

Squire Patton Boggs (UK) LLP
Members' Report and Financial Statements
for the year ended 30 April 2016



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Squire Patton Boggs (UK) LLP

Report to the Members

The LLP Management Committee (the "Management Committee") presents its report together with the audited financial statements of Squire Patton Boggs (UK) LLP (the "LLP") and the consolidated results of the LLP and its subsidiary undertakings (the "Group") for the year ended 30 April 2016.

Group structure

These financial statements consolidate the financial statements of the LLP, being a UK limited liability partnership with overseas branches in Spain, Belgium and Germany, and the results of the Group for the year ended 30 April 2016. The LLP's principal subsidiary undertakings as at 30 April 2016 are set out in note 19. A list of current offices of the Group as of the date of this report is shown on page 42.

The LLP is in a combination with Squire Patton Boggs (US) LLP, a legal firm based in the United States, and Squire Patton Boggs (AU) GP, a legal firm based in Australia. The parties operate under the trading name of Squire Patton Boggs, within a Swiss Verein structure with joint aims, but with separate control.

Principal activities

The principal activity of the Group is the provision of legal services in Europe and the Middle East. Results derive from continuing activities.

Partners/members

The term partner in this document is used to refer to a member of the LLP, or an employee or consultant with equivalent standing and qualifications, or an individual with equivalent status in one of the LLP's subsidiary undertakings. The term member in this document is used to refer only to a member of the LLP.

Designated members and Management Committee

The designated members (as defined in the Limited Liability Partnerships Act 2000) of the LLP during the year and up to the date of the signing of the financial statements were:

Peter Crossley
Rafael Alonso
Jonathan Jones
Robert Weekes
David Hull

The development and implementation of policies and strategy and the co-ordination of management and overall direction of the Group are the responsibility of the Management Committee. The Management Committee comprises the following:

Peter Crossley	Managing Partner & Designated Member
Charles Fabry	Member (term expired 31 December 2015)
Susan Kelly	Member (term commenced 1 January 2016)
Simon Miller	Member (term expired 31 December 2015)
Mark Ruehlmann	Chairman

The Chairman holds his position ex-officio, being Chairman of the Swiss Verein referred to above. The Managing Partner is nominated by the Management Committee for a period of three years. A partner is co-opted onto the Management Committee for a period of four years. The Management Committee meets regularly during the year, rotating meetings between offices of the Group.

Overall responsibility for the key support functions rests with the directors. At 30 April 2016 the directors were:

George Gazdick	Global Chief Information Officer
Jane Koehl	Global Chief Operations Officer
Michael McKenna	Global Chief Financial Officer
Patricia Walsh	Global Chief Human Resources Officer
Isabelle Young	Global Chief Business Development Officer

Principal risks and uncertainties

The principal risks and uncertainties that affect the financial results of the Group are the changing nature of the legal services sector and the continuing economic outlook.

The LLP has a Risk Committee, whose role is to monitor the LLP's compliance, regulatory, operating and financial risks and to support personnel tasked with management responsibilities to address those risks and to improve the control environment across the LLP.

The Group's main financial risk relates to the collectability of client receivables.

Squire Patton Boggs (UK) LLP

Report to the Members (continued)

Financing and the subscription and repayment of members' capital

The Group is financed through a combination of members' capital, undistributed profits and borrowing facilities spread across a number of banks.

The total amount of members' capital contributions is determined by the Management Committee, having regard to the requirements of the Group. Individual members' capital contributions are set by reference to the profit sharing ratio, and are repayable at par, following the member's retirement.

Bank facilities are maintained at levels sufficient to meet the expected peak cash requirements of the Group. The Management Committee is satisfied that the facilities will be renewed at levels which will maintain adequate headroom over forecast peak borrowing requirements over the next twelve months.

Members' profit shares

Members are remunerated out of the profits of the Group and are personally responsible for funding pensions and other benefits. Profit sharing ratios for members are determined by the Management Committee and are set on a calendar year basis. The award to the highest paid member for the financial year ended 30 April 2016 is disclosed in the notes to the financial statements. Unallocated profits are included in other reserves within members other interests.

Profit allocation and members' drawings

Profits are allocated as and when it is determined that sufficient profit is available. The final allocation of profits to those who were members during the financial year occurs following the finalisation of the annual financial statements of the Group. An interim profit allocation was approved during May 2016.

During the year, members receive monthly drawings and, from time to time, additional profit distributions. The level and timing of the additional distributions is decided by the Management Committee, taking into account the cash requirements of the Group for operating and investing activities. The monthly drawings represent payments on account of current year profits and are repayable by members until profits have been declared. Any over-distribution of profits during the year is also repayable by members.

Staff

Squire Patton Boggs is committed to equal opportunities. Its people are diverse and are chosen for their experience, potential and personal attributes regardless of gender, sexual orientation, marital status, age, race, colour, nationality, ethnic origin, religion or disability. With regard to individuals who become disabled, the policy is to take all reasonable steps, including retraining, to ensure that they can remain in employment wherever practicable.

Squire Patton Boggs places significant value on the views of its staff and staff representatives are consulted regularly on matters affecting their interests. All staff are kept informed of developments in the business which might affect them.

Statement of members' responsibilities in respect of the financial statements

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

Company law as applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 (the "Regulations") requires the members to prepare financial statements for each financial year. Under that law the members have elected to prepare the Group and LLP financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) including Financial Reporting Standard 102 (FRS 102), the Financial Reporting Standard applicable in the United Kingdom. Under company law as applied to limited liability partnerships the members must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the LLP and of the profit or loss of the LLP and 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;

Squire Patton Boggs (UK) LLP

Report to the Members (continued)

- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the LLP and Group will continue in business.

These responsibilities are fulfilled by the Management Committee on behalf of the members. The Management Committee confirms that, to the best of its knowledge, it has complied with the above requirements in preparing the financial statements.

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

steps for the prevention and detection of fraud and other irregularities.

Independent auditors

The independent auditors of Squire Patton Boggs (UK) LLP are PricewaterhouseCoopers LLP, who will be proposed for reappointment.

On behalf of the Management Committee:



Peter Crossley
Member

19 October 2016

Squire Patton Boggs (UK) LLP

Independent auditors' report to the members of Squire Patton Boggs (UK) LLP

Report on the financial statements

Our opinion

In our opinion, Squire Patton Boggs (UK) LLP's Group financial statements and limited liability partnership financial statements (the "financial statements"):

- give a true and fair view of the state of the Group's and of the limited liability partnership's affairs as at 30 April 2016 and of the Group's and the limited liability partnership's profit and the Group's cash flows 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 by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008.

What we have audited

The financial statements, included within the Members' Report and Financial Statements (the "Annual Report"), comprise:

- the Consolidated and LLP statements of financial position as at 30 April 2016;
- the Consolidated profit and loss account, the LLP profit and loss account and the Consolidated statement of comprehensive income for the year then ended;
- the Consolidated statement of cash flows for the year then ended;
- the Consolidated and LLP statement of changes in equity for the year then ended;
- the accounting policies; and
- the notes to the financial statements, which include other explanatory information.

