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MACLAY MURRAY & SPENS LLP

REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

FOR THE 11 MONTHS ENDED 30 APRIL 2018

Limited Liability Partnership Registration Number: SO300744

Registered office:	1 George Square, Glasgow, United Kingdom, G2 1AL
Designated members:	Jeremy Cohen Dentons UK and Middle East LLP
Auditor:	Deloitte LLP Edinburgh, United Kingdom Statutory Auditor

ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS
For the 11 months ended 30 April 2018

The Designated Members present their annual report together with the consolidated audited financial statements of Maclay Murray & Spens LLP (the "LLP") and its subsidiary undertakings (together "the Group") for the 11 months ended 30 April 2018.

Principal activity

Until 27 October 2017 the principal activity of the LLP was the provision of legal services in the UK. On 27 October 2017, the LLP completed a merger with Dentons UK and Middle East LLP (then named Dentons UKMEA LLP). which resulted in the trade and assets of the LLP being transferred to Dentons UK and Middle East LLP ("Dentons") on that day. On the same day the existing members of the LLP became members of Dentons. On 28 October 2017 all current members of the LLP resigned as members of the LLP and Dentons became a member.

As a result of the merger and subsequent transfer of the trade and assets to Dentons, the LLP ceased to trade in its own right and, therefore, these financial statements are prepared on a basis other than of a going concern. No material adjustments were required to be made to these financial statements as a result of preparing them on a basis other than of a going concern. The LLP had a trading subsidiary, MMS Tax Services Limited, as detailed in note 8 of the financial statements, which was disposed of on 27 October 2017 for nil consideration.

Review of developments

The results for the period are set out on page 11. The members regard the results to be satisfactory

Designated members

The designated members who served during the financial period and to the date of the report are detailed below.

Kenneth D Shand (resigned 28 October 2017)
Michael B Livingston (resigned 28 October 2017)
Michael J Hughes (resigned 27 October 2017)
Jeremy Cohen (appointed 28 October 2017)
Dentons UK and Middle East LLP (appointed 28 October 2017)

Members' drawings and the subscription and repayment of members' capital

Up until the merger date the members received monthly drawings. The monthly drawings represent payments on account of current period profits and are reclaimable from members until profits and taxation liabilities have been allocated. The level and timing of additional drawings and profit distributions are decided by the Partnership Board after taking into account the Group's cash requirements for operating and investment activities.

Profits are divided and allocated between members when the financial statements are approved by the members. Unallocated profits are shown in "Members' other interests".

The entire capital of the LLP was repaid on 27 October 2017. Capital was previously repaid within 12 months of ceasing to be a member of the LLP, or at such other time determined by the Board.

Financial risk management objectives and policies

These objectives and policies applied during the trading period up to the merger with Dentons.

The Group, during the time it was trading, was principally funded by member's fixed capital, undistributed reserves, loans, overdraft facilities and cash flow that it generated from trading activities. The Group had various other financial assets and liabilities such as trade debtors and trade creditors, which arose directly from its operations. The Group did not enter into derivative transactions.

It was the Group's policy that no trading in financial instruments shall be undertaken. The main risks that arose from the Group's financial assets and liabilities were interest rate risk, credit risk and liquidity risk. The Partnership Board reviewed and agreed policies for managing each of these risks and these are summarised below.

Interest rate risk

The Group's exposure to market risk for changes in interest rates related primarily to the bank overdraft facility and loans. The Group's policy was to manage its interest cost using a mix of fixed rate debt and variable rate overdraft facilities.

Credit risk

It was the intention of the Group to enter into trading relationships only with recognised, creditworthy third parties. It was the Group's policy that, as may be deemed appropriate, clients were subject to credit vetting procedures. In addition, receivable balances were monitored on an ongoing basis.

Liquidity risk

The Group's objective was to maintain a balance between continuity of funding and flexibility through the use of overdrafts, bank loans and members' fixed capital.

Partnership Board

During the trading period prior to the merger with Dentons, the Partnership Board had the responsibility of overseeing and reviewing the Group's business and activities. The Partnership Board comprised the Designated Members together with Andrew Gordon Aitken, Charles Beattie, Michael Dean, Simon Etchells, Amanda Jones, Susan Kelly, Brian Moore and Gwen Souter.

