

Nabarro LLP

Annual report and financial statements

30 April 2018

Limited Liability Partnership Registration No. OC334031



Nabarro LLP

Report and financial statements 2018

Contents	Page
Officers and Professional Advisers	1
Members' Report	2
Members' Responsibilities Statement	3
Independent Auditor's Report to the Members of Nabarro LLP	4
Profit and Loss Account	7
Statement of Comprehensive Income	7
Balance Sheet	8
Statement of changes in Members' Interests	9
Notes to the Financial Statements	10

Nabarro LLP

Report and financial statements 2018

Officers and professional advisers

Registered No: OC334031

Designated members

Stephen Millar
Andrew Inkester

Auditor

Deloitte LLP
Statutory Auditor
London

Bankers

Lloyds Banking Group
39 Threadneedle Street
London
EC2R 8AU

Registered office

Cannon Place
78 Cannon Street
London
EC4N 6AF

Nabarro LLP

Members' report

The Committee of the Board of Nabarro LLP (the "Board") is pleased to present its report and the audited financial statements of Nabarro LLP (the "LLP") for the year ended 30 April 2018 to the members of Nabarro LLP.

Principal activity and business review

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 which was accounted for as an acquisition by CMS.

The turnover for the year represented legal services which continued to be carried out in the name of Nabarro LLP.

Designated members

The designated members who served throughout and since the year to 30 April 2018, except where stated, were:

Stephen Millar	Appointed 30 April 2017
Andrew Inkester	Resigned 1 May 2017 & appointed 23 May 2017
Andrew Banton	Resigned 1 May 2017
Ciaran Carvalho	Resigned 1 May 2017
Patricia Godfrey	Resigned 1 May 2017
George Lubega	Resigned 1 May 2017
Martin McKervey	Resigned 1 May 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 capital of the members was transferred to CMS Cameron McKenna Nabarro Olswang LLP on 1 May 2017.

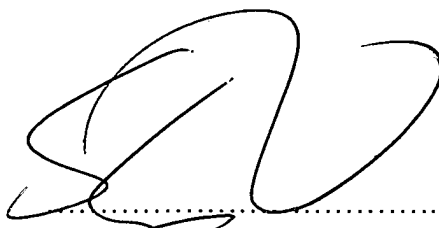
Auditor

Deloitte LLP have expressed their willingness to continue in office as auditor and appropriate arrangements are being made for them to be deemed reappointed as auditor in the absence of an AGM.

Signed on behalf of the Board:



Andrew Inkester
Designated Member



Stephen Millar
Designated Member

Date: 1st March 2019

Nabarro LLP

Members' responsibilities statement

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

The Limited Liability Partnerships (Accounts & Audit) (Application of Companies Act 2006) Regulations 2008 require the members to prepare financial statements for each financial year. Under that law the members have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". The financial statements are required by law to give a true and fair view of the state of affairs of the LLP, and of the profit or loss 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 to 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

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Nabarro LLP (the 'limited liability partnership'):

- give a true and fair view of the state of limited liability partnership's affairs as at 30 April 2018 and of the result for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006 as applied to limited liability partnerships.

We have audited the financial statements of Nabarro LLP which comprise:

- the profit and loss account;
- the statement of comprehensive income;
- the balance sheet;
- the statements of changes in members' interests; and
- the related notes 1 to 19.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the limited liability partnership in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are required by ISAs (UK) to report in respect of the following matters where:

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

We have nothing to report in respect of these matters.

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

Other information

The members are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in respect of these matters.

Responsibilities of members

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, and for such internal control as the members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the members are responsible for assessing the limited liability partnership's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the members either intend to liquidate the limited liability partnership or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Report on other legal and regulatory requirements

Matters on which we are required to report by exception

Under the Companies Act 2006 as applied to limited liability partnerships we are required to report in respect of the following matters if, in our opinion:

- 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; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in respect of these matters.

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

Use of our report

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. 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.



Peter Saunders (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
London, United Kingdom

Date: 19 March, 2019

Nabarro LLP

Profit and loss account

For the year ended 30 April 2018

	Note	2018 £'000	2017 £'000
Fee income	2	1,166	127,889
Staff costs	3	-	(50,227)
Other expenses		(1,166)	(35,491)
Operating result/profit	4	-	42,171
Net interest payable	5	-	(120)
Result/profit on ordinary activities before taxation		-	42,051
Tax on result/profit on ordinary activities	6	-	-
Result/profit for the financial year		-	42,051

Statement of Comprehensive Income

For the year ended 30 April 2018

	Note	2018 £'000	2017 £'000
Result/profit for the financial year		-	42,051
Actuarial (loss) on defined benefit pension scheme	17	-	(9,978)
Currency translation difference on net investment in overseas subsidiaries		-	6
Total comprehensive result/income available for discretionary division among members		-	32,079