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

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

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

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

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

We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the members

As explained more fully in the Statement of members' responsibilities in respect of the financial statements set out on page 2, the members are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Squire Patton Boggs (UK) LLP

Independent auditors' report to the members of Squire Patton Boggs (UK) LLP (continued)

This report, including the opinion, has been prepared for and only for the members of the partnership as a body in accordance with the Companies Act 2006 as applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of financial statements involves

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

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

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

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

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



David Therkettle (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Sheffield

19 October 2016

Squire Patton Boggs (UK) LLP

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

	Note	Year ended 30 April	
		2016 £'000	2015 £'000
Turnover	2	129,502	126,187
Operating costs		(89,436)	(90,394)
Operating profit	3	40,066	35,793
Interest receivable and similar income	5	103	67
Interest payable and similar charges	5	(635)	(607)
Profit on ordinary activities before taxation		39,534	35,253
Tax on corporate subsidiaries	6	(594)	(679)
Profit for the financial year before member's remuneration and profit shares		38,940	34,574
Members' remuneration charged as an expense	7	(337)	(302)
Profit for the financial year available for discretionary division among members		38,603	34,272

All figures above relate to the principal activities of the Group.

All items dealt with in arriving at operating profit above relate to continuing operations.

Squire Patton Boggs (UK) LLP

LLP profit and loss account for the year ended 30 April 2016

	Note	Year ended 30 April	
		2016 £'000	2015 £'000
Turnover	2	118,786	115,854
Operating costs		(80,776)	(81,975)
Operating profit	3	38,010	33,879
Interest receivable and similar income	5	103	49
Interest payable and similar charges	5	(630)	(581)
Profit on ordinary activities before taxation		37,483	33,347
Tax on corporate subsidiaries		-	-
Profit for the financial year before member's remuneration and profit shares		37,483	33,347
Members' remuneration charged as an expense	7	(331)	(296)
Profit for the financial year available for discretionary division among members		37,152	33,051

All figures above relate to the principal activities of the LLP.

All items dealt with in arriving at operating profit above relate to continuing operations.

Squire Patton Boggs (UK) LLP

Consolidated statement of comprehensive income for the year ended 30 April 2016

	Note	Year ended 30 April	
		2016	2015
		£'000	£'000
Profit for the financial year available for discretionary division among members	14	38,603	34,272
Other comprehensive income/(expense)			
Currency translation differences	14	842	(1,379)
Other comprehensive income/(expense) for the year		842	(1,379)
Total comprehensive income for the year available for discretionary division among members		39,445	32,893

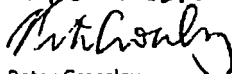
Squire Patton Boggs (UK) LLP

Consolidated and LLP statements of financial position as at 30 April 2016

		Group As at 30 April		LLP As at 30 April	
	Note	2016 £'000	2015 £'000	2016 £'000	2015 £'000
Fixed assets					
Tangible assets	8	9,780	6,765	9,720	6,638
Subsidiary undertakings	9	-	-	317	317
Investments	9	-	31	-	31
		9,780	6,796	10,037	6,986
Current assets					
Work in progress		2,872	3,057	2,726	2,820
Debtors	10	58,998	65,333	56,840	65,455
Amounts due from members	14	15,079	2,264	15,079	2,264
Cash at bank and in and in hand		7,030	10,138	1,302	5,675
		83,979	80,792	75,947	76,214
Creditors: amounts falling due within one year	11	(36,694)	(49,268)	(34,210)	(46,775)
Net current assets		47,285	31,524	41,737	29,439
Total assets less current liabilities		57,065	38,320	51,774	36,425
Provisions for other liabilities	13	(6,268)	(6,660)	(6,105)	(6,660)
Net assets attributable to members		50,797	31,660	45,669	29,765
Represented by:					
Loans and other debts due to members within one year					
Members' capital classified as a liability	14	16,011	15,372	16,010	15,372
Other amounts	14	699	3,018	699	10,017
		16,710	18,390	16,709	25,389
Members' other interests					
Other reserves classed as equity	14	34,087	13,270	28,960	4,376
		50,797	31,660	45,669	29,765
Total Members Interests					
Amounts due from members	14	(15,079)	(2,264)	(15,079)	(2,264)
Loans and debts due to members	14	50,797	31,660	45,669	29,765
		35,718	29,396	30,590	27,501

The notes on pages 17 to 41 are an integral part of these financial statements.

The financial statements on page 7 to 41 were approved by members of Squire Patton Boggs (UK) LLP on 19 OCTOBER 2016 and signed on their behalf by:


Peter Crossley
Member

Jonathan Jones
Member



Squire Patton Boggs (UK) LLP

Consolidated statement of cash flows for the year ended 30 April 2016

	Note	2016 £'000	2015 £'000
Cash flow from operating activities			
Net cash from operating activities	15	42,251	28,639
Taxation paid in relation to corporate entities	6	(984)	(441)
Net cash generated from operating activities		41,267	28,198
Cash flow from investing activities			
Purchases of tangible assets	8	(4,495)	(682)
Proceeds from the disposal of tangible assets	8	-	-
Purchases of investments	9	(90)	-
Proceeds from the disposal of investments		151	-
Interest received	5	103	67
Net cash used in investing activities		(4,331)	(615)
Cash flow from financing activities			
Capital introduced by members	14	1,990	2,020
Capital repayment to members	14	(1,384)	(1,022)
Drawings and distributions:			
- to members	14	(34,207)	(30,953)
- to former members	14	(765)	(945)
Interest paid	5	(587)	(498)
Net cash used in financing activities		(34,953)	(31,398)
Net increase/(decrease) in net debt	16	1,983	(3,815)
Net debt at the beginning of the year	16	(12,027)	(7,737)
Exchange gains/(losses) on cash and cash equivalents	16	462	(475)
Net debt at the end of the year	16	(9,582)	(12,027)

Squire Patton Boggs (UK) LLP

Consolidated and LLP statement of changes in equity for the year ended 30 April 2016

	Group	
	As at 30 April	
	2016	2015
	£'000	£'000
Equity at 1 May	13,270	10,916
Profit for the financial year available for discretionary division among members	38,603	34,272
Total comprehensive income for the year	38,603	34,272
Profit allocated to members	(18,652)	(30,568)
Net exchange adjustment	810	(1,328)
Other movements	56	(22)
Total transactions with members recognised directly in equity	(17,786)	(31,918)
Equity at 30 April	34,087	13,270

	LLP	
	As at 30 April	
	2016	2015
	£'000	£'000
Equity at 1 May	4,376	2,536
Profit for the financial year available for discretionary division among members	37,152	33,051
Total comprehensive income for the year	37,152	33,051
Profit allocated to members	(12,911)	30,568
Net exchange adjustment	287	(620)
Other movements	56	23
Total transactions with members recognised directly in equity	(12,568)	(31,211)
Equity at 30 April	28,960	4,376

Squire Patton Boggs (UK) LLP

Statement of accounting policies

Statement of compliance

Squire Patton Boggs (UK) LLP is a Limited Liability Partnership Incorporated In England. The Registered Office is 7 Devonshire Square, London EC2M 4YH. The Group's financial statements have been prepared in compliance with FRS 102 as it applies to the financial statements of the Group for the year ended 30 April 2016 and the Companies Act 2006 as applied to Limited Liability Partnerships. This is the first year that the Group has presented its results under FRS 102. The last financial statements under previous UK GAAP were for the year ended 30 April 2015 and the date of transition to FRS 102 was therefore 1 May 2014. An explanation of how transition to FRS 102 has affected the reported financial position and financial performance is given in Note 25.

These financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP) "Accounting by Limited Liability Partnerships".

Basis of preparation

These financial statements have been prepared on the going concern basis, under the historical cost convention as modified by certain financial assets and liabilities measured at fair value.

The principal accounting policies, which have been applied consistently throughout the year, are set out below. Details of the transition to FRS102 are disclosed in Note 25.

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise judgement in the process of applying the Group accounting policies. The areas involving a higher degree of judgement and complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 1.

Going concern

The Group meets its day to day working capital requirements through its banking facilities. The Group's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the Group should be able to operate within the level of its current bank facilities. After making enquiries, management have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. The Group therefore continues to adopt the going concern basis in preparing its financial statements.

Basis of consolidation

The consolidated financial statements include the financial statements of the UK, its branches and subsidiaries for the financial year ended 30 April 2016. The Group comprises the UK operation, its branches (Belgium, Germany and Spain), trustee companies and inactive subsidiaries, a SELARL entity in France and a UK limited liability partnership servicing the Middle East and North Africa. Consistent accounting policies are applied across the Group.

A subsidiary is an entity controlled by the Group. Control is the power to govern the financial and operating policies so as to obtain benefits from its activities.

Where a subsidiary has different accounting policies to the Group, adjustments are made to those subsidiary financial statements to apply the Group's accounting policies when preparing the consolidated financial statements.

All intra-Group transactions, balances, income and expenses are eliminated on consolidation.

Foreign currencies

i) Functional currency and presentation currency

The Group's financial statements are presented in pound sterling and rounded to thousands.

The Group's functional and presentation currency is pound sterling.

ii) Transactions and balances

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items are measured at historical cost and are translated using the exchange rate at the date of the transaction and non-monetary items are measured at fair value using the exchange rate when fair value was determined.

Foreign exchange gains and losses from the settlement of transactions and from the translation at the period end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss account.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents and all other foreign exchange gains and losses are presented in the profit and loss account within 'operating costs'.

Squire Patton Boggs (UK) LLP

Statement of accounting policies (continued)

Foreign currencies (continued)

iii) Translation

The trading results of Group undertakings are translated into pound sterling at the average exchange rates for the year.

The assets and liabilities of overseas undertakings including goodwill and fair value adjustments arising on acquisition are translated at exchange rates ruling at the year end. Exchange adjustments arising from the retranslation of opening net investments and from the profit and or losses at average rates are recognised in 'Other comprehensive income'.

Revenue recognition

Fee Income represents revenue earned under a wide variety of contracts to provide professional services during the year, excluding sales tax and third party invoiced disbursements. Revenue is recognised when it is judged that the stage of completion of the contract, the amount to be received and the costs incurred and to complete the contract, can be measured reliably and it is probable the revenue will be received. It is measured by reference to the stage of completion of the contract at the estimated fair value of the right to consideration.

Revenue is generally recognised as contract activity progresses, although when it is contingent on an event outside the control of the firm it is typically recognised when the contingent event occurs. Revenue not billed to clients is included in amounts recoverable on contracts.

Employee benefits

The Group provides a range of benefits to employees, including discretionary annual bonus arrangements, paid holiday arrangements and defined contribution pension plans.

i) Short term benefits

Short term benefits, including holiday pay and other non-monetary benefits, are recognised as an expense in the period in which the service is received.

ii) Defined contribution plans

The Group operates a number of country specific defined contribution plans for its employees. A defined

contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once contributions have been paid the Group has no further payment obligations. The contributions are recognised as an expense when they are due. Amounts not paid are shown in accruals in the balance sheet. The assets of the plan are held separately from the Group in independently administered funds.

iii) Annual bonus plans

The Group operates a number of annual bonus plans for employees. An expense is recognised in the profit and loss account when the Group has a legal or constructive obligation to make payments under the plan as a result of past events and a reliable estimate of the obligation can be made.

Taxation

Income tax payable on the Group and LLP profits is solely the personal liability of the individual members and consequently is not dealt with in these financial statements.

A provision for income tax payable by reference to the Group accounting profits is made for each individual member during the financial year. The provisions are included in loans and other debts due to/(from) members within Members' interests. The reserve is reviewed on a periodic basis after finalisation of the year under review.

The French subsidiary dealt with in the consolidated financial statements is subject to corporation tax based on the profits for the financial year.

Revenue and charges in respect of the provision of professional services in Spain are subject to withholding tax.

The worldwide members are subject to tax laws prevailing in the local jurisdictions within which the Group operates.

Intangible fixed assets

Computer software is stated at cost less accumulated amortisation and accumulated impairment losses. Software is amortised over its estimated useful life, of between three and five years on a straight line basis.

Where factors, such as technological advancement or changes in market price, indicate that residual value of useful life have changed, the residual value, useful life or amortisation rate are amended prospectively to reflect the new circumstances.

Squire Patton Boggs (UK) LLP

Statement of accounting policies (continued)

Intangible fixed assets (continued)

The assets are reviewed for impairment if the above factors indicate that the carrying amount may be impaired.

Tangible fixed assets

Tangible fixed assets are stated at cost (or deemed cost) less accumulated depreciation and accumulated impairment losses.

Depreciation is provided on assets, on cost or written down values, over the estimated useful lives of the assets. Additions are depreciated from the month of purchase and disposals are depreciated up to the month of disposal. The UK rates of depreciation are as follows:

Leasehold property improvements	- 10% on cost per annum or over the life of the lease
Fittings, furnishings and equipment	- 10% to 25% on cost per annum
Motor vehicles	- 25% per annum on reducing balance

Non-UK depreciation rates vary in accordance with local tax rules and are broadly in line with the UK accounting rates.

The assets' residual values and useful lives are reviewed periodically, and adjusted if appropriate, at the end of each reporting period. The effect of any changes are accounted for prospectively.

Repairs and maintenance costs are charged to the profit and loss as incurred.

Tangible fixed assets are derecognised on disposal or when no future economic benefits are expected. On disposal, the difference between the net disposal proceeds and the carrying value is recognised in the profit and loss in 'operating costs'.

Borrowing costs

All borrowing costs are recognised in the profit or loss in the period in which they are incurred.

Investments in subsidiary undertakings

Investments are included at historic cost less any provision for impairment.

