,985</u>
Finance leases				
On demand or within one year	-	33	-	33
Total borrowings including finance leases				
Between one and two years	800	800	800	800
Between two and five years	-	800	-	800
On demand or within one year	800	1,328	800	1,328
	<u>1,600</u>	<u>2,928</u>	<u>1,600</u>	<u>2,928</u>

All bank loans are unsecured and are repayable under fixed interest rates except for the bank overdraft which has a variable interest rate.

Dentons UKMEA LLP

Notes to the financial statements (continued)

For the year ended 30 April 2016

13. Provisions for liabilities

Group	Property £'000	Legal Claims £'000	Deferred Tax £'000	Other £'000	Total £'000
At 1 May 2015	693	600	(8)	1,394	2,679
Foreign exchange	-	-	-	78	78
Charged to profit and loss account	246	750	8	397	1,401
Released unused provision	-	(250)	-	-	(250)
Utilisation of provision	(698)	-	-	(364)	(1,062)
At 30 April 2016	241	1,100	-	1,505	2,846

Partnership	Property £'000	Legal Claims £'000	Deferred Tax £'000	Other £'000	Total £'000
At 1 May 2015	693	600	-	-	1,293
Charged to profit and loss account	246	750	-	-	996
Released unused provision	-	(250)	-	-	(250)
Utilisation of provision	(698)	-	-	-	(698)
At 30 April 2016	241	1,100	-	-	1,341

Deferred tax

There is a deferred tax provision relating to timing differences of £nil (2015: (£8,000)).

Deferred tax assets and liabilities are offset only where the Group has a legally enforceable right to do so and where the assets and liabilities relate to income taxes levied by the same taxation authority on the same taxable entity or another entity within the group.

Property

The provision for property is in respect of onerous leases. It is expected that the majority of this expenditure will be incurred within one to two years of the balance sheet date.

Legal claims

The provision for legal claims relates primarily to claims for alleged professional negligence. It is expected that the majority of this expenditure will be incurred in the next financial year and that all will be incurred within three years of the balance sheet date.

Other

This provision relates to employees' end of service indemnity and is made in accordance with the labour laws of the relevant overseas jurisdictions. It is based on current remuneration and cumulative years of service at the reporting date.

Dentons UKMEA LLP

Notes to the financial statements (continued) For the year ended 30 April 2016

14. Financial instruments

The carrying values of the Group's financial assets and liabilities are summarised by category below:

	2016 £'000	2015 £'000
Financial assets		
Instruments measured at amortised cost		
• Trade and other debtors	59,025	53,724
• Long-term loans receivable (see note 10)	-	-
	<u>59,025</u>	<u>53,724</u>
	2016 £'000	2015 £'000
Financial liabilities		
Measured at amortised cost		
• Loans payable (see notes 11, 12)	1,600	2,888
• Obligations under finance leases (see notes 11, 12)	-	33
Measured at undiscounted amount payable		
• Trade and other creditors (see note 11)	9,299	7,610
	<u>10,899</u>	<u>10,531</u>

Dentons UKMEA LLP

Notes to the financial statements (continued)

For the year ended 30 April 2016

15. Cash flow statement

Reconciliation of operating profit to cash generated by operations:

	2016 £'000	2015 £'000
Operating profit	47,228	42,431
Adjustment for:		
Gain on foreign exchange	(238)	(262)
Depreciation and amortisation	3,404	3,342
Loss on sale of tangible fixed assets	50	35
Operating cash flow before movement in working capital	50,444	45,546
Increase in amounts recoverable on contracts	(1,890)	(590)
Increase in debtors	(4,934)	(4,563)
Increase in creditors	2,037	3,912
Increase/(decrease) in provisions	159	(46)
Cash generated by operations	45,816	44,259
Corporation taxes paid	(542)	(893)
Net cash from operating activities	45,274	43,366

16. Financial commitments

Total future minimum lease payments under non-cancellable operating leases are as follows:

	2016		2015	
	Land and buildings £'000	Other £'000	Land and buildings £'000	Other £'000
Group				
- within one year	7,878	32	8,069	23
- between one and five years	26,280	-	25,082	25
- after five years	25,216	-	30,900	-
	59,374	32	64,051	48
Partnership				
- within one year	6,556	-	6,673	2
- between one and five years	24,691	-	24,676	2
- after five years	25,216	-	30,900	-
	56,463	-	62,249	4

Dentons UKMEA LLP

Notes to the financial statements (continued)

For the year ended 30 April 2016

17. Contingent liabilities

Certain subsidiary undertakings have provided unsecured guarantees to third parties in respect of labour guarantees and performance bonds. At 30 April 2016, guarantees outstanding amounted to £60,000 (2015: £176,000).

18. Related party transactions

Dentons UKMEA LLP has relied upon the exemption given in FRS102 section 33 not to disclose transactions between itself and its subsidiary undertakings.

Dentons UKMEA LLP is a member firm of the Dentons Group, a Swiss Verein. In the opinion of the members, Dentons UKMEA LLP is not related with any other member firm of the Dentons Group as defined by FRS102 section 33 'Related Party Disclosures'

Certain members of the Board are recognised as the Group's key management personnel and their remuneration is regarded as a related party transaction. The total remuneration for key management personnel in the period was £4.3m (2015: £3.8 million).

19. Controlling party

The LLP is controlled by its members and as such there is no one controlling party.

20. Explanation of transition to FRS 102

This is the first year that the LLP has presented its financial statements under Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council. The last financial statements under previous UK GAAP were for the year ended 30 April 2015 and the date of transition to FRS 102 was therefore 1 May 2015. As a consequence of adopting FRS 102, no material accounting policies have changed to comply with that standard and accordingly no balances were required to be restated.