

**C L I F F O R D**  
**C H A N C E**



**ANNUAL REVIEW 2021**

# OUR VISION

We will be the global law firm of choice for the world's leading businesses of today and tomorrow.

We always strive to exceed the expectations of our clients, whether from business government or the not-for-profit sector, and provide the highest quality service and legal insight. We pride ourselves on our approachable, collegial and team-based culture, and the commitments we make to our people and the wider world.



Read our  
Responsible Business Report 2021

## SOME HIGHLIGHTS

FOR THE YEAR ENDING 30 APRIL 2021

**£1,828 m** (+1%)

Revenues

**£716 m** (+8%)

Partnership Profit

**£619 m** (-0.2%)

Total Tax Contribution

Under the rules of certain US jurisdictions, this document may constitute attorney advertising.

Prior results do not guarantee a similar outcome.

**70,281** (+14%)

Total Pro Bono and  
Community Outreach hours

**£36.4 m** (+35%)

Value of Pro Bono work

**48.2%**

Decrease in CO<sub>2</sub> emissions  
(Scope 1 & 2) per FTE\*

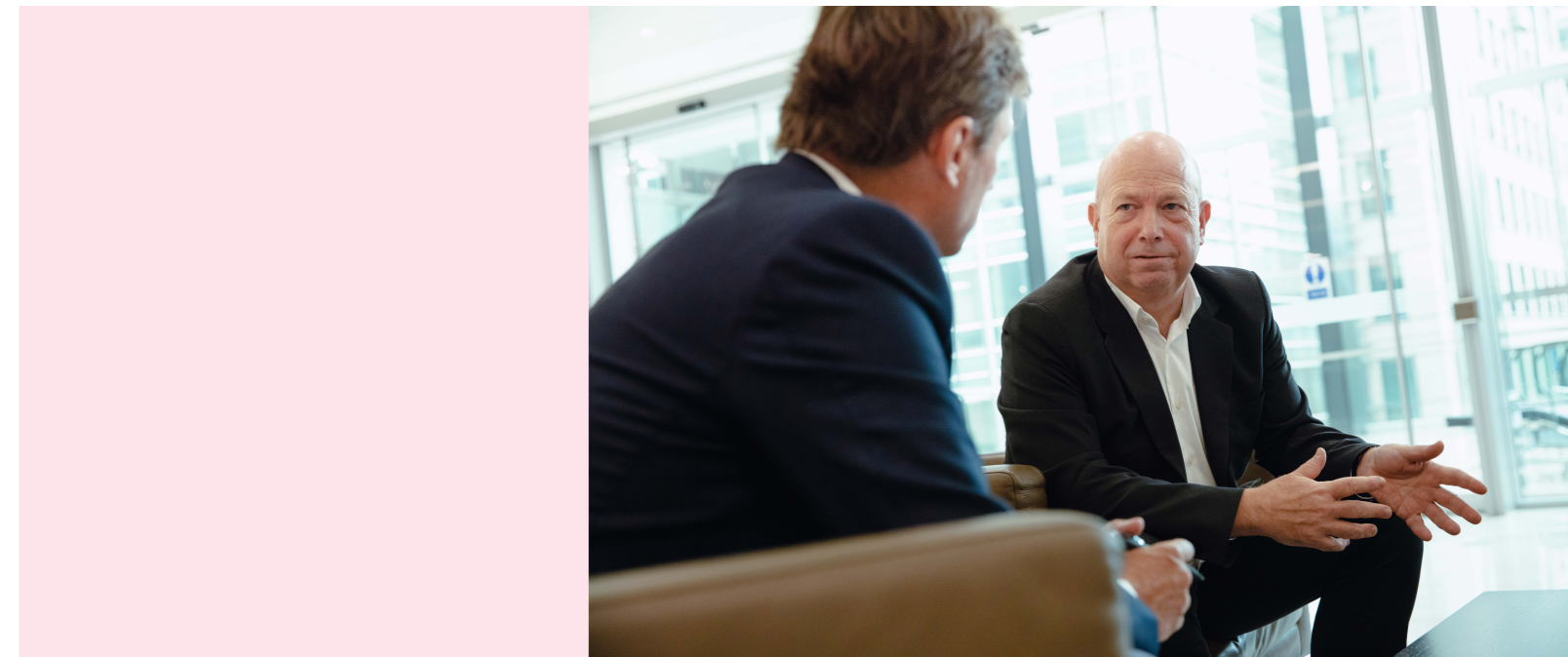
\* from the latest baseline of FY17/18

# A YEAR OF PROGRESS

I am hugely proud of what our team achieved during the year ended 30 April 2021. Our goal is always to stand shoulder to shoulder with our clients giving them the very best advice and support on their most complex and business-critical matters; and never has this been more important. Our robust financial performance reflects the value that clients place on that partnership and on the expertise and dedication of our teams.

Despite many challenges, FY21 was a year of progress: we maintained our momentum in advancing our strategic priorities and in investing for the firm's longer-term future in line with our vision.

**MATTHEW LAYTON**  
GLOBAL MANAGING PARTNER



## The strength of our platform

The breadth of our practice across areas of expertise enabled us to work seamlessly to support clients as their needs shifted over the course of the year. As a result, our highly regarded, global transactional practices, first in refinancing, restructuring, insolvency and then in corporate advisory, M&A, as well as our antitrust teams, experienced significant peaks in activity levels.

The other major theme of the year was the accelerated digitalisation of all aspects of our lives and business. Our tech team was therefore in great demand as clients sought informed advice that combines deep digital, data, IP and cyber knowledge with sector insight and broad-based legal and regulatory capability. Tech is one of our strategic priorities and we have been continuing to invest in our capability, including the addition of a further 10 new partners over last year.

We are also proud of the impact our work has had in response to the pandemic, from advising Pfizer on its partnership with BioNTech to helping governments procure vaccines. This is in addition to our work with a large number of non-profits, from helping criminal justice watchdog Fair Trials to track the impact of Covid-19 on access to justice to preventing the eviction of Sistah Space from their domestic violence support centre, just as that problem escalated sharply.