Leases

At inception the Group assesses agreements that transfer the right to use assets. The assessments consider whether the arrangement is, or contains, a lease based on the substance of the arrangement.

Assets held under finance leases, which are leases where substantially all the risks and rewards of ownership of the asset have passed to the firm, are capitalised in the balance sheet and are depreciated over the shorter of the useful economic life or lease term. The capital elements of future obligations under leases are included in the balance sheet as liabilities. The interest elements of the rental obligations are charged in the profit and loss account over the period of the leases and represent a constant proportion of the balance of capital repayments outstanding. Assets are assessed for impairment at the end of each reporting period.

Rentals payable under operating leases are charged in the income statement on a straight-line basis over the lease term. Increases in annual rentals following rent reviews are recognised over the remaining lease term from the time they take effect. Lease incentives are recognised as a reduction of rental expense over the contracted lease term.

The Group has taken advantage of the exemption in respect of lease incentives on leases in existence on the date of transition to FRS102 (1 May 2014) and continues to credit such lease incentives to the profit and loss account over the period to first review date on which the rent is adjusted to market rates.

Trade debtors

Provision is made for unpaid bills and unbilled disbursements not considered recoverable at the balance sheet date.

Provisions and contingencies

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation and the amount of the obligation can be measured reliably.

Squire Patton Boggs (UK) LLP

Statement of accounting policies (continued)

Provisions and contingencies (continued)

In common with comparable practices, the LLP may be involved in disputes in the ordinary course of business which may give rise to claims. Provision is made in the financial statements on a prudent basis for all claims where costs are likely to be incurred in relation to the costs of defending and concluding claims. The LLP carries professional indemnity insurance and no separate disclosure is made of the costs of the claims covered by insurance as to do so could seriously prejudice the position of the LLP.

Provision is made for the estimated current costs of reinstatement in respect of the various properties leased by the LLP where there is a contractual requirement to return the premises to their original state prior to the conclusion of the lease term.

Provision is made for the unavoidable costs of fulfilling obligations for future rental payments on vacant properties. This is calculated as the present value of lease commitments in respect of surplus property after allowance for anticipated sublet rental income. Present value is based on discounted future cash flows.

Contingent liabilities are those that arise as a result of past events when (i) it is not probable that there will be an outflow of resources or that the amount cannot be measured reliably or (ii) when the existence will be confirmed by the occurrence or non-occurrence of uncertain future events that are not wholly within the Group's control. Contingent liabilities are disclosed in the financial statements unless the probability of outflow of resources is remote.

Contingent assets are not recognised. Contingent assets are disclosed in the financial statements when an inflow of economic benefits is probable.

Financial instruments

The LLP has chosen to adopt Sections 11 and 12 of FRS102 in respect of financial instruments.

(i) Financial assets

Basic financial assets, including trade and other receivables, cash and bank balances are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the transaction

is measured at the present value of the future receipts discounted at market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rates. The impairment loss is recognised in profit or loss.

(ii) Financial liabilities

Basic financial liabilities, including trade and other payables, bank loans from members or fellow Group companies are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are classed as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using effective interest method.

Financial liabilities are derecognised when the liability is extinguished, that is, when the contractual obligation is discharged, cancelled or expires.

Capital

Loans and other debts due to members include members' capital classed as a liability in accordance with Section 22 of FRS102.

Allocation of profits and drawings

Where members retire during the year all capital, taxation, drawings and current account balances, together with any interim profits distributed to members are included under sundry creditors as amounts due to former members.

Members who retire on the last day of the financial year are included in members' other interests. Capital

Squire Patton Boggs (UK) LLP

Statement of accounting policies (continued)

Allocation of profits and drawings (continued)

obligations due from members who are admitted during the financial year are recorded in sundry debtors, until satisfied.

The final allocation of profits and distribution to members is made once the annual financial statements are approved. Unallocated profits are included in other reserves within members' other interests.

Related party transactions

The Group discloses transactions with related parties which are not wholly owned within the same Group. Where appropriate, transactions of a similar nature are aggregated unless in the opinion of the members, separate disclosure is necessary to understand the effect of the transactions on the Group financial statements.

Squire Patton Boggs (UK) LLP

Notes to the financial statements for the year ended 30 April 2016

1 Critical judgements and estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) Critical judgements in applying the LLP's accounting policies

(i) Exemptions on transition to FRS102

The LLP has elected to use the previous UK GAAP valuation of tangible fixed assets as the deemed cost on transition to FRS102. The items being depreciated from the date of transition (1 May 2014) in accordance with the LLP's accounting policies.

The LLP has elected to use the previous UK GAAP valuation of fixed asset investments as the deemed cost on transition to FRS102. The items being valued at cost less impairment from the date of transition (1 May 2014) in accordance with the LLP's accounting policies.

The LLP has elected to use the previous UK GAAP basis of amortisation for inducements to enter into property leases, with amortisation until the first rent review. The items being amortised on property leases entered into from the date of transition (1 May 2014) in accordance with the provisions of FRS102.

(b) Key accounting estimates and assumptions

The LLP makes estimated and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(i) Provisions

Provision is made for asset retirement obligations, dilapidations, client claims and contingencies. These provisions require management's best estimate of the costs that will be incurred based on legislative and contractual requirements. In addition the timing of the cash flows and discount rates used to establish net present value of the obligation require management's judgement.

(ii) WIP and debtors

The recognition of revenue and profit on fee income is a key source of estimation uncertainty due to the judgement required over the stage of completion, the amount to be received and the costs incurred and to complete the contract. The LLP's policy for the recognition of revenue and profit is set out on page 13. The members also take into account the recoverability of contract balances and trade receivables, and allowances are made for those balances which are considered to be impaired

(iii) Trade debtors credit provisions

The LLP makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other receivables, the members consider factors including the credit rating of the receivable, the ageing profile of receivables and historic experience. The net carrying value of receivables and associated impairment provisions are disclosed in note 10.

Squire Patton Boggs (UK) LLP

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

2 Turnover

Turnover relates wholly to the provision of legal services.

Analysis of turnover by geography is set out below:

	Group		LLP	
	Year ended 30 April		Year ended 30 April	
	2016 £'000	2015 £'000	2016 £'000	2015 £'000
United Kingdom	111,443	107,990	111,443	107,990
Continental Europe	17,946	17,507	7,343	7,864
Middle East	113	690	-	-
	129,502	126,187	118,786	115,854

Geographical analysis is based on the country of origin. This analysis would not be materially different if based on the country of destination.

