



N A B A R R O

**Nabarro LLP**

**Report and Financial Statements**

**30 April 2017**

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COMPANIES HOUSE

Limited Liability Partnership Registration No: OC334031

**Report and Financial Statements**  
Year ended 30 April 2017

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## Report to the Members

Year ended 30 April 2017

The Committee of the Board of CMS Cameron McKenna Nabarro Olswang LLP (the "Board") is pleased to present its report and the audited consolidated financial statements of Nabarro LLP for the year ended 30 April 2017 to the members of Nabarro LLP. In this report, "the Firm" refers to Nabarro LLP and its subsidiary undertakings.

### Principal activity and business review

The Firm's principal activity is the provision of legal services. The Firm's profit before tax amounted to £42,483,000 (2016: £47,215,000). The profit for the year after tax on subsidiaries' profits amounted to £41,825,000 (2016: £46,668,000). The profit for the year was lower than the previous year mainly due to costs being incurred in connection with the merger with CMS Cameron McKenna LLP and Olswang LLP and associated restructuring.

The Board considers the Firm's financial position at the year end to be satisfactory.

### Designated members

The designated members who served throughout the year to 30 April 2017, except where stated, were:

Andrew Banton	(resigned 1 May 2016)
Ciaran Carvalho	(appointed 1 May 2016; resigned 1 May 2017)
CMS Cameron McKenna Nabarro Olswang LLP	(appointed 30 April 2017)
Tom Dane	(resigned 1 May 2017)
Jonathan Douglas	(resigned 1 May 2016)
Patricia Godfrey	(resigned 1 May 2016)
Andrew Inkester	(resigned 1 May 2017; re-appointed 19 May 2017)
George Lubega	(appointed 1 May 2016; resigned 1 May 2017)
Martin McKervey	(resigned 1 May 2017)
Stephen Millar	(appointed 30 April 2017)
Iain Newman	(resigned 1 May 2017)
Stephen Scott	(resigned 1 May 2017)
Clive Swillman	(resigned 1 May 2017)

### Members' drawings and capital policy

The members' policy on drawings is dependent upon the working capital requirements of the Firm. A conservative level of monthly drawings is set at the start of the year, interim distributions are made after the end of the financial year based on a conservative estimate of profits and distributions of the residual balance are made once the results for the year and division of profit have been finalised.

The level of members' capital is determined by the members from time to time. Capital is repaid to retiring members within six months of cessation of membership of Nabarro LLP. The capital of other members was transferred to CMS Cameron McKenna Nabarro Olswang LLP on 1 May 2017.

### Post balance sheet event

On 1 May 2017 Nabarro LLP merged with CMS Cameron McKenna LLP and Olswang LLP. The combined firm has changed its name to CMS Cameron McKenna Nabarro Olswang LLP ("CMS"). The assets and liabilities of Nabarro LLP were transferred to CMS on 1 May 2017.

**Report to the Members (continued)**

Year ended 30 April 2017

**Going concern**

In view of the transfer of substantially all the trade, assets and liabilities of the Firm immediately after the year end, the Board has prepared these financial statements on a basis other than as a going concern.

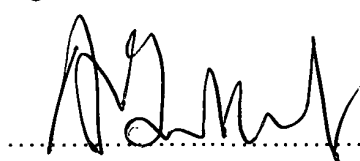
**Auditor**

Deloitte LLP have indicated their willingness to be reappointed for another term and appropriate arrangements are being made for them to be deemed reappointed in accordance with LLP agreement.

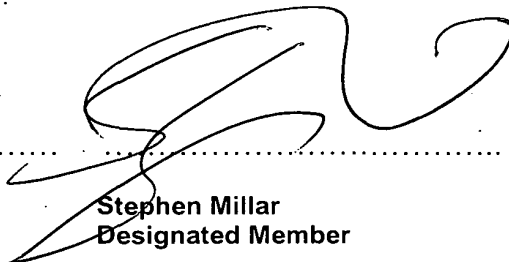
**Registered office and other offices**

The Firm's principal place of business and registered office during the year was 125 London Wall, London EC2Y 5AL. On 28 April 2017, the Firm's principal place of business and registered office moved to Cannon Place, 78 Cannon Street, London EC4N 6AF. The Firm also has offices in Sheffield, Manchester, Brussels, Dubai and Singapore. More information about Nabarro LLP is available on CMS's website, [www.cms-cmno.com](http://www.cms-cmno.com).

Signed on behalf of the Board:



**Andrew Inkester**  
Designated Member



**Stephen Millar**  
Designated Member

Date: 22 November 2017

## Members' Responsibilities Statement

The members are responsible for preparing the annual report and the financial statements of the limited liability partnership 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". The financial statements are required by law to give a true and fair view of the state of affairs of the Firm and of the profit or loss of the Firm for that financial year. In preparing these financial statements, the members are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and 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 Firm 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 Nabarro LLP and enable them to ensure that the financial statements comply with the Companies Act 2006, as applicable to limited liability partnerships. They are also responsible for safeguarding the assets of Nabarro LLP 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 corporate information included on the Firm's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

All the responsibilities referred to above are exercised by the Board on behalf of the members.

## **Independent Auditor's Report to the Members of Nabarro LLP**

We have audited the financial statements of Nabarro LLP for the year ended 30 April 2017 which comprise the Consolidated Profit and Loss Account, the Consolidated Statement of Comprehensive Income, the Consolidated and Parent LLP Balance Sheets, the Consolidated and Parent LLP Statements of changes in Members' Interests, the Consolidated Cash Flow Statement and the related notes 1 to 22. 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's 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's and the parent 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. 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's and of the parent limited liability partnership's affairs as at 30 April 2017 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 properly 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 Nabarro LLP**

### **Emphasis of matter - Financial statements prepared other than on a going concern basis**

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 1 to the financial statements, which explains that the financial statements have been prepared on a basis other than that of a going concern.