## Investing in our client priorities

We know there is no room for complacency and we must constantly invest ahead of and in tandem with evolving client demands.

Ensuring we consistently deliver the very best support to our Financial Investor

clients and helping businesses to navigate ESG issues and invest sustainably for the long-term are both fundamental to our ambitious strategic vision for the firm. As with our Tech Group, we already have a fantastic track-record and deep expertise in these areas and are investing in a targeted way in capabilities that will keep us at the forefront of the market globally.

As well as setting the standard for the very best quality legal advice available to clients, we are committed to ensuring our service and delivery experience meets the evolving needs of our clients in a fast-moving market. We therefore continue to push forward our broad-based Innovation agenda, including the launch in 2021 of our new Research and Development Hub.



## Laying foundations for our future success

We have also begun important work to map out how we will operate in the new world as communities and economies start to emerge from the shadow of the pandemic.

The past year has intensified our focus on securing strong foundations for our future success; understanding what clients will need from us and what type of firm we will need to be. The fundamental building blocks for that that must be a high performing, collaborative, and inclusive culture and a best-in-class operating platform.

We have never been in doubt that we are a people business. We are shaping all aspects of the firm so that we recruit, develop, motivate, and retain the very best talent in an environment where everyone is valued and thrives. In addition to our vital work around inclusion, our wellbeing support for colleagues has been especially front of mind during the past year and will be a focus for us as we move forward. I expect our people

agenda to be at the very heart of the firm's strategic priorities over the next few years as we embrace digitally enabled, hybrid working globally and ensure that the totality of the experience we offer our people - the career and development opportunities, the support infrastructure, their reward and ability to be part of an inclusive, high performing culture - is unmatched in the market.

As we look ahead, agility and a readiness to embrace change will be critical. Last year showed us how quickly and effectively we can introduce change when needed. The successful global roll-out in of our biggest IT transformation project ever, underlined the scale and impact of what we can achieve and reflects a wider change that has taken place across the firm as we have embraced the potential of digital technologies. We will seek to further leverage the benefits of consistency, efficiency and data-driven improvements in the years to come as we continue to invest in the forward-looking, high quality operating platform that is a crucial enabler of our future success.