Squire Patton Boggs (UK) LLP

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

3 Operating profit

Operating profit is stated after charging/(crediting):

	Group		LLP	
	Year ended 30 April		Year ended 30 April	
	2016	2015	2016	2015
	£'000	£'000	£'000	£'000
Wages and salaries	36,698	37,328	32,166	33,045
Social security costs	3,393	3,349	3,134	3,076
Other pension costs	1,374	1,398	1,302	1,314
Recruitment fees	904	966	687	932
Consultant costs	11,339	13,244	10,677	11,887
Staff costs charged to profit and loss	53,708	56,285	47,966	50,254
Loss on disposal of tangible assets	-	2	-	2
Impairment of trade receivables	1,382	1,197	1,302	917
Impairment of work in progress	273	(846)	197	(612)
Operating lease charges				
- Land and Buildings	7,930	8,775	7,387	8,206
- Other	321	315	294	298
Foreign exchange gains	(110)	(1,367)	(146)	(988)
Fees payable to the LLP's auditor for the audit of the LLP and the consolidated financial statements	135	125	125	114
Fees payable to the LLP's auditor and its associates for other services				
- The audit of the Group's subsidiaries	6	6	6	6
- Audit related assurance services	64	118	64	116
- Tax advisory services	76	15	76	15
- Tax compliance services	165	249	165	249
Total amount payable to the LLP's auditor and its associates	446	513	436	500

Squire Patton Boggs (UK) LLP

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

4 Employees and key management

Employees

The average monthly number of persons and self-employed practitioners (excluding consultants and members) employed by the Group during the year was:

	Group	
	Year ended 30 April	
	2016	2015
	Number	Number
Fee earners	360	379
Trainees	56	47
Support staff	347	344
Total employees	763	770

Key management compensation

The key management personnel comprise the members of the Squire Patton Boggs (UK) LLP Management Committee, Designated Members of the LLP and Global Support Directors. The share of profit and the salaries awarded to these key management personnel for the year ended 30 April 2016 will amount to £3,442,000 (2015: £3,531,000).

Squire Patton Boggs (UK) LLP

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

5 Net interest expense

	Group		LLP	
	Year ended 30 April		Year ended 30 April	
	2016	2015	2016	2015
	£'000	£'000	£'000	£'000
a) Interest receivable and similar income				
Bank interest received	103	67	103	49
Total interest income on financial assets not measured at fair value through the profit and loss	103	67	103	49
Total interest receivable and similar income	103	67	103	49
b) Interest payable and similar charges				
Interest expense on overdrafts	(469)	(452)	(464)	(426)
Interest expense paid to clients	(119)	(46)	(119)	(46)
Finance charge on provisions	(47)	(109)	(47)	(109)
Total interest expense on financial liabilities not measured at fair value through the profit and loss	(635)	(607)	(630)	(581)
Total interest payable and similar charges	(635)	(607)	(630)	(581)
c) Net interest expense				
Interest receivable and similar income	103	67	103	49
Interest payable and similar charges	(635)	(607)	(630)	(581)
Net interest expense	(532)	(540)	(527)	(532)

Squire Patton Boggs (UK) LLP

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

6 Tax on corporate subsidiaries

The financial statements do not incorporate any charge or liability for taxation on the results of the LLP or partnerships within the Group, as the relevant income tax is the responsibility of the individual members.

a) Tax expense Included in the profit or loss

The tax charge, which arises in the corporate entities, included within these financial statements is:

	Group	
	Year ended 30 April	
	2016	2015
	£'000	£'000
Current tax		
- UK Corporation tax on profits for the year	-	-
- Foreign corporation tax on profits for the year	594	679
Total current tax	594	679

b) Tax expense included in other comprehensive income

There is no deferred tax charge recognised in the other comprehensive income for the current or the prior year.

c) Reconciliation of tax charge

The current tax assessed for the year is higher than (2015: higher than) the standard rate of corporation tax in the UK at 20% (2015: 20%). The reasons are explained below.

	Group	
	Year ended 30 April	
	2016	2015
	£'000	£'000
Profit on ordinary activities of corporate entities before tax (after salaried remuneration of members)	1,635	2,491
Profit multiplied by the standard rate of tax in the UK of 20% (2015:20%)	327	498
Effects of:		
- Adjustments to tax charge in respect of prior years	-	(13)
- Impact of overseas tax rates	267	194
Tax charge for the year	594	679

There is no tax charge in the LLP (2015: Nil).

d) Tax rate changes

Legislation to reduce the standard rate of corporation tax from 20% to 19% from 1 April 2017 and to 18% from 1 April 2020 was included in the Summer Finance Bill and was substantively enacted on 26 October 2015. On 16 March 2016 a reduction in the standard rate of UK corporation tax to 17% from 2020 was announced, however this has not yet been substantively enacted at the balance sheet date.

Squire Patton Boggs (UK) LLP

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

7 Members' remuneration charged as an expense

Members' remuneration charged as an expense comprises:

	Group		LLP	
	Year ended 30 April		Year ended 30 April	
	2016	2015	2016	2015
	£'000	£'000	£'000	£'000
Remuneration paid under employment contracts and other contractual arrangements	310	275	304	269
Social security costs	19	19	19	19
Other pension costs	8	8	8	8
Total members' remuneration	337	302	331	296

The average monthly number of members during the year was:

	LLP	
	Year ended 30 April	
	2016	2015
	Number	Number
Equity members	55	52
Fixed share equity members	81	76
Total members	136	128

The basis on which profits are shared among members is set out in the statement of accounting policies on page 15.

The profit attributable to the member with the largest entitlement to profit is £894,000 (2015: £739,000).

Squire Patton Boggs (UK) LLP

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

8 Tangible assets

Group	Leasehold property improvements	Fittings, furnishings and equipment	Motor Vehicles	Total
	£'000	£'000	£'000	£'000
At 30 April 2015				
Cost	2,499	4,260	6	6,765
Accumulated depreciation	-	-	-	-
Net book amount	2,499	4,260	6	6,765
Year ended 30 April 2016				
Opening net book amount	2,499	4,260	6	6,765
Additions	3,813	682	-	4,495
Disposals	-	-	(6)	(6)
Depreciation	(553)	(950)	-	(1,503)
Foreign exchange adjustment	12	17	-	29
Closing net book amount	5,771	4,009	-	9,780
At 30 April 2016				
Cost	6,324	4,959	-	11,283
Accumulated depreciation	(553)	(950)	-	(1,503)
Net book amount	5,771	4,009	-	9,780

Squire Patton Boggs (UK) LLP

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

8 Tangible assets (continued)

LLP	Leasehold property improvements	Fittings, furnishings and equipment	Motor Vehicles	Total
	£'000	£'000	£'000	£'000
At 30 April 2015				
Cost	2,500	4,131	7	6,638
Accumulated depreciation	-	-	-	-
Net book amount	2,500	4,131	7	6,638
Year ended 30 April 2016				
Opening net book amount	2,500	4,131	7	6,638
Additions	3,813	676	-	4,489
Disposals	-	-	(7)	(7)
Depreciation	(553)	(868)	-	(1,421)
Foreign exchange adjustment	12	9	-	21
Closing net book amount	5,772	3,948	-	9,720
At 30 April 2016				
Cost	6,325	4,816	-	11,141
Accumulated depreciation	(553)	(868)	-	(1,421)
Net book amount	5,772	3,948	-	9,720

Group capital commitments contracted but not provided at 30 April 2016 amounted to £644,000 (2015: £3,046,000). LLP capital commitments contracted but not provided at 30 April 2016 amounted to £8,000 (2015: £3,046,000).

