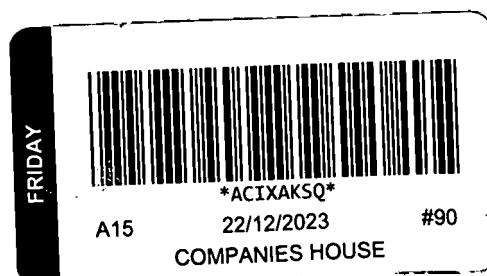


Gide Loyrette Nouel LLP
CONSOLIDATED FINANCIAL STATEMENTS

For the year ended
31 December 2022

LLP Registration Number: OC335508



Gide Loyrette Nouel LLP

Consolidated financial statements | For the year ended 31 December 2022

LLP registration number: OC335508

Registered office: 125 Old Broad Street
London
EC2N 1AR

Designated and Senior members:

Schedule A Members
F Nouel
J F Levraud
O Diaz
N Jean
E Larere

Schedule B Members (designated)
R Reece
D Logizidis
C Graham
S Ahmad-Bhatty

Bankers: HSBC Bank Plc
City of London Branch
60 Queen Victoria Street
London
EC4N 4TR

Auditor: Grant Thornton UK LLP
Statutory Auditor
Chartered Accountants
110 Queen Street
Glasgow
G1 3BX

Gide Loyrette Nouel LLP

Consolidated financial statements | For the year ended 31 December 2022

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Gide Loyrette Nouel LLP

Report of the members | For the year ended 31 December 2022

The members present their report together with the audited financial statements for the year ended 31 December 2022.

Principal activity

The principal activity of Gide Loyrette Nouel LLP ('LLP') is that of a law firm providing legal advice on financial and corporate transactions, tax and arbitration/international dispute resolution.

Business review

The group's results for the year ended 31 December 2022 shows an increase in turnover, versus the prior year, showing that the business remains in good financial health as demand rebounded from the uncertainty created by the pandemic. The group made a profit for the year before members' remuneration amounting to £4,447,747 (2021: profit £2,508,041).

The UK entity is part of the Gide Loyrette Nouel global firm and its primary role is to deliver services to clients as part of that global firm. The results for this UK LLP alone are therefore only part of the overall global picture.

Cash at the year end was £388k, a decrease of £540k from net cash as at 31 December 2021 (2021: £928k). However the firm maintained strong cash reserves throughout the year.

Total members interests decreased significantly to £5.8m as at 31 December 2022 (2021: £17m). This is primarily due to the distribution of profits to the ultimate parent entity to settle an intercompany loan due from the parent of £14m as at the end of 2022.

The business environment is expected to remain very competitive in 2023, the members are continuing to seek opportunities for sustainable growth across practice groups in addition to improving operational efficiency. These efforts should see stable revenues for the firm in the coming year and continued profitable trading for the foreseeable future.

Consideration of the going concern status

The members have a reasonable expectation that the partnership has adequate resources to continue in operational existence for the foreseeable future and consider that there are no material uncertainties that may cast doubt on the partnership's going concern status. The ultimate parent entity, Gide Loyrette Nouel A.A.R.P.I., has confirmed it will provide ongoing support to enable the partnership to pay its debts as they fall due so management has reviewed the range of potential performance scenarios considered by the parent entity and include the impact that wider economic factors could have on the Gide group's cost base and revenues.

Performance to date this year remains positive but management have assessed a number of potential scenarios given the inherent uncertainty in the macro economic environment at present.

These scenarios included a potential moderate impact arising from macro economic conditions through to more significant potential reductions in performance. These scenarios were considered against the facilities held by the parent entity to assess the potential for headroom to be exhausted. These facilities are valid for a period of at least twelve months from the date of signing and do not have covenants attached that could be breached.

Under all scenarios considered, management has concluded that there is sufficient headroom from a liquidity perspective for the group to be able to meet its financial obligations as they fall due and therefore to provide support to this partnership for a period of at least twelve months from the date of approval of the financial statements. Management also assessed at what stage (before any mitigating actions were taken) the business would deplete the available facilities. This scenario is considered to be a very remote likelihood given current performance and there are also then a number of mitigating steps that management could take to offset the impact and maintain liquidity such that the support required would be able to be provided to this partnership.

For these reasons, after assessment of the parent entity's ability to continue to remain a going concern to the extent that it can continue to provide support to this entity, the members continue to adopt the going concern basis in preparing the financial statements.

