

**FINANCIAL STATEMENTS FOR THE
YEAR ENDED 30 APRIL 2016
REGISTERED NO OC323571**

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CLIFFORD CHANCE LLP
Financial Statements for the year ended 30 April 2016
Registered no: OC323571

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CLIFFORD CHANCE LLP
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REPORT TO THE MEMBERS

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

Basis of the financial statements

These financial statements present the consolidated results of Clifford Chance LLP and its subsidiaries for the year ended 30 April 2016 on the basis of International Financial Reporting Standards (IFRSs).

Profit sharing

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

Principal activity

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

Business review

The total revenue for the year was £1,386 million compared to £1,350 million for the previous year, an increase of 3%. Excluding the effect of exchange rates, revenue growth compared to last year was also 3%.

The profit before tax for the year before members' remuneration and profit shares was £491 million, £92 million higher than the previous year.

Net cash at the year end was £183 million, an increase of £56 million from net cash at 30 April 2015.

Net assets attributable to members amounted to £204 million at 30 April 2016.

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Statement of members' responsibilities in respect of the financial statements

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

Company law as applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 (the "Regulations") requires the members to prepare financial statements for each financial year. Under that law the members have elected to prepare the group and parent limited liability partnership financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. 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 the limited liability partnership and of the profit or loss of the group for that period. 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 International Financial Reporting Standards (IFRSs) as adopted by the European Union have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the limited liability partnership and group will continue in business.

The members are responsible for keeping adequate accounting records that are sufficient to show and explain the limited liability partnership's transactions and disclose with reasonable accuracy at any time the financial position of the partnership and the group and enable them to ensure that the financial statements comply with the Companies Act 2006 as applied to limited liability partnerships by the Regulations. They are also responsible for safeguarding the assets of the limited liability partnership and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The members are responsible for the maintenance and integrity of the limited liability partnership's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

These responsibilities are exercised by the Executive Leadership Group on behalf of the members.


Designated members

The designated members during the year ended 30 April 2016 and subsequent to the year end were:

Matthew Layton
David Harkness
Chris Perrin

Signed on behalf of the Executive Leadership Group by:


Matthew Layton
Managing Partner
4 July 2016


Stephen Purse
Chief Financial Officer
4 July 2016

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CLIFFORD CHANCE LLP

Report on the financial statements

Our Opinion

In our opinion:

- Clifford Chance LLP's group financial statements and limited liability partnership financial statements (the "financial statements") give a true and fair view of the state of the group's and of the limited liability partnership's affairs as at 30 April 2016 and of the group's profit and the group's and the limited liability partnership's cash flows for the year then ended;
- the group financial statements have been properly prepared in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the European Union;
- the limited liability partnership financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006 as applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008.

What we have audited

Clifford Chance LLP's financial statements comprise:

- the consolidated and limited liability partnership balance sheets as at 30 April 2016;
- the consolidated income statement and statement of comprehensive income for the year then ended;
- the consolidated and limited liability partnership cash flow statements for the year then ended;
- the consolidated and limited liability partnership statements of changes in equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and IFRSs as adopted by the European Union and, as regards the limited liability partnership financial statements, as applied in accordance with the provisions of the Companies Act 2006.

In applying the financial reporting framework, the members have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

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

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

We have no exceptions to report arising from this responsibility.

CLIFFORD CHANCE LLP
Financial Statements for the year ended 30 April 2016

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CLIFFORD CHANCE LLP - Continued

Responsibilities for the financial statements and the audit

Our responsibilities and those of the members

As explained more fully in the Statement of Members' Responsibilities set out on page 2, 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) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinion, has been prepared for and only for the members of the partnership as a body in accordance with the Companies Act 2006 as applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 and for no other purpose. We do not, in giving this opinion, 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.

What an audit of financial statements involves

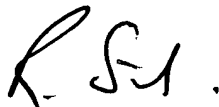
We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the group's and the limited liability partnership's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the designated members; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the members' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the financial statements 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.



Ranjan Sriskandan (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditor

London, United Kingdom

4 July 2016

CLIFFORD CHANCE LLP
Financial Statements for the year ended 30 April 2016

CONSOLIDATED INCOME STATEMENT

Year ended 30 April 2016	Notes	2016 £m	2015 £m
Revenue	4	1,386	1,350
Operating Costs			
Staff and related costs	5	(609)	(598)
Other operating costs		<u>(274)</u>	<u>(340)</u>
Operating Profit		503	412
Financing costs	8	<u>(12)</u>	<u>(13)</u>
 PROFIT BEFORE TAX FOR THE FINANCIAL YEAR BEFORE MEMBERS' REMUNERATION AND PROFIT SHARES		 491	 399
Members' remuneration charged as an expense	9	<u>(23)</u>	<u>(25)</u>
PROFIT BEFORE TAX FOR THE FINANCIAL YEAR AVAILABLE FOR PROFIT SHARE AMONG MEMBERS		468	374
Taxation	10	<u>(15)</u>	<u>(11)</u>
PROFIT FOR THE FINANCIAL YEAR AVAILABLE FOR PROFIT SHARE AMONG MEMBERS		<u>453</u>	<u>363</u>

The results derive from continuing operations.