Squire Patton Boggs (UK) LLP

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

9 Subsidiary undertakings and investments

	Group Investments £'000
Cost or valuation	
At 1 May 2015	31
Exchange adjustment	-
Additions	90
Disposals	(121)
At 30 April 2016	-
Amounts written off	
At 1 May 2015	-
Exchange adjustment	-
Additions	-
Disposals	-
At 30 April 2016	-
Carrying value	
At 30 April 2016	-
At 30 April 2015	31

Investments are not listed and are held at cost less impairment as fair value cannot be reliably determined.

A list of the principal subsidiary undertakings is given in note 19. The members believe that the carrying value of the investments is supported by their underlying net assets.

During the year the Group disposed of its investment holdings, including those purchased during the year.

Squire Patton Boggs (UK) LLP

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

9 Subsidiary undertakings and investments (continued)

	LLP Subsidiary Undertakings £'000	LLP Investments £'000
Cost or valuation		
At 1 May 2015	317	31
Exchange adjustment	-	-
Additions	-	90
Disposals	-	(121)
At 30 April 2016	317	-
Amounts written off		
At 1 May 2015	-	-
Exchange adjustment	-	-
Additions	-	-
Disposals	-	-
At 30 April 2016	-	-
Carrying value		
At 30 April 2016	317	-
At 30 April 2015	317	31

Investments are not listed and are held at cost less impairment as fair value cannot be reliably determined.

A list of the principal subsidiary undertakings is given in note 19. The members believe that the carrying value of the investments is supported by their underlying net assets.

During the year the LLP disposed of its investment holdings, including those purchased during the year.

Squire Patton Boggs (UK) LLP

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

10 Debtors

	Group		LLP	
	Year ended 30 April		Year ended 30 April	
	2016	2015	2016	2015
	£'000	£'000	£'000	£'000
Trade debtors	40,986	41,298	37,406	38,281
Amounts recoverable on contracts	3,654	3,607	2,914	2,948
Amounts due from group undertakings	-	-	3,386	4,354
Sundry debtors and prepayments	14,358	20,428	13,134	19,872
	58,998	65,333	56,840	65,455

Trade debtors include £nil (2015:£nil) falling due after one year.

Trade debtors are stated after provisions for impairment of £1,600,000 (2015:£2,100,000).

Amounts owed by group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

11 Creditors amounts falling due within one year

	Group		LLP	
	Year ended 30 April		Year ended 30 April	
	2016	2015	2016	2015
	£'000	£'000	£'000	£'000
Bank overdraft	16,612	22,165	16,612	22,165
Trade creditors	8,241	10,325	7,926	9,759
Corporation tax	9	537	-	-
Other taxation and social security	4,605	4,611	4,125	4,183
Other creditors	3,772	8,596	3,846	9,011
Accruals and deferred income	3,455	3,034	1,684	1,657
	36,694	49,268	34,210	46,775

Bank loans and overdrafts are unsecured and are repayable on demand.

Squire Patton Boggs (UK) LLP

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

12 Loans and borrowings

	Group		LLP	
	Year ended 30 April		Year ended 30 April	
	2016	2015	2016	2015
	£'000	£'000	£'000	£'000
Bank overdraft	16,612	22,165	16,612	22,165
	16,612	22,165	16,612	22,165

The Group has revolving credit facilities of £45m to cover working capital and liquidity commitments. Interest is charged at Base Rate plus 2-2.5% on the drawn-down amount.

13 Provisions for liabilities

	Group	LLP
	£'000	£'000
At 1 May 2015	6,660	6,660
Additions dealt with in profit or loss	2,610	2,447
Amounts utilised	(3,049)	(3,049)
Unwind of discount	47	47
At 30 April 2016	6,268	6,105

Provisions include provisions made in respect of reinstatement of leasehold property, vacant properties and client claims.

Vacant properties

A provision has been recognised for obligations under property leases which are onerous. The provision has been estimated using costs which have been discounted to present value at a rate of 1.598% (2015: 1.835%). The provision covers residual lease commitments up to the end of the lease and is after allowance for existing or anticipated sublet rental income.

Reinstatement of leasehold property

Leases for certain properties which the LLP occupies contain a requirement for the premises to be returned to their original state prior to conclusion of the lease term. Provision has been made for these amounts based on reports by property consultants and is based on current cost of reinstatement.

Because of the current property negotiations, the provisions in respect of reinstatement are of a highly commercially sensitive nature, and as such the Group has taken advantage of the provisions of FRS102 paragraph 21.17 "Prejudicial disclosures" not to separately disclose the provision above. All amounts provided for under other provisions are expected to be utilised over the next 10 years.

Client claims

The provisions in respect of client claims are highly sensitive in nature. No separate disclosure is made of the costs of claims covered by insurance as to do so could seriously prejudice the position of the LLP.

Squire Patton Boggs (UK) LLP

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

14 Members' interests

Group	Loans and other debts to /(from) members				
	Member's capital (Classified as liability) £'000	Other amounts (Classified as liability) £'000	Total £'000	Other reserves (classified as equity) £'000	Total £'000
Amounts due to members	14,425	3,832	18,257		
Amounts due from members	(3,264)	(889)	(4,153)		
Members' interests at 1 May 2014	11,161	2,943	14,104	10,916	25,020
Members' remuneration charged as an expense, including employment and retirement benefit costs	-	302	302	-	302
Profit for the financial year available for discretionary division among members	-	-	-	34,272	34,272
Members' interests after profit for the year	11,161	3,245	14,406	45,188	59,594
Other divisions of profit	-	30,568	30,568	(30,568)	-
Introduced by members	2,020	-	2,020	-	2,020
Capital debtor	2,043	-	2,043	-	2,043
Repayments of capital	(1,022)	-	(1,022)	-	(1,022)
Transfer of former members' funds to current liabilities	-	(945)	(945)	-	(945)
Drawings and distributions	-	(30,893)	(30,893)	-	(30,893)
Other movements	-	-	-	(22)	(22)
Net exchange adjustment	(51)	-	(51)	(1,328)	(1,379)
Amounts due to members	15,372	3,018	18,390		
Amounts due from members	(1,221)	(1,043)	(2,264)		
Members' interests at 30 April 2015	14,151	1,975	16,126	13,270	29,396