Gide Loyrette Nouel LLP

Report of the members | For the year ended 31 December 2022

Designated members

The members of the LLP during the year and to the date of this report that acted as designated members were:

Schedule B Members

R Reece
D Logizidis
C Graham
S Ahmad-Bhatti

Policy with respect to members' drawings and subscription and repayment of members' capital

As noted in the financial statements and in accordance with the members' agreement, control of the LLP is deemed to rest with Gide Loyrette Nouel A.A.R.P.I., the worldwide partnership organised as an "Association d'Avocats à Responsabilité Professionnelle Individuelle", registered in France. The 'beneficial members' of the LLP are therefore deemed to be all of the partners (Associés) of the worldwide partnership, including ineligible "Associés", and the members' agreement provides for profits to be attributed to members in the same proportions as the entitlements of such "Associés" to participate in the profits of the worldwide partnership.

Drawings are taken as agreed by the members throughout the year. Where drawings and other distributions represent payments on account of current year profits these are deemed allocated to members to the extent that there was a surplus brought forward and/or current year profits available for division. Any other distribution is deemed recoverable from the members and included in debtors. Profits are allocated automatically between the members based on the profit sharing arrangements in existence and this members' remuneration is charged as an expense in the Consolidated Statement of Comprehensive Income in the current year. The level and timing of distributions is decided by the members after taking into account the LLP's cash requirements.

The subscription and repayment of members' capital is in accordance with the members' agreement. There were no members' capital accounts during the year.

Gide Loyrette Nouel LLP

Report of the members | For the year ended 31 December 2022

Members' report and the members' responsibilities statement

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

The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 (the 2008 Regulations) require the members to prepare financial statements for each financial year. Under the law the members have elected to prepare the group and Limited Liability Partnership financial statements in accordance with 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'. The financial statements are required by law to give a true and fair view of the state of affairs of the group and LLP 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 UK Accounting Standards 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 group and the LLP will continue in business.

The members are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the LLP, and enable them to ensure that the financial statements comply with the 2008 Regulations. They are also responsible for safeguarding the assets of the LLP and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.


The members confirm that:

- so far as that member is aware, there is no relevant audit information of which the LLP's auditor is unaware; and
- the members have taken all the steps that they ought to have taken as members in order to make themselves aware of any relevant audit information and to establish that the LLP's auditor is aware of that information.

Auditor

The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Approved by the members and signed on their behalf by:



Rupert Reece
Designated Member

19/12/2023



Independent auditor's report to the members of Gide Loyrette Nouel LLP

Opinion

We have audited the financial statements of Gide Loyrette Nouel LLP (the 'Limited Liability Partnership') and its subsidiaries (the 'group') for the year ended 31 December 2022, which comprise the Consolidated Statement of Comprehensive Income, Consolidated Statement of Financial Position, LLP Statement of Financial Position, Consolidated Statement of Cashflows, Consolidated and LLP Statement of Changes in Members Interests and notes to the financial statements, including a summary of significant accounting policies. 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).

In our opinion, 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 31 December 2022 and of the group's result for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 as applied to limited liability partnerships.

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 group and 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 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 responsible for concluding on the appropriateness of the members' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's and the limited liability partnership's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the group or the limited liability partnership to cease to continue as a going concern.

In our evaluation of the members' conclusions, we considered the inherent risks associated with the group's and the LLP's business model including effects arising from macro-economic uncertainties such as high inflationary environments, we assessed and challenged the reasonableness of estimates made by the members and the related disclosures and analysed how those risks might affect the group's and the LLP's financial resources or ability to continue operations over the going concern period.

In auditing the financial statements, we have concluded that the members' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and the LLP's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the members with respect to going concern are described in the relevant section of this report.



Independent auditor's report to the members of Gide Loyrette Nouel LLP.....continued

Other Information

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

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 themselves. 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 this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which 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 LLP, or returns adequate for our audit have not been received from branches not visited by us; or
- the LLP's 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.

Responsibilities of members for the financial statements

As explained more fully in the members' responsibilities statement, set out on page 3, 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 group's and the LLP'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 group or the LLP 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.