## Looking ahead

We ended FY21 with high levels of transactional and advisory activity and that considerable momentum has continued into this year. As courts and regulators start to resume more normal operations, and as businesses consider the wider impacts of Covid, we also expect to see increasing demand from clients for litigation and other dispute resolution support.

Our strong offer here – an area where we have been further investing over the past six years – and our strength across client sectors and geographies means we are well placed to provide the full complement of advice that clients will need as they enter that next phase.

While confidence is running high in some markets as they look forward to a robust

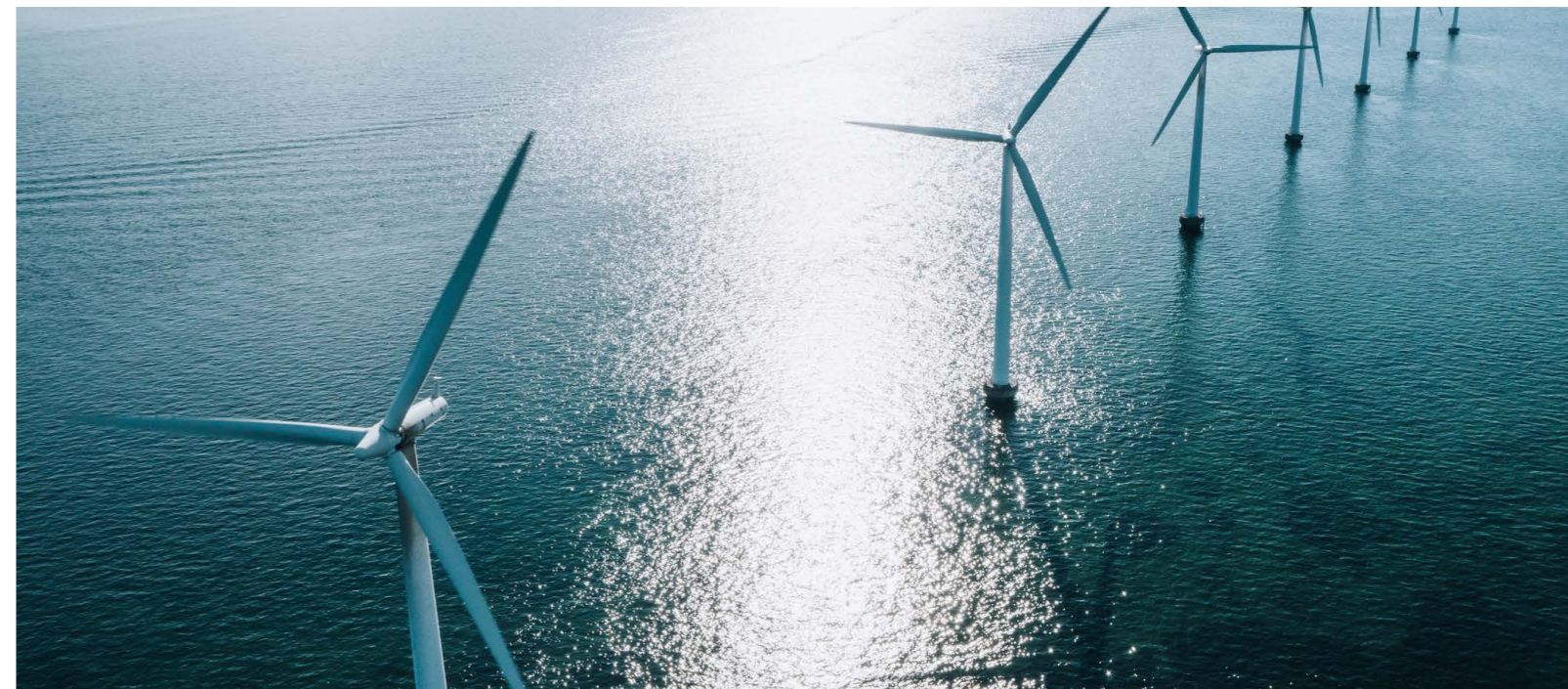
bounce back from the impacts of the pandemic, there remain points of significant uncertainty and many communities globally are still suffering immensely.

Amongst our clients, our NGO partners and our networks across government and multilateral organisations, we see that there is a shared commitment to build back better as we emerge from Covid. We believe that our expertise, the depth of our talent and our ability to bring together different organisations in impactful partnerships mean we have an important role to play in creating a more sustainable recovery.

