

Company registration number: 02704700

ALLEN & OVERY (LEGAL ADVISERS) LIMITED

Annual Report and Financial Statements

For the year ended 30 April 2017

FRIDAY



J6GH030P

JNI

06/10/2017

#106

COMPANIES HOUSE

ALLEN & OVERY (LEGAL ADVISERS) LIMITED

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2017**

CONTENTS	PAGE
OFFICERS AND PROFESSIONAL ADVISERS	1
DIRECTORS' REPORT	2-3
INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ALLEN & OVERY (LEGAL ADVISERS) LIMITED	4-5
INCOME STATEMENT	6
STATEMENT OF FINANCIAL POSITION	7
STATEMENT OF CHANGES IN EQUITY	8
NOTES TO THE FINANCIAL STATEMENTS	9-14

ALLEN & OVERY (LEGAL ADVISERS) LIMITED

**OFFICERS AND PROFESSIONAL ADVISERS
FOR THE YEAR ENDED 30 APRIL 2017**

Directors

A M Ballheimer
R W L Cranfield
W M G C Dejonghe

Registered office

One Bishops Square
London
E1 6AD

Independent auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Waterfront Plaza
8 Laganbank Road
Belfast
BT1 3LR

Registered number

02704700

ALLEN & OVERY (LEGAL ADVISERS) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 APRIL 2017

The directors present their annual report together with the audited financial statements of the company for the year ended 30 April 2017. The Directors' Report has been prepared in accordance with the special provisions relating to small companies under section 415A of the Companies Act 2006.

Business review and future developments

The principal activity of the company is to act as an intermediate holding company. The company's controlling party and the parent undertaking of the company is Allen & Overy LLP.

During the year the company received interim dividends of £9,500,000 from a subsidiary company and subscribed to 3,800,000 ordinary shares of £1 each for a consideration of £3,800,000 in Allen & Overy Legal Services. The company recognised an impairment in respect of its investment in Allen & Overy Legal Services by £3,800,000.

The directors are satisfied with the level of activity of the company and do not expect any significant changes in the short term.

The directors believe that preparing the financial statements on the going concern basis is appropriate due to the continued financial support of the ultimate parent, Allen & Overy LLP. The directors have received confirmation that Allen & Overy LLP intends to support the company for at least one year after these financial statements are signed.

Financial risk management

As the company is funded by Allen & Overy LLP the financial risks are borne and managed by Allen & Overy LLP and are disclosed in the publicly available financial statements of Allen & Overy LLP.

Results and dividends

The results of the company for the year ended 30 April 2017 are set out in the income statement on page 6 and the statement of financial position on page 7.

On 24 October 2016 a dividend of £5,669,994 was paid to the company's ordinary shareholder (2016: £Nil).

Donations and political contributions

The company did not make charitable or political contributions during the year (2016: £nil).

Directors

The directors who served during the year and up to the date of signing the financial statements were:

A M Ballheimer
R W L Cranfield
W M G C Dejonghe

Qualifying third party indemnity provisions

The ultimate parent entity, Allen & Overy LLP, has entered into qualifying third party indemnity arrangements for the benefit of all of the company's directors in a form and scope which comply with the requirements of the Companies Act 2006. These arrangements were in place during the financial year and they are in place as at the date of approval of this Directors' Report.

ALLEN & OVERY (LEGAL ADVISERS) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 APRIL 2017

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including Financial Reporting Standard 101 *Reduced Disclosure Framework* (**FRS 101**).

Under company law the directors 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 company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- 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 company will continue in business.

The directors are responsible for keeping adequate accounting records which are sufficient to show and explain the company's transactions, disclose with reasonable accuracy at any time the financial position of the company and to enable the directors to ensure that the financial statements comply with the Companies Act 2006. The directors are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

Independent auditors

The independent auditor, PricewaterhouseCoopers LLP, has indicated its willingness to be reappointed.

Approved by the board and signed on their behalf on 29 September 2017 by W M G C Dejonghe.