Independent auditor's report to the members of Gide Loyrette Nouel LLP.....continued

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the group and the Limited Liability Partnership and industry in which it operates through our general commercial and sector experience and discussions with management. We determined that the most significant laws and regulations which are directly relevant to the financial statements are those related to the reporting framework being FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Companies Act 2006 and the requirements of the Statement of Recommended Practice Accounting by Limited Liability Partnerships 2021.
- We enquired of management whether they were aware of any instances of non-compliance with laws and regulations or whether they had any knowledge of actual, suspected or alleged fraud.
- We assessed the susceptibility of the group and LLP's financial statements to material misstatement, including how fraud might occur and the risk of management override of controls, by making enquires of management and those charged with governance. Audit procedures performed by the engagement team included:
 - Identifying and evaluating the design effectiveness of controls that management has in place to prevent and detect fraud; challenging assumptions and judgements made by management in its significant accounting estimates, in particular those made around provisions for unbilled revenue;
 - identifying and testing journals, with a focus on material journals and those considered by the engagement team to carry a higher risk of fraud. assessing the extent of compliance with the relevant laws and regulations as part of our procedures on the related financial statement line item; and
 - performing audit procedures to conclude on the compliance of disclosures with the applicable financial reporting requirements
- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it.
- The assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's:
 - understanding of, and practical experience with audit engagements of a similar nature and complexity through appropriate training and participation;
 - knowledge of the industry in which the client operates; and
 - understanding of the legal and regulatory requirements specific to the entity including, the provision of the applicable legislation, the regulators rules and related guidance and the application of the legal and regulatory requirements of UK GAAP and the Companies Act 2006 as applicable to the Limited Liability Partnership.
- Team communications in respect of potential non-compliance with laws and regulations and fraud included the potential for fraud in revenue recognition through management override in estimates made regarding the recoverability of unbilled revenue at the year end.
- In assessing the potential risks of material misstatement, we obtained an understanding of:
 - the group and Limited Liability Partnership's operations, including account balances, expected financial statement disclosures and business risks
 - that the group and LLP's operations, including account balances, expected financial statement disclosures and business risk that may result in risks of material misstatement; and
 - the group and LLP's control environment, including the policies and procedures implemented to comply with the requirements of FRS 102 in conformity with the requirements of the Companies Act 2006 as applied to Limited Liability Partnerships, the adequacy of procedures for authorisation of transactions, and procedures to ensure that possible breaches of laws and regulations are appropriately investigated and reported

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.

Use of our report

This report is made solely to the LLP'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 LLP'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 LLP and the LLP's members as a body, for our audit work, for this report, or for the opinions we have formed.

Grant Thornton UK LLP

Lynne Blisset
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Glasgow

19/12/2023

Gide Loyrette Nouel LLP**Consolidated Statement of Comprehensive Income for the year ended 31 December 2022**

		2022	Restated 2021
	Note	£'000	£'000
Turnover	5	13,040	10,483
Cost of sales		(4,390)	(4,423)
Gross profit		8,650	6,060
Other operating income		755	824
Administrative expenses		(4,956)	(4,411)
Operating profit	6	4,450	2,473
Interest receivable and similar income		-	38
Interest payable and similar charges	7	(2)	(3)
Profit before tax		4,448	2,508
Profit for the financial year after tax and before members' remuneration and profit shares		4,448	2,508
Members' remuneration charged as an expense		(4,448)	(2,508)
Profit for the financial year available for discretionary division among members		-	-

The notes on pages 12 to 20 form part of these financial statements.

Gide Loyrette Nouel LLP**Consolidated Statement of Financial Position | For the year ended 31 December 2022**

		2022	Restated 2021
	Note	£'000	£'000
Fixed assets			
Tangible assets	9	244	63
		<u>244</u>	<u>63</u>
Current assets			
Debtors	11	6,337	17,572
Cash at bank and in hand		388	928
Current assets		<u>6,725</u>	<u>18,500</u>
Creditors: amounts falling due within one year	12	(1,035)	(1,439)
Net current assets		<u>5,690</u>	<u>17,061</u>
Total assets less current liabilities		<u>5,934</u>	<u>17,124</u>
Provisions for liabilities			
Other provisions		(45)	(50)
	13	<u>(45)</u>	<u>(50)</u>
Net assets attributable to members		<u>5,889</u>	<u>17,074</u>
Represented by:			
Loans and other amounts due to members within one year			
Other amounts		5,889	17,074
		<u>5,889</u>	<u>17,074</u>
Equity			
Members' other interests		-	-
Total members' interests		<u>5,889</u>	<u>17,074</u>

The notes on pages 12 to 20 form part of these financial statements.