CLIFFORD CHANCE LLP
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CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 30 April 2016	Notes	2016 £m	2015 £m
Profit for the financial year available for profit share among members		453	363
Items that will not be reclassified subsequently to the Consolidated Income Statement:			
Actuarial gain/(loss) on defined benefit pension scheme	20	19	(40)
Deferred tax relating to items not reclassified	10	-	8
Items that may be reclassified subsequently to the Consolidated Income Statement:			
Net foreign exchange differences recognised within reserves	23	25	(6)
Other comprehensive income for the year net of tax		44	(38)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		497	325

CLIFFORD CHANCE LLP

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CONSOLIDATED BALANCE SHEET

As at 30 April 2016	Notes	2016 £m	2015 £m
ASSETS			
Property, plant and equipment	12	78	38
Intangible assets	12	-	2
Deferred tax asset	10	8	8
Total non-current assets		86	48
Accrued income		248	228
Trade and other receivables	14	476	442
Amounts due from members	15	16	42
Cash at bank and in hand	16	183	127
Total current assets		923	839
TOTAL ASSETS		1,009	887
LIABILITIES EXCLUDING MEMBERS' INTERESTS CLASSIFIED AS LIABILITIES			
Trade and other payables	17	335	290
Provisions	19	18	22
Current liabilities		353	312
Long term payables	18	36	38
Long term provisions	19	416	439
Non-current liabilities		452	477
TOTAL LIABILITIES EXCLUDING MEMBERS' INTERESTS CLASSIFIED AS LIABILITIES		805	789
NET ASSETS ATTRIBUTABLE TO MEMBERS	23	204	98
REPRESENTED BY:			
Provisions for annuities due to current members	19	109	113
Members' capital	22	160	168
Members' interests classified as liabilities		269	281
Reserves		(65)	(183)
Total members' interests:		204	98
Amounts due from members		(16)	(42)
Provisions for annuities due to current members		109	113
Members' capital		160	168
Equity - reserves		(65)	(183)
		188	56

On 4 July 2016 the financial statements were signed by Matthew Layton, designated member, subject to members' approval.



The members' approval was given on 14 July 2016.



Matthew Layton, designated member

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
Year ended 30 April 2016

	Foreign Exchange Reserve £m	Other Reserves £m	Total Reserves: Equity £m	Members' Capital £m	Members' Capital & Reserves £m
Balance at 1 May 2014	<u>(3)</u>	<u>(103)</u>	<u>(106)</u>	<u>168</u>	<u>62</u>
Profit for the financial year available for profit share among members	-	363	363	-	363
Other comprehensive income for the year	(6)	(32)	(38)	-	(38)
Total comprehensive income for the year	<u>(6)</u>	<u>331</u>	<u>325</u>	<u>-</u>	<u>325</u>
Profit distributions and related tax	-	(402)	(402)	-	(402)
Change in members' capital (note 22)	-	-	-	-	-
Balance at 30 April 2015	<u>(9)</u>	<u>(174)</u>	<u>(183)</u>	<u>168</u>	<u>(15)</u>
Profit for the financial year available for profit share among members	-	453	453	-	453
Other comprehensive income for the year	25	19	44	-	44
Total comprehensive income for the year	<u>25</u>	<u>472</u>	<u>497</u>	<u>-</u>	<u>497</u>
Profit distributions and related tax	-	(379)	(379)	-	(379)
Decrease in members' capital (note 22)	-	-	-	(8)	(8)
Balance at 30 April 2016	<u><u>16</u></u>	<u><u>(81)</u></u>	<u><u>(65)</u></u>	<u><u>160</u></u>	<u><u>95</u></u>

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CONSOLIDATED CASH FLOW STATEMENT

Year ended 30 April 2016	Notes	2016 £m	2015 £m
NET CASH GENERATED FROM OPERATING ACTIVITIES	25	472	418
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of tangible fixed assets	12	(48)	(12)
Proceeds from sale of plant and equipment		-	1
Net cash used in investing activities		(48)	(11)
CASH FLOWS FROM FINANCING ACTIVITIES			
Drawings, distributions and remuneration of members		(365)	(388)
Capital net repayments to members	22	(8)	-
Net cash used in financing activities		(373)	(388)
NET INCREASE IN CASH AND CASH EQUIVALENTS		51	19
Cash and cash equivalents at beginning of year		127	110
Effects of foreign exchange rate changes		5	(2)
CASH AND CASH EQUIVALENTS AT END OF YEAR	16	183	127

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Financial Statements for the year ended 30 April 2016

NOTES TO THE FINANCIAL STATEMENTS

1 General

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

2 Significant accounting policies

a) Basis of preparation

These financial statements present the consolidated results of Clifford Chance LLP and its subsidiary undertakings to 30 April 2016.

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and therefore the group financial statements comply with Article 4 of the EU IAS regulation, and with those parts of the Companies Act 2006 applicable to limited liability partnerships reporting under IFRSs.

The financial statements are presented in Sterling on the historical cost basis and on the basis of the accounting policies presented herein that are consistent with the previous year.

There have been no accounting standards, amendments and interpretations effective for the first time in these financial statements and which have had a material effect on the financial statements.

The information below is a summary of other recent external accounting developments. We routinely review these and adapt our financial reporting systems and processes as appropriate. Other than IFRS 9, IFRS 15 and IFRS 16, none of these developments is currently expected to have a significant effects on the Group.

The following accounting standards, amendments and interpretations are effective for the first time for the Group's accounting periods beginning on or after 1 May 2016:

- IFRS 1, 'First-time Adoption of International Financial Reporting Standards'
- IFRS 2, 'Share-based Payments'
- IFRS 3, 'Business Combinations'
- IFRS 8, 'Operating Segments'
- IFRS 13, 'Fair Value Measurement'
- IAS 16, 'Property, Plant and Equipment'
- IAS 24, 'Related Party Disclosures'
- IAS 38, 'Intangible Assets'
- IAS 40, 'Investment Property'

The adoption of these Standards and Interpretations in future periods is not expected to have a material effect on the financial statements in future periods.

There are a number of other new standards and amendments to existing standards currently in issue but not yet effective, including three significant standards:

- IFRS 9, 'Financial instruments', effective for the Group for the year ending 30 April 2019;
- IFRS 15, 'Revenue from contracts with customers', effective for the Group for the year ending 30 April 2019; and
- IFRS 16, 'Leases', effective for the Group for the year ending 30 April 2020.

