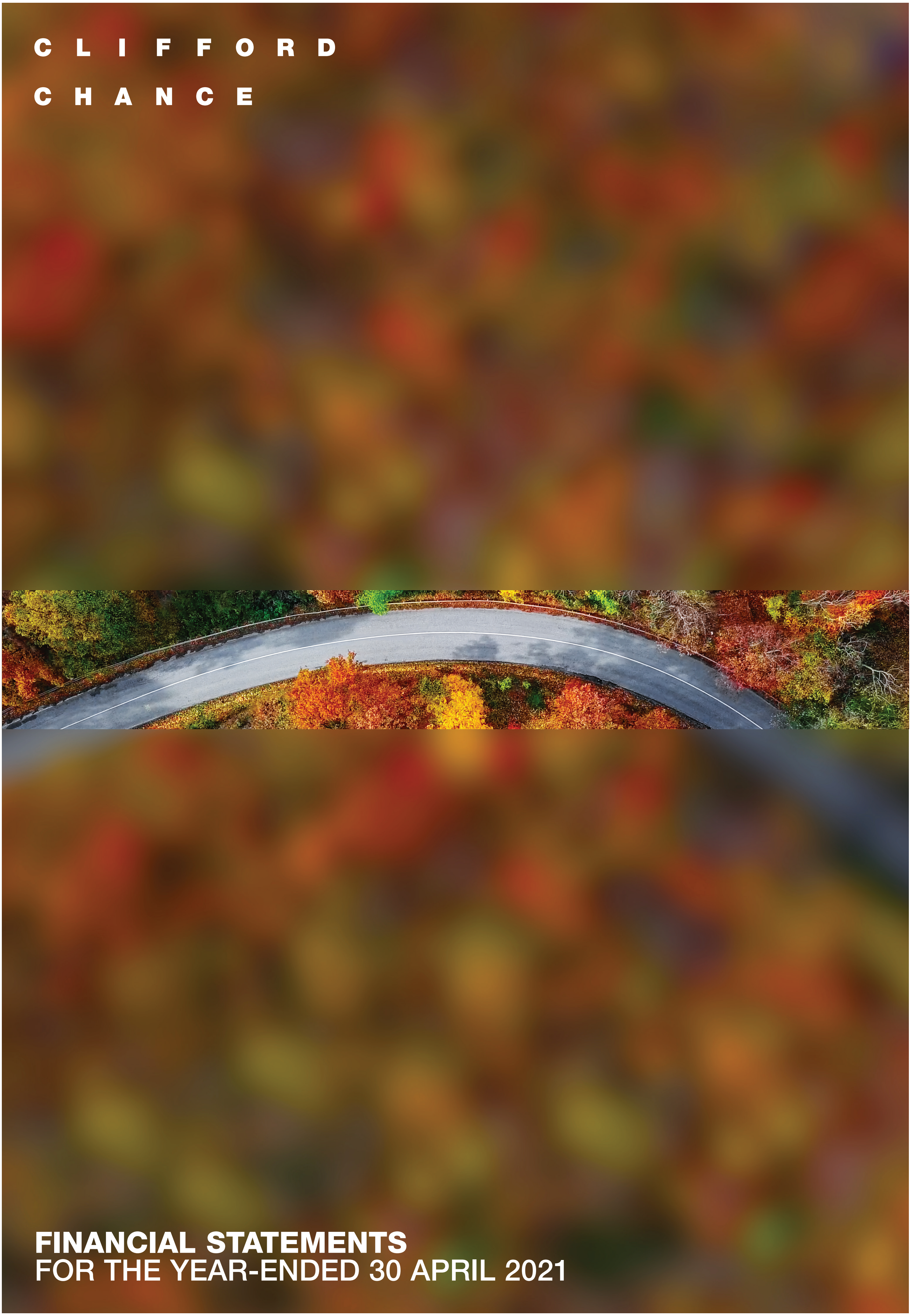
CLIFFORD CHANCE



FINANCIAL STATEMENTS
FOR THE YEAR-ENDED 30 APRIL 2021

CONTENTS

REPORT TO THE MEMBERS

This is the annual report to the members of Clifford Chance LLP, a limited liability partnership registered in England and Wales with registered number OC323571. A list of Members' names is available for inspection at 10 Upper Bank Street, London, E14 5JJ, United Kingdom, which is also Clifford Chance LLP's principal place of business and registered office.

Basis of the financial statements

These audited financial statements present the consolidated and standalone results of Clifford Chance LLP ("the Firm" / "LLP") and its subsidiaries for the year-ended 30 April 2021 in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 applicable to Limited Liability Partnerships.

Principal activities

The principal activity is the provision of legal services. All results derive from continuing activities.

Group structure

Clifford Chance is the collective name for the legal practice comprising Clifford Chance LLP and its subsidiary entities. The consolidated financial statements incorporate the financial statements of Clifford Chance LLP and its subsidiary entities. The consolidated results for the years ended 30 April 2021 and 2020 represent a consolidation of all entities controlled either directly or indirectly by Clifford Chance LLP. These entities may be branches, partnerships or separate corporate entities ("the Group").

Management

"The Executive Leadership Group ("ELG"), chaired by the firm's Managing Partner, sets the Group's strategy and oversees its implementation. The effectiveness of the ELG is reviewed by the Partnership Council, led by the Group's Senior Partner.

The firm's constitution is governed by our Partnership Agreement. This requires that certain issues are subject to a vote of partners, including the election of the Managing Partner, the Senior Partner and the Partnership Council. Partners also vote on the admission of new partners, mergers or acquisitions and other major investments and changes to the Partnership Agreement itself. Each partner has a single vote, although on certain matters (such as the arrangements for remuneration of equity partners) only equity partners are entitled to vote.

The ELG meets regularly and is responsible for our strategy, the development of our competitive position, our relationship with clients, mid and long-term business planning, the performance of the various parts of the Group, and its financial management.

The Partnership Council is an elected body chaired by the Senior Partner and currently comprises seven other elected council members, as well as one member appointed from outside the Group. The Partnership Council meets regularly in person to review the effectiveness of the Group's leadership and management. The Council also ensures that appointments to leadership roles are handled effectively and with due regard to the interests of the partnership.

Business review

The results for the year-ended 30 April 2021 show a sixth straight year of continued growth and record financial performance. There were many strong performances across the practice areas and regions. The total revenue for the year was £1,828m compared with £1,803m for the previous year, the Group's highest ever reported revenue.

The year-ended 30 April 2021 started slowly as the pandemic created uncertainty, impacting activity levels in the first few months of the year. However, the Firm effectively transitioned to remote working, continuing to support clients through this period of uncertainty. In the second half of the year we saw activity levels accelerate and exceed those seen in the prior year across all regions. In the most challenging of circumstances the trust and confidence of our clients, the quality of our work, the commitment of our staff and partners with a continued focus on our clear strategy and financial discipline has enabled us to deliver another record financial performance.

The profit before tax for the year before Members' remuneration and profit share was £692m, £29m higher than the previous year. There was a focus on costs during the year with market pressures driving up staff costs but other operating costs declined as travel, business development and some office-related costs declined.

Net cash at the year-end was £370m, an increase of £71m from net cash as at 30 April 2020. The Firm maintained strong cash reserves throughout the year, and did not drawdown on its Revolving Credit Facility. The increase in net cash has been driven by continued improvement in the firm's order to cash process resulting in a 10% reduction in trade receivables. This reflects the collective efforts from partners, lawyers and business professionals across the Firm.

Net assets attributable to members, excluding Members' interests classified as liabilities, improved significantly to £372m as at 30 April 2021 (2020: £341m). This is primarily due to profits for the year exceeding profit distributions in respect of the previous financial year.

Going concern

Having considered current and expected activity levels, together with cashflow forecasts for the following 12 months and the availability of the firm's Revolving Credit Facility, the ELG has concluded that the Group has adequate resources to continue in operations for the foreseeable future. Accordingly, the Group continues to adopt the going concern basis of accounting in preparing the financial statements.

Financing

The Group is financed through a combination of Members' own capital and undistributed profits. Additionally, a revolving credit facility in the amount of £150m is also available. The amount of capital per profit sharing unit is determined by the Partnership Agreement with reference to the future requirements of the Group.

Brexit

The shape and spread of the Firm's practices across geographies, products, expertise and sectors provides a natural hedge for the potential risks posed by Brexit. We continue to support clients as they transition to the new regulatory and market landscape, drawing on our deep expertise in areas such as regulatory, trade and public policy advice. To address any potential shifts in client demands, and to ensure we continue to capitalise on the strength of our European (EU and UK) platform, we have put in place a 'One Europe' strategy, led by our UK and Continental European Managing Partners. This strategy will also support a joined up approach to investments in support of our wider European capability. We continue to monitor closely the potential impacts on the Firm in terms of residency and practising rights for UK nationals working in Continental Europe and vice versa, and to invest in additional talent and support for our people where required.

Members' capital and drawings

The term "partner" in this document is used to refer to a member of Clifford Chance LLP, or an employee or consultant with equivalent standing and qualifications, or an individual with equivalent standing in one of Clifford Chance LLP's subsidiary undertakings. A partner can either be an equity partner or non-equity partner as per the partnership agreement. The term "member" in this document is used to refer only to a member of Clifford Chance LLP.

The partners who are not members of the LLP receive remuneration on an equivalent basis to members. Their remuneration is presented in the Consolidated Income Statement under *Staff and related costs*. Remuneration which is not profit-related and not discretionary, that is paid to members, is treated as a charge against profit and is presented in the Consolidated Income Statement under *Members' remuneration charged as an expense*.

Partners are paid a monthly drawing on account, in addition to profit share special distribution. Members' capital, which is measured at cost, is repayable within six months of retirement, and accordingly is required to be classified as a liability. Each member contributes capital to the Group in accordance with the Partnership Agreement and in proportion to their profit-sharing units. The amount of capital per unit is determined from time to time with reference to the future funding requirements of the Group. Members' capital of retiring and US partners is classified as a current liability. Non-US partners are required to give a minimum of not less than six months' notice, and so this liability is classified as a non-current liability.

Profit sharing

The Partnership Agreement of Clifford Chance LLP sets out the basis for determining the profits available for sharing between equity partners. Such profits differ from the profits shown in these financial statements because different accounting policies are applied, and because the members of Clifford Chance LLP exclude certain equity partners and include certain partners who are not equity partners.

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 regulation.

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 prepared the Group and the LLP financial statements in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006.

Under company law, as applied to limited liability partnerships, 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 LLP and of the profit or loss of the Group for that period. In preparing the financial statements, the members are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable international accounting standards in conformity with the requirements of the Companies Act 2006 have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and LLP will continue in business.

The members are also responsible for safeguarding the assets of the Group and LLP and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The members are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's and LLP's transactions and disclose with reasonable accuracy at any time the financial position of the Group and LLP and enable them to ensure that the financial statements comply with the Companies Act 2006.

In so far as the members are aware:

- there is no relevant audit information of which the LLP's auditors are unaware; and
- the members have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Independent auditors

The independent auditors of Clifford Chance LLP are PricewaterhouseCoopers LLP, who will be proposed for reappointment. PricewaterhouseCoopers LLP have expressed their willingness to continue in office as auditors.