The financial statements were approved by the members on

And signed on their behalf by:

Rupert Reece

Rupert Reece
Designated Member
LLP registration no: OC335508
19/12/2023

Gide Loyrette Nouel LLP**LLP Statement of Financial Position | For the year ended 31 December 2022**

		2022	Restated 2021
	Note	£'000	£'000
Fixed assets			
Tangible assets	9	244	63
		<u>244</u>	<u>63</u>
Current assets			
Debtors	11	6,337	17,572
Cash at bank and in hand		388	928
Current assets		<u>6,725</u>	<u>18,501</u>
Creditors: amounts falling due within one year	12	(1,042)	(1,452)
Net current assets		<u>5,683</u>	<u>17,048</u>
Total assets less current liabilities		<u>5,927</u>	<u>17,111</u>
Provisions for liabilities	13		
Other provisions		(45)	(50)
		<u>(45)</u>	<u>(50)</u>
Net assets attributable to members		<u>5,882</u>	<u>17,061</u>
Represented by:			
Loans and other amounts due to members within one year			
Other amounts		5,882	17,061
		<u>5,882</u>	<u>17,061</u>
Equity			
Members' other interests		-	-
Total members' interests		<u>5,882</u>	<u>17,061</u>

The notes on pages 12 to 20 form part of these financial statements.

The LLP profit before members' remuneration is £4,453,308 (2021: £2,512,854) for the year and the exemption has been taken to not disclose the individual income statement

The financial statements were approved by the members on

And signed on their behalf by:

Rupert Reece

Rupert Reece

Designated Member

LLP registration no: OC335508

19/12/2023

Gide Loyrette Nouel LLP**Consolidated Statement of Cashflows | For the year ended 31 December 2022**

	2022	Restated 2021
	£'000	£'000
Cash flows from operating activities		
Profit for the financial year available for discretionary division among members	-	-
<u>Adjustments for:</u>		
(Decrease) in provisions	(6)	(5)
Depreciation of tangible assets	51	44
Decrease/(increase) in debtors	11,237	(3,438)
(Decrease)/increase in creditors	(403)	649
Members' remuneration charged as an expense	4,448	2,508
Cash from operations	<u>15,327</u>	<u>(242)</u>
Net cash generated from/(used in) operating activities before transactions with members	15,327	(242)
Amounts withdrawn by members	(15,633)	(187)
Net cash used in operating activities	<u>(306)</u>	<u>(429)</u>
Cash flows from Investing activities		
Purchases of tangible assets	(233)	(53)
Interest paid	(2)	-
Net cash used in Investing activities and servicing of finance	<u>(234)</u>	<u>(53)</u>
Cash flows from financing activities	-	-
Net cash used in financing activities	-	-
Net increase in cash and cash equivalents	<u>(540)</u>	<u>(482)</u>
Cash and cash equivalents at the beginning of year	<u>928</u>	<u>1,410</u>
Cash and cash equivalents at end of year	<u>388</u>	<u>928</u>

ANALYSIS OF CHANGES IN NET FUNDS

	At 1 January	Cashflow	Other non-cash changes	At 31 December
	£	£	£	£
Net cash				
Cash at bank	928	(540)	-	388
	<u>928</u>	<u>(540)</u>	<u>-</u>	<u>388</u>
Net funds (before members' debt)	928	(540)	-	388
Loans and other debts due to members				
Other amounts due to members	(17,074)	15,633	(4,448)	(5,889)
Net funds	<u>(16,145)</u>	<u>15,093</u>	<u>(4,448)</u>	<u>(5,501)</u>

The notes on pages 12 to 20 form part of these financial statements.

Gide Loyrette Nouel LLP**Consolidated Statement of Changes in Members' Interests | For the year ended 31 December 2022**

	Debt	
	£'000	£'000
	Loans and other debts due to members less any amounts due from members in debtors	Total Members' interests
	Other amounts	
Amounts due to members	14,753	14,753
Balance at 1 January 2021 (restated)	14,753	14,753
Members' remuneration charged as an expense for the year	2,508	2,508
Members' interests after profit for the year	17,261	17,261
Amounts withdrawn by members	(187)	(187)
Balance at 31 December 2021 (restated)	17,074	17,074
Members' remuneration charged as an expense for the year	4,448	4,448
Members' interests after profit for the year	21,522	21,522
Amounts withdrawn by members	(15,633)	(15,633)
Balance at 31 December 2022	5,889	5,889

LLP Statement of Changes in Members Interests | For the year ended 31 December 2022

	Debt	
	£'000	£'000
	Loans and other debts due to members less any amounts due from members in debtors	Total Members' interests
	Other amounts	
Amounts due to members	14,736	14,736
Balance at 1 January 2021 (restated)	14,736	14,736
Members' remuneration charged as an expense for the year	2,512	2,512
Members' interests after profit for the year	17,248	17,248
Amounts withdrawn by members	(187)	(187)
Balance at 31 December 2021 (restated)	17,061	17,061
Members' remuneration charged as an expense for the year	4,453	4,453
Members' interests after profit for the year	21,514	21,514
Amounts withdrawn by members	(15,633)	(15,633)
Balance at 31 December 2022	5,882	5,882

Loans and other debts due to members rank after unsecured creditors and loans and other debts due to members rank pari passu with the unsecured creditors in the event of a winding up.