W M G C Dejonghe
Director
29 September 2017

ALLEN & OVERY (LEGAL ADVISERS) LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ALLEN & OVERY (LEGAL ADVISERS) LIMITED

Report on the financial statements

Our opinion

In our opinion, Allen & Overy (Legal Advisers) Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 30 April 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

What we have audited

The financial statements, included within the annual report and financial statements (the "Annual Report"), comprise:

- the Statement of financial position as at 30 April 2017;
- the Income statement for the year then ended;
- the Statement of changes in equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law (United Kingdom Generally Accepted Accounting Practice).

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

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

In addition, in light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we are required to report if we have identified any material misstatements in the directors' report. We have nothing to report in this respect.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.

ALLEN & OVERY (LEGAL ADVISERS) LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ALLEN & OVERY (LEGAL ADVISERS) LIMITED

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to: prepare financial statements in accordance with the small companies regime; take advantage of the small companies exemption in preparing the directors' report; and take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the statement of directors' responsibilities in respect of the financial statements set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 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.

What an audit of financial statements involves

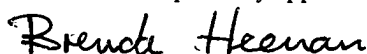
We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error.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

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

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

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

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report. With respect to the directors' report, we consider whether this report includes the disclosures required by applicable legal requirements.



Brenda Heenan (Senior Statutory Auditor)

for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Belfast
2 October 2017

ALLEN & OVERY (LEGAL ADVISERS) LIMITED
COMPANY REGISTRATION NUMBER: 02704700

INCOME STATEMENT
FOR THE YEAR ENDED 30 APRIL 2017

	Note	2017 £	2016 £
Impairment of investments	7	(3,805,864)	(4,954,348)
Dividend income	7	9,500,000	4,940,004
Profit/(loss) on ordinary activities before interest and taxation		<u>5,694,136</u>	<u>(14,344)</u>
Tax expense on profit/(loss) on ordinary activities	6	-	-
Profit/(loss) for the financial year and total comprehensive profit/(loss) for the financial year		<u><u>5,694,136</u></u>	<u><u>(14,344)</u></u>

All results derive from continuing operations. There were no gains or losses in the current or previous year other than those included in the above income statement; accordingly no statement of comprehensive income is presented.

ALLEN & OVERY (LEGAL ADVISERS) LIMITED
COMPANY REGISTRATION NUMBER: 02704700

STATEMENT OF FINANCIAL POSITION
AS AT 30 APRIL 2017

	Note	2017 £	2016 £
Fixed assets			
Investments	7	<u>8</u>	<u>5,872</u>
Current assets			
Other receivables	8	<u>2</u>	<u>2</u>
Creditors: amounts falling due within one year	9	<u>(5,865)</u>	<u>(35,871)</u>
Net current liabilities		<u>(5,863)</u>	<u>(35,869)</u>
Net assets/(liabilities)		<u>(5,855)</u>	<u>(29,997)</u>
Equity			
Ordinary shares	10	<u>10</u>	<u>10</u>
Retained earnings		<u>(5,865)</u>	<u>(30,007)</u>
Total shareholders' funds/(deficit)		<u>(5,855)</u>	<u>(29,997)</u>

The notes on pages 9 to 14 are an integral part of these financial statements.

The financial statements have been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

The financial statements on pages 6 to 14 were authorised for issue by the board of directors on 29 September 2017 and were signed on its behalf by W M G C Dejonghe.



W M G C Dejonghe
 Director
 29 September 2017

ALLEN & OVERY (LEGAL ADVISERS) LIMITED
COMPANY REGISTRATION NUMBER: 02704700

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 APRIL 2017

	Called up share capital £	Retained earnings £	Total £
Balance as at 1 May 2015	10	(15,663)	(15,653)
Loss for the year	-	(14,344)	(14,344)
Total comprehensive loss for the year	-	(14,344)	(14,344)
Balance as at 1 May 2016	10	(30,007)	(29,997)
Profit for the year	-	5,694,136	5,694,136
Total comprehensive profit for the year	-	5,694,136	5,694,136
Transactions with owners:			
Dividend payment	-	(5,669,994)	(5,669,994)
Balance as at 30 April 2017	10	(5,865)	(5,855)

ALLEN & OVERY (LEGAL ADVISERS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2017

1 GENERAL INFORMATION

The principal activity of the company is to act as an intermediate holding company.