The effects of IFRS 9, IFRS 15 and IFRS 16 on the results and financial position of the Group are currently being assessed. It is not currently practicable to quantify the effect of these three standards. There are no other new standards, amendments to existing standards or interpretations that are not yet effective that would be expected to have a material effect on the Group financial statements.

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2 Significant accounting policies (continued)

b) Basis of consolidation

The consolidated financial statements incorporate the financial statements of Clifford Chance LLP and its subsidiary entities. Subsidiary entities are those entities controlled by Clifford Chance LLP, which may be branches, partnerships or separate corporate entities. Control exists when Clifford Chance LLP has the power, directly or indirectly, to govern the financial and operating policies of an enterprise so as to obtain benefits from its activities. The financial statements of subsidiary entities are included in the consolidated financial statements from the date that control commences until the date that control ceases. As permitted under section 408 of the Companies Act 2006, no separate income statement is presented for Clifford Chance LLP.

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

c) Revenue

Revenue represents amounts chargeable to clients for professional services provided, excluding external disbursements and sales tax. Revenue for services provided to clients which has not been billed at the balance sheet date has been recognised based on the fair value of services provided up to the balance sheet date. Revenue is recognised only to the extent that there is the contractual right to receive consideration for the work performed.

d) Foreign currency

Transactions in foreign currencies are recorded at the foreign exchange rate ruling on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the foreign exchange rate ruling on that date. Foreign exchange differences arising are recognised in the income statement.

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

Foreign exchange exposures in respect of the net assets of offices which do not prepare their financial statements in Sterling may be partially hedged by borrowings in appropriate currencies. Exchange differences arising on the retranslation of such borrowings are recorded in the foreign exchange reserve.

e) Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation and any recognised impairment loss.

Depreciation is charged to the income statement on a straight-line basis over the estimated useful lives of the assets. The estimated useful lives are as follows:

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

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f) Intangible assets

Costs associated with the development of the global accounting and practice management system, including internal costs directly attributable to development, were recognised in the financial statements as an intangible asset. The Firm expected to derive economic benefits from the development costs capitalised in this manner over a period of ten years from the date the system came into productive use and the costs, including any enhancement expenditure, were being amortised over this period.

g) Impairment of tangible and intangible assets

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

h) Pensions

i. Defined contribution plans

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

ii. Defined benefit schemes

Defined benefit schemes, the assets of which are held in separate trustee-administered funds, are funded by payments from the employer, taking account of the recommendations of an independent qualified actuary. All material defined benefit schemes are closed.

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

Defined benefit schemes are accounted for under IAS 19 (revised): Employee Benefits. The retirement benefits obligation represents the present value of the obligation to provide benefits, less the fair value of the schemes' assets. The financing costs of the schemes are recognised in the income statement 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.

i) Annuities

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

CLIFFORD CHANCE LLP
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2 Significant accounting policies (continued)

j) Provisions

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

k) Financial instruments

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

Trade and other receivables

Trade and other receivables are measured at cost less any impairment.

Cash and cash equivalents

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

Trade and other payables

Trade and other payables, including borrowings, are measured at fair value.

l) Operating leases

Payments made under operating leases and any lease incentives are recognised in the income statement on a straight line basis over the term of the lease.

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease.

m) Income taxation

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

Deferred tax is recognised without discounting in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by IAS12.

n) Members' capital

Members' capital is repayable upon retirement and, accordingly, is required to be classified as a liability.

CLIFFORD CHANCE LLP
Financial Statements for the year ended 30 April 2016

2 Significant accounting policies (continued)

o) Critical accounting estimates and key sources of estimation

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

Accrued revenue

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

Actuarial assumptions

The pension liabilities in respect of the principal defined benefit scheme and the provisions for annuity payments to current and retired partners have been independently valued by actuaries based on information provided by Clifford Chance LLP. The assumptions are set out in notes 20 and 21 and have been determined having taken advice from the independent actuaries.

Onerous lease obligations

The provisions recorded in respect of onerous leases have been made using estimates of future use, and of the present value of future payments and rental income.

p) Going concern

The applicability of the going concern basis is dependent upon the continued availability of sufficient funding for the operations of the Firm. The Firm's main sources of funding are partners' capital, undistributed profits and borrowing facilities. The current borrowing facilities are described in note 18 and the availability of these facilities is dependent upon continued compliance with the applicable financial covenants. Regular financial forecasts are prepared to monitor the Firm's funding requirements and projected compliance with the covenants. Consideration is given to the potential business risks which could affect future compliance and the potential actions which could be taken to mitigate the effect of these risks. The main financial risks to which the Firm is exposed are described in notes 20 and 26.

It is considered that the Firm will be able to operate within its current banking facilities and continue to comply with the applicable covenants for the foreseeable future, being a period of at least twelve months from the date of approval of the financial statements. Accordingly, the going concern basis has been adopted in preparing these financial statements.

q) Related party transactions

Balances between Clifford Chance LLP and its subsidiary entities have been eliminated on consolidation, and are disclosed in the notes to the financial statements.

Remuneration of the Executive Leadership Group members, who are related parties, is disclosed in note 24.

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3 Principal entities included in the consolidation

Clifford Chance LLP operates through overseas branches in Abu Dhabi, Amsterdam, Beijing, Brussels, Dubai, Moscow, Seoul, Shanghai and Spain. Clifford Chance also has the following principal subsidiary partnerships and companies.

	Country of operation
<i>Principal subsidiary partnerships</i>	
Clifford Chance US LLP	USA
Clifford Chance	Hong Kong
Clifford Chance	Australia
Clifford Chance (Tokyo) LLP	Japan
Clifford Chance Deutschland LLP	Germany
Clifford Chance Europe LLP	France
Studio Legale Associato	Italy
Clifford Chance SCS	Luxembourg
Clifford Chance, Janicka, Krużewski, Namiotkiewicz i Wspólnicy sp.k.	Poland
Clifford Chance Badea SCA	Romania
Clifford Chance International LLP	Singapore, Qatar and Morocco
Clifford Chance Prague LLP	Czech Republic
	Country of incorporation
<i>Principal subsidiary companies</i>	
Clifford Chance London Limited *	Great Britain
Clifford Chance CIS Limited	Great Britain
CC Worldwide Limited	Great Britain
Clifford Chance Pte. Limited	Singapore
Brecon Limited *	Hong Kong
OSC Services Private Limited *	India

Each of the above principal subsidiary companies is wholly owned by the group.