Whatever lies ahead, the key to our future success will remain our people and our clients. I would like to thank our clients for the trust that they have

continued to place in us. In return, we know we must continue to challenge ourselves so that there is no other firm better placed to provide them with the excellence of advice and client service that they will find at Clifford Chance. And – most importantly – I would like to thank our people for their extraordinary efforts, energy and commitment often while facing the most difficult of personal circumstances.

The success of the past year is a testament to the quality our teams of globally, and the culture of mutual support that has underpinned all they do.





## HOW WE PERFORMED

# FINANCIAL INFORMATION

The summary financial information below is based upon the audited statutory consolidated financial statements of Clifford Chance LLP, which are prepared in accordance with International Financial Reporting Standards (IFRS).

Further information regarding the financial performance of the firm for the year ended 30 April 2021 can be found in the related press release and fact sheet

### REVENUE

	2021	2020
Revenue by Geographic Area:	£m	£m
Americas	246	263
Asia Pacific	301	322
Continental Europe	591	576
Middle East	50	55
United Kingdom	640	587
	<b>1,828</b>	<b>1,803</b>

### CONSOLIDATED INCOME STATEMENT

	2021	2020
Year ended 30 April	£m	£m
<b>Revenue</b>	<b>1,828</b>	<b>1,803</b>
Other operating income	3	3
<b>Operating costs</b>		
Staff and related costs	(822)	(802)
Other operating costs	(300)	(319)
<b>Operating profit</b>	<b>709</b>	<b>685</b>
Net Finance costs	(17)	(22)
<b>Profit before tax and members' remuneration and profit shares</b>	<b>692</b>	<b>663</b>
Members' remuneration charged as an expense	(30)	(8)
<b>Profit before tax available for profitshare among members</b>	<b>662</b>	<b>655</b>
Taxation	(20)	(18)
<b>Profit for the financial year available for profit share among members</b>	<b>642</b>	<b>637</b>

The Results derive from continuing operations

### CONSOLIDATED BALANCE SHEET

	2021	2020
As at 30 April	£m	£m
<b>ASSETS</b>		
Property, Plant and equipment	72	77
Right use of assets	311	334
Finance Lease receivable-non current	120	145
Deferred tax assets	51	55
<b>Total Non-Current Assets</b>	<b>554</b>	<b>611</b>
Accrued income	305	295
Trade and other receivables	457	506
Finance lease receivable - current	23	23
Amounts due from members	88	79
Cash and cash equivalents	370	299
<b>Total current assets</b>	<b>1,243</b>	<b>1,202</b>
<b>TOTAL ASSETS</b>	<b>1,797</b>	<b>1,813</b>
<b>LIABILITIES</b>		
Trade and other payables	457	430
Provisions (including defined benefit and annuity obligations)	23	24
Lease liability - current	87	97
Members' capital - current	31	28
<b>Total current liabilities</b>	<b>598</b>	<b>579</b>
Provisions (including defined benefit and annuity obligations)	457	474
Lease liability - non-current	475	531
Members' capital - non-current	126	129
<b>Total non-current liabilities</b>	<b>1,058</b>	<b>1,134</b>
<b>Total liabilities</b>	<b>1,656</b>	<b>1,713</b>
<b>Total Equity</b>	<b>141</b>	<b>100</b>
<b>Total liabilities excluding members' interests classified as liabilities</b>	<b>1,425</b>	<b>1,472</b>
<b>Net assets of members excluding members' interests classified as liabilities</b>	<b>372</b>	<b>341</b>

## HOW WE PERFORMED CONTINUED...

### CONSOLIDATED BALANCE SHEET (CONTINUED)

	2021	2020
As at 30 April	£m	£m
<b>Represented By:</b>		
Provision for annuity due to current members	74	84
Members' capital - current	31	28
Members' capital - non-current	126	129
Members' interests classified as liabilities	231	241
Reserves	141	100
	<b>372</b>	<b>341</b>
<b>Total Members' Interest</b>		
Amounts due from members	(88)	(79)
Provision from annuity due to current members	74	84
Members' capital - current	31	28
Members' capital - Non-current	126	129
Reserves	141	100
	<b>284</b>	<b>262</b>