The company is a wholly owned subsidiary of Allen & Overy LLP. The address of its registered office is One Bishops Square, London, E1 6AD.

The company is a limited company, incorporated in England and Wales and tax resident in the UK.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

These financial statements have been prepared in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 101. The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 2006. The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years represented, unless otherwise stated.

The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.

The following exemptions from the requirements of International Financial Reporting Standards ("IFRS") have been applied in the preparation of these financial statements, in accordance with FRS 101, on the basis that it is a qualifying entity and its ultimate parent, Allen & Overy LLP, includes each of the below in its own consolidated financial statements:

- Paragraph 38 of International Accounting Standard ("IAS") 1, 'Presentation of financial statements' comparative information requirements in respect of:
 - (i) paragraph 79(a)(iv) of IAS 1;
- The following paragraphs of IAS 1, 'Presentation of financial statements':
 - 10(d), (statement of cash flows)
 - 16 (statement of compliance with all IFRS), and
 - 111 (cash flow statement information)
- IAS 7, 'Statement of cash flows'
- Paragraph 17 of IAS 24, 'Related party disclosures' (key management compensation)
- The requirements in IAS 24, 'Related party disclosures' to disclose related party transactions entered into between two or more members of a group.

ALLEN & OVERY (LEGAL ADVISERS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2017

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Going concern

The directors believe that preparing the financial statements on the going concern basis is appropriate due to the continued financial support of the company's ultimate parent Allen & Overy LLP. The directors have received confirmation that Allen & Overy LLP intends to support the company for at least one year after these financial statements are signed.

Functional and presentation currency

Items included in the financial statements of the company are measured using the currency of the primary economic environment in which the company operates (the **functional currency**). The financial statements are presented in GBP 'Pounds Sterling' (£), which is also the company's functional currency.

Dividend income

Dividend income is recognised when the right to receive payment is established.

Other receivables

Other receivables are initially measured at fair value and are subsequently carried at amortised cost and reduced for estimated irrecoverable amounts.

Other payables

Other payables are initially measured at fair value and subsequently carried at amortised cost and reduced for discounts given by suppliers.

Share capital

Ordinary shares are classified as equity.

Fixed asset investments

Fixed asset investments are stated at their cost less provision for impairment. Investments are considered to be impaired when their carrying value is greater than their estimated recoverable amount.

Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the statement of financial position date.

ALLEN & OVERY (LEGAL ADVISERS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2017

3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the financial statements under FRS 101 requires management to make estimates and assumptions that affect the reported amounts of turnover, expenses, assets and liabilities. The estimate and judgements are based on historical experience and other factors including expectations of future events that are believed to be reasonable and constitute management's best judgement at the date of the financial statements. In the future, actual outcomes could differ from those estimates.

Further details are set out in each of the relevant accounting policies and notes to the financial statements. Management will continue to review assumptions used against actual experience and market data and adjustments will be made in future periods where appropriate.

4 DIRECTORS AND EMPLOYEES

None of the directors received any remuneration for their services as directors of the company in the current year or the prior year. There were no employees of the company in the current year or the prior year.

5 AUDIT FEES

Fees payable to the company's auditors for the audit of the company's annual financial statements have been borne by the parent undertaking for the years ended 30 April 2017 and 30 April 2016 and are not recharged. The fees borne by the parent undertaking were £1,000 for the years ended 30 April 2017 and 30 April 2016.