Designated members

The designated members during the year-ended 30 April 2021 and subsequent to the year-end are:

Matthew Layton
David Harkness
Chris Perrin (resigned on 30 April 2021)
Robin Abraham (appointed on 1 May 2021)

Streamlined Energy and Carbon Reporting (SECR) under The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018

In accordance with the requirements of Streamlined Energy and Carbon Reporting (SECR) under The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018, below are the details for UK locations. A list of members is available on the Companies House website at:
https://beta.companieshouse.gov.uk/company/OC323571/officers

		2021	**2020**
1	Energy Consumption used to calculate emissions kWh	13,363,451	14,532,808
2	Emissions from combustion of gas tCO_2e (Scope 1)	331	292
3	Emissions from combustion of fuel for transport purposes (Scope 1)	Not applicable	Not applicable
4	Emissions from business travel in rental cars or employee-owned vehicles where Group is responsible for purchasing the fuel (Scope 3)	-	2
5	Emissions from purchased electricity (Scope 2, location-based)	2,701	3,311
6	Total gross tCO_2e based on above	3,032	3,605
7	Intensity ratio: tCO_2e gross figure based on mandatory fields above (UK's FTE in Nos.)	1,993	2,001
8	Methodology	Defra is used for all UK emissions calculations	Defra is used for all UK emissions calculations
9	Emissions from other activities which the Group owns or controls including operation of facilities (Scope 1)	Not applicable	Not applicable
10	Emissions from purchased electricity (Scope 2, market-based factor)	4,026	4,934
11	Emissions from heat, steam and cooling purchased for own use (Scope 2)	Not applicable	Not applicable
12	Emissions from extraction and production of purchased materials and fuels which the Group does not own or control (Scope 3) / tCO_2e	Not applicable	Not applicable

Streamlined Energy and Carbon Reporting (SECR) under The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018

		2021	2020
13	Emissions from use of sold products and services which the Group does not own or control (Scope 3) / tCO2e	Not applicable	Not applicable
14	Emissions from electricity related to extraction, production, and transportation of fuels consumed in the generation of electricity which the Group does not own or control (Scope 3) / tCO2e	Not applicable	Not applicable
15	Emissions from purchase of electricity that is sold to an end user which the Group does not own or control (Scope 3) / tCO2e	Not applicable	Not applicable
16	Emissions from generation of electricity that is consumed in a transmission and distribution system which the Group does not own or control (Scope 3) / tCO2e	Not applicable	Not applicable
17	Emissions from transportation of purchased fuels which the Group does not own or control (Scope 3) / tCO2e	Not applicable	Not applicable
18	Emissions from transportation of waste out of financial / operational control (Scope 3) / tCO2e	Not applicable	Not applicable
19	Emissions from transportation of sold products which the Group does not own or control (Scope 3) / tCO2e	Not applicable	Not applicable
20	Emissions from employee business travel which the Group does not own or control and where not responsible for purchasing the fuel (Scope 3) / tCO2e	99	2,787
21	Emissions from employees commuting to and from work which the Group does not own or control (Scope 3) / tCO2e	Not applicable	Not applicable
22	Emissions from leased assets, franchises and outsourced activities (Scope 3) / tCO2e	Not applicable	Not applicable
23	Emissions from disposal of waste generated in operations which the Group does not own or control (Scope 3) / tCO2e	Not applicable	Not applicable

Streamlined Energy and Carbon Reporting (SECR) under The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018

		2021	2020
24	Emissions from disposal of waste generated in production of purchased materials and fuels which the Group does not own or control (Scope 3) / tCO2e	121	1,731
25	Emissions from disposal of sold products at the end of their life which the Group does not own or control (Scope 3) / tCO2e	Not applicable	Not applicable
26	Total gross Scope 3 emissions / tCO2e	220	4,518
27	Total gross Scope 1, Scope 2 [location / market] & Scope 3 emissions / tCO2e	3,252	8,123
28	Carbon offsets / tCO2e	Not applicable	Not applicable
29	Domestic Carbon Units	Not applicable	Not applicable
30	Total annual net emissions / tCO2e	3,252	8,123
31	Additional intensity ratio: tCO2e net figure (UK's FTE in Nos.)	1,993	2,001
32	tCO2e per employee {(30) / (31)}	1.63	4.06
33	Energy Efficiency Action:		

A number of actions have been undertaken to reduce energy and carbon usage. Lighting has been replaced with LEDs in toilets, tenant areas, the auditorium and roof areas. We have started the process of engaging with our suppliers as part of the scope 3 aspect of Science Based Target Initiatives to reach our global objective of net zero by 2030. 21 boilers have been replaced with fewer, more efficient units resulting in significant carbon savings. Over 1000 printers have been removed from the London and Newcastle offices as part of our paper and energy saving initiative. We took the opportunity during lockdown to carefully manage our building controls and have made significant energy reductions.

Report to the members and the streamlined energy and carbon report are signed on behalf of the Executive Leadership Group by:

Matthew Layton
Managing Partner
19 July 2021

Patrick Glydon
Chief Financial Officer
19 July 2021REPORT

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CLIFFORD CHANCE LLP

Report on the audit of the financial statements

Opinion

In our opinion, Clifford Chance 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 2021 and of the group's profit and the group's and limited liability partnership's cash flows for the year then ended;
- have been properly prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 as applied to limited liability partnerships; 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.

We have audited the financial statements, included within the Financial Statements (the "Annual Report"), which comprise: consolidated and limited liability partnership balance sheets as at 30 April 2021; consolidated income statement, consolidated statement of comprehensive income, consolidated and limited liability partnership statements of changes in equity, and consolidated and limited liability partnership cash flow statements for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the *Auditors' responsibilities for the audit of the financial statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

"Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and the limited liability partnership's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

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

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the group's and the limited liability partnership's ability to continue as a going concern.

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

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The members are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

Responsibilities for the financial statements and the audit

Responsibilities of the members for the financial statements

As explained more fully in the *Statement of Members' responsibilities in respect of the financial statements*, the members are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The members are also responsible for such internal control as they 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 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 limited liability partnership or to cease operations, or have no realistic alternative but to do so.

Auditors' 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 auditors' 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the group and industry, we identified that the principal risks of non-compliance with laws and regulations related to Solicitors Regulation Authority regulation, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006 as applied to limited liability partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting of inappropriate journal entries to manipulate accounting records, overriding relevant controls to prepare incorrect financial statements and management bias in accounting estimates. Audit procedures performed by the engagement team included:

- Evaluation of the design of management's controls designed to prevent and detect irregularities;
- Review of all internal audit reports issued to the Audit and Risk Committee which highlighted any issues with respect to potential fraud;
- Discussion with management, the Compliance Officer for Finance and Administration and the Compliance Officer for Legal Practice, including consideration of known or suspected instances of non-compliance with law and regulations and fraud;
- Challenge of assumptions and judgements made by management in respect of significant accounting estimates; and
- Testing unusual or unexpected journal entries, particularly those impacting revenue.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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 auditors' report.

Use of this report

This report, including the opinions, 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 these opinions, 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.

Other required reporting

Companies Act 2006 exception reporting

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 obtained 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.

Gilly Lord (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
19 July 2021

CONSOLIDATED INCOME STATEMENT

Year-ended 30 April	Note	2021	2020
		£m	£m
Revenue	4	**1,828**	**1,803**
Other operating income		3	3
Operating costs			
Staff and related costs	5	(822)	(802)
Other operating costs		(300)	(319)
Operating profit		**709**	**685**
Net finance costs	8	(17)	(22)
PROFIT BEFORE TAX AND Members' REMUNERATION AND PROFIT SHARE		**692**	**663**
Members' remuneration charged as an expense	9	(30)	(8)
PROFIT BEFORE TAX AVAILABLE FOR PROFIT SHARE AMONG MEMBERS		**662**	**655**
Taxation	10	(20)	(18)
PROFIT FOR THE FINANCIAL YEAR AVAILABLE FOR PROFIT SHARE AMONG MEMBERS		**642**	**637**

The results derive from continuing operations.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year-ended 30 April	**Note**	**2021**	**2020**
		£m	£m
PROFIT FOR THE FINANCIAL YEAR AVAILABLE FOR PROFIT SHARE AMONG MEMBERS		**642**	**637**
Items that will not be reclassified subsequently to the Consolidated Income Statement:			
Actuarial loss on defined benefit pension scheme	20	(11)	(19)
Deferred tax relating to items not reclassified	10	(4)	7
Items that may be reclassified subsequently to the Consolidated Income Statement:			
Net foreign exchange differences recognised within reserves	23	(1)	(4)
Other comprehensive loss for the year net of tax		**(16)**	**(16)**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**626**	**621**

CONSOLIDATED BALANCE SHEET

As at 30 April	Note	2021	2020
		£m	£m
ASSETS			
Property, plant and equipment	12	72	77
Right of use assets	26	311	334
Finance lease receivable – non-current	26	120	145
Deferred tax asset	10	51	55
Total Non-Current Assets		**554**	**611**
Accrued income	25	305	295
Trade and other receivables	14	457	506
Finance lease receivable – current	26	23	23
Amounts due from members	15	88	79
Cash and cash equivalents	16	370	299
Total Current Assets		**1,243**	**1,202**
TOTAL ASSETS		**1,797**	**1,813**
LIABILITIES			
Trade and other payables	17	457	430
Provisions (including defined benefit and annuity obligations)	19, 20, 21	23	24
Lease liability – current	26	87	97
Members' capital – current	22	31	28
Total Current Liabilities		**598**	**579**
Provisions (including defined benefit and annuity obligations)	19, 20, 21	457	474
Lease liability – non-current	26	475	531
Members' capital – non-current	22	126	129
Total Non-Current Liabilities		**1,058**	**1,134**
TOTAL LIABILITIES		**1,656**	**1,713**
TOTAL EQUITY		**141**	**100**
Total Liabilities Excluding Members' Interests Classified as Liabilities		**1,425**	**1,472**

As at 30 April	**Note**	**2021**	**2020**
		£m	£m
Net Assets Of Members Excluding Members' Interests Classified as Liabilities	23	**372**	**341**
REPRESENTED BY:			
Provision for annuity due to current members	19	74	84
Members' capital – current	22	31	28
Members' capital – non-current	22	126	129
Members' interests classified as liabilities		231	241
Reserves		141	100
		372	**341**
Total Members' interests:			
Amounts due from members	15	(88)	(79)
Provision for annuity due to current members	19	74	84
Members' capital – current	22	31	28
Members' capital – non-current	22	126	129
Reserves		141	100
		284	**262**

The financial statements on pages 10 to 57 have been approved by the members and were signed on 19 July 2021 by Matthew Layton, designated member.

Matthew Layton
Clifford Chance LLP

LIMITED LIABILITY PARTNERSHIP BALANCE SHEET

As at 30 April	Note	2021	2020	As at 1 May 2019
		£m	£m *(restated)**	£m *(restated)**
ASSETS				
Investments	3	5	5	5
Property, plant and equipment	13	9	9	10
Right of use assets	26	120	134	154
Finance lease receivable – non-current	26	107	123	139
Total Non-Current Assets		**241**	**271**	**308**
Accrued income	25	136	120	130
Trade and other receivables	14	874	652	541
Finance lease receivable – current	26	17	16	15
Amounts due from members	15	-	-	3
Cash and cash equivalents	16	136	126	109
Total Current Assets		**1,163**	**914**	**798**
TOTAL ASSETS		**1,404**	**1,185**	**1,106**
LIABILITIES				
Trade and other payables	17	631	478	407
Amounts due to members	15	7	2	-
Provisions (including annuity obligations)	19, 21	20	18	17
Lease liability – current	26	44	45	45
Members' capital current	22	31	28	10
Total Current Liabilities		**733**	**571**	**479**
Provisions (including annuity obligations)	19, 21	155	149	169
Lease liability – non-current	26	276	312	356
Members' capital non-current	22	126	129	128
Total Non-Current Liabilities		**557**	**590**	**653**
TOTAL LIABILITIES		**1,290**	**1,161**	**1,132**
TOTAL EQUITY		**114**	**24**	**(26)**

As at 30 April	Note	2021	2020	As at 1 May 2019
		£m	£m	£m
			*(restated)**	*(restated)**
Total Liabilities Excluding Members' Interests Classified as Liabilities		**1,068**	**930**	**909**
Net Assets Of Members Excluding Members' Interests Classified as Liabilities	23	**336**	**255**	**197**
REPRESENTED BY:				
Provision for annuity due to current members	19	65	74	85
Members' capital current	22	31	28	10
Members' capital non-current	22	126	129	128
Members' interests classified as non-current liabilities		222	231	223
Reserves		114	24	(26)
		336	**255**	**197**
Total Members' interests:				
Amounts due to/(from) members	15	7	2	(3)
Provision for annuity due to current members	19	65	74	85
Members' capital – current	22	31	28	10
Members' capital non-current	22	126	129	128
Reserves		114	24	(26)
		343	**257**	**194**

As permitted by Section 408 of the Companies Act 2006, the LLP has not presented its own income statement. A profit of £287m (2020: £262m profit(restated)) is included within the financial statements of the LLP.

*Refer to note 27 for restatement of previous year financial statements for reasons explained in that note.

The financial statements on pages 10 to 57 have been approved by the members and were signed on 19 July 2021 by Matthew Layton, designated member.

Matthew Layton
Clifford Chance LLP

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Foreign Exchange Reserves	Other Reserves	Total Reserves Equity	*Provision for Annuities classified as liabilities*	*Members' Capital classified as liabilities*	*Members' Capital & Reserves*
	£m	£m	£m	*£m*	*£m*	*£m*
Balance as at 1 May 2019	**40**	**(6)**	**34**	***99***	***138***	***271***
Profit for the financial year available for profit share among members	-	637	637	-	-	*637*
Other comprehensive loss for the year	(4)	(12)	(16)	-	-	*(16)*
Total comprehensive (loss)/income for the year	(4)	625	621	-	-	*621*
Profit distributions and related tax	-	(555)	(555)	-	-	*(555)*
Capital transferred from liabilities*	-	-	-	-	*23*	*23*
Change in provision for annuities	-	-	-	*(15)*	-	*(15)*
Change in Members' capital (note 22)	-	-	-	-	*(4)*	*(4)*
Balance as at 30 April 2020	**36**	**64**	**100**	***84***	***157***	***341***
Profit for the financial year available for profit share among members	-	642	642	-	-	*642*
Other comprehensive loss for the year	(1)	(15)	(16)	-	-	*(16)*
Total comprehensive (loss)/income for the year	(1)	627	626	-	-	*626*
Profit distributions and related tax	-	(585)	(585)	-	-	*(585)*
Change in provision for annuities	-	-	-	*(10)*	-	*(10)*
Balance as at 30 April 2021	**35**	**106**	**141**	***74***	***157***	***372***

*This refers to capital of partners who became members during the year-ended 30 April 2020.