The notes on pages 12 to 20 form part of these financial statements.

Gide Loyrette Nouel LLP

Notes to the Financial Statements | For the year ended 31 December 2022

1 Entity information

LLP registration number: OC335508, registered in England and Wales.

Registered office and principal place of business: 125 Old Broad Street, London, EC2N 1AR

2 Basis of preparation

The financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 – 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' ('FRS 102'), Companies Act 2006 as applied by LLPs and the Statement of Recommended Practice (SORP), Accounting by Limited Liability Partnerships (December 2021). The financial statements have been prepared on the historical cost basis except for the modification to a fair value basis for certain financial instruments as specified in the accounting policies below.

The financial statements are presented in Sterling (£000's).

The group financial statements consolidate the financial statements of Gide Loyrette Nouel LLP and its subsidiary, GLN Representatives Limited, drawn up to 31 December each year.

The LLP has taken advantage of section 408 of the Companies Act 2006 as applied by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 and has not included its own Income Statement; Statement of Cashflows and Net Debt Note in these financial statements. The LLP's profit before members' remuneration for the year was £4,453,308 (2021: profit £2,512,854).

The individual accounts of Gide Loyrette Nouel LLP have also adopted the following disclosure exemptions:

- the requirement to present a statement of cash flows and related notes
- financial instrument disclosures, including:
- categories of financial instruments, items of income, expenses, gains or losses relating to financial instruments, and exposure to and management of financial risks.

Going concern

The members have a reasonable expectation that the partnership has adequate resources to continue in operational existence for the foreseeable future and consider that there are no material uncertainties that may cast doubt on the partnership's going concern status. The ultimate parent entity, Gide Loyrette Nouel A.A.R.P.I., has confirmed it will provide ongoing support to enable the partnership to pay its debts as they fall due. Management has reviewed the range of potential performance scenarios considered by the parent entity and include the impact that Global conditions could have on the Gide group's cost base and revenues.

Performance to date this year remains positive but management have assessed a number of potential scenarios given the inherent uncertainty in the macro economic environment at present.

These scenarios included a potential moderate impact arising from the current macro economic environment, such as rising costs and interest rates, through to more significant potential reductions in performance. These scenarios were considered against the facilities held by the parent entity to assess the potential for headroom to be exhausted. These facilities are valid for a period of at least twelve months from the date of signing and do not have covenants attached that could be breached.

Under all scenarios considered, management has concluded that there is sufficient headroom from a liquidity perspective for the group to be able to meet its financial obligations as they fall due and therefore to provide support to this partnership for a period of at least twelve months from the date of approval of the financial statements. Management also assessed at what stage (before any mitigating actions were taken) the business would deplete the available facilities. This scenario is considered to be a very remote likelihood given current performance and there are also then a number of mitigating steps that management could take to offset the impact and maintain liquidity such that the support required would be able to be provided to this partnership.

For these reasons, after assessment of the parent entity's ability to continue to remain a going concern to the extent that it can continue to provide support to this entity, the members continue to adopt the going concern basis in preparing the financial statements.

Gide Loyrette Nouel LLP**Notes to the financial statements | For the year ended 31 December 2022****3 Principal accounting policies****Investments in subsidiaries**

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

The results of subsidiaries acquired or disposed of during the year are included in total comprehensive income from the effective date of acquisition and up to the effective date of disposal, as appropriate using accounting policies consistent with those of the parent. All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

Investments in subsidiaries are accounted for at cost less impairment in the individual financial statements.

Revenue

Turnover represents amounts chargeable to clients for professional services provided during the year, including expenses and disbursements on client assignments, but excluding Value Added Tax. Turnover is recognised when a right to consideration has been obtained through performance under each contract.

Turnover from the rendering of services is recognised by reference to the stage of completion of the contract. The stage of completion of a contract is measured by comparing the costs incurred for work performed to date to the total estimated contract costs. Turnover is only recognised to the extent of recoverable expenses when the outcome of a contract cannot be estimated reliably.

Tangible assets

Tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is calculated to write down the cost less estimated residual value of all tangible fixed assets, other than freehold land, over their expected useful lives, using the straight-line method. The rates applicable are:

Leasehold improvements	10% straight line
Office and computer equipment	20% - 33% straight line
Furniture, fixtures and fittings	20% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, if there is an indication of a significant change since the last reporting date.