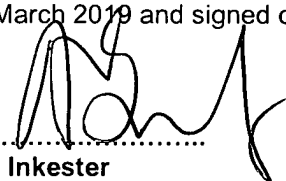
Nabarro LLP

Balance sheet

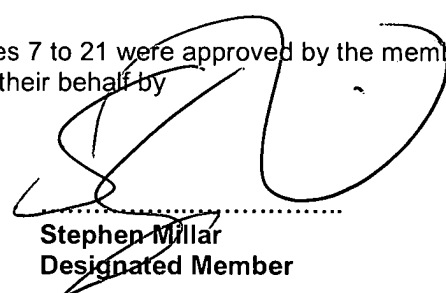
At 30 April 2018

	Note	2018 £'000	2017 £'000
Fixed assets			
Tangible fixed assets	8	-	723
Investments	9	-	644
			<u>1,367</u>
Current assets			
Debtors	10	-	54,270
Amounts due from members	13	-	21,598
Cash at bank and in hand		-	10,000
			<u>85,868</u>
Creditors: amounts falling due within one year	11	-	<u>(15,231)</u>
Net current assets		-	<u>70,637</u>
Total assets less current liabilities		-	<u>72,004</u>
Provision for liabilities	12	-	<u>(1,406)</u>
Retirement benefit liabilities	17	-	<u>(17,213)</u>
Net assets		-	<u><u>53,385</u></u>
Represented by:			
Loans and other amounts due to members within one year		-	
Members' capital classified as a liability		-	16,729
Other amounts due to members		-	13,462
		-	<u>30,191</u>
Equity			
Members' other interests – other reserves classified as equity		-	23,194
		-	<u><u>53,385</u></u>
Total members' interests			
Amounts due from members		-	(21,598)
Loans and other amounts due to members		-	30,191
Members' other interests		-	23,194
		-	<u><u>31,787</u></u>

These financial statements on pages 7 to 21 were approved by the members of Nabarro LLP on 19 March 2019 and signed on their behalf by



 Andrew Inkester
 Designated Member



 Stephen Millar
 Designated Member

Limited Liability Partnership Registration No: OC334031

Nabarro LLP

Statement of changes in members' interests

For the year ended 30 April 2018

	Members' capital classified as a liability £'000	Loans and other amounts due to/(from) members £'000	Members' other interests £'000	Total members' interests £'000
Members' interests at 1 May 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
Transferred to CMS Cameron McKenna Nabarro Olswang LLP on acquisition	(16,729)	8,136	(23,194)	(31,787)
Members' interests at 30 April 2018	-	-	-	-

Nabarro LLP

Notes to the financial statements (continued)

Year ended 30 April 2018

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.

Nabarro LLP ("the LLP") is incorporated in the United Kingdom under the Limited Liability Partnership Act 2000 and registered in England and Wales. The address of the registered office is given on page 1. The nature of the LLP's operations and its principal activities are set out in the members' report on page 2.

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.

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 relation to financial instruments, presentation of a cash flow statement, disclosure of related party transactions with other wholly-owned members of the group headed by CMS Cameron McKenna Nabarro Olswang LLP and remuneration of key management personnel. Equivalent disclosures are made in the consolidated financial statements of CMS Cameron McKenna Nabarro Olswang LLP.

b) 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.

CMS Cameron McKenna Nabarro Olswang LLP (the parent entity) has pledged to support the operations of the LLP for a minimum for 12 month from the date of issuing these financial statements.

The members have a reasonable expectation that the LLP will continue in existence for the foreseeable future. For this reason the going concern basis has continued to be adopted in preparing these accounts.

Nabarro LLP

Notes to the financial statements (continued)

Year ended 30 April 2018

1. Accounting policies (Continued)

c) 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.

d) 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.

e) Pension costs

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

The Firm also operated a closed defined benefit scheme, which was transferred across to CMS Cameron McKenna Nabarro Olswang LLP upon acquisition.

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.

f) Critical accounting judgements and key sources of estimation uncertainty

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

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

In view of the designated members, there are no critical judgement or key sources of estimation uncertainty applicable to the current financial year.

Nabarro LLP

Notes to the financial statements (continued)

Year ended 30 April 2018

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 £1,116,000 (2017: £127,889,000).