CLIFFORD CHANCE

LIMITED LIABILITY PARTNERSHIP STATEMENT OF CHANGES IN EQUITY

	Foreign Exchange Reserves	Other Reserves	Total Reserves Equity	*Provision for Annuities classified as liabilities*	*Members' Capital classified as liabilities*	*Members' Capital & Reserves*
	£m	£m (restated)	£m (restated)	*£m*	*£m*	*£m* (restated)
Balance as at 1 May 2019	**31**	**(8)**	**23**	***85***	***138***	***246***
Restatement adjustment (note 27)	-	(49)	(49)	-	-	*(49)*
Balance as at 1 May 2019 (restated)	**31**	**(57)**	**(26)**	***85***	***138***	***197***
Profit for the financial year available for profit share among members	-	262	262	-	-	*262*
Other comprehensive income for the year	1	-	1	-	-	*1*
Total comprehensive income for the year	1	262	263	-	-	*263*
Profit distributions and related tax	-	(213)	(213)	-	-	*(213)*
Capital transferred from liabilities*	-	-	-	-	*23*	*23*
Change in provision for annuities	-	-	-	*(11)*	-	*(11)*
Change in Members' capital (note 22)	-	-	-	-	*(4)*	*(4)*
Balance as at 30 April 2020	**32**	**(8)**	**24**	***74***	***157***	***255***
Profit for the financial year available for profit share among members	-	287	287	-	-	*287*
Other comprehensive loss for the year	(6)	-	(6)	-	-	*(6)*
Total comprehensive (loss)/income for the year	(6)	287	281	-	-	*281*
Profit distributions and related tax	-	(191)	(191)	-	-	*(191)*
Change in provision for annuities	-	-	-	*(9)*	-	*(9)*
Balance as at 30 April 2021	**26**	**88**	**114**	***65***	***157***	***336***

*This refers to capital of partners who became members during the year-ended 30 April 2020.

CONSOLIDATED CASH FLOW STATEMENT

Year-ended 30 April	Note	2021	2020
		£m	£m
Profit before tax and Members' remuneration and profit share		**692**	**663**
Interest paid	8	20	26
Interest received	8	(3)	(4)
Depreciation	12, 26	81	86
Contributions to defined benefit pension scheme	20	(36)	(18)
Amounts charged for annuity obligations	21	2	-
Annuities paid in relation to former partners	21	(20)	(20)
Decrease in property and other provisions	19	(1)	(1)
Remuneration to members	9	(11)	(13)
Operating cashflow before movements in working capital		**724**	**719**
(Increase)/decrease in accrued income		(22)	13
Decrease in receivables		34	18
Increase in payables		38	37
Cash generated by operations		**774**	**787**
Income taxes paid		(19)	(17)
NET CASH GENERATED FROM OPERATING ACTIVITIES		**755**	**770**
Cash flows used in investing activities:			
Purchase of property, plant and equipment	12	(20)	(20)
Proceeds from sublease	26	25	25
NET CASH USED IN INVESTING ACTIVITIES		**5**	**5**
Cash flows used in financing activities:			
Drawings and distributions to members		(571)	(582)
Repayment of lease liabilities	26	(106)	(112)
Capital net repayments to members	22	-	(4)
NET CASH USED IN FINANCING ACTIVITIES		**(677)**	**(698)**

Year-ended 30 April	Note	2021	2020
		£m	£m
NET INCREASE IN CASH AND CASH EQUIVALENTS		**83**	**77**
Cash and cash equivalents at beginning of year		299	220
Effects of foreign exchange rate changes		(12)	2
CASH AND CASH EQUIVALENTS AT END OF YEAR	16	**370**	**299**

Cash flows in respect of proceeds from sublease for the year-ended 30 April 2020 have been reclassified based on the current year classification of those cashflows as part of investing activities.

Reconciliation of liabilities arising from financing activities:

	2021	2020
	Members Capital	**Members Capital**
	£m	£m
Opening	157	138
Financing cash flows	-	(4)
Capital transferred	-	23
Closing	**157**	**157**

Lease Liabilities	Opening	Net additions	Financing cash flows	Financing charge	Translation difference	Closing
	£m	£m	£m	£m	£m	£m
For the year-ended 30 April 2021	628	46	(106)	13	(19)	562
For the year-ended 30 April 2020	701	16	(112)	16	7	628

LIMITED LIABILITY PARTNERSHIP CASH FLOW STATEMENT

Year-ended 30 April	Note	2021	2020
		£m	£m
			(restated)
Profit before tax and Members' remuneration and profit share		**314**	**272**
Interest paid		12	8
Interest received		(3)	(3)
Depreciation	13, 26	25	25
Amounts charged for annuity obligations		3	1
Annuities paid in relation to former partners	21	(17)	(18)
Increase/(decrease) in property and other provisions	19	1	(1)
Operating cashflow before movements in working capital		**335**	**284**
(Increase)/decrease in accrued income		(18)	10
Increase in receivables		(228)	(110)
Increase in payables		155	67
Cash generated by operations		**244**	**251**
Income taxes paid		(8)	(10)
NET CASH GENERATED FROM OPERATING ACTIVITIES		**236**	**241**
Cash flows used in investing activities:			
Purchase of property, plant and equipment	13	(4)	(3)
Proceeds from sublease		18	18
NET CASH USED IN INVESTING ACTIVITIES		**14**	**15**
Cash flows used in financing activities:			
Drawings and distributions to members		(187)	(184)
Repayment of lease liabilities		(51)	(52)
Capital net repayments to members	22	-	(4)
NET CASH USED IN FINANCING ACTIVITIES		**(238)**	**(240)**

Year-ended 30 April	Note	2021	2020
		£m	£m
			(restated)
NET INCREASE IN CASH AND CASH EQUIVALENTS		**12**	**16**
Cash and cash equivalents at beginning of year		126	109
Effects of foreign exchange rate changes		(2)	1
CASH AND CASH EQUIVALENTS AT END OF YEAR	16	**136**	**126**

Cash flows in respect of proceeds from sublease for the year-ended 30 April 2020 have been reclassified based on the current year classification of those cashflows as part of investing activities.

Reconciliation of liabilities arising from financing activities:

	2021	2020
	Members Capital	**Members Capital**
	£m	£m
Opening	157	138
Financing cash flows	-	(4)
Capital transferred	-	23
Closing	**157**	**157**

Lease Liabilities	**Opening**	**Net additions**	**Financing cash flows**	**Financing charge**	**Translation difference**	**Closing**
	£m	£m	£m	£m	£m	£m
For the year-ended 30 April 2021	357	5	(51)	10	(1)	320
For the year-ended 30 April 2020	401	-	(52)	8	-	357

NOTES TO THE FINANCIAL STATEMENTS

1. General

Clifford Chance LLP is a limited liability partnership registered in England and Wales and with offices in principal business centres worldwide. Clifford Chance LLP is the ultimate parent of the Clifford Chance Group.

2. Significant accounting policies

a. Basis of preparation

These financial statements present the consolidated and standalone results of Clifford Chance LLP and its subsidiary undertakings for the year-ended 30 April 2021.

The consolidated and standalone financial statements have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 applicable to Limited Liability Partnerships.

The Group has applied the following standards and amendments for the first time for its annual reporting period commencing 1 May 2020:

- Definition of Material – amendments to IAS 1 and IAS 8
- Definition of a Business – amendments to IFRS 3
- Interest Rate Benchmark Reform – amendments to IFRS 9, IAS 39 and IFRS 7
- Revised Conceptual Framework for Financial Reporting

The Group also elected to adopt the following amendments early:

- COVID-19 Related Rent Concessions – amendments to IFRS 16

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the future periods.

Certain new accounting standards and interpretations have been published that are not mandatory for 30 April 2021 reporting periods and have not been early adopted by the Group. These standards are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

Refer to note 27 for restatement of previous year financial statements for reasons explained in that note.

b. Basis of consolidation

The consolidated financial statements incorporate the financial statements of Clifford Chance LLP and its subsidiary entities. Subsidiary entities are those entities controlled by Clifford Chance LLP, which may be branches, partnerships, limited liability partnerships or separate corporate entities. Control exists when Clifford Chance LLP is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. The financial statements of subsidiary entities are included in the consolidated financial statements from the date that control commences until the date that control ceases. As permitted under section 408 of the Companies Act 2006, no separate income statement is presented for Clifford Chance LLP.

Intra-group balances and transactions are eliminated in the consolidated financial statements.

c. Revenue

Revenue represents amounts chargeable to clients for professional services provided, excluding external disbursements and sales tax. The Group is generally paid in arrears for its services. Invoices are typically payable within 30 to 60 days.

The Group provides services to clients under a contract or matter. In most instances, services within a matter are not considered distinct and are therefore accounted for as a single performance obligation. However, where a contract or matter requires services that are capable of being distinct, are distinct in the context of the contract and are accounted for as separate performance obligations, revenue is allocated to each of the performance obligations based on a standalone fee.

Typically, performance obligations are satisfied over time as services are provided, because the client receives and uses the benefits simultaneously. Revenue, for variable time-based contracts, is recognised where the group has the right to invoice the client. For fixed or capped fee contracts, revenue is recognised based on the proportion of the service performance with an input method used to measure progress for each performance obligation. The Group has applied the practical expedient of IFRS 15 paragraph 121 to not disclose information about remaining performance obligations as the performance obligations are part of contracts or matters with an original expected duration of one year or less.

Revenue for services which is contingent and dependent on external events is recognised when the event is highly probable and a significant reversal is unlikely. The Group does not incur significant costs in obtaining or fulfilling a contract and therefore all such costs are expensed as incurred.

d. Members' remuneration, drawings and distributions

The partners who are not members of the LLP receive remuneration on an equivalent basis to members. Their remuneration is presented in the consolidated income statement under *Staff and related costs*. Remuneration which is not profit-related and not discretionary, that is paid to members, is treated as a charge against profits and is presented in the consolidated income statement under *Members' remuneration charged as an expense*.

Partners are paid a monthly drawing in advance of the calculation and payment of profit distributions. Such amounts are classified as amounts due from members within current assets. Distributions of profits are recognised within equity when the distribution occurs.

e. Foreign currency

Transactions in foreign currencies are recorded at the foreign exchange rate ruling on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the foreign exchange rates ruling on that date. Foreign exchange differences arising are recognised in the consolidated income statement. The presentation currency of the Group is Sterling Pound (GBP).

The results of offices, which do not prepare their financial statements in Sterling, are translated into Sterling at the average rates for the year which approximate to the rates at the dates of the transactions. The balance sheets of these offices are translated at the exchange rate ruling on the balance sheet date. Exchange differences arising from the retranslation of opening net assets, together with the difference between the income statement translated at the average and closing exchange rates, and certain exchange differences arising on the distribution of profits to members, are recorded in the foreign exchange reserve.

f. Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation and any recognised impairment loss. Depreciation is charged to the income statement on a straight-line basis over the estimated useful lives of the assets. The estimated useful lives are as follows:

Leasehold improvements and fitting out costs	-	10-15 years, or life of lease if shorter
Personal computers and small IT assets	-	2-4 years
Other equipment	-	5 years
Furniture and fittings	-	3-10 years

g. Intangible assets

Costs associated with the development of the global accounting and practice management system, including internal costs directly attributable to development, were recognised in the financial statements as an intangible asset. The Firm expected to derive economic benefits from the development costs capitalised in this manner over a period of 10 years from the date the system came into productive use and the costs, including any enhancement expenditure, are now fully amortised.

h. Impairment of tangible and intangible assets

At each balance sheet date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of any impairment loss. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount is reduced to its recoverable amount and the impairment loss is recognised as an expense immediately.

i. Pensions

i. Defined contribution plans

Contributions to defined contribution pension plans are recognised as an expense in the consolidated income statement as incurred.

ii. Defined benefit schemes

Defined benefit schemes, the assets of which are held in separate trustee-administered funds, are funded by payments from the employer, taking account of the recommendations of an independent qualified actuary. All material defined benefit schemes are closed.