Assets that are subject to depreciation or amortisation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Profit allocations and amounts due to or from members

Profits are allocated automatically between the members based on the profit sharing arrangements in existence and this members' remuneration is charged as an expense in the Consolidated Statement of Comprehensive Income in the current year. The level and timing of distributions is decided by the members after taking into account the LLP's cash requirements. Any over-distribution is deemed recoverable from the members and included in debtors.

Debtors

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

Work in progress

Work in progress is stated at the lower of cost and net realisable value. Cost consists of direct expenses incurred on unbilled work. Net realisable value is based on estimated sales value less further costs to completion.

Work in progress consists of amounts spent by the LLP on behalf of its clients which have not been recharged to clients by the end of the year.

Gide Loyrette Nouel LLP**Notes to the financial statements | For the year ended 31 December 2022****Creditors**

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

Holiday pay provision

The group recognises a provision for holiday accrued by employees as a result of services rendered in the current period, and which employees are entitled to carry forward and use within the next 12 months. The accrual is measured at the salary cost payable for the period of absence.

Amounts payable to former members

The liability in respect of former members is shown in the statement of financial position under 'Creditors: amounts falling due after more than one year'. In the year in which the member retires, a transfer is made between the balance in respect of current members and the balance in respect of former members.

Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership of the leased asset to the group. All other leases are classified as operating leases.

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the lease term, unless the rental payments are structured to increase in line with expected general inflation, in which case the group recognises annual rent expense equal to amounts owed to the lessor.

Rentals receivable under operating sub-leases are credited to profit or loss on a straight-line basis over the lease term. This rental income is included within other operating income.

The aggregate benefit of lease incentives are recognised as a reduction to the expense recognised over the lease term on a straight line basis.

Provisions for liabilities

Provisions are recognised when the group has a present obligation (legal or constructive) as a result of a past event, it is probable that the group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value using a pre-tax discount rate. The unwinding of the discount is recognised as a finance cost in the statement of comprehensive income in the period it arises.

Current and deferred taxation

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company's subsidiaries operate and generate taxable income. Income tax is not payable by the LLP only by its members.

Deferred tax is recognised on all timing differences where the transactions or events that give the group an obligation to pay more tax in the future, or a right to pay less tax in the future, have occurred by the balance sheet date. Deferred tax assets are recognised when it is more likely than not that they will be recovered. Deferred tax is measured using rates of tax that have been enacted or substantively enacted by the statement of financial position date.

Pension benefits

The group operates a stakeholder defined contribution pension scheme for the benefit of the employees. The assets of the scheme are administered by an independent pensions provider.

Contributions to the scheme are charged to profit or loss in the year in which they become payable.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances at bank.

Gide Loyrette Nouel LLP**Notes to the financial statements | For the year ended 31 December 2022****Foreign currency translation****Functional currency and presentation currency**

The individual financial statements of each group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position are presented in Sterling (£000's).

Transactions and balances

In preparing the financial statements of the individual entities, transactions in currencies other than the functional currency of the individual entities (foreign currencies) are recognised at the spot rate at the dates of the transactions, or at an average rate where this rate approximates the actual rate at the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences are recognised in profit or loss in the period in which they arise. However, in the consolidated financial statements exchange differences arising on monetary items that form part of the net investment in a foreign operation are recognised in other comprehensive income and are not reclassified to profit or loss.

Financial instruments

Financial instruments are recognised in the consolidated statement of financial position when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are measured at transaction price, including transaction costs, less any impairment.

Classification of financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into. Financial liabilities, including creditors, finance lease obligations and loans from fellow group entities are recognised at transaction price with interest, where relevant, being charged to the statement of comprehensive income during the period in which it is incurred.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

4 Significant judgements and estimates

Preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where judgements and estimates have been made include:

Revenue recognition and WIP valuation provision

WIP has been valued by assessing the stage of completion of projects and at the amount expected to be realised as future income. A provision has been made to reduce the WIP value by the unrealisable portion. Carrying value £715,985 (2021: £1,717,333)

Impairment of debtors

An estimate has been made of the recoverable value of trade debtors. When assessing impairment of trade debtors, members consider the ageing profile of debtors and historical experience. See note 10 for associated impairment provision against trade debtors.

Gide Loyrette Nouel LLP

Notes to the financial statements | For the year ended 31 December 2022

5 Analysis of turnover

The turnover and profit on ordinary activities before taxation is attributable to the principal activity of the LLP being the provision of legal advice. Turnover is attributable to the following sectors.