### CONSOLIDATED CASH FLOW STATEMENT

	2021	2020
As at 30 April	£m	£m
<b>Profit before tax and members' remuneration and profit share</b>	<b>692</b>	<b>663</b>
Interest paid	20	26
Interest received	(3)	(4)
Depreciation	81	86
Contributions to defined benefit pension scheme	(36)	(18)
Amounts charged for annuity obligations	2	-
Annuities paid in relation to former partners	(20)	(20)
Decrease in property and other provisions	(1)	(1)
Remuneration to members	(11)	(13)
<b>Operating cashflow before movements in working capital</b>	<b>724</b>	<b>719</b>
(Increase)/decrease in accrued income	(22)	13
Decrease in receivables	34	18
Increase in payables	38	37
<b>Cash generated by operations</b>	<b>774</b>	<b>787</b>
Income taxes paid	(19)	(17)
<b>Net cash generated from operating activities</b>	<b>755</b>	<b>770</b>
<b>Cash flow used in investing activities:</b>		
Purchase of property, plant and equipment	(20)	(20)
Proceeds from sublease	25	25

## HOW WE PERFORMED CONTINUED...

### CONSOLIDATED CASH FLOW STATEMENT (CONTINUED)

	2021	2020
As at 30 April	£m	£m
<b>Net cash used in investing activities</b>	<b>5</b>	<b>5</b>
<b>Cash flow used in financing activities:</b>		
Drawings and distributions to members	(571)	(582)
Repayment of lease liabilities	(106)	(112)
Capital net repayments to members	-	(4)
<b>Net cash used in financing activities</b>	<b>(677)</b>	<b>(698)</b>
<b>Net increase in cash and cash equivalents</b>	<b>83</b>	<b>77</b>
Cash and cash equivalents at beginning of year	299	220
Effects of foreign exchange rate changes	(12)	2
<b>Cash and cash equivalents at the end of the year</b>	<b>370</b>	<b>299</b>

### PROFIT ATTRIBUTABLE TO EQUITY PARTNERS

	2021	2020
Year ended 30 April 2021	£m	£m
<b>Profit before tax for the financial year before members' remuneration and profit shares on the basis of IFRS</b>	<b>692</b>	<b>663</b>
Adjustments for partnership structure and accounting policies	25	3
<b>Amounts payable to equity partners and annuitants before tax</b>	<b>717</b>	<b>666</b>

The profit on the basis of IFRS is attributable to those partners of the firm who are members of Clifford Chance LLP. However, certain members of Clifford Chance LLP are not equity partners in the firm and certain equity partners of Clifford Chance LLP are not members of it. In addition, the profit on the basis of IFRS is determined in accordance with accounting policies which differ from those applicable under the partnership agreement. The principal differences relate to the accounting treatment of annuities, pension schemes and property leases. Accordingly, in order to arrive at the amounts payable to equity partners and annuitants before tax, adjustments are made to the IFRS profit to reflect the equity partnership structure instead of the membership structure and to reflect the differences between the accounting policies applicable under the partnership agreement and IFRS. The average number of equity partners during the year was 387 (2020: 394). The average profit per equity partner based on the profit before tax for the financial year attributable to equity partners excluding annuities amounts to £1.85 million (2020: £1.69 million).

### STATUTORY ACCOUNTS

The financial information included in this statement does not constitute the statutory accounts of Clifford Chance LLP within the meaning of the Companies Act 2006. Statutory accounts for the financial year ended 30 April 2019 have been delivered to the Registrar of Companies. Statutory accounts for the financial year ended 30 April 2021 have not yet been delivered to the Registrar of Companies. The auditors have reported on the accounts for both such financial years; their reports were unqualified, did not draw attention to any matters by way of emphasis without qualifying their reports and did not contain statements under Section 498 (2) or (3) Companies Act 2006, as applicable to limited liability partnerships.