The principal activity of the entities listed above is the provision of legal services with the exception of those marked with an asterisk which provide services to other group entities.

CLIFFORD CHANCE LLP
Financial Statements for the year ended 30 April 2016

4. Revenue

A geographical analysis of revenue by region is shown below:

	2016	2015
	£m	£m
Americas	175	156
Asia Pacific	224	205
Continental Europe	452	469
Middle East	46	43
United Kingdom	489	477
	<u>1,386</u>	<u>1,350</u>

5. Staff and related costs

	2016	2015
	£m	£m
Salaries and other remuneration of non-members	482	464
Compulsory social security contributions	39	38
Contributions to defined contribution plans	12	12
Other staff costs	76	84
	<u>609</u>	<u>598</u>

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

	2016	2015
Partners	567	569
Associates and other fee earners	2,315	2,377
Trainee lawyers	510	497
Administrative and support staff	2,781	2,774
	<u>6,173</u>	<u>6,217</u>

The average number of members included above is 458 (2015: 461).

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Financial Statements for the year ended 30 April 2016

6. Profit for the year

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

	2016	2015
	£m	£m
Depreciation of property, plant and equipment (note 12)	14	12
Amortisation of intangible assets (note 12)	2	5
Net foreign exchange losses	-	5
Annuities (note 21)	18	20
Staff costs (note 5)	609	598
Rental income (note 27)	(16)	(13)
Lease payments under operating leases (note 27)	95	94

7. Auditor's remuneration

The following amounts have been charged against the profit from operations:

	2016	2015
	£'000	£'000
Fees payable to the LLP's auditor for the audit of the LLP's accounts	95	126
Fees payable to the auditor and its associates for other services to the group:		
The audit of the LLP's subsidiary entities pursuant to legislation (revised for 2015)	482	479
Total audit fees	<u>577</u>	<u>605</u>
Audit-related assurance services	103	103
Taxation compliance services	188	113
Other Taxation advisory services	61	70
Other services	4	25
Total non-audit fees	<u>356</u>	<u>311</u>
Fees payable to the company's auditor and its associates in respect of associated pension schemes	22	22
Total fees to auditor	<u>955</u>	<u>938</u>

8. Financing costs

	2016	2015
	£m	£m
Interest payable and similar charges :		
Pensions (note 20)	7	7
Annuities (note 21)	5	6
	<u>12</u>	<u>13</u>

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9. Members' remuneration charged as an expense

Members' remuneration charged as an expense comprises the remuneration of certain partners who are members of Clifford Chance LLP but whose remuneration is not a share of profits amounting to £13 million (2015: £13 million), and a charge of £10 million (2015: £12 million) for annuities in respect of partners who are members.

10. Taxation

	2016	2015
	£m	£m
UK corporation tax	4	4
Overseas taxes	10	7
Prior year adjustments	1	-
Total current tax	<u>15</u>	<u>11</u>

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

Reconciliation of tax charge:

	2016	2015
	£m	£m
Profits of Clifford Chance LLP and subsidiaries subject to taxation	<u>57</u>	<u>39</u>
At UK standard corporate rate of 20.00% (2015: 20.92%)	11	8
Timing and other differences between the basis of recognition of profits for tax and accounting purposes	1	-
Tax effects of overseas taxes	2	3
Prior year adjustment	1	-
Current year charge for the year	<u>15</u>	<u>11</u>

Deferred tax asset

	2016	2015
	£m	£m
Deferred tax asset movements during the current year were as follows (2015: £8m):		
At 1 May 2015	8	-
Credit to consolidated statement of comprehensive income	-	8
At 30 April 2016	<u>8</u>	<u>8</u>

The deferred tax asset is recognised in respect of temporary differences relating to the defined benefit pension scheme.

11. Profit attributable to the Limited Liability Partnership

The profit for the financial year available for profit share among members dealt with in the financial statements of the parent undertaking, Clifford Chance LLP, is set out in note 23.

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

	Property, plant and equipment			Intangible Assets	
	Leasehold Improvements	Office Equipment	Furniture & Fittings	Total	
<i>Cost:</i>	£m	£m	£m	£m	£m
Balance at 1 May 2014	99	67	26	192	51
Foreign exchange movements	-	(2)	(2)	(4)	-
Additions	7	4	1	12	-
Disposals	(2)	(3)	-	(5)	-
Balance at 1 May 2015	104	66	25	195	51
Foreign exchange movements	3	3	1	7	-
Additions	45	6	3	54	-
Disposals	(49)	(9)	(4)	(62)	-
Balance at 30 April 2016	103	66	25	194	51
<i>Accumulated depreciation:</i>					
Balance at 1 May 2014	79	54	20	153	44
Foreign exchange movements	(1)	(3)	-	(4)	-
Depreciation charge for the year	5	5	2	12	5
Disposals during the year	(1)	(3)	-	(4)	-
Balance at 1 May 2015	82	53	22	157	49
Foreign exchange movements	3	2	1	6	-
Depreciation charge for the year	7	5	2	14	2
Disposals during the year	(49)	(8)	(4)	(61)	-
Balance at 30 April 2016	43	52	21	116	51
<i>Carrying amount:</i>					
At 30 April 2015	22	13	3	38	2
At 30 April 2016	60	14	4	78	-

The intangible assets were capitalised software development costs.