Full actuarial valuations of the principal scheme are carried out every three years and the scheme actuary updates these at each balance sheet date.

Defined benefit schemes are accounted for under IAS 19 (revised): Employee Benefits. The retirement benefits obligation represents the present value of the obligation to provide benefits, less the fair value of the schemes' assets. The financing costs of the schemes are recognised in the consolidated income statement and actuarial gains and losses are recognised in full in the consolidated statement of comprehensive income. Net interest is calculated by applying the discount rate to the net defined pension liability.

j. Annuities

The cost of providing annuities to current and retired partners is determined annually by an independent actuary and charged to the consolidated income statement over the estimated service lives of the partners.

k. Provisions

A provision is recognised in the balance sheet when there is a legal or constructive present obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are determined by discounting, if the effect is material, the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money.

l. Contingent liabilities

Contingent liabilities include possible obligations whose existence will be confirmed by uncertain future events that are not wholly within the control of the entity and obligations that are not recognised because their amount cannot be measured reliably or because settlement is not probable. Where contingent liabilities exist, they are disclosed in the notes to the financial statements. See note 17 for further details.

m. Financial instruments

Financial assets and financial liabilities are recognised in the group's balance sheet when the group becomes a party to the contractual provisions of the instrument.

Trade and other receivables
Trade and other receivables are measured at cost less any impairment, including an expected credit loss provision.

Cash and cash equivalents
Cash and cash equivalents comprise cash in hand or demand deposits and other short-term highly liquid investments.

Accrued Income
Accrued income is measured at selling value of unbilled hours chargeable to clients less any impairment, including an expected credit loss provision.

Trade and other payables
Trade and other payables, including borrowings, are measured at fair value on inception, then subsequently at amortised cost.

In relation to the impairment of financial assets, IFRS 9 requires an expected credit loss model. The Group applies the simplified approach to measure expected credit losses using a lifetime expected loss allowance for trade receivables and accrued income.

n. Leases

The Group assesses whether a contract is, or contains, a lease at inception of the contract. A lease conveys the right to direct the use and obtain substantially all of the economic benefits of an identified asset for a period of time in exchange for consideration.

As a lessee
The Group leases buildings for its office space. The leases of office space typically run for a defined period, but may have extension options. Contracts may contain both lease and non-lease components. For property leases the Group has elected to separate lease and non-lease components and allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Lease liabilities include the net present value of the following lease payments:

– fixed payments;

– variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date; and

– payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Group:

– uses a relevant corporate bond rate within each specific region;

– makes an adjustment specific to the lease term and the risk in each region relative to the overall market.

The Group is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset. The Group has no variable lease payments for its property leases other than those linked to an index or a rate.

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, less any lease incentives receivable, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

The practical expedients for short term leases were not adopted for the leases within the Group. The Group also has low value leases that are primarily classified as office equipment and a few motor vehicle leases. The office equipment mostly comprises printers and photocopiers. The Group has not adopted the practical expedient for short-term or low-value leases and has included all these leases on the balance sheet.

There are no material extension or termination options included in the property leases across the Group. Leases due to expire within 12 months of year-end were examined to see if there were any exercisable by lessee that may potentially be extended. In considering all the facts and circumstances the Group determined that none of these leases expiring in 12 months should include an extended lease term.

As a lessor
The Group also sub-let some of its office buildings, primarily in the UK and the US. The Group determines at such sub-lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease.

When the Group is an intermediate lessor, it accounts for its interest in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset.

o. Income taxation

Income tax payable on partnership profits is the personal liability of individual members in most jurisdictions including the UK. In some locations, income tax payable on partnership profits is the liability of the relevant partnership. There is a separate tax charge in the income statement and a separate tax liability in the balance sheet for such amounts payable by partnerships together with tax payable by consolidated corporate subsidiaries and certain partnerships, representing tax payable by them as entities in their own right.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements of the Group's corporate subsidiaries and the corresponding tax bases used in the computation of taxable profit and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised in future. The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the balance sheet date in the relevant country. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the intention is to settle the current tax assets and liabilities on a net basis.

Current and deferred tax are recognised in the profit or loss statement, except when they relate to items that are recognised in the statement of comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in statement of comprehensive income or directly in equity respectively.

p. Members' capital

Non-US members are required to give a minimum of not less than six months' notice of retirement, whilst US members are not required to give notice. Members' capital which is measured at cost is repayable within six months of retirement. Accordingly, Members' capital is required to be classified as a liability, with capital due to US and retiring partners classified as a current liability, and the remaining liability classified as a non-current liability.

q. Critical accounting estimates & judgements and key sources of estimation

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates and judgements, including judgements regarding the application of the accounting policies. 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. The critical accounting estimates and key sources of estimation applied in these financial statements are set out below. Any significant change in these estimates could have a material effect on the Group's financial position and results of operations.

Actuarial assumptions

The pension liabilities in respect of the principal defined benefit scheme and the provisions for annuity payments to current and retired partners have been independently valued by actuaries based on information provided by Clifford Chance LLP. The assumptions are set out in notes 20 and 21 and have been determined having taken advice from the independent actuaries.

Leases – discount rate

Given the absence of the interest rate implicit in a lease the Group has applied a methodology to determine the lessee's incremental borrowing rate. This rate is determined as being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions. An adjustment is then made specific to the risk factor in each region. Sensitivity analysis performed on the discounts rates applied shows an immaterial P&L change with either a 1% increase or 1% decrease in the discount rates applied.

r. Going concern

The applicability of the going concern basis is reviewed by the management taking into account the continued availability of sufficient funding for the operations of the Group. The Group's main sources of funding are partners' capital, undistributed profits and borrowing facilities. The current borrowing facilities are described in note 18 and the availability of these facilities is dependent upon continued compliance with the applicable financial covenants. Regular financial forecasts are prepared to monitor the Group's funding requirements and projected compliance with the covenants. Consideration is given to the potential business risks which could affect future compliance and the potential actions which could be taken to mitigate the effect of these risks. The main financial risks to which the Group is exposed are described in note 25.

It is considered that the Group will be able to continue to comply with the applicable covenants for a period of at least 12 months from the date of approval of these financial statements, given the current level of cash at bank and forecast trading performance.

Accordingly, the going concern basis of accounting has been adopted in preparing these financial statements.

s. Related party transactions

Within the Group financial statements, balances between Clifford Chance LLP and its subsidiary entities have been eliminated on consolidation. Total transactions with and year-end balances held with other related parties are disclosed in note 24.

Remuneration of the Executive Leadership Group members, who are related parties, is disclosed in note 24.

3. Entities included in the consolidation

Clifford Chance LLP practises through overseas branches in Abu Dhabi, Amsterdam, Beijing, Brussels, Dubai, Moscow, Seoul and Shanghai. As at 30 April 2021, Clifford Chance LLP also had the following undertakings, all 100% controlled, except as detailed in the section headed “Alliances” below.

The principal activity of the entities listed below is the provision of legal services with the exception of those marked below as follows:

(1) entities which provide services to other Group entities; or

(2) entities which hold investments in other Group undertakings; or

(3) entities which are dormant.

Name of entity	Country of Operation	Registered address
Clifford Chance	Australia	Plaza Building, Level 16, No 1 O’Connell Street, Sydney NSW 2000, Australia
Clifford Chance Australia Pty Ltd (2)	Australia	Plaza Building, Level 16, No 1 O’Connell Street, Sydney NSW 2000, Australia
Clifford Chance Australia Services Pty Ltd (1)	Australia	Plaza Building, Level 16, No 1 O’Connell Street, Sydney NSW 2000, Australia
Clifford Chance Ltda	Brazil	Rua Funchal 418 15th Floor, SP 04551-060 São Paulo, Brazil
Clifford Chance Sociedade de Consultores	Brazil	Rua Funchal 418 15th Floor, SP 04551-060 São Paulo, Brazil
Clifford Chance Prague LLP	Czech Republic	10 Upper Bank Street, London, E14 5JJ, UK
Clifford Chance Europe LLP	France	10 Upper Bank Street, London, E14 5JJ, UK
Clifford Chance SELAFA (1)	France	1, rue d’Astorg, CS 60058, 75377 Paris Cedex 08, France
Clifford Chance Deutschland LLP (3)	Germany	10 Upper Bank Street, London, E14 5JJ, UK
Clifford Chance Services GmbH (1)	Germany	Junghofstraße 14, 60311 Frankfurt am Main, Germany
Clifford Chance Steuerberatungsgesellschaft mbH	Germany	Junghofstraße 14, 60311 Frankfurt am Main, Germany

Name of entity	Country of Operation	Registered address
Clifford Chance Partnerschaft mit beschränkter Berufshaftung	Germany	Junghofstraße 14, 60311 Frankfurt am Main Germany
Clifford Chance Tech GmbH (1)	Germany	Junghofstraße 14, 60311 Frankfurt am Main Germany
Clifford Chance	Hong Kong	27th Floor, Jardine House, One Connaught Place, Hong Kong
Brecon Limited (1)	Hong Kong	27th Floor, Jardine House, One Connaught Place, Hong Kong
Legibus Secretaries (Hong Kong) Ltd (1)	Hong Kong	27th Floor, Jardine House, One Connaught Place, Hong Kong
Clifford Chance Business Services Private Limited (1)	India	Ambience Corporate Tower – II, Ambience Island, NH-8, Delhi, Gurgaon, Haryana
Studio Legale Associato in Associazione con Clifford Chance	Italy	Via di Villa Sacchetti 11, 00197, Rome, Italy
Clifford Chance (Tokyo) LLP	Japan	31 West 52nd Street, New York, NY 10019-6131, USA
Clifford Chance Law Office	Japan	Palace Building, 3rd floor, 1-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo 100-0005, Japan
Clifford Chance (Gaikokuho Kyodo Jigyo)	Japan	Palace Building, 3rd floor, 1-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo 100-0005, Japan
Clifford Chance Société en commandite simple	Luxembourg	10 Bld G.D. Charlotte, B.P.1147, L-1911 Luxembourg, Grand-Duche de Luxembourg
Clifford Chance SARL (2)	Luxembourg	10 Bld G.D. Charlotte, B.P.1147, L-1911 Luxembourg, Grand-Duche de Luxembourg
Oscar Services Ltd (3)	Mauritius	IFS Court, Bank Street, Twenty Eight Cybercity, Ebène 72201, Mauritius
Clifford Chance, Janicka, Kruźewski, Namiotkiewicz i Wspólnicy sp.k.	Poland	Norway House, ul. Lwowska 19, 00-660 Warsaw, Poland
Clifford Chance Badea SPRL	Romania	Excelsior Center, 28-30 Academiei Street, Sector 1, Bucharest, 010016, Romania
Clifford Chance CIS Limited	Russia	10 Upper Bank Street, London, E14 5JJ, UK
Clifford Chance Pte. Ltd	Singapore	Marina Bay Financial Centre, 25th Floor, Tower 3, 12 Marina Boulevard, Singapore
Clifford Chance International LLP	Singapore / Morocco	10 Upper Bank Street, London, E14 5JJ, UK
Clifford Chance S.L.P.U	Spain	Paseo de la Catellana 110, 28046, Madrid, Spain
Moleglade AB	Sweden	C/O TMF Sweden AB, Sergels Torg 12, 111 57, Stockholm, Sweden
Clifford Chance (Thailand) Ltd (3)	Thailand	Level 11, Mercury Tower, 540 Pleonchit Road, Lumpini, Pathumwan, Bangkok, 10330, Thailand
Judde Holdings Ltd (3)	Thailand	Level 11, Mercury Tower, 540 Pleonchit Road, Lumpini, Pathumwan, Bangkok, 10330, Thailand
Clifford Chance Danismanlik Hizmetleri Avukatlik Ortakligi	Turkey	Kanyon Ofis Binasi Kat. 10, Buyukdere Cad. No. 185, Istanbul 34394, Turkey

Name of entity	Country of Operation	Registered address
Clifford Chance Danişmanlik Hizmetleri Limited Şirketi (l)	Turkey	Kanyon Ofis Binasi Kat. 10, Buyukdere Cad. No. 185, Istanbul 34394, Turkey
Clifford Chance Newcastle Ltd (1)	UK	10 Upper Bank Street, London, E14 5JJ, UK
Clifford Chance No 2 Ltd (2)	UK	10 Upper Bank Street, London, E14 5JJ, UK
Clifford Chance Nominees No.2 Limited (1)	UK	10 Upper Bank Street, London, E14 5JJ, UK
Clifford Chance Pension Trustees Ltd (3)	UK	10 Upper Bank Street, London, E14 5JJ, UK
Clifford Chance Property Nominees Ltd (1)	UK	10 Upper Bank Street, London, E14 5JJ, UK
Clifford Chance Secretaries Ltd (2)	UK	10 Upper Bank Street, London, E14 5JJ, UK
Mithras Ltd (2)	UK	10 Upper Bank Street, London, E14 5JJ, UK
Moleglade Ltd (2)	UK	10 Upper Bank Street, London, E14 5JJ, UK
Clifford Chance London Limited (1)	UK	10 Upper Bank Street, London, E14 5JJ, UK
CC Worldwide Limited	UK, UAE & Netherlands	10 Upper Bank Street, London, E14 5JJ, UK
Clifford Chance Applied Solutions Ltd	UK	10 Upper Bank Street, London, E14 5JJ, UK
Clifford Chance Technology Limited (2)	UK	10 Upper Bank Street, London, E14 5JJ, UK
Clifford Chance Holdings LLP (1)	UK	10 Upper Bank Street, London, E14 5JJ, UK
Clifford Chance Business Services Holdings Limited (2)	UK	10 Upper Bank Street, London, E14 5JJ, UK
Clifford Chance US LLP	USA	31 West 52nd Street, New York, NY 10019-6131, USA
Clifford Chance Law Firm (3)	Saudi Arabia	C/O Abuhimed Alsheikh Alhagbani Law Firm Building 15, The Business Gate King Khaled International Airport Road Cordoba District, Riyadh, Kingdom of Saudi Arabia

Alliances

The Group has entered into contractual arrangements with the entities below such as to require their results to be consolidated with the financial statements of the Group.

