

DENTONS

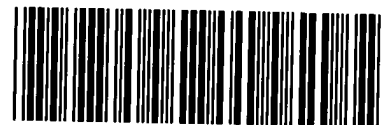
Registered number: 2746217

**Dentons UK and Middle East Legal
Services**

Annual report and financial statements

For the year ended 30 April 2023

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Dentons UK and Middle East Legal Services

Annual report and financial statements 2023

Contents	Page
Strategic report	1
Directors' report	2
Directors' responsibilities statement	6
Independent auditor's report	6
Profit and loss account	9
Balance sheet	10
Statement of changes in equity	11
Notes to the financial statements	12

Dentons UK and Middle East Legal Services

Strategic report

Review of the business

The principal activity of the Company is to provide staff services to Dentons UK and Middle East LLP ('the Partnership'), in return for an agreed fee. The agreed fee is determined on the basis of a mark up of 5% on the cost of the staff services provided to Dentons UK and Middle East LLP.

The directors expect the general level of activity to continue for the foreseeable future.

Employees

At Dentons, we are a future focused firm driven by a deep sense of purpose which is guided by our values and within our UK business our commitment and approach to responsible business weaves these values together to underpin our five-year regional strategy. Linking principles of ESG with our vision and values, we are accelerating our journey to generate greater social and economic value for our clients, our people, and our communities. This is made actionable through adopting targets anchored to the United Nations Sustainable Development Goals (UNSDGs), including those around good health and wellbeing gender equality and reducing inequalities. These underpin our approach to Inclusion and Diversity and are fundamental to our business and integral to our vision and strategy.

We have continued to invest in this area and have made significant progress. This includes introducing representation targets for women and ethnic minorities to be achieved by 2028 so that we can ensure our actions bring about long-term material change:

- 35% women partners and women in leadership roles
- 10% ethnic diversity across our partnerships and in all Business Services Director / leadership roles
- 12% ethnic diversity across Senior Associates and Counsel

We have committed to broaden access to students from backgrounds underrepresented in the legal profession in line with our aspirations for greater ethnic diversity and to address socio-economic inequality. In addition, our inclusion networks continue to give voice to our colleagues from underrepresented backgrounds and support the professional advancement of all our colleagues through networking, training, business development and strategic initiatives. These networks include our Black Professionals Network, Fusion (our Asian Professionals Network), Inspire (women), AccessAbility (disability), GLOW (LGBTQ+) and our Parents and Carers Network.

Principal risks and uncertainties

Other than the impact of Covid 19 and the Russia/Ukraine conflict, which is discussed in the Directors' Report, the Company operates on an agreed fee and therefore the directors believe that the Company does not face any particular risks or uncertainties to its income. The financial risks are summarised in the Directors' report.

Key performance indicators

There have not been any significant changes in the company's principal activities in the year under review. For this reason, the directors believe that further key performance indicators for the company are not necessary or appropriate for an understanding of the development, performance or position of the business.

Approved by the Board and signed on its behalf on 6 September 2023 by:



Helen Simpson
Director
One Fleet Place
London
EC4M 7WS

Dentons UK and Middle East Legal Services

Directors' report

The directors present their annual report on the affairs of Dentons UK and Middle East Legal Services ('the Company'), together with the financial statements and auditor's report, for the year ended 30 April 2023.

The profit for the year amounted to £3,415,095 (2022: profit of £3,342,593).

Dividends

The directors recommend a total dividend of £3,415,095 for the year (2022: £3,342,593). The final dividend for 2022 of £1,092,593 was paid in July 2022.

S172 (1) Statement

The directors have regard to the matters set out in Section 172 (1) of the Companies Act 2006 when performing their duties under Section 172 to promote the success of the company. The way in which the directors engage with key stakeholders and consider their needs is outlined below.

a) The likely consequences of any decision in the long term:

Dentons UK and Middle East Legal Services is part of the Dentons UK and Middle East LLP Group. Decisions made relating to the company feed into the group wide strategies on how best to engage with staff as well as deliver services in a cost-effective manner. The company's primary purpose is to provide staff services to Dentons UK and Middle East LLP.

The decisions of the directors are driven by this wider group strategy and how the company can best provide support to deliver that strategy. The directors remain conscious of any decisions taken which impact the company and how it relates to wider strategic goals of the group, as the company's ability to fulfil the requirements and aims of the group is considered to be the way in which the company creates long-term value.

b) The interests of the company's employees:

Employees within the company are surveyed periodically to gather data on their views on the company's activities including any suggestions on how the working environment could be improved. Any actions or results from these surveys are subsequently communicated across all employees, and are subsequently tracked to share the ongoing work, which has been done to respond to employee feedback.

The company has an ongoing and continuously developing programme of learning and development opportunities. These are regularly communicated across the business to all employees to encourage professional development. This includes investment in companywide training on mental health as well as unconscious bias to ensure the company's workforce is a welcoming and inclusive one. Additional information around employee engagement is discussed in the Strategic report.

c) The need to foster the company's business relationship with suppliers, customers and others:

The company's only customer is Dentons UK and Middle East LLP, to which the company provides services. The group's needs and requirements as to the nature and extent of those services is dynamic and the directors ensure that they remain live to these demands through how they feed into the wider group strategy, to ensure that the company continues to deliver a high standard of services.