### **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, as applied to limited liability partnerships requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent limited liability partnership, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent limited liability partnership 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**  
**Senior Statutory Auditor**  
**for and on behalf of Deloitte LLP**  
**Statutory Auditor**  
**London, United Kingdom**

Date: 22 November 2017

**Consolidated Profit and Loss Account**  
Year ended 30 April 2017

	Note	2017 £'000	2016 £'000
<b>Fee income</b>	<b>2</b>	<b>131,138</b>	129,468
Staff costs	4	(50,264)	(46,962)
Other expenses		(38,271)	(34,542)
<b>Operating profit</b>	<b>3</b>	<b>42,603</b>	47,964
Net interest payable	5	(120)	(749)
<b>Profit on ordinary activities before taxation</b>		<b>42,483</b>	47,215
Tax on profit on ordinary activities	6	(658)	(547)
<b>Profit for the financial year</b>	<b>13</b>	<b>41,825</b>	46,668

**Consolidated Statement of Comprehensive Income**  
Year ended 30 April 2017

	Note	2017 £'000	2016 £'000
Profit for the financial year	13	41,825	46,668
Actuarial (loss)/ gain on defined benefit pension scheme	20	(9,978)	16,275
Currency translation difference on net investment in overseas subsidiaries		(325)	(48)
<b>Total comprehensive income available for discretionary division among members</b>		<b>31,522</b>	62,895

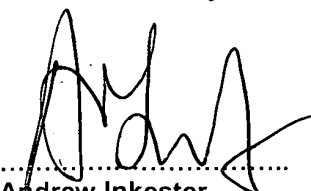


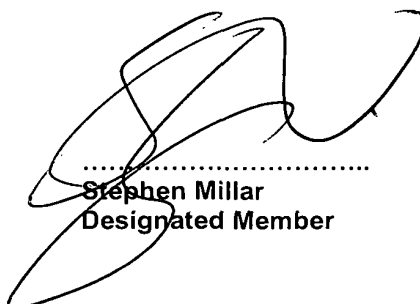
**Consolidated Balance Sheet**

At 30 April 2017

	Note	2017 £'000	2016 £'000
<b>Fixed assets</b>			
Tangible fixed assets	8	<u>1,958</u>	<u>5,842</u>
<b>Current assets</b>			
Debtors	10	56,411	55,029
Amounts due from members	13	19,161	16,256
Cash at bank and in hand		<u>10,469</u>	<u>22,678</u>
		<u>86,041</u>	<u>93,963</u>
<b>Creditors: amounts falling due within one year</b>	11	<u>(17,859)</u>	<u>(17,093)</u>
<b>Net current assets</b>		<u>68,182</u>	<u>76,870</u>
<b>Total assets less current liabilities</b>		<u>70,140</u>	<u>82,712</u>
<b>Provision for liabilities</b>	12	(1,587)	(1,606)
<b>Retirement benefit liabilities</b>	20	<u>(17,213)</u>	<u>(12,227)</u>
<b>Net assets</b>		<u><u>51,340</u></u>	<u><u>68,879</u></u>
<b>Represented by:</b>			
<b>Loans and other amounts due to members within one year</b>			
Members' capital classified as a liability	13	16,729	17,568
Other amounts due to members	13	<u>13,462</u>	<u>13,462</u>
		<u>30,191</u>	<u>31,030</u>
<b>Equity</b>			
Members' other interests – other reserves classified as equity	13	<u>21,149</u>	<u>37,849</u>
		<u><u>51,340</u></u>	<u><u>68,879</u></u>
<b>Total members' interests</b>			
Amounts due from members	13	(19,161)	(16,256)
Loans and other amounts due to members		<u>30,191</u>	<u>31,030</u>
Members' other interests	13	<u>21,149</u>	<u>37,849</u>
		<u><u>32,179</u></u>	<u><u>52,623</u></u>

These financial statements on pages 6 to 30 were approved by the members of Nabarro LLP on 22 November 2017 and signed on their behalf by

  
 .....  
 Andrew Inkester  
 Designated Member

  
 .....  
 Stephen Millar  
 Designated Member

# **Limited Liability Partnership Balance Sheet**

At 30 April 2017

	Note	2017 £'000	2016 £'000
<b>Fixed assets</b>			
Tangible fixed assets	8	723	1,990
Investments	9	644	644
		<u>1,367</u>	<u>2,634</u>
<b>Current assets</b>			
Debtors	10	54,270	54,084
Amounts due from members	13	21,598	18,693
Cash at bank and in hand		10,000	22,521
		<u>85,868</u>	<u>95,298</u>
<b>Creditors: amounts falling due within one year</b>	11	<u>(15,231)</u>	<u>(13,882)</u>
<b>Net current assets</b>		<u>70,637</u>	<u>81,416</u>
<b>Total assets less current liabilities</b>		<u>72,004</u>	<u>84,050</u>
<b>Provision for liabilities</b>	12	(1,406)	(1,456)
<b>Retirement benefit liabilities</b>	20	(17,213)	(12,227)
<b>Net assets</b>		<u>53,385</u>	<u>70,367</u>
<b>Represented by:</b>			
<b>Loans and other amounts due to members within one year</b>			
Members' capital classified as a liability	13	16,729	17,568
Other amounts due to members	13	13,462	13,462
		<u>30,191</u>	<u>31,030</u>
<b>Equity</b>			
Members' other interests – other reserves classified as equity	13	23,194	39,337
		<u>53,385</u>	<u>70,367</u>
<b>Total members' interests</b>			
Amounts due from members	13	(21,598)	(18,693)
Loans and other amounts due to members		30,191	31,030
Members' other interests	13	23,194	39,337
		<u>31,787</u>	<u>51,674</u>

Nabarro LLP has not presented its own profit and loss account in these financial statements. The profit for the financial year of Nabarro LLP was £42,051,000 (2016: £47,203,000).