Employees

The Group placed considerable value on the involvement of its employees and ensured that they were fully integrated within its activities. This was achieved through:

- Regular briefings including the communication of business plans to all employees.
- An active staff forum.
- Training and development programmes for employees designed to ensure employees' continuing professional and personal development in a manner aligned with the Group's business needs.
- A social programme involving a wide range of activities.
- The accreditation of the LLP as a Platinum Training Partner for the Society of Trust and Estate Practitioners (STEP) Employer Training Scheme.
- Conducting employee engagement surveys.

- The reaccreditation of the LLP's Investors in People status in July 2015.

Members' responsibilities statement

The members are responsible for preparing the 'Report to the members' and the consolidated 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 consolidated financial statements for each financial period. Under that law the members have elected to prepare the consolidated 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 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 of the 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 estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that 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 Group and 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 Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the Members and signed on behalf of the Members by:

Jeremy Cohen

13 December 2018

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OPINION

In our opinion the financial statements of Maclay Murray & Spens LLP (the 'parent limited liability partnership') and its subsidiaries (the 'group'):

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

We have audited the financial statements which comprise:

- the consolidated statement of comprehensive income;
- the consolidated and parent limited liability partnership balance sheets;
- the consolidated and parent limited liability partnership statements of changes in members interests;
- the consolidated cash flow statement;
- the statement of accounting policies; and
- the related notes 1 to 16.

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

BASIS FOR OPINION

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

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

EMPHASIS OF MATTER- FINANCIAL STATEMENTS PREPARED OTHER THAN ON A GOING CONCERN BASIS

We draw attention to the accounting policies in the financial statements, which indicates that the financial statements have been prepared on a basis other than that of a going concern. Our opinion is not modified in respect of this matter

RESPONSIBILITIES OF MEMBERS

As explained more fully in the members' responsibilities statement, the members are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

We have nothing to report in respect of these matters.

REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF MACLAY MURRAY & SPENS LLP

For the 11 months ended 30 April 2018

USE OF OUR REPORT

This report is made solely to the limited liability partnership's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 as applied to limited liability partnerships. Our audit work has been undertaken so that we might state to the limited liability partnership's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the limited liability partnership and the limited liability partnership's members as a body, for our audit work, for this report, or for the opinions we have formed.

David Crawford.

David Crawford CA (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Statutory Auditor
Glasgow, United Kingdom
13 December 2018

1. ACCOUNTING POLICIES

The principal accounting policies are summarised below. The policies remain unchanged from the previous year and apply from the start of the period up to and including the date of the merger with Dentons UK and Middle East LLP.

GENERAL INFORMATION AND BASIS OF PREPARATION

The LLP is incorporated in the United Kingdom under the Limited Liability Partnership Act 2000. .

The address of the registered office is 1 George Square, Glasgow, United Kingdom, G2 1AL. The nature of the group's operations and its principal activities are set out on the members report on pages 2 to 4.

The financial statements have been prepared in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' issued by the Financial Reporting Council, the requirements of the Statement of Recommended Practice Accounting by Limited Liability Partnerships (issued July 2014) and under the historical cost convention modified to include certain items at fair value including defined benefit pension scheme assets and liabilities.

The LLP is funded principally by its members in the form of undistributed profits, fixed capital, borrowing facilities, loans and cash flow that it generates from trading activities. All assets and liabilities of the LLP transferred to Dentons UK and Middle East on 27 October 2017.

During the period, the accounting reference date was changed from 31 May to 30 April meaning the financial statements are for an 11 month period.

The functional currency of the LLP is considered to be pounds sterling because that is the currency of the primary economic environment in which the LLP operates.

Until 27 October 2017 the principal activity of the LLP was the provision of legal services in the UK. On 27 October 2017, the LLP completed a merger with Dentons UK and Middle East LLP ("Dentons") which resulted in the trade and assets of the LLP being transferred to Dentons on that day. On the same day the existing members of the LLP became members of Dentons. On 28 October 2017 all current members of the LLP resigned as members of the LLP.

As a result of the merger and subsequent transfer of the trade and assets to Dentons, the LLP ceased to trade in its own right and, therefore, these financial statements are prepared on a basis other than of a going concern. No material adjustments were required to be made to these financial statements as a result of preparing them on a basis other than of a going concern.

BASIS OF CONSOLIDATION

The financial statements consolidate the financial statements of the LLP and its subsidiaries. The acquisition method of accounting has been adopted.