	2022
	£'000
United Kingdom	5,284
Continental Europe	5,499
Africa	793
Asia	567
Americas	261
Other	636
	<u>13,040</u>

6 Operating result

The operating profit/(loss) is stated after:	2022	2021
	£'000	£'000
Auditor's remuneration:		
Fees payable to the LLP's auditor for the audit of the LLP's annual accounts	37	35
Audit of the accounts of subsidiaries	5	4
Other assurance work	-	6
Depreciation on owned assets	51	44
Operating lease rentals - land and buildings	725	1,350
Movement on provisions (note 13)	(5)	(5)
(Gain)/Loss on foreign exchange transactions	(136)	917

7 Net Interest receivable/(payable)

	2022	2021
	£'000	£'000
Interest payable and similar expenses		
Bank & loan interest	<u>(2)</u>	<u>(3)</u>
Interest receivable and similar income		
Bank & loan interest	-	38
Net interest receivable	<u>(2)</u>	<u>35</u>

8 Members and employees

Staff costs during the year were as follows:	2022	2021
	£'000	£'000
Wages and salaries	3,851	3,889
Social security costs	484	474
Other pension costs	55	57
	<u>4,390</u>	<u>4,420</u>

Pension contributions recognised as an expense during the year amount to £54,506 (2021: £57,346).

The average number of employees of the group and the LLP during the year was:	2022	2021
	Number	Number
Fee earners	29	31
Other	9	9
	<u>38</u>	<u>40</u>

Information in relation to members	2022	2021
	Number	Number
The average number of members during the year was:	<u>103</u>	<u>103</u>

None of the members received any salaried remuneration during the year from this LLP (2021: £nil). The average profit per member (including beneficial members) calculated by dividing the profit for the financial year before members' remuneration and profit shares by the average number of members was £43,147 (2021: £24,320). The profit allocated to the member with the largest entitlement was £110,025 (2021: £62,157).

Gide Loyrette Nouel LLP

Notes to the financial statements | For the year ended 31 December 2022

9 Tangible fixed assets

	Group and LLP			
	Office and computer equipment	Furniture, fixtures and fittings	Leasehold improvements	Total
	£'000	£'000	£'000	£'000
Cost				
At 1 January 2022	542	596	2,933	4,070
Additions	9	-	224	233
Disposals	(74)	-	-	(74)
At 31 December 2022	476	596	3,156	4,229
Depreciation				
At 1 January 2022	494	581	2,932	4,007
Provided in the year	25	5	21	52
Disposals	(74)	-	-	(74)
At 31 December 2022	445	586	2,954	3,985
Net book amount at 31 December 2022	31	10	203	244
Net book amount at 31 December 2021	49	14	-	63

Gide Loyrette Nouel LLP**Notes to the financial statements | For the year ended 31 December 2022****10 Investments**

Total fixed asset investments comprise:

Interests in subsidiaries

The group		The LLP	
2022	2021	2022	2021
£	£	£	£
-	-	2	2
-	-	2	2

At 31 December 2022 the LLP had interests in the following subsidiaries:

Subsidiaries	Type of shares held	Proportion held (%)	Country of incorporation	Nature of business
GLN Representatives Limited	Ordinary	100%	United Kingdom	Professional services

On the 15 October 2015 the LLP acquired 2 ordinary shares in GLN Representatives Limited, for a consideration of £2.

Registered address: 125 Old Broad Street, London, EC2N 1AR

11 Debtors

	The group		The LLP	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Trade debtors	2,259	3,117	2,259	3,117
Amounts due from associated undertakings	1,361	10,914	1,361	10,914
Other debtors	7	64	7	64
Prepayments and accrued income	2,710	3,477	2,710	3,477
	6,337	17,572	6,337	17,572

Trade debtors are stated after provisions for impairment of £1,016,875 (2021: £539,327)

12 Creditors

	The group		The LLP	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Trade creditors	251	72	251	72
Amounts owed to associated undertakings	-	-	8	13
Taxation and social security	139	143	139	143
Other creditors	13	101	13	101
Accruals and deferred income	632	1,123	632	1,123
	1,036	1,439	1,043	1,452

13 Provisions for liabilities

	Holiday pay	Total
	£'000	£'000
At 1 January 2022	50	50
Additions	45	45
Release of provision	(50)	(50)
At 31 December 2022	45	45

The group recognises a provision for holiday accrued by employees as a result of services rendered in the current period, and which employees are entitled to carry forward and use within the next 12 months. The accrual is measured at the salary cost payable for the period of absence.