Name of entity	Country of Operation	Registered address
Cavenagh Law LLP	Singapore	Marina Bay Financial Centre, 25th Floor, Tower 3, 12 Marina Boulevard, Singapore 018982
CITFCI Law Firm (formerly known as Yegin Ciftci Avukatlik Ortakligi)	Turkey	Kanyon Ofis Binasi Kat. 10, Buyukdere Cad. No. 185, Istanbul 34394, Turkey
Ciftci Avukatik Ortakligi (also known as Ciftci Attorney Partnership)	Turkey	Kanyon Ofis Binasi Kat. 10, Buyukdere Cad. No. 185, Istanbul 34394, Turkey

4. Revenue

The Group derives revenue from the provision of professional services to clients over time in the following geographic and client segment areas:

Revenue by geographic area:

	2021	2020
	£m	£m
Americas	246	263
Asia Pacific	301	322
Continental Europe	591	576
Middle East	50	55
United Kingdom	640	587
	1,828	**1,803**

	2021	2020
Revenue by client segment:	£m	£m
Banks	529	556
Financial Investors	612	612
Corporate Enterprises	603	544
Others	84	91
	1,828	**1,803**

The Group has recognised accrued income of £305m (2020: £295m) in relation to contracts with customers. Accrued income arises when the Group fulfils contractual performance obligations ahead of billing the customers.

The Group also recognised a loss allowance for accrued income of £1m (2020 £1m); see note 25.

5. Staff and related costs

	Consolidated		LLP	
	2021	2020	2021	2020
	£m	£m	£m	£m
Salaries and other remuneration of non-members	668	630	92	87
Social security contributions	52	49	7	7
Pension contributions	20	20	9	7
Other staff costs	82	103	34	34
	822	**802**	**142**	**135**

The monthly average number of partners and employees during the year was as follows:

	Consolidated		LLP	
	2021	2020	2021	2020
	Nos.	Nos.	Nos.	Nos.
Total partners	560	569	237	232
Associates and other fee earners	2,349	2,331	325	289
Total trainees	601	629	86	95
Administrative and support staff	2,972	3,080	266	286
	6,482	**6,609**	**914**	**902**

The monthly average number of members included above for the Group is 461 (2020 456).

The amount of profit for the current year which is attributable to the member with the largest entitlement to profit is £3.21m (2020: £2.67m).

6. Profit for the year

Profit before tax for the year available for profit share among members has been arrived at after charging/(crediting):

	2021	2020
	£m	£m
Depreciation of property, plant and equipment (note 12)	22	24
Depreciation on right-of-use assets (note 26)	59	62
Losses on foreign exchange	15	1
Annuities cost / (credit) (notes 8, 9, 19 and 21)	2	(1)
Staff costs (note 5)	822	802
Operating lease income from subtenants (note 26)	(3)	(3)

7. Auditors' remuneration

The following amounts have been charged against operating profit:

	2021	2020
	£m	£m
Fees payable to the LLP's auditors for the audit of the LLP's accounts	0.7	0.5
Fees payable to the auditors and their associates for other services to the Group:	0.4	0.4
- Fees for the audit of the LLP's subsidiary entities pursuant to legislation		
Total audit fees	**1.1**	**0.9**

	2021	2020
	£m	£m
Audit-related assurance services	0.1	0.1
Taxation compliance services	1.0	0.5
Other taxation advisory services	0.1	0.1
Other services and fees payable in respect of associated pension schemes	0.1	0.1
Total non-audit fees	**1.3**	**0.8**
Total fees to auditors	**2.4**	**1.7**

8. Net finance costs

	2021	2020
	£m	£m
Pensions (note 20)	4	7
Finance charge on lease liabilities (note 26)	13	16
Finance lease income from subtenants (note 26)	(3)	(4)
Annuities (note 21)	3	3
	17	**22**

9. Members' remuneration charged as an expense

Members' remuneration charged as an expense comprises the remuneration of certain partners who are members of Clifford Chance LLP but whose remuneration is not a share of profits amounting to £11m (2020: £13m), and a charge of £19m (2020: a credit of £5m) for annuities in respect of partners who are members.

10. Taxation

	2021	2020
	£m	£m
UK corporation tax	4	4
Overseas taxes	14	14
Prior year adjustments	2	-
	20	**18**

In most locations, including the UK, income tax payable on the allocation of profits to members is the personal liability of the members and hence is not shown in these financial statements.

Reconciliation of tax charge:

	2021	2020
	£m	£m
Profit before taxation	662	655
Amounts subject to personal tax	(559)	(565)
Profit before taxation	**103**	**90**
Tax at UK standard corporate rate 19% (2020: 19%)	20	17
Permanent difference between the basis of recognition of profits for tax and accounting purposes	(5)	(3)
Tax effects of differing overseas tax rates	3	4
Prior year adjustment	2	-
Total tax charge	**20**	**18**

In the Spring Budget 2021, the Government announced that from 1 April 2023 the corporation tax rate will increase to 25%. As the proposal to increase the rate to 25% had not been substantively enacted at the balance sheet date, its effects are not included in these financial statements.

Deferred tax asset

Deferred tax asset movements during the current year were as follows:

	2021	2020
	£m	£m
At the beginning of the year	55	48
Movement in the year	(4)	7
At the end of the year	**51**	**55**

The deferred tax asset is recognised in respect of temporary differences relating mainly to the defined benefit pension scheme and also to accelerated capital allowances. In 2020, the Group agreed with the Pension Trustees to make contributions to the Pension Scheme over the next 10 years, which when taken together with future expected investment growth and other factors means that the Pension Scheme should be able to fully fund future pension obligations.

11. Profit attributable to the Limited Liability Partnership

The profit for the financial year available for profit share among members dealt with in the financial statements of the parent undertaking, Clifford Chance LLP, is set out in note 23.

12. Property, plant and equipment and intangible assets – Consolidated

	Property, plant and equipment				Intangible asset
	Leasehold improvements	Office and IT equipment	Furniture and fittings	Total	
Cost:	£m	£m	£m	£m	£m
Balance as at 1 May 2019	**122**	**83**	**32**	**237**	**51**
Foreign exchange movements	2	1	1	4	-
Additions	10	9	1	20	-
Adjustments*	(4)	-	-	(4)	-
Disposals	(9)	(6)	(1)	(16)	-
Balance as at 30 April 2020	**121**	**87**	**33**	**241**	**51**
Foreign exchange movements	(5)	(2)	(2)	(9)	-
Additions	9	5	6	20	-
Disposals	(7)	(13)	(9)	(29)	-
Balance as at 30 April 2021	**118**	**77**	**28**	**223**	**51**
Accumulated depreciation:					
Balance as at 1 May 2019	**(64)**	**(66)**	**(24)**	**(154)**	**(51)**
Foreign exchange movements	(1)	(1)	-	(2)	-
Depreciation charge for the year	(12)	(9)	(3)	(24)	-
Disposals	9	6	1	16	-
Balance as at 30 April 2020	**(68)**	**(70)**	**(26)**	**(164)**	**(51)**
Foreign exchange movements	4	2	1	7	-
Depreciation charge for the year	(11)	(8)	(3)	(22)	-
Disposals	7	13	8	28	-
Balance as at 30 April 2021	**(68)**	**(63)**	**(20)**	**(151)**	**(51)**
Carrying amount:					
As at 30 April 2020	**53**	**17**	**7**	**77**	**-**
As at 30 April 2021	**50**	**14**	**8**	**72**	**-**

The intangible assets are capitalised software development costs and are fully amortised.

*Adjustment is related to transfer of dilapidation cost related to leasehold premises from leasehold improvements to right of use of assets in 2020.

13. Property, plant and equipment and intangible assets – LLP

	Property, plant and equipment				Intangible asset
	Leasehold improvements	**Office and IT equipment**	**Furniture and fittings**	**Total**	**Software**
Cost:	£m	£m	£m	£m	£m
Balance as at 1 May 2019	**16**	**37**	**5**	**58**	**51**
Additions	-	3	-	3	-
Adjustments*	(4)	-	-	(4)	-
Disposals	(2)	(1)	-	(3)	-
Balance as at 30 April 2020	**10**	**39**	**5**	**54**	**51**
Additions	2	2	-	4	-
Disposals	(1)	(2)	(1)	(4)	-
Balance as at 30 April 2021	**11**	**39**	**4**	**54**	**51**
Accumulated depreciation:					
Balance as at 1 May 2019	**(9)**	**(31)**	**(4)**	**(44)**	**(51)**
Depreciation charge for the year	(1)	(4)	-	(5)	-
Disposals	3	1	-	4	-
Balance as at 30 April 2020	**(7)**	**(34)**	**(4)**	**(45)**	**(51)**
Depreciation charge for the year	(1)	(3)	-	(4)	-
Disposals	1	2	1	4	-
Balance as at 30 April 2021	**(7)**	**(35)**	**(3)**	**(45)**	**(51)**
Carrying amount:					
As at 30 April 2020	**3**	**5**	**1**	**9**	**-**
As at 30 April 2021	**4**	**4**	**1**	**9**	**-**

The intangible assets are capitalised software development costs and are fully amortised.

*Adjustment is related to transfer of dilapidation cost related to leasehold premises from leasehold improvements to right of use of assets in 2020.

14. Trade and other receivables

	Consolidated		LLP	
	2021	**2020**	**2021**	**2020**
	£m	£m	£m	£m
Trade receivables	393	437	191	198
Amounts due from subsidiary undertakings	-	-	653	425
Sundry receivables and prepayments	64	69	30	29
	457	**506**	**874**	**652**

Further information regarding credit risk and the allowance for doubtful debts in relation to client receivables is given in note 25.

There is no material difference between the fair value and carrying value of trade and other receivables. The amounts for intercompany result from fees owed by other offices in respect of client matters, and arise when the leading office issues a fee note to the client, as well as in respect of inter-office charges for items such as management charges. Such balances are interest free and repayable on demand.

15. Amounts due from and due to members

Amounts due from and due to members comprise drawings paid to members during the financial year, which are advance payments in relation to the profit for the financial year available for profit share among members, together with advance payments of taxes, less net amounts withheld from prior year profit distributions but not yet paid over to the tax authorities in relation to partners' prior year tax liabilities.

16. Cash and cash equivalents

	Consolidated		LLP	
	2021	**2020**	**2021**	**2020**
	£m	£m	£m	£m
Cash at bank and in hand	370	299	136	126

There is no material difference between the fair value and carrying value of cash and cash equivalents.

17. Trade and other payables

	Consolidated		LLP	
	2021	**2020**	**2021**	**2020**
	£m	£m	£m	£m *(restated)*
Accounts payable	32	45	18	20
Amounts due to subsidiary undertakings	-	-	439	307
Social security and other taxes	21	14	1	1
Corporate and income taxes payable	3	5	1	2
Capital of non-members	28	35	15	17
Undistributed earnings due to non-members	110	91	38	30
Other creditors	53	57	33	36
	247	**247**	**545**	**413**
Accruals	200	174	77	57
Deferred income	10	9	9	8
	457	**430**	**631**	**478**

There is no material difference between the fair value and carrying value of trade and other payables.

The amounts for intercompany result from fees owed to other offices in respect of client matters, and arise when the leading office issues a fee note to the client. Such balances are interest free and repayable on demand.