Squire Patton Boggs (UK) LLP

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

14 Members' interests (continued)

Group	Loans and other debts to /(from) members				
	Member's capital (Classified as liability) £'000	Other amounts (Classified as liability) £'000	Total £'000	Other reserves (classified as equity) £'000	Total £'000
Amounts due to members	15,372	3,018	18,390		
Amounts due from members	(1,221)	(1,043)	(2,264)		
Members' interests at 1 May 2015	14,151	1,975	16,126	13,270	29,396
Members' remuneration charged as an expense, including employment and retirement benefit costs	-	337	337	-	337
Profit for the financial year available for discretionary division among members	-	-	-	38,603	38,603
Members' interests after profit for the year	14,151	2,312	16,463	51,873	68,336
Other divisions of profit	-	18,652	18,652	(18,652)	-
Introduced by members	1,990	-	1,990	-	1,990
Capital debtor	849	-	849	-	849
Repayments of capital	(1,384)	-	(1,384)	-	(1,384)
Transfer of former members' funds to current liabilities	-	(764)	(764)	-	(764)
Drawings and distributions	-	(34,207)	(34,207)	-	(34,207)
Other movements	-	-	-	56	56
Net exchange adjustment	32	-	32	810	842
Amounts due to members	16,011	699	16,710		
Amounts due from members	(373)	(14,706)	(15,079)		
Members' interests at 30 April 2016	15,638	(14,007)	1,631	34,087	35,718

"Other amounts" included within Loans and other debts due to / (from) members represent allocated profits not yet paid to members. The basis on which profits are allocated is described in the statement of accounting policies on page 15.

In the event of a winding up or administration, members' capital ranks behind all amounts due to unsecured creditors.

On 5 May 2016 the LLP approved a resolution in relation to an interim declaration to members of profits of the financial year to 30 April 2016. The interim profit declaration recognised the distribution of profits to the value of £17,416,000. The interim declaration is not reflected in the Members' Interests Note above.

Squire Patton Boggs (UK) LLP

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

14 Members' interests (continued)

LLP	Loans and other debts to /(from) members				
	Member's capital (Classified as liability) £'000	Other amounts (Classified as liability) £'000	Total £'000	Other reserves (classified as equity) £'000	Total £'000
Amounts due to members	14,425	8,816	23,241		
Amounts due from members	(3,264)	(889)	(4,153)		
Members' interests at 1 May 2014	11,161	7,927	19,088	2,536	21,624
Members' remuneration charged as an expense, including employment and retirement benefit costs	-	296	296	-	296
Profit for the financial year available for discretionary division among members	-	-	-	33,051	33,051
Members' interests after profit for the year	11,161	8,223	19,384	35,587	54,971
Other divisions of profit	-	30,568	30,568	(30,568)	-
Introduced by members	2,020	-	2,020	-	2,020
Capital debtor	2,043	-	2,043	-	2,043
Repayments of capital	(1,022)	-	(1,022)	-	(1,022)
Transfer of former members' funds to current liabilities	-	(945)	(945)	-	(945)
Drawings and distributions	-	(28,872)	(28,872)	-	(28,872)
Other movements	-	-	-	(23)	(23)
Net exchange adjustment	(51)	-	(51)	(620)	(671)
Amounts due to members	15,372	10,017	25,389		
Amounts due from members	(1,221)	(1,043)	(2,264)		
Members' interests at 30 April 2015	14,151	8,974	23,125	4,376	27,501

Squire Patton Boggs (UK) LLP

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

14 Members' interests (continued)

LLP	Loans and other debts to /(from) members		Total £'000	Other reserves (classified as equity) £'000	Total £'000
	Member's capital (Classified as liability) £'000	Other amounts (Classified as liability) £'000			
Amounts due to members	15,372	10,017	25,389		
Amounts due from members	(1,221)	(1,043)	(2,264)		
Member's interests at 1 May 2015	14,151	8,974	23,125	4,376	27,501
Members remuneration charged as an expense, including employment and retirement benefit costs	-	331	331	-	-
Profit for the financial year available for discretionary division among members	-	-	-	37,152	37,152
Members' interests after profit for the year	14,151	9,305	23,456	41,528	64,984
Other divisions of profit	-	12,911	12,911	(12,911)	-
Introduced by members	1,990	-	1,990	-	1,990
Capital debtor	849	-	849	-	849
Repayments of capital	(1,384)	-	(1,384)	-	(1,384)
Transfer of former members' funds to current liabilities	-	(764)	(764)	-	(764)
Drawings and distributions	-	(35,459)	(35,459)	-	(35,459)
Other movements	-	-	-	56	56
Net exchange adjustment	31	-	31	287	318
Amounts due to members	16,010	699	16,709		
Amounts due from members	(373)	(14,706)	(15,079)		
Members' interests at 30 April 2016	15,637	(14,007)	1,630	28,960	30,590

Squire Patton Boggs (UK) LLP

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

15 Notes to the consolidated cash flow statement

	2016 £'000	2015 £'000
Profit for the financial year	38,603	34,272
Adjustments for:		
Taxation in relation to corporate entities	594	679
Net interest expense	532	540
Members remuneration charged as an expense	337	302
Operating profit	40,066	35,793
Depreciation of tangible assets	1,503	2,037
Loss on disposal of tangible assets	-	2
Other provisions less payments	(439)	(125)
Salaried remuneration of members	(179)	(179)
Exchange adjustment	952	(537)
Working capital movements:		
-decrease/(increase) in inventories	185	(790)
-decrease/(increase) in debtors	7,184	(10,774)
-(decrease)/increase in payables	(7,021)	3,212
Cash flow from operating activities	42,251	28,639

16 Analysis changes in net debt

	At 1 May 2015 £'000	Cash flows £'000	Non- cash changes £'000	At 30 April 2016 £'000
Cash and cash equivalents	10,138	(3,570)	462	7,030
Bank overdrafts	(22,165)	5,553	-	(16,612)
Net debt	(12,027)	1,983	462	(9,582)

Non-cash movements represent foreign exchange translation adjustments.

Squire Patton Boggs (UK) LLP

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

17 Capital and other commitments

At 30 April 2016, the group had the following capital commitments:

	Group		LLP	
	Year ended 30 April		Year ended 30 April	
	2016	2015	2016	2015
	£'000	£'000	£'000	£'000
Contracts for future capital expenditure not provided in the financial statements – Property, plant and equipment, leasehold improvements	644	3,046	8	3,046
	644	3,046	8	3,046

The Group's annual future minimum lease commitments under non-cancellable operating leases are as follows:

	Group		LLP	
	Year ended 30 April		Year ended 30 April	
	2016	2015	2016	2015
	£'000	£'000	£'000	£'000
Land and buildings				
No later than one year	154	968	154	968
Later than one year and not later than five years	6,110	6,337	6,110	6,337
Later than five years	3,192	3,121	2,625	2,554
	9,456	10,426	8,889	9,859
Other				
No later than one year	7	7	7	7
Later than one year and not later than five years	293	293	293	293
Later than five years	-	-	-	-
	300	300	300	300
Total	9,756	10,726	9,189	10,159

Lease payments recognised as an expense in profit or loss for the year was £8,300,000 (2015: £9,100,000)

The Group had no other off balance sheet arrangements.

18 Pension costs

The Group operates a defined contribution group personal pension plan.

The total amount of the Group contribution during the year was £1,374,000 (2015: £1,398,000). The LLP contribution during the year was £1,302,000 (2015: £1,314,000). Amounts outstanding at the balance sheet date for the Group and LLP were £217,000 (2015: £220,000).