A separate statement of comprehensive income for the parent LLP is not presented within the financial statements as permitted by section 408 of the Companies Act 2006.

TURNOVER

Turnover represents amounts chargeable to clients for professional services provided during the accounting period, net of VAT. The amount recognised in the financial statements includes unbilled work, the value of which is calculated on the basis set out in the 'amounts recoverable from clients in respect of unbilled work performed' policy detailed below.

AMOUNTS RECOVERABLE FROM CLIENTS IN RESPECT OF UNBILLED WORK PERFORMED

Services provided to clients during the accounting period, which at the balance sheet date have not been billed to clients, have been recognised as turnover in accordance with FRS 102 Section 23 Revenue. Turnover recognised in this manner is based on an assessment of the fair value of the services provided at the balance sheet date as a proportion of the total value of the engagement. Unbilled revenue is included in debtors. Provision is made against unbilled amounts on those engagements where the right to receive payment is contingent on factors outside the control of the Group.

TANGIBLE FIXED ASSETS AND DEPRECIATION

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment. Depreciation is calculated to write down the cost of tangible fixed assets on a straight line basis by equal annual instalments over their estimated useful economic lives as follows:

Leasehold improvements	10 years or over the term of the lease if less than 10 years
Office furniture and equipment	4 - 10 years
Computer equipment	2 - 5 years

INVESTMENTS

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

IMPAIRMENT OF ASSETS

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised.

MEMBERS' REMUNERATION

Members' capital is classified as a financial liability in the balance sheet. Interest payable on members' capital is included in 'Members' remuneration charged as an expense' in the consolidated profit and loss account.

Payments to members which do not accrue from a division of profits are expensed to the Profit and Loss Accounts and disclosed as 'Members' remuneration charged as an expense'.

Profit shares which have not been allocated until after the balance sheet date are treated in these financial statements as unallocated at the balance sheet date and included within 'other reserves'.

TAXATION

The taxation payable on the LLP profits is the personal liability of the members and consequently neither taxation nor related deferred taxation is accounted for in the LLP's individual financial statements. An amount is retained from each member's profit share within Maclay Murray & Spens LLP to cover the member's estimated liability for income tax and social security contributions on their profit share. The amounts so retained from allocated profits are included within "Loans and other debts due to/(from) members".

RETIREMENT BENEFITS

Defined Contribution Pension Arrangements

The pension costs charged against operating profits are the contributions payable to the defined contribution pension scheme in respect of the accounting period. Differences between contributions payable in the accounting period and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

PROVISIONS

Provision is made for dilapidations in respect of property leases which contain requirements for the premises to be returned to their original state prior to the conclusion of the lease term.

LEASES

Rentals under operating leases are charged on a straight line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight line basis over the lease term, except where the period to the review date on which the rent is first expected to be adjusted to the prevailing market rate is shorter than the full lease term, in which case the shorter period is used.

PROFESSIONAL INDEMNITY INSURANCE

Professional indemnity insurance premiums are charged as incurred and expensed to the consolidated profit and loss account over the period of the insurance cover. An accrual is made in respect of any uninsured excess that the Group considers likely to be payable in respect of claims made.

BANK BORROWINGS

Interest bearing bank loans and overdrafts are recorded at the proceeds received, net of direct issue costs. Finance charges, including premiums payable on settlement or redemption and direct issue costs, are capitalised and charged to the profit and loss account using the effective interest method over the period of the loan.

FINANCIAL INSTRUMENTS

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

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

All financial assets and liabilities are initially measured at transaction price, including transaction costs. They are subsequently measured at amortised cost.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the group transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the group despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

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

2. CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATES

There are no critical accounting judgements or estimates in the current period.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the 11 months ended 30 April 2018

	Note	**Period ended 30 April 2018 £'000**	**Year ended 31 May 2017 £'000**
Turnover	1	15,765	44,240
Operating costs			
Staff costs	3	(6,977)	(18,042)
Depreciation	2	(395)	(879)
Other operating expenses		(4,792)	(13,121)
		(12,164)	(32,042)
Operating profit		**3,601**	**12,198**
Net interest receivable and other similar charges	5	8	83
Profit for the financial period/year before members' remuneration and profit shares		**3,609**	**12,281**
Members' remuneration charged as an expense		(516)	(603)
Profit for the financial period/year available for discretionary division among members		**3,093**	**11,678**

The accompanying accounting policies and notes form an integral part of these financial statements. All results relate to discontinued operations.