These financial statements on pages 6 to 30 were approved by the members of Nabarro LLP on 22 November 2017 and signed on their behalf by

  
 Andrew Inkester  
 Designated Member

  
 Stephen Millar  
 Designated Member

Limited Liability Partnership Registration No: OC334031

**Consolidated Statement of changes in Members' Interests**  
Year ended 30 April 2017

	Members' capital classified as a liability	Loans and other amounts due (from)/ to members	Members' other interests	Total members' interests
	£'000	£'000	£'000	£'000
Members' interests at 1 May 2015	16,589	(3,982)	19,848	32,455
Profit for the financial year available for discretionary division among members	-	-	46,668	46,668
Actuarial gain	-	-	16,275	16,275
Members' interests after profit for the year	16,589	(3,982)	82,791	95,398
Division of prior year profit	-	44,896	(44,896)	-
Drawings and distributions	-	(43,682)	-	(43,682)
Capital introduced	2,060	(26)	-	2,034
Capital repaid	(1,081)	-	-	(1,081)
Exchange difference	-	-	(46)	(46)
Members' interests at 30 April 2016	17,568	(2,794)	37,849	52,623
Profit for the financial year available for discretionary division among members	-	-	41,825	41,825
Actuarial loss	-	-	(9,978)	(9,978)
Members' interests after profit for the year	17,568	(2,794)	69,696	84,470
Division of prior year profit	-	48,222	(48,222)	-
Drawings and distributions	-	(51,014)	-	(51,014)
Capital introduced	1,688	(113)	-	1,575
Capital repaid	(2,527)	-	-	(2,527)
Exchange difference	-	-	(325)	(325)
Members' interests at 30 April 2017	16,729	(5,699)	21,149	32,179

**Limited Liability Partnership Statement of changes in Members' Interests**  
Year ended 30 April 2017

	Members' capital classified as a liability	Loans and other amounts due (from)/ to members	Members' other interests	Total members' interests
	£'000	£'000	£'000	£'000
Members' interests at 1 May 2015	16,589	(6,420)	20,755	30,924
Profit for the financial year available for discretionary division among members	-	-	47,203	47,203
Actuarial gain	-	-	16,275	16,275
Members' interests after profit for the year	16,589	(6,420)	84,233	94,402
Division of prior year profit	-	44,896	(44,896)	-
Drawings and distributions	-	(43,681)	-	(43,681)
Capital introduced	2,060	(26)	-	2,034
Capital repaid	(1,081)	-	-	(1,081)
Members' interests at 30 April 2016	17,568	(5,231)	39,337	51,674
Profit for the financial year available for discretionary division among members	-	-	42,051	42,051
Actuarial loss	-	-	(9,978)	(9,978)
Members' interests after profit for the year	17,568	(5,231)	71,410	83,747
Division of prior year profit	-	48,222	(48,222)	-
Drawings and distributions	-	(51,014)	-	(51,014)
Capital introduced	1,688	(113)	-	1,575
Capital repaid	(2,527)	-	-	(2,527)
Exchange difference	-	-	6	6
Members' interests at 30 April 2017	16,729	(8,136)	23,194	31,787

**Consolidated Cash Flow Statement**  
Year ended 30 April 2017

	<b>Note</b>	<b>2017 £'000</b>	<b>2016 £'000</b>
Net cash (outflows)/ inflows from operating activities	<b>16</b>	<b>(9,784)</b>	2,998
Net cash outflows from investing activities	<b>17</b>	<b>(286)</b>	(1,051)
Net cash outflows from financing activities	<b>17</b>	<b>(2,139)</b>	(169)
<b>(Decrease)/ increase in cash and cash equivalents in the year</b>	<b>18</b>	<b><u>(12,209)</u></b>	<b><u>1,778</u></b>

**Notes to the Financial Statements**

Year ended 30 April 2017

**1. ACCOUNTING POLICIES**

The principal accounting policies are summarised below. They have all been applied consistently throughout the current year and in the preparation of the comparative figures.

**a) Basis of accounting**

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) 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' issued by the Financial Reporting Council and the requirements of the Statement of Recommended Practice Accounting by Limited Liability Partnerships (issued July 2014).

The functional currency of Nabarro 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.

Nabarro 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 and remuneration of key management personnel.

**b) Basis of preparation**

As permitted by Section 408 of the Companies Act 2006, no individual profit and loss account is presented for Nabarro LLP.

**c) Basis of consolidation**

The financial statements consolidate the financial statements of Nabarro LLP and all of its subsidiary undertakings drawn up to 30 April each year.

**d) Going concern**

On 1 May 2017 Nabarro LLP merged with CMS Cameron McKenna LLP and Olswang LLP. The assets and liabilities of Nabarro LLP were transferred to CMS Cameron McKenna Nabarro Olswang LLP on 1 May 2017.

In view of the transfer of substantially all the trade, assets and liabilities of the Firm immediately after the year end, the Board has prepared these financial statements on a basis other than as a going concern.

**e) Fee income**

Fee income represents amounts receivable, both billed and unbilled, for legal services provided during the year excluding Value Added Tax and external disbursements. Fee income from the supply of services represents the value of services provided under contracts to the extent that there is a right to consideration and is recorded at the fair value of the consideration received or receivable.

## Notes to the Financial Statements

Year ended 30 April 2017

### f) Accrued income

Legal services provided to clients during the year which, at the balance sheet date, have not been billed to clients, have been recognised 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. Provision is made against unbilled amounts on those engagements where the right to receive payments is contingent on factors outside the control of the Firm. Unbilled fee income is included as accrued income within debtors.