Squire Patton Boggs (UK) LLP

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

19 Subsidiary and related undertakings

The related undertakings whose results or financial performance principally affect the figures shown in the consolidated financial statements are as follows:

Companies	Principal activity	Country of Incorporation
Hausmann Associés ²	Provision of legal services	France
Squire Patton Boggs MENA LLP ²	Provision of legal services	England and Wales
Trinity Park Trustees Limited ¹	Providing independent pension trustee services	England and Wales
Devonshire Trustees Limited ¹	Providing independent pension trustee services	England and Wales
Trustee Corporation Limited ¹	Providing Independent pension trustee services	England and Wales

Squire Patton Boggs (UK) LLP or one of its subsidiary undertakings holds 100% of the beneficial interest in the subsidiary undertakings, through either:

¹ share ownership

² contractual arrangements

A full list of all related undertakings will be annexed to the LLP's next annual return. All above subsidiaries are included in the consolidation.

Squire Patton Boggs (UK) LLP

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

20 Contingent liabilities

In the ordinary course of business, the LLP from time to time receives claims for alleged professional negligence. Professional indemnity cover is maintained in respect of professional negligence through the commercial market. The Group's policy with regard to claims is described in the statement of accounting policies.

21 Subsequent events

On 5 May 2016 the LLP approved a resolution in relation to an interim declaration to members of profits of the financial year to 30 April 2016. The interim profit declaration recognised the distribution of profits to the value of £17,416,000. The interim declaration is not reflected in the Members' Interests Note (note 14).

22 Related party transactions

The Group and the LLP are related parties because they are both controlled by the UK LLP Management Committee. Related party transactions between the Group and the LLP are exempt from disclosure.

The following tables provide the total amount of transactions, which have been entered into with related parties outside the Squire Patton Boggs (UK) LLP Group during the year ended 30 April 2016:

Group 2016	Sales of legal services £'000	Purchases of legal services £'000	Sales of other services £'000	Purchases of other services £'000
Other Squire Patton Boggs entities	12,775	9,087	8,397	15,340
Other related parties	172	-	-	-
	12,947	9,087	8,397	15,340
Group 2015	Sales of legal services £'000	Purchases of legal services £'000	Sales of other services £'000	Purchases of other services £'000
Other Squire Patton Boggs entities	11,266	8,483	6,640	13,800
Other related parties	99	-	-	-
	12,947	8,483	6,640	13,800
LLP 2016	Sales of legal services £'000	Purchases of legal services £'000	Sales of other services £'000	Purchases of other services £'000
Other Squire Patton Boggs entities	10,805	8,262	8,397	15,340
Other related parties	172	-	-	-
	10,977	8,262	8,397	15,340

Squire Patton Boggs (UK) LLP

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

22 Related party transactions (continued)

LLP 2015	Sales of legal services £'000	Purchases of legal services £'000	Sales of other services £'000	Purchases of other services £'000
Other Squire Patton Boggs entities	9,658	7,496	6,640	13,338
Other related parties	99	-	-	-
	9,757	7,496	6,640	13,338

The outstanding balances due from related parties as at 30 April 2016 were as follows:

2016	Group Trade and other receivables £'000	LLP Trade and other receivables £'000
Other Squire Patton Boggs entities	10,469	10,190
Other related parties	3	3
	10,472	10,193

2015	Trade and other receivables £'000	LLP Trade and other receivables £'000
Other Squire Patton Boggs entities	10,803	10,660
Other related parties	6	6
	10,809	10,666

Sales and purchases of legal services and other services and trade and other receivables

During the year ended 30 April 2015 and 30 April 2016, the Group rendered and purchased legal services and other services with other Squire Patton Boggs entities. Trade receivables due from other Squire Patton Boggs entities are unsecured, non-interest bearing, and are normally settled in cash on a bi-annual basis.

Other services include shared administration and people costs.

During the year ended 30 April 2015 and 30 April 2016, the Group rendered legal services to entities to which the key management of the Group are connected. Trade receivables due from these related entities are unsecured, non-interest bearing and are subject to standard client payment terms.

Prepayments

Prepayments made to related parties are unsecured and non-interest bearing.

Squire Patton Boggs (UK) LLP

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

23 Financial Instruments

The Group has the following financial instruments:

	2016 £'000	2015 £'000
Financial assets at fair value through profit or loss	-	-
Financial assets that are debt instruments measured at amortised cost		
- Trade receivables	39,832	40,033
- Other receivables	8,993	7,420
	48,825	47,453
Financial liabilities at fair value through profit or loss	-	-
Financial liabilities measured at amortised cost		
- Trade creditors	8,241	10,325
	8,241	10,325

Squire Patton Boggs (UK) LLP

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

23 Financial Instruments (continued)

The LLP has the following financial instruments:

	2016	2015
	£'000	£'000
Financial assets at fair value through profit or loss	-	-
Financial assets that are debt instruments measured at amortised cost		
- Trade receivables	36,316	37,017
- Other receivables	8,993	7,420
	45,309	44,437
Financial liabilities at fair value through profit or loss	-	-
Financial liabilities measured at amortised cost		
- Trade creditors	7,926	9,759
	7,926	9,759

24 Ultimate controlling parties

The ultimate controlling parties of the Group and its subsidiary undertakings are the members of Squire Patton Boggs (UK) LLP.

Squire Patton Boggs (UK) LLP

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

25 Transition to FRS102

This is the first year that the Group has presented its results under FRS102. The last financial statements prepared under the previous UK GAAP were for the year ended 30 April 2015. The date of transition to FRS102 was the 1 May 2014. Whilst there is no effect of transition on the balance sheet or profit and loss, set out below are other relevant factors which have impact on the financial statements on transition.

Lease incentives for operating leases

Under previous UK GAAP operating lease incentives, including rent free periods and fit out contributions, were spread over the shorter of the lease period or the period when the rental was set to a fair market rent. FRS102 requires that such incentives to be spread over the lease period. The Group has taken advantage of the exemption for existing leases at the transition date to continue to recognise these lease incentives on the same basis as previous UK GAAP. Accordingly FRS102 accounting policy has been applied to new operating leases entered into since the 1 May 2014.

Statement of cash flows

The Group's cash flow statement reflects the presentation requirements of FRS102, which is different to FRS1. In addition the cash flow statement reconciles to cash and cash equivalents whereas in previous UK GAAP the cash flow statement reconciled to cash. Cash and cash equivalents are defined in FRS102 as 'cash on hand and demand deposits and short term highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value' whereas cash was defined under FRS1 as 'cash in hand and deposits repayable on demand without any qualifying institution, less overdrafts from any qualifying institution repayable on demand'. The FRS1 definition is more restrictive.

Other adjustments arising on transition to FRS102

In addition to the transition adjustments identified above which affect profit for the financial year, no other adjustments have arisen which have no effect on net equity or profit and loss account but have affected the presentation of these items on the balance sheet.

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