The Group may be involved in disputes in the ordinary course of business, which may give rise to claims by clients or regulatory investigations or proceedings. The Group defends such claims where appropriate, and also benefits from substantial professional indemnity insurance. Where costs are likely to be incurred in defending and concluding such claims, an accrual is made based on management's assessment of the specific circumstances in each case and the likely costs to be incurred by the Group. No separate disclosure is made of the cost or nature of claims covered by insurance, as to do so could seriously prejudice the position of the Group.

18. Borrowings

No borrowings were outstanding at the balance sheet date (2020: £nil).

All borrowings during the year were at variable interest rates. The average effective interest rate was 0.91% (2020: 1.03%).

At 30 April 2021 available undrawn committed borrowing facilities in both the Group and the LLP amounted to £150m (2020: £150m), which expires in April 2025.

19. Provisions

	Consolidated				
	Pensions	**Annuities**	**Property**	**Other provisions**	**Total**
	£m (note 20)	£m (note 21)	£m	£m	£m
Balance at 1 May 2019	**284**	**197**	**114**	**12**	**607**
Adjustment on account of adoption of IFRS 16	-	-	(96)*	-	(96)
Charge during the year	7	-	7	1	15
Amounts paid / utilised	(18)	(20)	(4)	(3)	(45)
Amounts released during the year	-	(2)	-	-	(2)
Net loss due to changes in actuarial assumptions	19	-	-	-	19
Balance at 30 April 2020	**292**	**175**	**21**	**10**	**498**
Charge during the year	4	24	-	1	29
Amounts paid / utilised	(36)	(20)	(1)	(1)	(58)
Amounts released during the year	-	-	-	-	-
Net loss due to changes in actuarial assumptions	11	-	-	-	11
Balance at 30 April 2021	**271**	**179**	**20**	**10**	**480**

	LLP			
	Annuities	**Property**	**Other provisions**	**Total**
	£m (note 21)	£m	£m	£m
Balance at 1 May 2019	**166**	**107**	**2**	**275**
Adjustment on account of adoption of IFRS 16	-	(89)*	-	(89)
Charge during the year	1	4	1	6
Amounts paid / utilised	(18)	(7)	-	(25)
Balance at 30 April 2020	**149**	**15**	**3**	**167**
Charge during the year	24	-	2	26
Amounts paid / utilised	(17)	(1)	-	(18)
Balance at 30 April 2021	**156**	**14**	**5**	**175**

*The opening property provision included the estimated cost of onerous lease commitments and dilapidations in respect of various properties. As part of the implementation of IFRS 16, the onerous lease provision balance of £96m for the Group and £89m for the LLP is no longer applicable and was released through equity on 1 May 2019. The remaining balance under property provisions relates to dilapidation provisions which will continue under IFRS 16. Other provisions relate principally to overseas retirement liabilities as well as restructuring.

The above amounts have been disclosed in the balance sheet as follows:

	Consolidated		LLP	
	2021	**2020**	**2021**	**2020**
	£m	£m	£m	£m
Provisions – current	23	24	20	18
Provisions – non-current	457	474	155	149
	480	**498**	**175**	**167**
Less: Provision for annuity due to current members	74	84	65	74
Amounts shown under total liabilities excluding Members' interests classified as liabilities	**406**	**414**	**110**	**93**

20. Defined benefit pension scheme

Clifford Chance Pension Trustees Limited is the trustee of a defined benefit scheme in which certain employees of Clifford Chance London Limited participated ("the Scheme"). The Scheme was closed to future accrual with effect from 30 April 2011. The assets of the Scheme are held separately from those of the Group.

Payments into the Scheme are assessed in accordance with the advice of an independent qualified actuary with the funding rate intended to enable the Scheme to be fully funded over time.

A full actuarial valuation of the Scheme was carried out as at 30 April 2019 and updated to 30 April 2021 by a qualified independent actuary. Details of such updated valuation are as under.

The key accounting assumptions used are set out below:

	2021	**2020**
Discount rate	2.0%	1.6%
Future pension increases – pensions accrued prior to 30 April 2005	3.0%	2.3%
Future pension increases – pensions accrued after 30 April 2005	2.2%	1.9%
Price inflation	3.1%	2.3%

Mortality assumptions have been based on S3 SAPS Light tables with CMI 2020 improvements (2020: SAPS Light tables CMI 2019 improvements), projected according to each member's year of birth. The assumptions for both years include an allowance for increased longevity, assuming a long-term rate of improvement of 1.0% per annum.

The assumed life expectations on retirement at age 65 are:

	2021	2020
Retiring today:		
Males	87.9	87.8
Females	89.7	89.6
Retiring in 20 years:		
Males	88.8	88.8
Females	90.8	90.8

The amount recognised in the consolidated income statement was as follows:

	2021	2020
	£m	£m
Interest charge (net) under net finance costs	4	7

The amount recognised in the consolidated other comprehensive income was as follows:

	2021	2020
	£m	£m
Actuarial losses from changes in financial assumptions	64	35
Gain on the scheme liabilities arising from changes in experience	(7)	(33)
(Gain)/loss on the scheme liabilities arising from changes in demographic assumptions	(1)	9
Actuarial (gain)/loss on the scheme assets	(45)	8
Loss recognised in the consolidated statement of comprehensive income	**11**	**19**

The liability included in the consolidated balance sheet was as follows:

	2021	2020
	£m	£m
Present value of defined benefit obligation	869	806
Fair value of plan assets	(598)	(514)
Present value of net obligation (note 19)	**271**	**292**

Movements in the present value of defined benefit obligations in the year were as follows:

	2021	2020
	£m	£m
At the beginning of the year	806	782
Interest on obligations	13	19
Remeasurement losses from changes in financial assumptions	64	35
Remeasurement gains from changes in experience	(7)	(33)
Remeasurement (gains)/losses from changes in demographic assumptions	(1)	9
Benefits paid	(6)	(6)
At the end of the year	**869**	**806**

Movements in the fair value of Scheme assets were as follows:

	2021	2020
	£m	£m
At the beginning of the year	514	498
Interest income on Scheme assets	9	12
Remeasurement gain/(loss) on the Scheme assets	45	(8)
Contributions made	36	18
Benefits paid	(6)	(6)
At the end of the year	**598**	**514**

The assets held by the Scheme were as follows:

	2021 value	% of total value	2020	% of total value
	£m	£m	£m	£m
Equities and other growth assets	530	88%	440	86%
Bonds	29	5%	42	8%
Other assets	39	7%	32	6%
	598	**100%**	**514**	**100%**

Based on the most recently completed actuarial valuation as at 30 April 2021, the employer has agreed that it will aim to eliminate the Scheme's deficit (as assessed on the ongoing funding basis) by 31 May 2028. The contributions paid by the employer for the year to 30 April 2021 totalled £36m. Funding levels are monitored on an annual basis and the next triennial valuation is as at 30 April 2022. Expected employer contributions to the Scheme for the year-ending 30 April 2022 are around £12m. Annual contributions are due to increase each year in line with RPI. There are no member contributions expected for the year to 30 April 2022. The weighted average duration of the defined benefit obligation is around 25 years.

Sensitivities

The key assumptions used for the actuarial valuation are the discount rate, price inflation and mortality. If different assumptions were used, this could have a material effect on the results disclosed. The sensitivity of the results to these assumptions is as follows:

	2021	**2020**
Discount rate less 0.25% per annum	£m	£m
Present value of defined benefit obligation	927	856
Fair value of assets	(598)	(514)
Revised net pension liability	329	342
Revised total charge to the consolidated income statement	**6**	**5**
RPI inflation plus 0.25% per annum	£m	£m
Present value of defined benefit obligation	926	850
Fair value of assets	(598)	(514)
Revised net pension liability	328	336
Revised total charge to the consolidated income statement	**6**	**5**
Mortality assumption with 1.25% per annum long-term rate of improvement	£m	£m
Present value of defined benefit obligation	879	816
Fair value of assets	(598)	(514)
Revised net pension liability	281	302
Revised total charge to the consolidated income statement	**6**	**5**

The sensitivity information shown above is approximate and has been determined taking into account the duration of the liabilities and the overall profile of the plan membership.

Risks

The Firm is exposed to a number of risks through the Scheme, of which the most significant are detailed below:

Asset volatility

The liabilities are calculated using a discount rate set with reference to corporate bond yields; if assets underperform this yield, this will create a deficit. The Scheme holds a significant proportion of growth assets (including equities, diversified growth funds and property) which are expected to outperform corporate bonds in the long term while resulting in volatility and risk in the short term. The allocation to growth assets is monitored such that it is consistent with the Scheme's long-term objectives.

Changes in bond yields
A decrease in corporate bond yields will increase the Scheme's liabilities although this will be marginally offset by an increase in the value of the Scheme's bond holdings.

Inflation risk
The majority of the Scheme's benefit obligations are linked to inflation and higher inflation will lead to higher liabilities (although, in most cases, caps on the level of inflationary increases are in place to protect against extreme inflation). A significant proportion of the Scheme's assets are invested in a liability-driven investment portfolio which is designed to match the liabilities of the Scheme and provide protection against increases in inflation.

Life expectancy
The majority of the Scheme's obligations are to provide benefits for the life of the members, so increases in their life expectancy will result in an increase in the liabilities.

In addition to the UK scheme, the Firm operates some smaller defined benefit schemes in other countries. The total pension cost for the year and the aggregate assets and liabilities of these schemes were not material.

21. Annuity obligations to current and former partners

An independent qualified actuary has assessed the cost of annuity obligations. The economic assumptions used by the actuary in assessing the cost of annuity obligations in both the Consolidated and LLP accounts are as follows:

	2021	2020
	%	%
Discount rate	1.0	1.5
Rate of price inflation	3.4	2.6

The cost of annuities which are dependent upon the future profitability of the Firm has been estimated based upon current and projected levels of profitability and having regard to a cap applicable to such annuity payments.

Amounts recognised in the consolidated income statement were as follows:

	2021	2020
	£m	£m
Movements in provision arising from:		
Current service cost	3	3
Other actuarial losses/(gains)	18	(8)
Interest costs associated with obligations shown under net financing costs	3	3
Total charge/(credit) to the consolidated income statement (note 19)*	**24**	**(2)**

*Of this amount, £19m (2020: a credit of £5m) has been included within Members' remuneration charged as an expense, and a cost of £2m (2020: £0m) in relation to partners who were not members and former partners has been included in other operating costs.

Movements in the net liability recognised in the consolidated balance sheet were as follows:

	Consolidated		LLP	
	2021	**2020**	**2021**	**2020**
	£m	£m	£m	£m
Provision at the beginning of the year	175	197	149	166
Charge / (credit) to the income statement	24	(2)	24	1
Annuities paid	(20)	(20)	(17)	(18)
Provision at the end of the year (note 19)	**179**	**175**	**156**	**149**

Annuity liabilities of £74m (2020: £84m) attributable to current partners who are members are shown separately on the consolidated balance sheet as part of Net Assets. Liabilities of £105m (2020: £91m) attributable to current partners who are not members and to former partners are shown as current and non-current liabilities.

Annuity liabilities of £65m (2020: £74m) attributable to current partners who are members are shown separately on the LLP balance sheet as part of Net Assets. Liabilities of £91m (2020: £75m) attributable to current partners who are not members and to former partners are shown as current and non-current liabilities.

The basis of calculation of the annuities provision in the balance sheet of Clifford Chance LLP is the same as set out above in relation to the consolidated balance sheet, but takes into account only those partners whose annuity entitlements are a direct obligation of Clifford Chance LLP. Annuity entitlements of other partners are a contingent obligation of Clifford Chance LLP.

Sensitivities

The key assumption used for the actuarial valuation is the discount rate. The impact of a 0.1% decrease to the discount rate would be to increase the liability by approximately £1m (2020: £1m).

22. Members' capital

	Consolidated and LLP	
	2021	**2020**
	£m	£m
Total Members' capital at the beginning of the year	157	138
Capital contributed during the year	12	14
Capital transferred from / (to) liabilities	-	23
Capital repaid during the year	(12)	(18)
Total Members' capital at the end of the year	**157**	**157**

Non-US members are required to give a minimum of not less than six months' notice of retirement, whilst US members are not required to give notice. Members' capital which is measured at cost is repayable within six months of retirement. Members' capital is required to be classified as a liability, with capital due to US and retiring partners classified as a current liability, and the remaining liability classified as a non-current liability.