Gide Loyrette Nouel LLP

Notes to the financial statements | For the year ended 31 December 2022

14 Leasing commitments

	2022	2021
	£'000	£'000
The group and the LLP's future minimum operating lease payments are as follows:		
Within one year	646	751
Later than 1 year and not later than 5 years	5,174	-
Later than 5 years	-	-

	2022	2021
	£'000	£'000
The group and the LLP's future minimum operating lease receipts are as follows:		
Within one year	261	263
Later than 1 year and not later than 5 years	2,093	-
Later than 5 years	-	-

15 Transactions with related parties

	2022	2021
	£'000	£'000
Sales to parent	5,391	3,049
Purchases from parent	-	79
Interest due on loans to parent	-	35
Loans due from parent	-	9,610
Debtor amounts due from parent	1,361	1,304
Key management personnel compensation	-	-

The ultimate parent entity, Gide Loyrette Nouel A.A.R.P.I. is established in France. The financial statements for Gide Loyrette Nouel A.A.R.P.I. are not publicly available.

The largest group where consolidated accounts are drawn up is Gide Loyrette Nouel A.A.R.P.I., the smallest is Gide Loyrette Nouel LLP.

The members consider the ultimate parent undertaking to be Gide Loyrette Nouel LLP A.A.R.P.I. a partnership incorporated in France as it is deemed to be the controlling party.

Gide Loyrette Nouel LLP**Notes to the financial statements | For the year ended 31 December 2022****16 Financial risk management**

The group has exposures to three main areas of risk - foreign exchange currency exposure, liquidity risk and customer credit exposure. To a lesser extent the group is exposed to interest rate risk.

Foreign exchange transactional currency exposure

The group is exposed to currency exchange rate risk due to a significant proportion of its receivables and operating expenses being denominated in non-Sterling currencies. The net exposure of each currency is monitored and managed by the use of forward foreign exchange contracts, currency loans or overdrafts. The forward foreign exchange contracts all mature within 12 months. The group's subsidiary, GLN Representatives Limited, is exposed to currency exchange risk arising from non-Euro currencies, but as this is not significant no active management of this risk is undertaken.

Liquidity risk

The objective of the group in managing liquidity risk is to ensure that it can meet its financial obligations as and when they fall due. The group expects to meet its financial obligations through operating cash flows. In the event that the operating cash flows would not cover all the financial obligations the group has credit facilities available.

Customer credit exposure

The group may offer credit terms to its customers which allow payment of the debt after delivery of the services. The group is at risk to the extent that a customer may be unable to pay the debt on the specified due date. This risk is mitigated by the strong on-going customer relationships.

Interest rate risk

The group can borrow from its bankers using either overdrafts or term loans whose tenure depends on the nature of the asset and management's view of the future direction of interest rate.

17 Financial assets and liabilities

	2022 £'000	2021 £'000
Financial assets measured at amortised cost	4,013	14,546
Financial assets is comprised of trade debtors, amounts due from group undertakings, other debtors and cash.		
Financial liabilities measured at amortised cost	390	215
Financial liabilities is comprised of trade creditors, amounts owed to group undertakings, and other creditors.		

18 Controlling parties

- The ultimate parent entity, Gide Loyrette Nouel A.A.R.P.I. is established in France. The financial statements for Gide Loyrette Nouel A.A.R.P.I. are not publicly available.
- The largest group where consolidated accounts are drawn up is Gide Loyrette Nouel A.A.R.P.I., the smallest is Gide Loyrette Nouel LLP.
- The members consider the ultimate parent undertaking to be Gide Loyrette Nouel LLP A.A.R.P.I. a partnership incorporated in France as it is deemed to be the controlling party.

19 Correction of errors

Further to the management's review of the Members' Agreement and the interpretation of the SORP, a prior year error has been identified as to the treatment of the division of profits each year. It has been determined that this division of annual profits should be classed as remuneration charged as an expense rather than as a discretionary division component of members' interests within equity. This adjustment has changed the classification within the Statement of Comprehensive Income for both the current and prior year reducing the amounts for discretionary division to zero. Within the Balance Sheet and Members' Interests the amounts have been reclassified from equity to debt and overall has no impact on the opening and closing total Members' Interests.

The restatement is set out below:

Consolidated Statement of Comprehensive Income for the year ended 31 December 2021

Profit for the financial year available for discretionary division among members

Previously stated	Restatement	Restated
2,508	(2,508)	-

Consolidated Statement of Cashflows | For the year ended 31 December 2021

Profit for the financial year available for discretionary division among members

Previously stated	Restatement	Restated
2,508	(2,508)	-

Members' remuneration charged as an expense

-	2,508	2,508
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