3. Staff costs

	2018	2017
	No.	No.
The average number of people employed during the year (excluding members) was:		
Fee-earners	-	354
Other staff	-	266
	<u>-</u>	<u>620</u>
	<u>-</u>	<u>620</u>
	2018	2017
	£'000	£'000
Staff costs incurred during the year in respect of employees were:		
Salaries	-	39,685
Social Security costs	-	4,078
Other pension costs	-	2,381
Other costs	-	4,083
	<u>-</u>	<u>50,227</u>
Total staff costs	<u>-</u>	<u>50,227</u>

4. Operating result / profit

	2018	2017
	£'000	£'000
Operating result/profit is stated after charging:		
Depreciation of tangible fixed assets	-	1,598

Nabarro LLP

Notes to the financial statements (continued)

Year ended 30 April 2018

4. Operating result / profit (continued)

	2018 £'000	2017 £'000
Fees payable to the LLP's auditor and its associates for the audit of the LLP's annual accounts	5	62
Fees payable to the LLP's auditor and its associates for other services to the Firm		
- Audit of subsidiary undertakings	-	18
Total audit fees	<u>5</u>	<u>80</u>
- Audit-related assurance services	-	43
- Taxation compliance services	-	57
- Other taxation advisory services	-	81
- Other services	-	2,501
Total non-audit fees	<u>-</u>	<u>2,682</u>

The audit fee of £5,000 for audit of financial statements for 2018 was borne by CMS Cameron McKenna Nabarro Olswang LLP. There were no non-audit fees.

5. Net interest payable

	2018 £'000	2017 £'000
Bank and other interest receivable	-	138
Interest income on the defined benefit pension scheme assets	-	3,082
Interest on the defined benefit pension scheme liabilities	-	(3,340)
Net interest payable	<u>-</u>	<u>(120)</u>

Nabarro LLP

Notes to the financial statements (continued)

Year ended 30 April 2018

6. Tax on result / profit on ordinary activities

	2018 £'000	2017 £'000
UK corporation tax charge for year	-	-
Non UK corporation tax charge	-	-
	<hr/>	<hr/>
Deferred tax	-	-
	<hr/>	<hr/>
Tax on profit on ordinary activities	-	-
	<hr/>	<hr/>

No provision is made for income tax on profits allocated to members as this is the personal liability of the members.

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.

	2018 No.	2017 No.
Average number of members	2	103
	<hr/>	<hr/>

The highest remuneration of a member for the year was £Nil (2017: £1,073,000).

Nabarro LLP

Notes to the financial statements (continued)

Year ended 30 April 2018

8. Tangible fixed assets

Limited Liability Partnership	Fixtures, fittings and furniture £'000	Computers and office equipment £'000	Total £'000
<u>Cost</u>			
At 1 May 2017	2,365	11,499	13,864
Transfer out on acquisition	(2,365)	(11,499)	(13,864)
At 30 April 2018	-	-	-
<u>Depreciation</u>			
At 1 May 2017	2,073	11,068	13,141
Transfer out on acquisition	(2,073)	(11,068)	(13,141)
At 30 April 2018	-	-	-
<u>Net Book Value</u>			
At 30 April 2018	-	-	-
At 30 April 2017	292	431	723

9. Investments

Following the merger the ownership of all the investments were transferred to CMS Cameron McKenna Nabarro Olswang LLP.

Limited Liability Partnership	Subsidiary undertakings £'000
<u>Cost</u>	
At 1 May 2017	679
Transferred out on acquisition	(679)
At 30 April 2018	-
<u>Provision for impairment</u>	
At 1 May 2017	(35)
Transferred out on acquisition	35
At 1 May 2017 and at 30 April 2018	-
<u>Net book value</u>	
At 30 April 2018	-
At 30 April 2017	644

Nabarro LLP

Notes to the financial statements (continued)

Year ended 30 April 2018

10. Debtors

	Limited Liability Partnership	
	2018 £'000	2017 £'000
Client debtors	-	39,557
Accrued income	-	11,594
Amounts due from group undertakings	-	1,204
Other debtors and prepayments	-	1,915
	-	54,270

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

11. Creditors: Amounts Falling Due Within One Year

	Limited Liability Partnership	
	2018 £'000	2017 £'000
Trade creditors	-	4,409
Social Security and other taxes	-	3,063
Amounts due to group undertakings	-	2,049
Other creditors and accruals	-	5,710
	-	15,231

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

12. Provision for liabilities

	Provision for claims £'000
At 1 May 2017	1,406
Transferred out on acquisition	(1,406)
At 30 April 2018	-

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.

Nabarro LLP

Notes to the financial statements (continued)

Year ended 30 April 2018

13. Members' interests

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

	Limited Liability Partnership	
	2018	2017
	£'000	£'000
Amounts due from members	-	(21,598)
Amounts due to members	-	30,191
	<u>-</u>	<u>8,593</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 2018 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 (2017: £nil).

15. Operating lease commitments

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

	Limited Liability Partnership	
	2018	2017
	£'000	£'000
Land and buildings		
Rent payable:		
- Within one year	-	588
- Between one and five years	-	1,509
	<u>-</u>	<u>2,097</u>

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

Nabarro LLP

Notes to the financial statements (continued)

Year ended 30 April 2018

16. 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 £Nil (2017: £5,503,000).