23. Statement of movements in net assets attributable to members

A summary of movements in net assets attributable to members since the last balance sheet date is as follows:

	Consolidated		LLP	
	2021	**2020**	**2021**	**2020**
	£m	£m	£m	£m *(restated)*
Net assets attributable to members at the beginning of the year	341	308	255	214
Profit for the year	642	637	287	262
Foreign exchange differences arising on translation of foreign operations	(1)	(4)	(6)	1
Actuarial loss on defined benefit pension scheme	(11)	(19)	-	-
Deferred tax on defined benefit pension scheme	(4)	7	-	-
Decrease in provisions attributable to members	(10)	(15)	(9)	(11)
Capital net repayments	-	(4)	-	(4)
Capital transferred from liabilities	-	23	-	23
Impact on account of adoption of IFRS 16	-	(37)	-	(17)
Profit distributions and related tax	(585)	(555)	(191)	(213)
Net assets attributable to members at the end of the year	**372**	**341**	**336**	**255**

24. Related party transactions

Within the Group financial statements, balances between Clifford Chance LLP and its subsidiary entities have been eliminated on consolidation.

During the year, Clifford Chance LLP provided management and legal services to its subsidiary undertakings totalling £140m (2020: £124m). Management and legal services were purchased from other Group members totalling £401m (2020: £400m). The balances outstanding between Clifford Chance LLP and its subsidiary undertakings at the end of the financial year are shown in notes 14 and 17.

The key management personnel comprise the Executive Leadership Group (ELG). The total remuneration of the 14 ELG members (2020: 13 ELG members) in respect of the financial year amounted to £28m (2020: £22m). The total remuneration of the relative of an ELG member in respect of the financial year amounted to £1m (2020: £1m).

25. Financial assets and liabilities

The following information is provided in accordance with the requirements of IFRS 7 "Financial Instruments: Disclosures".

Categories of financial assets and liabilities

The following table categorises the carrying value of the financial assets and liabilities at the balance sheet date. In each case, the fair value is not materially different to the carrying value.

	Consolidated		LLP	
	2021	**2020**	**2021**	**2020**
Financial assets	£m	£m	£m	£m *(restated)*
Accrued income	305	295	136	120
Trade receivables	393	437	191	198
Amounts due from subsidiary undertakings	-	-	653	425
Finance lease receivables	143	168	124	139
Amounts due from members	88	79	-	-
Cash at bank and in hand	370	299	136	126
	1,299	**1,278**	**1,240**	**1,008**

	Consolidated		LLP	
	2021	2020	2021	2020
Financial liabilities	£m	£m	£m	£m *(restated)*
Trade and other current payables excluding accruals and deferred income	247	247	106	106
Amounts due to subsidiary undertakings	-	-	439	307
Lease liabilities	562	628	320	357
Amounts due to members	-	-	7	2
Members' capital	157	157	157	157
Annuities	179	175	156	149
Accruals	200	174	77	57
	1,345	**1,381**	**1,262**	**1,135**

Risks arising from financial assets and liabilities

The following summarises the principal risks associated with the Group's financial assets and liabilities and how those risks are managed.

Liquidity and capital risk

The business is predominantly financed by partners' capital and undistributed earnings with a revolving credit facility available. The capital structure is reviewed regularly to ensure that it is adequate to fund the current and projected needs of the business. The adequacy of borrowing facilities is regularly reviewed in light of projections of future cash flows. The Group has comfortably complied with the banking covenants set under the borrowing facilities.

The Group has an increasing focus on cash management, in particular targeting reduced WIP and debtor days. As at 30 April 2021 there are total undrawn committed borrowing facilities of £150m in both the Group and the LLP.
The Group also has a substantial cash at bank balance of £370m (2020: £299m).

Currency risk

The reporting currency is Sterling but the Group's business is international. Within each office, revenues and costs are predominantly in the same currencies. The consolidated balance sheet exposure to currencies other than Sterling (principally US Dollars and Euros) is regularly monitored and are considered to be naturally hedged.

Credit risk

The treasury policy requires that surplus funds be deposited only with approved counterparties and within counterparty limits. An assessment is made of the credit risk associated with clients by reviewing independent ratings and by monitoring the level of unpaid fees.

The Group has two types of financial asset that are subject to the expected credit loss model:

– Trade receivables

– Accrued income

While cash at bank and in hand, amounts due from members and amounts due from subsidiary undertakings are also subject to the impairment requirements of IFRS 9, the identified impairment loss was not material.

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and accrued income, and therefore does not track changes in credit risk.

To measure the expected credit losses, trade receivables and accrued income have been grouped based on shared credit risk characteristics and the days past due. Assessing the credit risk on a client-by-client basis would involve significant cost and effort. As such, credit risk is considered on an office by office basis, as each office can be considered to reflect a particular level of credit risk.

Trade receivables and contract assets are written off when there is no probability of recovery. Indicators would include failure to make any contractual payments, entering liquidation procedures or clear signs of financial difficulties.

The accrued income amounts relate to unbilled work in progress. Under the ECL provision matrix methodology, the “less than 30 days” loss ratio (Group: 0.3% (2020: 0.3%); LLP: 0.3% (2020: 0.2%)) calculated in respect of current trade receivables, is applied to the whole of the WIP balance after specific provisions, on the basis that all of these amounts are unbilled and therefore fully current.

The Group considers the ageing profile of billings and receivables over a three-year period, being that period over which more than 99% of invoices are collected. The expected loss rates are based on the weighted average rates of payment profiles over the billing cycle of the financial years ended 30 April 2017 and 2018, adjusted by country-specific credit default swap rates to reflect current and forward-looking information on macroeconomic factors affecting the ability of clients to settle the receivables.

In addition to the historical pattern of credit loss and country-specific credit default swap rates, we have considered the likelihood of increased credit risk and consequential default considering emerging situations due to the Pandemic in 2021 and 2020. This assessment was not based on any mathematical model but an assessment considering the nature of sectors, impact immediately seen in the demand outlook of these sectors and the financial strength of the sectors in respect of which amounts were receivable. The Group had specifically evaluated the potential impact with respect to clients in the Consumer Goods & Retail, Oil & Gas, Automotive, Aerospace & Defence, Insurance, Sports Entertainment and Transportation & Logistics sectors which had an immediate impact and the rest which had an impact with a lag. The same assessment was done in respect of accrued income while arriving at the level of provision that was required. The identified impairment loss for the year based out of this assessment for both trade receivables and accrued income was £nil m for the Group and £nil m for the LLP (2020: Group £0.5m, LLP £0.2m).

The loss allowance as at 30 April 2021 and 30 April 2020 for debtors due is set out below. The loss rate for 30 days has been wholly applied to the accrued income balance.

Consolidated

Ageing	**Gross trade receivables due**		**Loss rates**		**Loss allowance**	
	2021	**2020**	**2021**	**2020**	**2021**	**2020**
	£m	£m	%	%	£m	£m
30 days	256	268	2.0	1.4	(5)	(4)
60 days	58	66	1.7	2.3	(1)	(2)
90 days	25	38	4.0	5.8	(1)	(2)
180 days	38	50	5.3	10.8	(2)	(5)
1 year	29	36	27.6	29.4	(8)	(11)
3 years	31	33	87.1	93.7	(27)	(31)
Over 3 years	11	9	100.0	89.0	(11)	(8)
	448	**500**			**(55)**	**(63)**

	Accrued income		**Loss rates**		**Loss allowance**	
	2021	**2020**	**2021**	**2020**	**2021**	**2020**
	£m	£m	%	%	£m	£m
Current	306	296	0.3	0.3	(1)	(1)

LLP

Ageing	**Gross trade receivables**		**Loss rates**		**Loss allowance**	
	2021	**2020**	**2021**	**2020**	**2021**	**2020**
	£m	£m	%	%	£m	£m
30 days	133	130	2.3	0.6	(3)	(1)
60 days	29	27	3.4	2.3	(1)	(1)
90 days	10	15	10.0	8.1	(1)	(1)
180 days	16	21	6.3	10.3	(1)	(2)
1 year	12	14	25.0	26.7	(3)	(4)
3 years	12	12	100.0	100.0	(12)	(12)
Over 3 years	4	2	100.0	100.0	(4)	(2)
	216	**221**			**(25)**	**(23)**

	Accrued income		**Loss rates**		**Loss allowance**	
	2021	**2020**	**2021**	**2020**	**2021**	**2020**
	£m	£m	%	%	£m	£m
Current	136	120	0.3	0.2	(0)	(0)

Accrued income

The table below analyses accrued income at the balance sheet date by geographic region:

	Consolidated		LLP	
	2021	2020	2021	2020
	£m	£m	£m	£m
Americas	42	44	-	-
Asia Pacific	58	64	16	17
Continental Europe	106	94	21	17
Middle East	7	8	7	7
United Kingdom	92	85	92	79
Total	**305**	**295**	**136**	**120**

Trade receivables

The table below analyses trade receivables at the balance sheet date by geographic region:

	Consolidated		LLP	
	2021	2020	2021	2020
	£m	£m	£m	£m
Americas	50	59	-	-
Asia Pacific	61	64	7	3
Continental Europe	118	137	22	22
Middle East	13	17	13	16
United Kingdom	151	160	149	157
Total	**393**	**437**	**191**	**198**

Movements in the allowance for doubtful debts were as follows:

	Consolidated		LLP	
	2021	2020	2021	2020
	£m	£m	£m	£m
Balance at the beginning of the year	(63)	(60)	(23)	(17)
Increase in provision	(29)	(38)	(14)	(16)
Bad debts recovered	16	13	6	5
Amounts utilised during the year	18	23	5	5
Foreign exchange movements	3	(1)	1	-
Balance at the end of the year	**(55)**	**(63)**	**(25)**	**(23)**

Trade receivables not yet paid are reviewed regularly and provisions are established on a specific basis if collection of the amount due is in doubt. Amounts are written off against the provision once it becomes clear that no further recovery is likely to occur, at which point enforcement activity will cease.

Currency profile of financial assets and liabilities

The currency profile of the Group's financial assets and liabilities at the balance sheet date was as follows:

	Consolidated		LLP	
	2021	2020	2021	2020 *(restated)*
Financial assets	£m	£m	£m	£m
GBP	576	549	567	435
USD	197	179	115	94
EUR	275	282	182	144
Other	251	268	376	335
	1,299	**1,278**	**1,240**	**1,008**
Financial liabilities				
GBP	887	898	870	793
USD	132	170	11	62
EUR	212	186	94	36
Other	114	127	287	244
	1,345	**1,381**	**1,262**	**1,135**

Maturity profile of financial liabilities

The following tables show the maturity profile of the Group's financial liabilities at the balance sheet date:

2021	**Consolidated**					
	6 months or less	**6-12 months**	**1-5 years**	**More than 5 years**	**Others**	**Total**
	£m	£m	£m	£m	£m	£m
Trade and other current payables excluding accruals and deferred income	142	76	2	27	-	247
Members' capital*	8	-	-	-	149	157
Annuities	1	19	62	97	-	179
Accruals	146	50	4	-	-	200
	297	**145**	**68**	**124**	**149**	**783** #

	LLP					
2021	**6 months or less**	**6-12 months**	**1-5 years**	**More than 5 years**	**Others**	**Total**
	£m	£m	£m	£m	£m	£m
Trade and other current payables excluding accruals and deferred income	56	36	1	13	-	106
Amounts due to subsidiary undertakings	-	26	-	413	-	439
Members' capital*	8	-	-	-	149	157
Amounts due to members	-	-	-	7	-	7
Annuities	1	18	54	83	-	156
Accruals	38	38	1	-	-	77
	103	**118**	**56**	**516**	**149**	**942** #

*As per the partnership agreement, Members' capital is repayable within six months of a member retiring from the partnership, and accordingly, the maturity of this amount is dependent upon when a partner retires; amount under "6 months or less" represents capital repayable of such retired partners. Regarding the remaining portion of members' capital, we are unable to accurately measure this for the purpose of building a maturity profile of when members' capital will be settled.

#The maturity profile of lease liabilities of 2021 is included in Note 26: Group £562m (undiscounted £604m), LLP £320m (undiscounted £338m).

	Consolidated					
2020	**6 months or less**	**6-12 months**	**1-5 years**	**More than 5 years**	**Others**	**Total**
	£m	£m	£m	£m	£m	£m
Trade and other current payables excluding accruals and deferred income	154	57	36	-	-	247
Members' capital*	5	1	-	-	151	157
Annuities	1	21	59	94	-	175
Accruals	151	19	4	-	-	174
	311	**98**	**99**	**94**	**151**	**753** #

2020	LLP					
	6 months or less	6-12 months	1-5 years	More than 5 years	Others	Total
	£m	£m	£m	£m *(restated)*	£m	£m *(restated)*
Trade and other current payables excluding accruals and deferred income	73	16	17	-	-	106
Amounts due to subsidiary undertakings	-	18	-	289	-	307
Members' capital*	5	1	-	-	151	157
Amounts due to members	-	-	-	2	-	2
Annuities	-	19	51	79	-	149
Accruals	50	6	1	-	-	57
	128	**60**	**69**	**370**	**151**	**778** #

*As per the partnership agreement, Members' capital is repayable within six months of a member retiring from the partnership, and accordingly, the maturity of this amount is dependent upon when a partner retires; amount under "6 months or less" represents capital repayable of such retired partners. Regarding the remaining portion of members' capital, we are unable to accurately measure this for the purpose of building a maturity profile of when members' capital will be settled.