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

	Property, plant and equipment			Intangible Assets	
	Leasehold Improvements	Office Equipment	Furniture & Fittings	Total	
<i>Cost:</i>	£m	£m	£m	£m	£m
Balance at 1 May 2014	49	31	6	86	51
Additions	2	1	-	3	-
Disposals	-	(1)	-	(1)	-
Balance at 1 May 2015	51	31	6	88	51
Foreign exchange movements	1	-	-	1	-
Additions	6	4	-	10	-
Disposals	(41)	(4)	(1)	(46)	-
Balance at 30 April 2016	17	31	5	53	51
<i>Accumulated depreciation:</i>					
Balance at 1 May 2014	48	26	5	79	44
Depreciation charge for the year	1	2	1	4	5
Disposals during the year	-	(1)	-	(1)	-
Balance at 1 May 2015	49	27	6	82	49
Foreign exchange movements	1	-	-	1	-
Depreciation charge for the year	-	3	-	3	2
Disposals during the year	(40)	(5)	(1)	(46)	-
Balance at 30 April 2016	10	25	5	40	51
<i>Carrying amount:</i>					
At 30 April 2015	2	4	-	6	2
At 30 April 2016	7	6	-	13	-

The intangible assets were capitalised software development costs.

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14. Trade and other receivables

	Consolidated		LLP	
	2016	2015	2016	2015
	£m	£m	£m	£m
Fees due from clients	381	369	163	170
Amounts due from other group entities	-	-	189	179
Sundry receivables and prepayments	95	73	101	70
	<u>476</u>	<u>442</u>	<u>453</u>	<u>419</u>

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

15. Amounts due from and due to members

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

16. Cash and cash equivalents

	Consolidated		LLP	
	2016	2015	2016	2015
	£m	£m	£m	£m
Cash at bank and in hand	<u>183</u>	<u>127</u>	<u>102</u>	<u>56</u>

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

17. Trade and other payables

	Consolidated		LLP	
	2016	2015	2016	2015
	£m	£m	£m	£m
Trade payables	37	31	15	12
Amounts due to other group entities	-	-	181	132
Social security and other taxes	11	10	1	1
Corporate and income taxes payable	6	3	2	-
Capital of non-members	32	30	17	17
Undistributed earnings due to non-members	66	56	16	16
Other creditors	41	26	42	39
	<u>193</u>	<u>156</u>	<u>274</u>	<u>217</u>
Accruals and deferred income	142	134	27	16
	<u>335</u>	<u>290</u>	<u>301</u>	<u>233</u>

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

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18. Long term payables

	Consolidated		LLP	
	2016	2015	2016	2015
	£m	£m	£m	£m
Other payables	36	38	34	36
	<u>36</u>	<u>38</u>	<u>34</u>	<u>36</u>

No borrowings were outstanding at the balance sheet date (2015: £nil).

All borrowings during the year were at variable interest rates. The average effective interest rate was 2.2% (2015: 2.1%).

At 30 April 2016 available undrawn committed borrowing facilities in both the group and the LLP amounted to £150 million (2015: £150 million), which expire in August 2020.

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19. Provisions

Analysis of movements in provisions:

	Consolidated				
	Pensions	Annuities	Property	Other	Total
	£m	£m	£m	£m	£m
	(note 20)	(note 21)			
Balance at 30 April 2015	205	224	141	4	574
Provisions made during the year	7	18	8	2	35
Contributions / provisions utilised during the year	(13)	(22)	(11)	(1)	(47)
Actuarial gain	(19)	-	-	-	(19)
Balance at 30 April 2016	<u>180</u>	<u>220</u>	<u>138</u>	<u>5</u>	<u>543</u>

	LLP				
	Annuities	Property	Other	Total	
	£m	£m	£m	£m	£m
	(note 21)				
Balance at 30 April 2015	193	130	1	324	
Provisions made during the year	16	6	-	22	
Contributions / provisions utilised during the year	(21)	(10)	-	(31)	
Balance at 30 April 2016	<u>188</u>	<u>126</u>	<u>1</u>	<u>315</u>	

The property provision includes the estimated cost of onerous lease commitments and dilapidations in respect of various properties, the majority of which will be utilised within the next 12 years. Other provisions relate principally to overseas retirement liabilities.

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

	Consolidated		LLP	
	2016	2015	2016	2015
	£m	£m	£m	£m
Provisions - current liabilities	18	22	18	21
Long term provisions - non-current liabilities	<u>416</u>	<u>439</u>	<u>204</u>	<u>206</u>
Amounts shown under total liabilities excluding members' interests classified as liabilities	434	461	222	227
Provisions for annuities due to current members	<u>109</u>	<u>113</u>	<u>93</u>	<u>97</u>
	<u>543</u>	<u>574</u>	<u>315</u>	<u>324</u>

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20. Defined Benefit Pension Scheme

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

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

A full actuarial valuation of the Scheme was carried out as at 30 April 2013 by a qualified independent actuary. The key assumptions used in updating that valuation are set out below:

	2016	2015
Discount rate	3.70%	3.70%
Future pension increases - pensions accrued prior to 30 April 2005	2.90%	3.00%
Future pension increases - pensions accrued after 30 April 2005	2.10%	2.10%
Price inflation	2.90%	3.15%

Mortality assumptions in both years have been based on SAPS Light tables with CMI 2012 improvements, projected according to each member's year of birth. The assumptions for both years include an allowance for increased longevity, assuming a long-term rate of improvement of 1.0% per annum.