CONSOLIDATED BALANCE SHEET
For the 11 months ended 30 April 2018

	Note	30 April 2018 £'000	31 May 2017 £'000
Fixed assets			
Tangible assets	7	-	2,148
Current assets			
Debtors	9	-	24,998
Cash at bank and in hand		-	780
		-	25,778
Creditors: amounts falling due within one year	10	-	(9,606)
Net current assets		**-**	**16,172**
Total assets less current liabilities		**-**	**18,320**
Provisions for liabilities	11	-	(400)
NET ASSETS ATTRIBUTABLE TO MEMBERS		**-**	**17,920**
REPRESENTED BY:			
Loans and other debts due to members within one year			
Members' capital classified as a liability		-	6,184
Other amounts		-	36
		-	6,220
Equity			
Members' other interests – other reserves classified as equity		-	11,700
		-	**17,920**
Total members' interests			
Amounts due from members		-	(3,802)
Loans and other debts due to members		-	6,220
Members' other interests		-	11,700
		-	**14,118**

The consolidated financial statements of Maclay Murray & Spens LLP, registered number SO300744, were approved by the members on 13 December 2018 and were signed on their behalf by:

Jeremy Cohen
Designated member
13 December 2018

LIMITED LIABILITY PARTNERSHIP BALANCE SHEET

For the 11 months ended 30 April 2018

	Note	30 April 2018 £'000	31 May 2017 £'000
Fixed assets			
Tangible assets	7	-	2,148
Current assets			
Debtors	9	-	24,820
Cash at bank and in hand		-	780
		-	25,600
Creditors: amounts falling due within one year	10	-	(9,450)
Net current assets		-	16,150
Total assets less current liabilities		-	18,298
Provisions for liabilities	11	-	(400)
NET ASSETS ATTRIBUTABLE TO MEMBERS		-	17,898
REPRESENTED BY:			
Loans and other debts due to members within one year			
Members' capital classified as a liability		-	6,184
Other amounts		-	36
		-	6,220
Equity			
Members' other interests – other reserves classified as equity		-	11,678
		-	17,898
Total members' interests			
Amounts due from members		-	(3,802)
Loans and other debts due to members		-	6,220
Members' other interests		-	11,678
		-	14,096

The financial statements of Maclay Murray & Spens LLP, registered number SO300744, were approved by the members on 13 December 2018 and were signed on their behalf by:

Jeremy Cohen
Designated member
13 December 2018

The accompanying accounting policies and notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN MEMBERS' INTERESTS
For the year ended 31 May 2017

GROUP	Members' capital classified as a liability £'000	Other reserves £'000	Total members' other interests £'000	Loans and other debts due to/(from) members £'000	Total members' interests £'000
Members' interest at 1 June 2016	6,548	12,601	19,149	(3,838)	15,311
Members' remuneration charged as an expense	-	-	-	603	603
Profit for the year available for discretionary division among members	-	11,678	11,678	-	11,678
Members' interests after profit for the year	6,548	24,279	30,827	(3,235)	27,592
Allocated during year	-	(12,579)	(12,579)	12,579	-
Capital introduced	419	-	419	-	419
Capital repaid	(591)	-	(591)	-	(591)
Drawings	-	-	-	(12,734)	(12,734)
Transferred to amounts due to former members	(192)	-	(192)	(376)	(568)
Members' interest at 31 May 2017	**6,184**	**11,700**	**17,884**	**(3,766)**	**14,118**

The loans and other debts due from members can be analysed as follows:

	2017 £'000	2016 £'000
Amounts due from members included in debtors	(3,802)	(4,065)
Amounts due to members	36	227
	(3,766)	(3,838)

CONSOLIDATED STATEMENT OF CHANGES IN MEMBERS' INTERESTS
For the 11 months ended 30 April 2018