ALLEN & OVERY (LEGAL ADVISERS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2017

6 TAX EXPENSE ON LOSS ON ORDINARY ACTIVITIES

Tax expense included in profit or loss

	2017 £	2016 £
Current tax:		
UK Corporation tax charge on losses for the year	-	-
Total current tax	-	-
Tax on loss on ordinary activities	-	-

The current year UK tax charge is lower (2016: higher) than that resulting from applying the effective rate derived from the standard UK tax rate of 19.9% (2016: 20%). The differences are explained below:

	2017 £	2016 £
Profit/(loss) on ordinary activities before taxation	5,694,136	(14,344)
Taxation thereon at the standard rate in the UK of 19.9% (2016: 20%)	1,134,082	(2,869)
Effects of:		
UK dividend income	(1,892,083)	(988,001)
Impairment	758,001	990,870
Total tax charge for the year	-	-

7 INVESTMENTS

	Total £
Cost	
At 1 May 2016	8,519,418
Additions	3,800,000
At 30 April 2017	12,319,418
Impairment	
At 1 May 2016	8,513,546
Charge for the year	3,805,864
At 30 April 2017	12,319,410
Net book value at 30 April 2017	8
Net book value at 30 April 2016	5,872

ALLEN & OVERY (LEGAL ADVISERS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2017

7 INVESTMENTS (CONTINUED)

On 24 October 2016, the company received an interim dividend of £9,500,000 from Allen & Overy Service Company Limited.

On 24 October 2016, the company subscribed to 3,800,000 ordinary shares of £1 each for a consideration of £3,800,000 in Allen & Overy Legal Services (an unlimited company). The company subsequently impaired its investment in Allen & Overy Legal Services by £3,800,000.

The company has the following direct subsidiaries:

Name	% ownership at 30 April 2017	Registered office	Activity
Fleetside Legal Representative Services Limited	100%	One Bishops Square, London, E1 6AD	Process agent services
Allen & Overy Service Company Limited	100%	One Bishops Square, London, E1 6AD	Service company
Allen & Overy (Holdings) Limited	100%	One Bishops Square, London, E1 6AD	Supply of legal services
Allen & Overy Legal Services	100%	One Bishops Square, London, E1 6AD	Supply of legal services in Russia
A&O (Legal Advisers) Limited	100%	One Bishops Square, London, E1 6AD	Dormant
AO Buro Destek Hizmetleri Limited Sirketi (LLC)	100%	River Plaza, Floor 17, Büyükdere Caddesi, Bahar Sokak no. 13, TR-34394 Levent, Istanbul, Turkey.	Service company

The directors believe that the carrying value of the investments is supported by their underlying net assets.

ALLEN & OVERY (LEGAL ADVISERS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2017

7 INVESTMENTS (CONTINUED)

The company has the following indirect subsidiaries:

Name	% ownership at 30 April 2017	Registered office	Activity
Allen & Overy (Asia) Limited	100%	One Bishops Square, London, E1 6AD	Intermediate holding company
Allen & Overy (SSF) Limited	100%	One Bishops Square, London, E1 6AD	Service company

8 OTHER RECEIVABLES

	2017 £	2016 £
Amounts owed by group undertakings	<u>2</u>	<u>2</u>

Amounts owed by group undertakings are interest free, unsecured and repayable on demand.

9 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017 £	2016 £
Amounts owed to group undertakings	<u>5,865</u>	<u>35,871</u>

Amounts owed to group undertakings are interest free, unsecured and repayable on demand.

10 ORDINARY SHARES

	2017 £	2016 £
Allotted and unpaid:		
10 (2015:10) ordinary shares of £1 each	<u>10</u>	<u>10</u>

11 ULTIMATE CONTROLLING PARTY AND PARENT UNDERTAKING

The ultimate controlling party and the ultimate parent undertaking is Allen & Overy LLP. Allen & Overy LLP is the parent undertaking of the smallest and largest group to which this company belongs and for which group financial statements are prepared. Copies of the consolidated financial statements of Allen & Overy LLP can be obtained from the Business Protection Unit, Allen & Overy LLP, 68 Donegall Quay, Belfast, BT1 3NL.