### g) Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less accumulated depreciation and any provision for impairment. Depreciation is provided so as to write off the cost, less estimated residual value, of tangible fixed assets over their estimated useful economic lives, on a straight line basis as follows:

Fixtures, fittings and furniture	-	5 to 7 years
Computers and office equipment	-	3 to 4 years

### h) Investments

Fixed asset investments are stated at cost less provision for impairment.

### i) Taxation

The taxation payable on the profits of Nabarro LLP is the personal liability of the members for the year and is not dealt with in these financial statements. However, an amount is retained from each member's profit share to fund the taxation payments made by the Firm on behalf of members.

The taxation payable on the profits of certain subsidiary undertakings are the liabilities of those undertakings and the relevant figures are included in the consolidated profit and loss account and consolidated balance sheet. Deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more corporation tax at a future date, at rates expected to apply when the timing differences reverse. No discounting is applied to the deferred tax calculations.

### j) Foreign currencies

Transactions denominated in currencies other than the functional currency are recorded at the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities not denominated in the functional currency at the balance sheet date are translated at the rates ruling 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 the statement of comprehensive income. All other exchange differences are included in the profit and loss account.

### k) Leases

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.

**Notes to the Financial Statements**  
Year ended 30 April 2017

**18. ACCOUNTING POLICIES (continued)**

**l) Provision for claims**

The Firm carries professional indemnity insurance and the cost of premiums is charged to the profit and loss account over the period of such insurance. Provision is made for any uninsured excess which the Firm considers likely to be payable in respect of claims made.

**m) Pension costs**

The Firm operates a defined contribution pension scheme for employees of its service company. Employer contributions are charged to the profit and loss account as they fall due.

The Firm also operates a closed defined benefit scheme.

The defined benefit scheme undergoes a formal actuarial funding valuation every three years by a qualified independent actuary. Annual valuations are also prepared by a qualified independent actuary for the purposes of the financial statements. Scheme assets are measured at fair value. Scheme liabilities are measured on an actuarial basis and discounted at a rate equivalent to the current yield on high quality corporate bonds of equivalent term to the scheme liabilities. The resulting net defined benefit asset or liability is presented separately on the face of the balance sheet. The net interest on the net defined benefit liability is included in profit and loss. Actuarial gains and losses are recognised immediately in the statement of other comprehensive income.

Members of Nabarro LLP make their own pension provisions which are not reflected in these financial statements.

**n) Financial instruments**

Financial assets and financial liabilities are recognised when the Firm becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Firm after deducting all of its liabilities.

*(i) Financial assets and financial liabilities*

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a finance transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the balance sheet when, and only when there exists a legally enforceable right to set off the recognised amounts and the Firm intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.



## Notes to the Financial Statements

Year ended 30 April 2017

### 1. Accounting policies (continued)

#### n) Financial instruments (continued)

##### (i) *Financial assets and financial liabilities (continued)*

Debt instruments which meet the following conditions are subsequently measured at amortised cost using the effective interest method:

- (a) The contractual return to the holder is (i) a fixed amount; (ii) a positive fixed rate or a positive variable rate; or (iii) a combination of a positive or a negative fixed rate and a positive variable rate.
- (b) The contract may provide for repayments of the principal or the return to the holder (but not both) to be linked to a single relevant observable index of general price inflation of the currency in which the debt instrument is denominated, provided such links are not leveraged.
- (c) The contract may provide for a determinable variation of the return to the holder during the life of the instrument, provided that (i) the new rate satisfies condition (a) and the variation is not contingent on future events other than (1) a change of a contractual variable rate; (2) to protect the holder against credit deterioration of the issuer; (3) changes in levies applied by a central bank or arising from changes in relevant taxation or law; or (ii) the new rate is a market rate of interest and satisfies condition (a).
- (d) There is no contractual provision that could, by its terms, result in the holder losing the principal amount or any interest attributable to the current period or prior periods.
- (e) Contractual provisions that permit the issuer to prepay a debt instrument or permit the holder to put it back to the issuer before maturity are not contingent on future events, other than to protect the holder against the credit deterioration of the issuer or a change in control of the issuer, or to protect the holder or issuer against changes in levies applied by a central bank or arising from changes in relevant taxation or law.
- (f) Contractual provisions may permit the extension of the term of the debt instrument, provided that the return to the holder and any other contractual provisions applicable during the extended term satisfy the conditions of paragraphs (a) to (c).

Debt instruments that have no stated interest rate (and do not constitute financing transaction) and are classified as payable or receivable within one year are initially measured at an undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

With the exception of some hedging instruments, other debt instruments not meeting these conditions are measured at fair value through profit or loss.

Commitments to make and receive loans which meet the conditions mentioned above are measured at cost (which may be nil) less impairment.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the Firm transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the Firm, despite having retained some significant risks and rewards of ownership, has transferred control of the asset to another party and the other party has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer.

## Notes to the Financial Statements

Year ended 30 April 2017

### 1. Accounting policies (continued)

#### n) Financial instruments (continued)

##### (i) *Financial assets and financial liabilities (continued)*

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

##### (ii) *Investments*

In the Limited Liability Partnership balance sheet, investments in subsidiaries and associates are measured at cost less impairment.

##### (iii) *Fair value measurement*

The best evidence of fair value is a quoted price for an identical asset in an active market. When quoted prices are unavailable, the price of a recent transaction for an identical asset provides evidence of fair value as long as there has not been a significant change in economic circumstances or a significant lapse of time since the transaction took place. If the market is not active and recent transactions of an identical asset on their own are not a good estimate of fair value, the fair value is estimated by using a valuation technique.