17. Retirement benefit liabilities

Pension costs charged to the profit and loss account comprise:

	2018 £'000	2017 £'000
Defined contribution scheme	-	1,287
Defined benefit scheme		
- scheme running costs	-	985
Death in service benefit costs	-	109
	<hr/>	<hr/>
Total included within staff costs	-	2,381

Defined Contribution Scheme

The defined contribution scheme was open to eligible employees of the Firm's service company, Eagle Place Services Limited. Contributions to the scheme were held on behalf of employees under individual accounts with an insurance company and do not form part of the assets of the Firm. On 1 May 2017 employees were transferred to CMS Cameron McKenna Nabarro Olswang Services Limited and hence there are no costs this year.

Defined Benefit Scheme

The defined benefit scheme paid 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. This scheme was transferred to CMS Cameron McKenna Nabarro Olswang LLP on 1 May 2017 following the merger.

- a) An actuarial valuation was performed at 30 April 2017, by an independent qualified actuary, using assumptions that were 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:

Nabarro LLP

Notes to the financial statements (continued)

Year ended 30 April 2018

17. Retirement benefit liabilities (continued)

	2018	2017	2016
Discount rate	-	2.65%	3.70%
Rate of increases in pensions	-	2.36%	2.18%
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%
Inflation assumption (CPI)	-	2.35%	2.15%

The rate quoted for future increases in pensions reflected the switch in 2017 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 30/4/18	Value at 30/4/18 £'000	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
Equities	-	-	7.50%	38,571	7.50%	44,729
Alternatives / Diversified growth	-	-	7.50%	14,789	7.50%	9,534
Bonds	-	-	4.00%	46,366	4.00%	25,026
Cash	-	-	4.00%	200	4.00%	159
Total market value of scheme assets		-		99,926		79,448
Present value of defined benefit obligations		-		(117,139)		(91,675)
Deficit in the scheme		-		(17,213)		(12,227)

The actual return on the scheme assets during the year was £nil (2017: £18,022,000).

Nabarro LLP

Notes to the financial statements (continued)

Year ended 30 April 2018

17. Retirement benefit liabilities (continued)

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

	2018 £'000	2017 £'000
Interest income on the scheme assets	-	3,082
Interest expense on the defined benefit obligations	-	(3,340)
Net interest payable	-	(258)

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

	2018 £'000	2017 £'000
Actual return less interest income on scheme assets	-	14,940
Changes in assumptions underlying the present value of the defined benefit obligations	-	(24,918)
Total actuarial loss	-	(9,978)

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

	Assets £'000	Liabilities £'000	Deficit £'000
At 1 May 2017	99,926	(117,139)	(17,213)
Transferred on acquisition	(99,926)	(117,139)	(17,213)
At 30 April 2018	-	-	-

	Assets £'000	Liabilities £'000	Deficit £'000
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	99,926	(117,139)	(17,213)

Nabarro LLP

Notes to the financial statements (continued)

Year ended 30 April 2018

18. Financial instruments

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

	2018 £'000	2017 £'000
Financial assets measured at amortised cost		
Client debtors	-	39,557
Accrued income	-	11,594
Amounts due from members	-	21,598
Other debtors and prepayments	-	1,915
Cash at bank and in hand	-	10,000
	<u>-</u>	<u>84,664</u>

	2018 £'000	2017 £'000
Financial liabilities measured at amortised cost		
Trade creditors	-	4,409
Loans and other amounts due to members	-	30,191
Social Security and other taxes	-	3,063
Other creditors and accruals	-	5,710
	<u>-</u>	<u>43,373</u>

19. Controlling party

The members consider CMS Cameron McKenna Nabarro Olswang LLP to be the LLP's immediate and ultimate parent undertaking and ultimate controlling party throughout the year to 30 April 2018. CMS Cameron McKenna Nabarro Olswang LLP heads the group of which Nabarro LLP is a member and is the only entity for which consolidated financial statements are prepared which include the LLP. CMS Cameron McKenna Nabarro Olswang LLP is a solicitors' practice whose principal place of business is currently Cannon Place, 78 Cannon Street, London, EC4N 6AF. The largest and smallest group in which the LLP's results are included is the group accounts of CMS Cameron McKenna Nabarro Olswang LLP.

Under FRS 102 Section 33 "Related party disclosures" the LLP is exempt from disclosing related party transactions with other group companies as it is a qualifying entity within the group headed by CMS Cameron McKenna Nabarro Olswang LLP. Group accounts are drawn up for CMS Cameron McKenna Nabarro Olswang LLP and a copy of these can be obtained from the address given above.