#The maturity profile of lease liabilities of 2020 is included in Note 26: Group £628m (undiscounted £683m), LLP £357m (undiscounted £385m).

Sensitivity to market risks

Foreign currency risk arises on financial instruments that are denominated in a currency other than the functional currency in which they are measured, including foreign currency-denominated intercompany receivables and payables which, although eliminated in the Group's financial statements, the effect on the result of their revaluation under IAS 21 is not fully eliminated.

The most significant foreign currencies to the Group are US Dollars and the Euro. The sensitivity of the Group's income statement to changes in these exchange rates arises from US Dollar and Euro-denominated financial instruments including US Dollar and Euro-denominated intercompany receivables and payables which do not form part of a net investment in a foreign operation. The Group does not engage in cash flow hedging activities.

The exchange rates used in the preparation of these financial statements were as follows:

	2021		2020	
	Average rate	Closing rate	Average rate	Closing rate
United States Dollar / £	1.32	1.39	1.27	1.25
Euro / £	1.12	1.15	1.14	1.15

The following table details the Group's sensitivity to a 10% increase or decrease in the strength of Sterling to the US Dollar and to the Euro. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates.

A negative number below indicates a decrease in profit and other equity where Sterling strengthens 10% against the relevant currency. For a 10% weakening of Sterling against the relevant currency, there would be a comparable impact on the profit and other equity, and the balances below would be positive.

	Consolidated			
	Impact on post-tax profit		Impact on other components of equity	
	2021	2020	2021	2020
	£m	£m	£m	£m
Sterling 10% stronger against US Dollar	(23)	(20)	-	-
Sterling 10% stronger against Euro	(15)	(10)	-	-

	LLP			
	Impact on post-tax profit		Impact on other components of equity	
	2021	2020	2021	2020
	£m	£m	£m	£m
Sterling 10% stronger against US Dollar	(6)	(9)	(9)	(2)
Sterling 10% stronger against Euro	(6)	(5)	(5)	(6)

The Group's net interest cost is £Nil and accordingly the sensitivity of the Group's profits and financial assets and liabilities to changes in interest rates is insignificant.

26. Leases

(a) As a lessee:

This note provides information for leases where the Group is a lessee.
For leases where the Group is a lessor see note 26 (b)

(i) Amounts recognised in the balance sheet

The balance sheet shows the following amounts relating to leases:

	Consolidated		LLP	
	2021	**2020**	**2021**	**2020**
Right-of-use assets	£m	£m	£m	£m
Property	308	332	120	133
Other	3	2	-	1
	311	**334**	**120**	**134**

The following are the changes in the carrying value of right-of-use assets for the year:

	Consolidated			LLP
	Property	**Other**	**Total**	**Property**
Cost:	£m	£m	£m	£m
Balance as at 1 May 2019	**373**	**3**	**376**	**153**
Additions	16	1	17	1
Terminations	(1)	-	(1)	(1)
Translation difference	4	-	4	-
Balance as at 30 April 2020	**392**	**4**	**396**	**153**
Additions	47	2	49	9
Terminations	(15)	(1)	(16)	(20)
Translation difference	(12)	-	(12)	(1)
Balance as at 30 April 2021	**412**	**5**	**417**	**141**

	Consolidated			LLP
	Property	Other	Total	Property
Cost:	£m	£m	£m	£m
Balance as at 1 May 2019	**-**	**-**	**-**	**-**
Depreciation	(60)	(2)	(62)	(20)
Terminations	-	-	-	-
Translation difference	-	-	-	-
Balance as at 30 April 2020	**(60)**	**(2)**	**(62)**	**(20)**
Depreciation	(58)	(1)	(59)	(20)
Terminations	12	1	13	18
Translation difference	2	-	2	1
Balance as at 30 April 2021	**(104)**	**(2)**	**(106)**	**(21)**
Carrying amount:				
As at 30 April 2020	332	2	334	133
As at 30 April 2021	308	3	311	120

The Group leases many assets which are primarily buildings for its office space worldwide.

	Consolidated		LLP	
	2021	2020	2021	2020
Lease liabilities	£m	£m	£m	£m
Current	87	97	44	45
Non-current	475	531	276	312
	562	**628**	**320** *	**357** *

*This lease liability balance includes £303m (2020: £338m) payable to an intermediate lessor (related party).

As at 30 April 2021 a 10-year lease contract which relates to the Amsterdam office was committed and not commenced amounting to £27m.

The following is the movement in lease liabilities during the year:

	Consolidated			LLP
	Property	Other	Total	Property
	£m	£m	£m	£m
Balance as at 1 May 2019	**698**	**3**	**701**	**401**
Additions	16	1	17	1
Terminations	(1)	-	(1)	(1)
Finance cost accrued during the year	16	-	16	8
Payment of lease liabilities	(111)	(1)	(112)	(52)
Translation difference	7	-	7	-
Balance as at 30 April 2020	**625**	**3**	**628**	**357**
Additions	49	2	51	9
Terminations	(5)	-	(5)	(4)
Finance cost accrued during the year	13	-	13	10
Payment of lease liabilities	(105)	(1)	(106)	(51)
Translation difference	(19)	-	(19)	(1)
Balance as at 30 April 2021	**558**	**4**	**562**	**320**

Total undiscounted lease liabilities as at 30 April	Consolidated			LLP
	Property	Other	Total	Property
	£m	£m	£m	£m
Maturity analysis – contractual undiscounted cash flows				
Less than one year	98	110	49	51
One to five years	341	364	190	190
More than five years	165	209	99	144
	604	**683**	**338**	**385**

(ii) Amounts recognised in the statement of profit or loss:
The statement of profit or loss shows the following amounts relating to leases

	Consolidated	
	2021	**2020**
	£m	£m
Depreciation charge of right-of-use assets		
Property	58	60
Other	1	2
	59	**62**
Interest on lease liabilities (included in finance cost)	13	16
Income from subleasing right-of-use assets – operating leases	(3)	(3)
Income from subleasing right-of-use assets – finance leases	(3)	(4)
Amounts recognised in the statement of cash flows		
Net cash outflow for leases	**(81)**	**(87)**

(iii) Extension and termination options
There are no material extension or termination options included in the property leases across the Group. Leases due to expire within 12 months of year-end were examined to see if there were any exercisable by lessee that may potentially be extended. In considering all the facts and circumstances the Group determined that none of these leases expiring in 12 months should include an extended lease term.

(iv) Liquidity
The Group does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due: for more details on the liquidity risk see note 25.

(b) As a lessor:

Lease income from lease contracts in which the Group acts as a lessor is as below:

	Consolidated	
	2021	**2020**
	£m	£m
Finance Income		
Finance income on the net investment in the lease	3	4
Operating lease		
Lease income	3	3

The following is the movement in finance lease receivables for the year:

	Consolidated	LLP
	£m	£m
Balance as at 1 May 2019	**188**	**154**
Interest income accrued during the year	4	3
Lease receipts	(25)	(18)
Foreign exchange reserve	1	-
Balance as of April 2020	**168**	**139**
Interest income accrued during the year	3	3
Lease receipts	(25)	(18)
Foreign exchange reserve	(3)	-
Balance as of April 2021	**143**	**124**

	Consolidated	LLP
	2021	**2021**
Lease receivables	£m	£m
Current	23	17
Non-current	120	107
	143	**124**

	Consolidated	LLP
	2020	**2020**
Lease receivables	£m	£m
Current	23	16
Non-current	145	123
	168	**139**

Operating leases

The following table sets out the maturity analysis of the lease payments for the subleases classified as operating leases, showing the undiscounted lease payments to be received after the reporting date.

	Consolidated	LLP
	2021	2021
	£m	£m
Less than 1 year	3	2
One to two years	3	2
Two to three years	2	2
Three to four years	–	–
Four to five years	–	–
More than 5 years	–	–
Total undiscounted lease payment	**8**	**6**

	Consolidated	LLP
	2020	2020
	£m	£m
Less than 1 year	3	2
One to two years	3	2
Two to three years	3	2
Three to four years	3	1
Four to five years	-	-
More than 5 years	-	-
Total undiscounted lease payment	**12**	**7**

Finance leases

The following table sets out the maturity analysis of the lease payments for the subleases classified as finance leases, showing the undiscounted lease payments to be received after the reporting date.

	Consolidated	LLP
	2021	**2021**
	£m	£m
Less than 1 year	26	19
One to two years	26	19
Two to three years	25	18
Three to four years	19	19
Four to five years	19	19
More than 5 years	38	39
Total undiscounted lease payments receivable	**153**	**133**
Unearned finance income	(10)	(9)
Total lease receivables	**143**	**124**

	Consolidated	LLP
	2020	**2020**
	£m	£m
Less than 1 year	26	19
One to two years	26	18
Two to three years	26	18
Three to four years	25	18
Four to five years	19	19
More than 5 years	58	58
Total undiscounted lease payments receivable	**180**	**150**
Unearned finance income	(12)	(11)
Total lease receivables	**168**	**139**

27. Restatement of Financial Statements of Limited Liability Partnership

As a result of a miscalculation of the amount due from members and the management recharge in relation to the service charges between Clifford Chance London Limited and the Firm, the prior year limited liability partnership financial statements have been restated as set out below:

Limited Liability Partnership Balance Sheet as at 1 May 2019

	Audited	Reclassification	Restated
	£m	£m	£m
ASSETS			
Amounts due from members	44	(41)	3
LIABILITIES			
Trade and other payables	399	8	407
REPRESENTED BY:			
Reserves	23	(49)	(26)

Limited Liability Partnership Balance Sheet as at 1 May 2019

	Audited	Reclassification	Restated
	£m	£m	£m
ASSETS			
Amounts due from members	50	(50)	-
LIABILITIES			
Trade and other payables	455	23	478
Amounts due to members	-	2	2
REPRESENTED BY:			
Reserves	99	(75)	24

	Audited	Reclassification	Restated
	For the year-ended 30 April 2020		
	£m	£m	£m
Profit for the year	**251**	**11**	**262**

Details of above reclassification as below:

27.1 Amount due from/to members:

27.1.1 Impact on Limited Liability Partnership Balance Sheet as on 1 May 2019

– Amounts due from members decreased by £41m;

– Reserves decreased by £41m.

27.1.2 Impact on Limited Liability Partnership Balance Sheet as on 30 April 2020

– Amounts due from members decreased by £50m;

– Amounts due to members increased by £2m;

– Reserves decreased by £52m.

27.2 Management recharge between Clifford Chance London Limited and the Firm

27.2.1 Impact on Limited Liability Partnership Balance Sheet as on 1 May 2019

– Trade and other payables increased by £8m;

– Reserves decreased by £8m.

27.2.2 Impact on Limited Liability Partnership Balance Sheet as on 30 April 2020

– Trade and other payables increased by £23m;

– Reserves decreased by £23m.

27.2.3 Impact on profit for the year-ended 30 April 2020

– Profit for the year increased by £11m due to decrease in other operating costs.

C L I F F O R D

C H A N C E

This publication does not necessarily deal with every important topic or cover every aspect of the topics with which it deals. It is not designed to provide legal or other advice.

www.cliffordchance.com

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

© Clifford Chance 2021

Clifford Chance LLP is a limited liability partnership registered in England and Wales under number OC323571

Registered office: 10 Upper Bank Street, London, E14 5JJ

We use the word 'partner' to refer to a member of Clifford Chance LLP, or an employee or consultant with equivalent standing and qualifications

If you do not wish to receive further information from Clifford Chance about events or legal developments which we believe may be of interest to you, please either send an email to nomorecontact@cliffordchance.com or by post at Clifford Chance LLP, 10 Upper Bank Street, Canary Wharf, London E14 5JJ

Abu Dhabi • Amsterdam • Barcelona • Beijing • Brussels • Bucharest • Casablanca • Delhi • Dubai• Düsseldorf • Frankfurt • Hong Kong • Istanbul • London • Luxembourg • Madrid • Milan • Moscow • Munich • Newcastle • New York • Paris • Perth • Prague • Rome • São Paulo • Shanghai • Singapore • Sydney • Tokyo • Warsaw • Washington, D.C.

Clifford Chance has a co-operation agreement with Abuhimed Alsheikh Alhagbani Law Firm in Riyadh.

Clifford Chance has a best friends relationship with Redcliffe Partners in Ukraine.

2109-001519