GROUP	Members' capital classified as a liability £'000	Other reserves £'000	Total members' other interests £'000	Loans and other debts due to/(from) members £'000	Total members' interests £'000
Members' interest at 1 June 2017	6,184	11,700	17,884	(3,766)	14,118
Members' remuneration charged as an expense	-	-	-	516	516
Profit for the period available for discretionary division among members	-	3,093	3,093	-	3,093
Members' interests after profit for the period	6,184	14,793	20,977	(3,250)	17,727
Allocated during period	-	(11,700)	(11,700)	11,678	(22)
Capital introduced	62	-	62	-	62
Capital repaid	(420)	-	(420)	-	(420)
Drawings	-	-	-	(6,043)	(6,043)
Transferred to amounts due to former members	(336)	-	(336)	(537)	(873)
Transferred to Dentons UK and Middle East LLP	(5,490)	(3,093)	(8,583)	(1,848)	(10,431)
Members' interest at 30 April 2018	-	-	-	-	-

The loans and other debts due from members can be analysed as follows:

	2018 £'000	2017 £'000
Amounts due from members included in debtors	-	(3,802)
Amounts due to members	-	36
	-	(3,766)

LIMITED LIABILTY PARTNERSHIP STATEMENT OF CHANGES IN MEMBERS' INTERESTS

For the year ended 31 May 2017

LIMITED LIABILITY PARTNERSHIP	Members' capital classified as a liability £'000	Other reserves £'000	Total members' other interests £'000	Loans and other debts due to/(from) members £'000	Total members' interests £'000
Members' interest at 1 June 2016	6,548	12,579	19,127	(3,838)	15,289
Members' remuneration charged as an expense	-	-	-	603	603
Profit for the year available for discretionary division among members	-	11,678	11,678	-	11,678
Members' interests after profit for the year	6,548	24,257	30,805	(3,235)	27,570
Allocated during year	-	(12,579)	(12,579)	12,579	-
Capital introduced	419	-	419	-	419
Capital repaid	(591)	-	(591)	-	(591)
Drawings	-	-	-	(12,734)	(12,734)
Transferred to amounts due to former members	(192)	-	(192)	(376)	(568)
Members' interest 31 May 2017	6,184	11,678	17,862	(3,766)	14,096

The loans and other debts due from members can be analysed as follows:

	2017 £'000	2016 £'000
Amounts due from members included in debtors	(3,802)	(4,065)
Amounts due to members	36	227
	(3,766)	(3,838)

LIMITED LIABILTY PARTNERSHIP STATEMENT OF CHANGES IN MEMBERS' INTERESTS
For the 11 months ended 30 April 2018

LIMITED LIABILITY PARTNERSHIP	**Members' capital classified as a liability £'000**	**Other reserves £'000**	**Total members' other interests £'000**	**Loans and other debts due to/(from) members £'000**	**Total members' interests £'000**
Members' interest at 1 June 2017	6,184	11,678	17,862	(3,766)	14,096
Members' remuneration charged as an expense	-	-	-	516	516
Profit for the period available for discretionary division among members	-	3,093	3,093	-	3,093
Members' interests after profit for the period	6,184	14,771	20,955	(3,250)	17,705
Allocated during period	-	(11,678)	(11,678)	11,678	-
Capital introduced	62	-	62	-	62
Capital repaid	(420)	-	(420)	-	(420)
Drawings	-	-	-	(6,043)	(6,043)
Transferred to amounts due to former members	(336)	-	(336)	(537)	(873)
Transferred to Dentons UK and Middle East LLP	(5,490)	(3,093)	(8,583)	(1,848)	(10,431)
Members' interest at 30 April 2018	-	-	-	-	-

The loans and other debts due from members can be analysed as follows:

	2018 £'000	**2017 £'000**
Amounts due from members included in debtors	-	(3,802)
Amounts due to members	-	36
	-	(3,766)

CONSOLIDATED STATEMENT OF CASH FLOWS

For the 11 months ended 30 April 2018

	Note	2018 £'000	2017 £'000
Cashflows from operating activities			
Operating profit		3,601	12,198
Depreciation		395	879
Decrease/(increase) in debtors		3,039	(647)
Decrease in creditors		(2,986)	(133)
(Decrease)/Increase in provisions		(113)	291
Net cashflows from operating activities		**3,936**	**12,588**
Cashflows from investing activities			
Purchases of tangible assets	7	(183)	(622)
Interest received		29	99
Transferred to Dentons UK and Middle East LLP		2,277	-
Net cashflows from investing activities		**2,123**	**(523)**
Cashflows from financing activities			
Repayment of bank loans		(1,583)	(2,000)
New bank loans		1,500	2,500
Interest paid		(21)	(16)
Capital contribution by members		62	419
Capital repayment to members		(420)	(591)
Drawings		(6,043)	(12,734)
Transactions with former members		(334)	(419)
Net cashflows from financing activities		**(6,839)**	**(12,841)**
Decrease in cash and cash equivalents		**(780)**	**(776)**
Opening cash at bank and in hand		780	1,556
Closing cash at bank and in hand		-	780
Decrease in cash		(780)	(776)

The accompanying accounting policies and notes form an integral part of these financial statements.