The assumed life expectations on retirement at age 65 are:

	2016	2015
Retiring today		
Males	88.7	88.7
Females	90.1	90.0
Retiring in 20 years		
Males	90.0	90.0
Females	91.6	91.5

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

	2016	2015
	£m	£m
Interest on net defined benefit liability, charge within financing costs	<u>7</u>	<u>7</u>

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

	2016	2015
	£m	£m
Actuarial gains/(losses) on the Scheme liabilities arising from changes in financial assumptions	24	(79)
Gains on the Scheme liabilities arising from changes in experience	11	14
Gains on the Scheme liabilities arising from changes in demographic assumptions	-	9
Actuarial (loss)/gain on the Scheme assets	(16)	16
Gain/(loss) recognised in the consolidated statement of comprehensive income	<u>19</u>	<u>(40)</u>

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20. Defined Benefit Pension Scheme (continued)

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

	2016	2015
	£m	£m
Present value of defined benefit obligation	559	581
Fair value of plan assets	(379)	(376)
Present value of net obligation (note 19)	<u>180</u>	<u>205</u>

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

	2016	2015
	£m	£m
Net liability at the beginning of the year	205	171
Charge recognised in the income statement	7	7
Contributions made	(13)	(13)
Total (gain)/loss recognised in the statement of comprehensive income	(19)	40
Net liability at the end of the year (note 19)	<u>180</u>	<u>205</u>

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

	2016	2015
	£m	£m
At the beginning of the year	581	509
Interest on obligations	21	22
Actuarial gains on Scheme liabilities arising from changes in financial assumptions	(24)	79
Actuarial gains on Scheme liabilities arising from changes in experience	(11)	(14)
Actuarial gains on Scheme liabilities arising from changes in demographic assumptions	-	(9)
Benefits paid	(8)	(6)
At the end of the year	<u>559</u>	<u>581</u>

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

	2016	2015
	£m	£m
At the beginning of the year	376	338
Interest income on Scheme assets	14	15
Actuarial (loss)/gain on the Scheme assets	(16)	16
Contributions made	13	13
Benefits paid	(8)	(6)
At the end of the year	<u>379</u>	<u>376</u>

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20. Defined Benefit Pension Scheme (continued)

The assets held by the Scheme were as follows:

	2016	% of	2015	% of
	Value	total	Value	total
	£m	value	£m	value
Equities and other growth assets	271	72%	272	72%
Bonds	58	15%	65	17%
Other assets	50	13%	39	11%
	<u>379</u>		<u>376</u>	

Based on the most recently completed actuarial valuation as at 30 April 2013, the employer has agreed that it will aim to eliminate the Scheme's deficit (as assessed on the ongoing funding basis) by 30 September 2024. The estimated amount of employer contributions expected to be paid to the Scheme in respect of the year ending 30 April 2017 is £13 million, and thereafter, contributions will increase each year with RPI. Funding levels are monitored on an annual basis and the next triennial valuation is due to be completed as at 30 April 2016. The weighted average duration of the defined benefit obligation is around 27 years.

Sensitivities

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

	2016	2015
	£m	£m
<i>Discount rate less 0.25% per annum</i>		
Present value of defined benefit obligation	594	621
Fair value of assets	(379)	(376)
Revised net pension liability	<u>215</u>	<u>245</u>
Revised total charge to the consolidated income statement	<u>8</u>	<u>9</u>
<i>RPI inflation plus 0.25% per annum</i>		
Present value of defined benefit obligation	590	616
Fair value of assets	(379)	(376)
Revised net pension liability	<u>211</u>	<u>240</u>
Revised total charge to the consolidated income statement	<u>8</u>	<u>9</u>
<i>Mortality assumption with 1.25% per annum long term rate of improvement</i>		
Present value of defined benefit obligation	569	592
Fair value of assets	(379)	(376)
Revised net pension liability	<u>190</u>	<u>216</u>
Revised total charge to the consolidated income statement	<u>7</u>	<u>8</u>

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. If a more accurate approach had been taken to determine the sensitivities then the results might be different to those shown above.

Risks

The Firm 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.

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20. Defined Benefit Pension Scheme (continued)

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.

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

21. Annuity obligations to current and former partners

An independent qualified actuary has assessed the cost of annuity obligations. The economic assumptions used by the actuary in assessing the cost of annuity obligations are as follows:

	2016	2015
Discount rate	2.1%	2.1%
Rate of price inflation	2.2%	2.7%

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

Amounts recognised in the consolidated income statement were as follows:

	2016 £m	2015 £m
Movements in provision arising from:		
Current service cost	7	7
Other actuarial losses	6	7
Amount charged to the consolidated income statement*	<u>13</u>	<u>14</u>
Interest costs associated with obligations shown under net financing costs	5	6
Total charge to the consolidated income statement (note 19)	<u><u>18</u></u>	<u><u>20</u></u>

* Of this amount, £10 million (2015: £12 million) has been included within members' remuneration charged as an expense, and a cost of £3 million (2015: £2 million) in relation to partners who were not members and former partners has been included in other operating costs.

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

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

	Consolidated	
	2016	2015
	£m	£m
Provision at the beginning of the year	224	227
Charge to the income statement	18	20
Annuities paid	(22)	(23)
Provision at the end of the year (note 19)	<u>220</u>	<u>224</u>

Annuity liabilities of £109m (2015: £113m) attributable to current partners who are members are shown separately on the balance sheet. Liabilities of £111m (2015: £111m) attributable to current partners who are not members and to former partners are shown as current and non-current liabilities.

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

22. Members' capital liabilities

	Consolidated and LLP	
	2016	2015
	£m	£m
Total members' capital at the beginning of the year	168	168
Capital contributed during the year	14	13
Capital repaid during the year	(22)	(13)
	<u>160</u>	<u>168</u>

Members' capital is repayable within six months of a member retiring. Accordingly, IAS 32: Financial Instruments: Presentation requires it to be classified as a liability, rather than as a component of equity.