#### o) Critical accounting judgements and key sources of estimation uncertainty

The following are the critical sources of estimation uncertainty that the members have made in the process of applying the Firm's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

##### **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 Firm's accounting policy for revenue recognition.

##### **Defined benefit pension scheme accounting**

Actuarial assumptions are used in calculating the retirement benefit obligation, in particular the discount rate and mortality.

##### **Impairment of debtors**

The Firm makes an estimate of the recoverable value of trade debtors. When assessing impairment of trade receivables, the Board considers factors including the current credit rating of the debtor, the ageing profile and historic experience.

##### **Measurement of provisions**

The Firm'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 the Board's best estimate of future cash flows.

### 2. FEE INCOME

All fee income relates to the provision of legal services. No geographic segmental analysis has been shown. The Board considers that such disclosure would be prejudicial to the Firm's business. Fee income in the consolidated profit and loss account includes adjustment for income earned but unbilled at the beginning and end of the year. The amount billed to clients during the year amounted to £132,004,000 (2016: £130,447,000).

**Notes to the Financial Statements**

Year ended 30 April 2017

**3. OPERATING PROFIT**

	<b>2017</b>	2016
	<b>£'000</b>	£'000
Operating profit is stated after charging:		
Depreciation of tangible fixed assets	<b>4,318</b>	2,041
Operating lease rentals:		
- Leasehold buildings	<b>6,623</b>	6,530
	<b>2017</b>	2016
	<b>£'000</b>	£'000
Fees payable to the LLP's auditor and its associates for the audit of the LLP's annual accounts	<b>62</b>	62
Fees payable to the LLP's auditor and its associates for other services to the Firm		
- Audit of subsidiary undertakings	<b>18</b>	32
Total audit fees	<b>80</b>	94
	<b>2017</b>	2016
	<b>£'000</b>	£'000
- Audit-related assurance services	<b>46</b>	42
- Taxation compliance services	<b>57</b>	56
- Other taxation advisory services	<b>81</b>	52
- Other services	<b>2,501</b>	3,075
Total non-audit fees	<b>2,685</b>	3,225

**Notes to the Financial Statements**

Year ended 30 April 2017

**4. STAFF COSTS**

	<b>2017</b>	<b>2016</b>
	<b>No.</b>	<b>No.</b>
The average number of people employed during the year (excluding members) was:		
Fee-earners	<b>375</b>	393
Other staff	<b>308</b>	320
	<b><u>683</u></b>	<u>713</u>
	<b>2017</b>	<b>2016</b>
	<b>£'000</b>	<b>£'000</b>
Staff costs incurred during the year in respect of employees were:		
Salaries	<b>43,094</b>	40,238
Social Security costs	<b>4,113</b>	3,924
Other pension costs	<b>2,381</b>	2,159
Other costs	<b>676</b>	641
Total staff costs	<b><u>50,264</u></b>	<u>46,962</u>

**5. NET INTEREST PAYABLE**

	<b>2017</b>	<b>2016</b>
	<b>£'000</b>	<b>£'000</b>
Bank and other interest receivable	<b>138</b>	269
Interest income on the defined benefit pension scheme assets	<b>3,082</b>	2,987
Interest on the defined benefit pension scheme liabilities	<b><u>(3,340)</u></b>	<u>(4,005)</u>
Net interest payable	<b><u>(120)</u></b>	<u>(749)</u>

**Notes to the Financial Statements**  
Year ended 30 April 2017

**6. TAX ON PROFIT ON ORDINARY ACTIVITIES**

	<b>2017</b>	<b>2016</b>
	<b>£'000</b>	<b>£'000</b>
UK corporation tax charge for year	<b>624</b>	529
Non UK corporation tax charge	<b>3</b>	2
	<b>627</b>	531
Deferred tax (see Note 12)	<b>31</b>	16
Tax on profit on ordinary activities	<b>658</b>	547

The corporation tax charge arises on the taxable profits of certain subsidiary undertakings. No provision is made for income tax on profits allocated to members as this is the personal liability of the members.

	<b>2017</b>	<b>2016</b>
	<b>£'000</b>	<b>£'000</b>
Profit on ordinary activities before taxation	<b>42,483</b>	47,215
Amounts subject to personal taxation	<b>(39,908)</b>	(44,644)
Profits subject to corporate taxation	<b>2,575</b>	2,571
Tax at UK standard rate of 19.92% (2016: 20%)	<b>513</b>	514
Tax effects of:		
Expenditure disallowed for tax purposes	<b>183</b>	48
Different tax rate on expected reversal of timing differences	<b>(35)</b>	-
Different tax rates in other jurisdictions	<b>(3)</b>	(15)
Tax on profit on ordinary activities	<b>658</b>	547

The main rate of corporation tax reduced from 20% to 19% effective from 1 April 2017 and will reduce further to 17% effective from 1 April 2020. These rate reductions, which have been substantively enacted, have been reflected in the calculation of deferred tax at the balance sheet date.

**Notes to the Financial Statements**

Year ended 30 April 2017

**7. MEMBERS' SHARE OF PROFITS**

Profits are shared among the members in accordance with agreed profit sharing arrangements after the financial statements of the Firm have been approved by the members and after the Board has determined the amount of profits to be divided.

	2017 No.	2016 No.
Average number of members	<u>103</u>	<u>101</u>

The highest remuneration of a member for the year was £1,073,000 (2016: £944,000).