1 TURNOVER

The turnover of the Group is principally derived from the provision of legal services in the UK.

2 PROFIT ON ORDINARY ACTIVITIES

Profit on ordinary activities is stated after charging:

	11 months ended April 2018 £'000	Year ended May 2017 £'000
Auditor's remuneration:		
Fees payable to the LLP's auditor for the audit of the financial statements	20	45
Tax compliance services	12	18
Other compliance and regulatory services	8	13
Depreciation:		
Tangible fixed assets, owned	395	879
Operating lease rentals:		
Buildings	1,282	2,939

3 STAFF COSTS

Employee costs during the period (excluding members) were as follows:

	11 months ended April 2018 £'000	Year ended May 2017 £'000
Salaries	5,928	15,441
Social security costs	627	1,609
Pension costs	286	751
Other costs	136	241
	6,977	18,042

The total remuneration for key management personnel included within staff costs for the period totalled £146,000 (2017: £372,000).

The average number of full-time equivalent employees (excluding members) during the trading period was:

	2018 Number	2017 Number
Fee earners	193	201
Administrative and support employees	146	161
	339	362

4 MEMBERS' REMUNERATION CHARGED AS AN EXPENSE AND SHARE OF PROFITS

	11 months ended April 2018 Number	Year ended May 2017 Number
Average number of full time equivalent members	62	63

The Partnership Board determines the amount of profit to be distributed after the financial statements have been finalised and approved by members. These distributable profits are then divided among the members in accordance with agreed profit sharing arrangements.

Some payments to members are determined before the financial period end and are charged as members' remuneration in the profit and loss account. These elements include interest paid on members' capital contributions and current accounts and other payments made to certain members.

	11 months ended April 2018 £'000	Year ended May 2017 £'000
Profit for the financial period/year before members' remuneration and profit share	3,093	12,281
Average profit per member	50	195
The amount of profit attributable to the member with the largest entitlement was	200	349

5 NET INTEREST RECEIVABLE/(PAYABLE) AND OTHER SIMILAR CHARGES

	11 months ended April 2018 £'000	Year ended May 2017 £'000
Bank interest receivable	29	99
Bank interest payable	(10)	(15)
Other interest payable	(11)	(1)
	(21)	(16)
Net interest receivable	8	83

6 PROFIT OF THE LLP

As permitted by S408 of the Companies Act 2006 (as modified for application to LLPs), the LLP is exempt from presenting its own profit and loss account. The profit for the period available for discretionary division among members reflected in the individual profit and loss account of the LLP for the 11 months ended 30 April 2018 was £3,093,000 (2017:£11,678,000) The profit for the 11 month period ended 30 April 2018 all arose during the five month trading period.

7 TANGIBLE FIXED ASSETS

Group & Limited Liability Partnership

	Leasehold Improvements £'000	Office furniture and equipment £'000	Computer equipment £'000	Total £'000
Cost				
At 1 June 2017	6,387	2,094	2,272	10,753
Additions	9	3	171	183
Transferred to Dentons UK and Middle East LLP	(6,396)	(2,097)	(2,443)	(10,936)
At 30 April 2018	-	-	-	-
Depreciation				
At 1 June 2017	5,170	1,738	1,697	8,605
Provided in the period	219	75	101	395
Transferred to Dentons UK and Middle East LLP	(5,389)	(1,813)	(1,798)	(9,000)
At 30 April 2018	-	-	-	-
Net book value at 30 April 2018	-	-	-	-
Net book value at 31 May 2017	1,217	356	575	2,148

8 FIXED ASSET INVESTMENTS

On 27 October 2017, the LLP sold its entire share capital of 2 Ordinary shares of £1 in Maclay Murray & Spens Tax Services Limited to Parkhill Mackie & Co for nil consideration. The consolidated financial statements for the period to 30 April 2018 do not separately disclose the results of Maclay Murray & Spens Tax Services Limited as a discontinued operation as the Members consider that its results are not material to the results of the LLP.