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23. Statement of movements in net assets attributable to members

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

	Consolidated		LLP	
	2016	2015	2016	2015
	£m	£m	£m	£m
Net assets attributable to members at the beginning of the year	98	174	83	152
Profit for the year	453	363	237	166
Foreign exchange movements	25	(6)	4	12
Actuarial gain/(loss) on defined benefit pension scheme	19	(40)	-	-
Deferred tax on defined benefit pension scheme	-	8	-	-
(Decrease)/increase in provisions attributable to members *	(4)	1	(4)	-
Capital net (repayments)/contributions	(8)	-	(8)	-
Profit distributions and related tax	(379)	(402)	(208)	(247)
Net assets attributable to members at the end of the year	<u>204</u>	<u>98</u>	<u>104</u>	<u>83</u>

* This comprises a decrease of £4 million (LLP: £4 million) in relation to provisions for annuities due to current members (2015: an increase of £1 million for the group and £nil for the LLP).

24. Related Party transactions

Balances between Clifford Chance LLP and its subsidiary entities have been eliminated on consolidation, and are disclosed in the financial statements in notes 14 and 17.

The key management personnel comprise the Executive Leadership Group (ELG). The total remuneration of the 12 ELG members (2015: 12 ELG members) in respect of the financial year amounted to £15 million (2015: £14 million).

25. Reconciliation of profit to net cash from operating activities

	2016	2015
	£m	£m
Operating profit	503	412
Depreciation and amortisation (note 12)	16	17
Contributions to defined benefit pension scheme (note 20)	(13)	(13)
Amounts charged for annuity obligations (note 21)	3	2
Annuities paid in relation to former partners (note 21)	(22)	(23)
(Decrease)/increase in property and other provisions	(8)	44
Operating cash flows before movements in working capital	<u>479</u>	<u>439</u>
Increase in accrued income	(10)	(3)
Increase in receivables	(14)	(21)
Increase in payables	29	14
Net cash inflow from operating activities	<u>484</u>	<u>429</u>
Income taxes paid	(12)	(11)
Net cash generated from operating activities	<u>472</u>	<u>418</u>

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26. Financial assets and liabilities

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

Categories of financial assets and liabilities

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

	2016	2015
	£m	£m
Financial assets		
Fees due from clients	381	369
Amounts due from members	16	42
Cash at bank and in hand	183	127
	<u>580</u>	<u>538</u>
Financial liabilities		
Trade and other current payables excluding accruals and deferred income	193	156
Members' capital	160	168
	<u>353</u>	<u>324</u>

Risks arising from financial assets and liabilities

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

Liquidity and capital risk

The business is predominately financed by partners' capital, undistributed earnings and borrowing facilities. The capital structure is reviewed regularly to ensure that it is adequate to fund the current and projected needs of the business. The adequacy of borrowing facilities is regularly reviewed in light of projections of future cash flows. The group has comfortably complied with the banking covenants set under the borrowing facilities. The treasury policy requires that surplus funds be deposited for periods of generally less than three months.

Currency risk

The reporting currency is Sterling but the group's business is international. Within each office, revenues and costs are predominately in the same currencies. The consolidated balance sheet exposure to currencies other than Sterling (principally US Dollars and Euros) is regularly monitored and such exposure may be partially hedged by means of borrowings in US Dollars and Euros under committed multi-currency borrowing facilities.

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26. Financial assets and liabilities (continued)

Credit risk

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

Fees due from clients

The table below analyses fees due from clients at the balance sheet date by geographic region:

	2016	2015
	£m	£m
Americas	47	41
Asia Pacific	74	72
Continental Europe	122	112
Middle East	17	15
United Kingdom	121	129
Total	<u>381</u>	<u>369</u>

The ageing of fees due from clients at the balance sheet date was as set out in the table below.

The standard payment terms are that fees are payable on receipt of the invoice. The amounts not yet due relate to specific invoices for which alternative payment terms were agreed.

	2016	2015
	£m	£m
Amounts not yet due	32	35
Amounts due:		
< 30 days old	211	177
30 - 90 days old	83	91
> 90 days old	109	116
	<u>403</u>	<u>384</u>
Allowance for doubtful debts	(54)	(50)
Amounts due, net of allowance	<u>349</u>	<u>334</u>
Fees due from clients	<u>381</u>	<u>369</u>

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26. Financial assets and liabilities (continued)

Movements in the allowance for doubtful debts were as follows:

	2016	2015
	£m	£m
Balance at the beginning of the year	50	54
Charge for the year	29	16
Amounts utilised during the year	(28)	(21)
Foreign currency translation	3	1
Balance at the end of the year	<u>54</u>	<u>50</u>

Fees due from clients but not yet paid are reviewed regularly and provisions are established on a specific basis if collection of the amount due is in doubt. Amounts are written off against the provision once it becomes clear that no further recovery is likely to occur.

Currency profile of financial assets and liabilities

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

	2016	2015
	£m	£m
Financial assets		
Sterling	208	216
Euros	159	129
US Dollars	78	66
Other	135	127
	<u>580</u>	<u>538</u>
Financial liabilities		
Sterling	306	286
Euros	25	23
US Dollars	9	5
Other	13	10
	<u>353</u>	<u>324</u>

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26. Financial assets and liabilities (continued)

Maturity profile of financial liabilities

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

2016	6 months or less £m	6-12 months £m	1-5 years £m	Other £m	Total £m
Trade and other current payables excluding accruals and deferred income	135	50	2	6	193
Members' capital*	8	-	-	152	160
	<u>143</u>	<u>50</u>	<u>2</u>	<u>158</u>	<u>353</u>
2015	6 months or less £m	6-12 months £m	1-5 years £m	Other £m	Total £m
Trade and other current payables excluding accruals and deferred income	109	46	1	-	156
Members' capital*	8	-	-	160	168
	<u>117</u>	<u>46</u>	<u>1</u>	<u>160</u>	<u>324</u>

* Members' capital is repayable within six months of a member retiring from the partnership. Accordingly, the maturity of this amount is dependent upon when partners retire.