**8. TANGIBLE FIXED ASSETS**

Consolidated	Fixtures, fittings and furniture £'000	Computers and office equipment £'000	Total £'000
<u>Cost</u>			
At 1 May 2016	7,856	11,190	19,046
Additions	82	346	428
Disposals	(10)	-	(10)
Exchange difference	77	5	82
At 30 April 2017	<u>8,005</u>	<u>11,541</u>	<u>19,546</u>
<u>Depreciation</u>			
At 1 May 2016	3,555	9,649	13,204
Charge for the year	2,869	1,449	4,318
Disposals	(1)	-	(1)
Exchange difference	65	2	67
At 30 April 2016	<u>6,488</u>	<u>11,100</u>	<u>17,588</u>
<u>Net Book Value</u>			
At 30 April 2017	<u>1,517</u>	<u>441</u>	<u>1,958</u>
At 30 April 2016	<u>4,301</u>	<u>1,541</u>	<u>5,842</u>

**Notes to the Financial Statements**

Year ended 30 April 2017

**8. TANGIBLE FIXED ASSETS (continued)**

Limited Liability Partnership	Fixtures, fittings and furniture £'000	Computers and office equipment £'000	Total £'000
<u>Cost</u>			
At 1 May 2016	2,919	11,177	14,096
Additions	1	346	347
Group transfers	(554)	(24)	(578)
Disposals	(1)	-	(1)
At 30 April 2017	<u>2,365</u>	<u>11,499</u>	<u>13,864</u>
<u>Depreciation</u>			
At 1 May 2016	2,460	9,646	12,106
Charge for the year	154	1,444	1,598
Group transfers	(541)	(22)	(563)
Disposals	-	-	-
At 30 April 2017	<u>2,073</u>	<u>11,068</u>	<u>13,141</u>
<u>Net Book Value</u>			
At 30 April 2017	<u>292</u>	<u>431</u>	<u>723</u>
At 30 April 2016	<u>459</u>	<u>1,531</u>	<u>1,990</u>

**9. INVESTMENTS**

The Firm has an investment in the following entities as at 30 April 2017:

Entity	Country of registration	Activity
Eagle Place Notices Ltd	England and Wales	Dormant
Eagle Place Services Ltd	England and Wales	Service company
Eagle Place Trustees Ltd	England and Wales	Dormant
E F T & S Trustees Ltd	England and Wales	Dormant
EPS Secretaries Ltd	England and Wales	Dormant
Mikjon Ltd	England and Wales	Dormant
CMS (UAE) LLP (formerly Nabarro (Middle East) LLP)	England and Wales	Legal services
Nabarro Nathanson Ltd	England and Wales	Dormant
Nabarro (Singapore) LLP	Singapore	Legal services
Nabarro Singapore Services Pte Ltd	Singapore	Service company
Nabco 1 Ltd	England and Wales	Dormant
Nabco 2 Ltd	England and Wales	Dormant
Stratton Street Trustees Ltd	England and Wales	Dormant
TKB Registrars Ltd	England and Wales	Dormant
TKB Trustees Ltd	England and Wales	Dormant

**Notes to the Financial Statements**

Year ended 30 April 2017

**9. INVESTMENTS (continued)**

All of the entities listed are 100% owned directly by Nabarro LLP:

The registered address of the subsidiary undertakings registered in England and Wales is Cannon Place, 78 Cannon Street, London EC4N 6AF.

The registered address of Nabarro (Singapore) LLP and Nabarro Singapore Services Pte Ltd is 7 Straits View, Marina One East Tower, #19-01, Singapore 018936.

Limited Liability Partnership	Subsidiary undertakings £'000
<u>Cost</u>	
At 1 May 2016 and at 30 April 2017	679
<u>Provision for impairment</u>	
At 1 May 2016 and at 30 April 2017	(35)
<u>Net book value</u>	
At 30 April 2017	644
At 30 April 2016	644

**10. Debtors**

	Consolidated		Limited Liability Partnership	
	2017	2016	2017	2016
	£'000	£'000	£'000	£'000
Client debtors	40,515	37,651	39,557	37,355
Accrued income	11,885	12,525	11,594	12,496
Amounts due from group undertakings	-	-	1,204	644
Other debtors and prepayments	4,011	4,853	1,915	3,589
	<u>56,411</u>	<u>55,029</u>	<u>54,270</u>	<u>54,084</u>

Amounts due from group undertakings are interest free and are repayable on demand.



**Notes to the Financial Statements**

Year ended 30 April 2017

**11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>Consolidated</b>		<b>Limited Liability Partnership</b>	
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Trade creditors	<b>4,507</b>	4,845	<b>4,409</b>	4,785
Social Security and other taxes	<b>5,201</b>	4,756	<b>3,063</b>	3,405
Amounts due to group undertakings	-	-	<b>2,049</b>	430
Other creditors and accruals	<b>8,151</b>	7,492	<b>5,710</b>	5,262
	<b>17,859</b>	17,093	<b>15,231</b>	13,882

Amounts due to group undertakings are interest free and are repayable on demand.

**12. PROVISION FOR LIABILITIES**

<b>Consolidated</b>	<b>Provision for claims</b>	<b>Deferred tax</b>	<b>Total</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
At 1 May 2016	1,456	150	1,606
Charge for the year	1,139	31	1,170
Provision utilised	(1,189)	-	(1,189)
At 30 April 2017	1,406	181	1,587

<b>Limited Liability Partnership</b>	<b>Provision for claims</b>
	<b>£'000</b>
At 1 May 2016	1,456
Charge for the year	1,139
Provision utilised	(1,189)
At 30 April 2017	1,406

Provision is made for professional negligence claims to the extent that they are not covered by insurance and to the extent that economic benefits are likely to be transferred in the foreseeable future.

The deferred tax balances as at 30 April 2017 and 30 April 2016 arose from accelerated capital allowances in a subsidiary undertaking.

**Notes to the Financial Statements**

Year ended 30 April 2017

**13. MEMBERS' INTERESTS**

Loans and other amounts due (from)/ to members comprises:

	<b>Consolidated</b>		<b>Limited Liability Partnership</b>	
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Amounts due from members	<b>(19,161)</b>	(16,256)	<b>(21,598)</b>	(18,693)
Amounts due to members	<b>13,462</b>	13,462	<b>13,462</b>	13,462
	<b><u>(5,699)</u></b>	<u>(2,794)</u>	<b><u>(8,136)</u></b>	<u>(5,231)</u>

Members are required under the terms of the Members' Agreement to provide capital. The amount is assessed annually. Capital is repaid to members within six months of cessation of membership of the limited liability partnership. In the event of Nabarro LLP being wound up, the members' capital classified as a liability ranks after the unsecured creditors of Nabarro LLP.