## SELECTED CLIENT HIGHLIGHTS FROM THE PAST YEAR

- **Advising Pfizer** on its agreement to co-develop a Covid vaccine with BioNTech. The first to be approved by the US, EU, and UK, the vaccine was the result of a partnership put in place in record time by a team led by Clifford Chance's global intellectual property group
- Acting for Epic Games in litigation against Apple and Google in the UK and Australia relating to Fortnite, one of the most popular computer games in the world, and in relation to complaints to the European Commission and the UK Competition and Markets Authority in the context of their ongoing investigations into Apple's AppStore
- Advising on a series of stand-out Tech IPOs, including:
  - **the Hut Group** on its GBP 1.88bn IPO, the largest in London since 2015 at the time of listing;
  - **private-equity-owned Polish e-commerce company Allegro** on its PLN 10.6bn (USD 2.7bn) IPO, the largest ever IPO on the Warsaw Stock Exchange, and second largest capital raise in Europe at the time of launch;
- the banks on **Kuaishou's USD 5.4bn**, Hong Kong's largest technology IPO in history and the world's largest by a technology company since Uber in 2019; and
- the banks on InPost's EUR 3.2bn offering and Euronext Amsterdam listing - **Europe's largest ever tech IPO**, CEE's largest ever IPO, and the largest IPO in Europe in the last decade
- **Advising the banking syndicate** on the Republic of Italy's inaugural EUR 8.5bn green bond issue, Europe's largest-ever sovereign green bond debut
- **Advising Anheuser-Busch InBev** on its inaugural USD 10.1bn sustainability linked financing
- **Advising Citi** on the International Bank of Reconstruction and Development's (IBRD or World Bank) USD 100m bond used to support sustainable development activities and UNICEF's pandemic response programs for children around the world
- **Advising the Argentina Creditor Committee** on the historic sovereign debt restructuring of approximately USD 65bn of eligible bonds by the Republic of Argentina, a critical step towards the recovery of Argentina's economy in the midst of the COVID-19 pandemic
- Advising "Decarbonization Plus Acquisition Corporation II" on Australia's **first SPAC merger**, a USD 1.2bn merger with electric vehicle (EV) fast charger developer Tritium, set to go public on the NASDAQ
- **Advising PIF on the USD 69.1bn sale** of PIF's shareholding in SABIC to Saudi Aramco and the SABIC team separately on the global antitrust aspects of the transaction through a separate team behind confidentiality barriers – the largest ever M&A deal in the Middle East
- **Advising San Francisco-headquartered Sitecore** on its acquisition of Dublin-based SaaS business Boxever. Part of Sitecore's USD 1.2bn investment plan to drive growth and product innovation
- Advising leading Canadian insurer **Intact Financial Corporation** on its GBP 7.2bn takeover of RSA Insurance Group and the associated separation of RSA's Scandinavian business – a particularly complex transaction and the largest public takeover in the London market in 2020
- **Advising European energy company Vattenfall** on its EUR 1.6bn sale of 49.5% of offshore wind farm Hollandse Kust Zuid (HKZ). HKZ will become the world's largest wind farm, and the first to be built without subsidies for the power produced

- Advising **on an integrated value chain to deliver green hydrogen across Europe** at a price competitive with fossil fuels, and also advising the **Green Hydrogen Coalition on the formation and operation of an integrated value chain to deliver affordable green hydrogen into the Los Angeles basin**
- **Representing Avima Iron Ore Limited** in its USD 27bn dispute with the Republic of Congo, which called for damages or the restoration of its mining license
- Advising investment firm **Lucerne Capital Management** on a court dispute over Next Private BV's EUR 5.7bn takeover offer for telecoms company Altice Europe, which ultimately resulted in a 30% increase in the offer price as part of a settlement
- Advising **Haier Smart Home on the privatisation of its Hong Kong subsidiary Haier Electronics Group**, involving a bond restructuring and Hong Kong listing
- **Advising global investment manager VanEck** on historic Ethereum ETF registration statement with a view to creating the first US-listed exchange traded fund (ETF) for the cryptocurrency Ethereum
- Advising **Permira-backed alterDomus** on its strategic acquisition of technology provider Investors Economic Assurance, having **previously advised** on a number of other acquisitions
- **Advising Fortune 500 power company AES Corporation's Panamanian subsidiaries** on the largest transaction by a private company in Central America, the refinancing of an aggregate USD 1.5bn in existing debt.

# CLIFFORD CHANCE

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Clifford Chance, 10 Upper Bank Street, London, E14 5JJ

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