Sensitivity to market risks

The most significant currencies relevant to the group's business, other than Sterling, are the US Dollar and the Euro. The exchange rates used in the preparation of these financial statements were as follows:

	2016		2015	
	Average rate	Closing rate	Average rate	Closing rate
US Dollars / £	1.50	1.46	1.60	1.54
Euro / £	1.36	1.28	1.29	1.39

If Sterling had been 10% weaker than the above rates the increase, when translated into Sterling, in the net assets attributable to members and the profit for the financial year available for profit share among members would have been as set out below.

	2016		2015	
	Net assets £m	Profit £m	Net assets £m	Profit £m
Sterling 10% weaker relative to US Dollar	8	6	8	4
Sterling 10% weaker relative to Euro	13	14	13	13

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26. Financial assets and liabilities (continued)

A 10% strengthening in Sterling would have decreased net assets and profit by the values reported in the previous table. These calculations assume that other variables, such as interest rates, remain constant.

The group's net interest income is not material relative to its profit and accordingly the sensitivity of the group's profits and financial assets and liabilities to changes in interest rates is insignificant.

27. Operating leases

Lease payments under operating leases recognised in the consolidated income statement for the year:

	2016	2015
	£m	£m
Property rent and charges	94	94
Other	1	-
Property rent and charges	<u>95</u>	<u>94</u>

At the balance sheet date, outstanding commitments under non-cancellable operating leases, were as follows:

	2016	2015
	£m	£m
Property rent		
Less than one year	102	96
Between one and five years	370	370
More than five years	464	510
	<u>936</u>	<u>976</u>

Other leases

Less than one year	1	1
Between one and five years	2	2
	<u>3</u>	<u>3</u>

Rental income receivable under operating leases	<u>16</u>	<u>13</u>
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LIMITED LIABILITY PARTNERSHIP BALANCE SHEET

As at 30 April 2016

	Notes	2016 £m	2015 £m
ASSETS			
Property, plant and equipment	13	13	6
Intangible assets	13	-	2
Total non-current assets		13	8
Accrued income		104	94
Receivables	14	453	419
Amounts due from members	15	-	2
Cash at bank and in hand	16	102	56
Total current assets		659	571
TOTAL ASSETS		672	579
LIABILITIES EXCLUDING MEMBERS' INTERESTS CLASSIFIED AS LIABILITIES			
Payables	17	301	233
Amounts due to members	15	11	-
Provisions	19	18	21
Current liabilities		330	254
Long term payables	18	34	36
Long term provisions	19	204	206
Non-current liabilities		238	242
TOTAL LIABILITIES EXCLUDING MEMBERS' INTERESTS CLASSIFIED AS LIABILITIES		568	496
NET ASSETS ATTRIBUTABLE TO MEMBERS	23	104	83
REPRESENTED BY:			
Provisions for annuities due to current members	19	93	97
Members' capital	22	160	168
Members' interests classified as liabilities		253	265
Reserves		(149)	(182)
		104	83
Total members' interests:			
Amounts due to/(from) members		11	(2)
Provisions for annuities due to current members		93	97
Members' capital		160	168
Equity		(149)	(182)
		115	81

On 4 July 2016 the financial statements were signed by Matthew Layton, designated member, subject to members' approval.



The members' approval was given on 14 July 2016.



Matthew Layton, designated member

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LIMITED LIABILITY PARTNERSHIP CASH FLOW STATEMENT

As at 30 April 2016	Notes	2016 £m	2015 £m
OPERATING ACTIVITIES			
Operating profit		258	187
Depreciation and amortisation	13	5	9
Amounts credited/(charged) for annuity obligations		4	1
Annuities paid in relation to former partners		(21)	(21)
(Decrease)/increase in property and other provisions	19	(9)	43
Operating cash flows before movements in working capital		237	219
Increase in accrued income		(8)	(1)
(Increase)/decrease in receivables		(31)	6
Increase in payables		60	29
Cash generated by operations		258	253
Income taxes paid		(6)	(4)
Net cash from operating activities		252	249
INVESTING ACTIVITIES			
Purchase of tangible fixed assets	13	(5)	(3)
Net cash used in investing activities		(5)	(3)
TRANSACTIONS WITH MEMBERS			
Drawings, distributions and remuneration of members		(195)	(228)
Capital net repayments to members	22	(8)	-
Net cash paid to members		(203)	(228)
NET DECREASE IN CASH AND CASH EQUIVALENTS			
		44	18
Cash and cash equivalents at beginning of year		56	38
Effects of foreign exchange rate changes		2	-
NET CASH AT END OF YEAR		102	56

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LIMITED LIABILITY PARTNERSHIP STATEMENT OF CHANGES IN EQUITY
Year ended 30 April 2016

	Foreign Exchange Reserve £m	Other Reserves £m	Total Reserves: Equity £m	Members' Capital £m	Members' Capital & Reserves £m
Balance at 1 May 2014	<u>5</u>	<u>(118)</u>	<u>(113)</u>	<u>168</u>	<u>55</u>
Profit for the financial year available for profit share among members	-	166	166	-	166
Other comprehensive income for the year	12	-	12	-	12
Total comprehensive income for the year	<u>12</u>	<u>166</u>	<u>178</u>	<u>-</u>	<u>178</u>
Profit distributions and related tax	-	(247)	(247)	-	(247)
Changes in members' capital (note 22)	-	-	-	-	-
Balance at 30 April 2015	<u>17</u>	<u>(199)</u>	<u>(182)</u>	<u>168</u>	<u>(14)</u>
Profit for the financial year available for profit share among members	-	237	237	-	237
Other comprehensive income for the year	4	-	4	-	4
Total comprehensive income for the year	<u>4</u>	<u>237</u>	<u>241</u>	<u>-</u>	<u>241</u>
Profit distributions and related tax	-	(208)	(208)	-	(208)
Decrease in members' capital (note 22)	-	-	-	(8)	(8)
Balance at 30 April 2016	<u>21</u>	<u>(170)</u>	<u>(149)</u>	<u>160</u>	<u>11</u>