After the Firm's financial statements have been approved, the Board has the power to determine how much of the profit will be retained in the business and how much will be divided between the members; there is no automatic division of profit. As a result, the balance of profit available for division among the members as at 30 April 2017 is included in members' other interests. Drawings by members on account of profit for the year have been included within amounts due from members.

**14. CAPITAL COMMITMENTS**

At the year end the Firm had capital commitments of £nil which were contracted for but not provided in the financial statements (2016: £nil).

**15. OPERATING LEASE COMMITMENTS**

The Firm had future minimum commitments under non-cancellable operating leases for payments as follows:

	<b>Consolidated</b>		<b>Limited Liability Partnership</b>	
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Land and buildings</b>				
Rent payable:				
- Within one year	<b>6,509</b>	6,434	<b>588</b>	595
- Between one and five years	<b>25,513</b>	25,061	<b>1,509</b>	2,098
- After five years	<b>15,896</b>	21,135	-	-
	<b><u>47,918</u></b>	<u>52,630</u>	<b><u>2,097</u></b>	<u>2,693</u>

**Notes to the Financial Statements**

Year ended 30 April 2017

**16. CASH FLOWS FROM OPERATING ACTIVITIES**

Reconciliation of operating profit to net cash flows from operating activities

	2017 £'000	2016 £'000
Operating profit	42,603	47,964
Depreciation charge	4,318	2,041
Loss on disposal of tangible fixed assets	5	-
Operating cash flow before movement in working capital	<u>46,926</u>	<u>50,005</u>
Increase in debtors	(1,382)	(2,808)
Increase in creditors and provisions	280	3,060
Contributions to defined benefit pension scheme in excess of profit and loss charge	<u>(5,250)</u>	<u>(4,400)</u>
Cash generated by operations before transactions with members and taxation	40,574	45,857
Drawings and distributions	(25,616)	(24,804)
Income tax paid on behalf of members	(24,211)	(17,756)
Corporation tax paid	(531)	(299)
<b>Net cash (outflows)/ inflows from operating activities</b>	<u><u>(9,784)</u></u>	<u><u>2,998</u></u>

**17. ANALYSIS OF CASH FLOWS**

	2017 £'000	2016 £'000
<b>a) Cash flows from investing activities</b>		
Interest received	138	269
Purchase of tangible fixed assets	(428)	(1,320)
Sales of tangible fixed assets	4	-
<b>Net cash outflows from investing activities</b>	<u><u>(286)</u></u>	<u><u>(1,051)</u></u>

**Notes to the Financial Statements**

Year ended 30 April 2017

**17. ANALYSIS OF CASH FLOWS (continued)**

	<b>2017</b>	2016
	<b>£'000</b>	£'000
<b>b) Cash flows from financing activities</b>		
Capital contributions by members	<b>1,575</b>	2,034
Capital repayment to members	<b>(2,527)</b>	(1,081)
Payments to or on behalf of members in respect of interest	<b>(1,187)</b>	(1,122)
<b>Net cash outflows from financing activities</b>	<b><u>(2,139)</u></b>	<u>(169)</u>

**18. RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS AND ANALYSIS OF CHANGES IN NET FUNDS**

	<b>2017</b>	2016
	<b>£'000</b>	£'000
Net funds at beginning of year	<b>22,678</b>	20,900
(Decrease)/ increase in cash and cash equivalents in the year	<b>(12,209)</b>	1,778
<b>Net funds at end of year</b>	<b><u>10,469</u></b>	<u>22,678</u>

Net funds comprises cash at bank and in hand. There were no loans or overdrafts at either balance sheet date.

**19. TRANSACTIONS WITH RELATED PARTIES**

Nabarro LLP has relied upon the exemption given in the Financial Reporting Standard 102 Section 33 not to disclose transactions between itself and its wholly-owned subsidiary undertakings.

The total remuneration for key management personnel during the year was £5,503,000 (2016: £8,037,000).

**Notes to the Financial Statements**  
Year ended 30 April 2017

**20. RETIREMENT BENEFIT LIABILITIES**

Pension costs charged to the profit and loss account comprise:

	2017 £'000	2016 £'000
Defined contribution scheme	1,287	1,234
Defined benefit scheme		
- scheme running costs	985	824
Death in service benefit costs	109	101
Total included within staff costs	<u>2,381</u>	<u>2,159</u>

**Defined Contribution Scheme**

The defined contribution scheme is open to eligible employees of the Firm's service company, Eagle Place Services Limited. Contributions to the scheme are held on behalf of employees under individual accounts with an insurance company and do not form part of the assets of the Firm.

**Defined Benefit Scheme**

The defined benefit scheme pays out pensions to members (and their dependants) at retirement. The scheme is now closed to new entrants and to future accrual of benefits. The assets of the scheme are held in separate trustee-administered funds.

Financial returns are included in the profit and loss account in the period to which they relate. Actuarial gains and losses are included in the statement of other comprehensive income.

The ongoing funding position of the scheme is formally assessed on a triennial basis by an independent qualified actuary. The results of the valuation are used by the Firm and the trustee of the scheme to agree a contribution schedule as required. Further details are set out in the valuation documentation.

The last completed triennial actuarial valuation of the scheme was performed as at 30 April 2014. Following the valuation, the Firm agreed a recovery plan to eliminate the funding deficit at that date over a period of 19 years. In addition, the Firm pays the expenses of the scheme.