Net assets disposed of and the related sale proceeds were as follows:

	£'000
Debtors	166
Creditors	(166)
Net assets	-
Sale proceeds	-
Satisfied by:	
Cash	-
Net cash inflows in respect of the sale comprised:	
Cash consideration	-
Cash at bank and in hand sold	-
	-

The LLP holds shares in a number of other entities which are set out in note 16.

9 DEBTORS

	Group		Limited Liability Partnership	
	2018	2017	2018	2017
	£'000	£'000	£'000	£'000
Trade debtors	-	13,092	-	12,953
Amounts recoverable on unbilled client matters	-	6,343	-	6,296
Other debtors	-	388	-	386
Prepayments and accrued income	-	1,373	-	1,373
Amounts due from current members	-	3,802	-	3,802
Amounts due from subsidiary companies	-	-	-	10
	-	24,998	-	24,820

All debtors fall due within one year.

10 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

		Group		Limited Liability Partnership	
	Note	2018 £'000	2017 £'000	2018 £'000	2017 £'000
Bank loans	12	-	917	-	917
Trade creditors		-	1,646	-	1,646
Social security and other taxes		-	2,015	-	1,994
Accruals and deferred income		-	4,696	-	4,530
Amounts due to former members		-	332	-	332
Amounts due to subsidiary companies		-	-	-	31
		-	9,606	-	9,450

11 PROVISIONS FOR LIABILITIES

Group and Limited Liability Partnership

	Property Provisions £'000
As at 1 June 2017	400
Provided during period	54
Released during period	(168)
Transferred to Dentons UK and Middle East LLP	(286)
As at 30 April 2018	-

The provision represents the likely future liability arising on exit from leasehold properties. The liability transferred to Dentons UK and Middle East LLP at the time of merger.

12 BORROWINGS

Bank borrowings are repayable as follows:

	Group and Limited Liability Partnership	
	2018	2017
	£'000	£'000
Within one year	-	917

As at 1 June 2017	917
New loans during period	1,500
Loan repayments during period	(1,583)
Transferred to Dentons UK and Middle East LLP	(834)
As at 30 April 2018	-

Bank loans are unsecured.

13 CAPITAL COMMITMENTS

The Group had no capital commitments at 30 April 2018 or 31 May 2017.

14 RETIREMENT BENEFITS

Defined Contribution Pension Arrangements

The LLP operates defined contribution arrangements for the benefit of the employees. The assets of the schemes are administered by trustees in funds independent from those of the LLP. Contributions in the period were £286,000 (2017: £751,000).

15 LEASING COMMITMENTS

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2018		2017	
	Property £'000	Total £'000	Property £'000	Total £'000
In one year or less	-	-	3,197	3,197
Between one and five years	-	-	11,884	11,884
In five years or more	-	-	6,098	6,098
	-	-	21,179	21,179

All leases held were transferred to Dentons UK and Middle East LLP.

16 CONTROLLING AND RELATED PARTIES

The members consider themselves to be the controlling related parties. Transactions with members are shown in the Statement of changes in members' interests.

The LLP has an investment in the following subsidiaries at 30 April 2018.

Name	**Class of share capital held**	**Proportion held**	**Nature of business**
Vindex Financial Services Limited	Ordinary shares	100%	Dormant
CLP Company Secretarial Limited	Ordinary shares	100%	Dormant
Secretarial Solutions Limited	Ordinary shares	100%	Non-trading
Advisory Solutions Limited	Ordinary shares	100%	Non-trading
MMS Regulatory Solutions Limited	Ordinary shares	100%	Non-trading
CLP Directors Limited	Ordinary shares	100%	Dormant
The City Law Partnership Limited	Ordinary shares	100%	Dormant
Lycidas Nominees Limited	Ordinary shares	100%	Dormant
Lycidas Secretaries Limited	Ordinary shares	100%	Dormant
Maclay Murray & Spens	Ordinary shares	100%	Dormant

The registered office of all companies is One Fleet Place, London, United Kingdom, EC4M 7WS with the exception of Vindex Financial Services, Lycidas Nominees, Lycidas Secretaries and Maclay Murray & Spens. For these companies the registered office is 1 George Square, Glasgow, United Kingdom, G2 1AL.