As part of the recovery plan, the Firm agreed to pay £1,250,000 per annum from 2015/16 to 2018/19 until the result of the next formal valuation is known, when the recovery plan will be reviewed again. However, the Firm paid £5,250,000 into the scheme during the year to 30 April 2017 in order to reduce the deficit more quickly.

The estimated amount of contributions to be paid into the scheme during the financial year to 30 April 2018 is £1,250,000, representing the amount required under the recovery plan.

**Notes to the Financial Statements**

Year ended 30 April 2017

**20. RETIREMENT BENEFIT LIABILITIES (continued)**

a) An actuarial valuation has been performed at 30 April 2017, by an independent qualified actuary, using assumptions that are consistent with the requirements of FRS 102 Section 28 "Retirement Benefits". This valuation was an approximate roll-forward from the full actuarial valuation at 30 April 2014, allowing for benefits paid to members over the period. The major assumptions made by the actuary for this purpose were as follows:

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Discount rate	2.65%	3.70%	3.70%
Rate of increases in pensions	2.36%	2.18%	3.40%
Mortality in payment	S2 series tables Medium cohort +1.25%	S2 series tables Medium cohort +1.25%	S2 series tables Medium cohort +1.25%
Inflation assumption (RPI)	3.45%	3.15%	3.40%
Inflation assumption (CPI)	2.35%	2.15%	2.40%

The rate quoted for future increases in pensions reflects the switch in 2016 from RPI to CPI as a basis for calculating such increases.

b) The assets in the scheme and the present value of the defined benefit obligations were:

	Long-term rate of return expected at 30/4/17	Value at 30/4/17 £'000	Long-term rate of return expected at 30/4/16	Value at 30/4/16 £'000	Long-term rate of return expected at 30/4/15	Value at 30/4/15 £'000
Equities	7.50%	38,571	7.50%	44,729	7.50%	43,284
Alternatives / Diversified growth	7.50%	14,789	7.50%	9,534	7.50%	7,605
Bonds	4.00%	46,366	4.00%	25,026	5.00%	27,505
Cash	4.00%	200	4.00%	159	4.00%	476
Total market value of scheme assets		99,926		79,448		78,870
Present value of defined benefit obligations		(117,139)		(91,675)		(110,754)
Deficit in the scheme		<u>(17,213)</u>		<u>(12,227)</u>		<u>(31,884)</u>

**Notes to the Financial Statements**

Year ended 30 April 2017

**20. RETIREMENT BENEFIT LIABILITIES (continued)**

The actual return on the scheme assets during the year was £18,022,000 (2016: £1,224,000).

c) Analysis of the amount charged to net interest payable (see Note 5):

	<b>2017</b>	<b>2016</b>
	<b>£'000</b>	<b>£'000</b>
Interest income on the scheme assets	<b>3,082</b>	2,987
Interest expense on the defined benefit obligations	<b>(3,340)</b>	(4,005)
Net interest payable	<b><u>(258)</u></b>	<u>(1,018)</u>

d) Analysis of amount recognised in the statement of other comprehensive income:

	<b>2017</b>	<b>2016</b>
	<b>£'000</b>	<b>£'000</b>
Actual return less interest income on scheme assets	<b>14,940</b>	(1,763)
Changes in assumptions underlying the present value of the defined benefit obligations	<b><u>(24,918)</u></b>	<u>18,038</u>
Total actuarial (loss)/ gain	<b><u>(9,978)</u></b>	<u>16,275</u>

e) Movement in the pension scheme assets, liabilities and deficit:

	<b>Assets</b>	<b>Liabilities</b>	<b>Deficit</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
At 1 May 2016	79,448	(91,675)	(12,227)
Interest expense on defined benefit obligations	-	(3,340)	(3,340)
Interest income on scheme assets	3,082	-	3,082
Actuarial gain/ (loss)	14,940	(24,918)	(9,978)
Contributions	5,250	-	5,250
Benefits paid	(2,794)	2,794	-
At 30 April 2017	<b><u>99,926</u></b>	<b><u>(117,139)</u></b>	<b><u>(17,213)</u></b>

**Notes to the Financial Statements**  
Year ended 30 April 2017

**20. RETIREMENT BENEFIT LIABILITIES (continued)**

	<b>Assets</b>	<b>Liabilities</b>	<b>Deficit</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
At 1 May 2015	78,870	(110,754)	(31,884)
Interest expense on defined benefit obligations	-	(4,005)	(4,005)
Interest income on scheme assets	2,987	-	2,987
Actuarial gain/ (loss)	(1,763)	18,038	16,275
Contributions	4,400	-	4,400
Benefits paid	(5,046)	5,046	-
At 30 April 2016	<u>79,448</u>	<u>(91,675)</u>	<u>(12,227)</u>

**21. FINANCIAL INSTRUMENTS**

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

	<b>2017</b>	<b>2016</b>
	<b>£'000</b>	<b>£'000</b>
<b>Financial assets measured at amortised cost</b>		
Client debtors	40,515	37,651
Accrued income	11,885	12,525
Amounts due from members	19,161	16,256
Other debtors and prepayments	4,011	4,853
Cash at bank and in hand	10,469	22,678
	<u>86,041</u>	<u>93,963</u>

	<b>2017</b>	<b>2016</b>
	<b>£'000</b>	<b>£'000</b>
<b>Financial liabilities measured at amortised cost</b>		
Trade creditors	4,507	4,845
Loans and other amounts due to members	30,191	31,030
Social Security and other taxes	5,201	4,756
Other creditors and accruals	8,151	7,492
	<u>48,050</u>	<u>48,123</u>

**22. POST BALANCE SHEET EVENT**

On 1 May 2017 Nabarro LLP merged with CMS Cameron McKenna LLP and Olswang LLP.