The company's processes and procedures are set up to ensure that suppliers are paid as promptly as possible within agreed payment terms while taking appropriate measures to protect the company's own assets.

Dentons UK and Middle East Legal Services

Directors' report

d) The impact of the company's operations on the community and the environment

Through its ultimate parent entity, Dentons UK and Middle East LLP, the staff employed by the company partake in a wide variety of community initiatives. There is a shared responsibility for the overall wellbeing of local communities, and valued relationships have been established through the company's work in the community and the professional and personal development it affords all employees. The company runs a volunteering programme which includes community projects, in particular supporting the homeless, elderly, refugees, families and young people. The company also supports and performs pro bono legal work aimed at making meaningful contributions to the local communities. Access to justice is promoted, in the broadest possible terms, by providing free legal assistance to civil society organizations focussing on social causes and to low-income and marginalized individuals.

The company is based at One Fleet Place, a building leased by Dentons UK and Middle East LLP. Much of the environmental impact of the company, and its mitigation, is driven by the design and energy efficiency of the building itself.

e) The desirability of the company maintaining a reputation for high standards of business conduct:

The company employs a code of conduct, which is signed up to by all employees to encourage ethical behaviour as well as to highlight possible ethical threats that could be faced by employees. The company maintains high standards of expected conduct for its employees and clearly defined procedures for its employees to report any concerns internally. This encompasses a wide variety of areas of behaviour including anti-bribery training, commercial sensitivity and appropriate workplace conduct among others.

f) The need to act fairly as between members of the company:

The results of the company are consolidated into the group headed by Dentons UK and Middle East LLP. Transactions between the company and other members of the Dentons UK & Middle East Group are carried out at arm's length and on a commercial basis.

Financial risk management

The directors are of the view that the main risks arising from the company's financial instruments are exchange rate risk and interest rate risk, as summarised below:

Exchange rate risk

Exchange rate fluctuation presents a risk because certain balances are denominated in currencies other than Sterling. The directors do not consider the potential downside is significant enough to require hedging but continue to monitor the potential risk.

Interest rate risk

The company does not have any external borrowings and as such the directors consider the interest rate risk to be minimal at this stage.

Liquidity risk

The company meets its day-to-day working capital requirements through cash generated from the provision of services to its ultimate parent entity Dentons UK and Middle East LLP, thus relevant liquidity risks are managed on a group basis.

Future developments

The Russia/Ukraine conflict has had widespread impact on the economy of the UK as well as the world as a whole. The directors will continue to monitor the situation and how it impacts the company's operations on an ongoing basis. However, as at the date of signing, do not foresee any significant disruption to the company's business operations.

Dentons UK and Middle East Legal Services

Directors' report

Notwithstanding the risks and uncertainties outlined above, the directors do not anticipate any significant change in the activities and results of the company in the foreseeable future.

Going concern basis

The company meets its day-to-day working capital requirements through cash generated from the provision of services to its ultimate parent entity Dentons UK and Middle East LLP.

Dentons UK and Middle East LLP has considered the impact of macro-economic factors such as the Russia/Ukraine conflict and unusually high inflation levels, and prepared cashflow forecasts through to September 2024 which show that the group will have adequate funds to meet its future liabilities.

In addition, Dentons UK and Middle East LLP, has evaluated its banking facilities and concluded that even taking account of significant further reductions in its own trading performance, the Group will still have sufficient funds to meet its liabilities and those of its subsidiaries as they fall due.

Having considered the ability of the company to meet its obligations, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Directors

The directors, who served throughout the year and to the date of signing, were as follows:

Dentons Directors Limited
Dentons Managers UK and Middle East Limited
Robert Wyatt – resigned 24 August 2022
Helen Simpson – appointed 24 August 2022

Secretary

Gray's Inn Secretaries Limited

Auditor

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/she ought to have taken as a director in order to make himself/herself 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 s418 of the Companies Act 2006.

Deloitte LLP have expressed their willingness to continue in office as auditor and appropriate arrangements have been put in place for them to be deemed reappointed as auditor in the absence of an Annual General Meeting.

Approved by the Board and signed on its behalf on 6 September 2023 by:



Simpson
Director
One Fleet Place
London
EC4M 7WS

Dentons UK and Middle East Legal Services

Directors' responsibilities statement

The directors are responsible for preparing the annual 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 elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". 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 estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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 that are sufficient to show and explain the company's transactions with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Dentons UK and Middle East Legal Services

Independent auditor's report to the members of Dentons UK and Middle East Legal Services

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Dentons UK and Middle East Legal Services (the 'company'):

- give a true and fair view of the state of the company's affairs as at 30 April 2023 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the profit and loss account;
- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 13.

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

Basis for opinion

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

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

Conclusions relating to going concern

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

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 company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Dentons UK and Middle East Legal Services

Independent auditor's report to the members of Dentons UK and Middle East Legal Services (continued)

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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. 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 in this regard.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors 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 directors are responsible for assessing the company'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 directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

Extent to which the audit was considered capable of detecting irregularities, including fraud

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.

We considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management and the directors about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory frameworks that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

Dentons UK and Middle East Legal Services

Independent auditor's report to the members of Dentons UK and Middle East Legal Services (continued)

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and in-house legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

Report on other legal and regulatory requirements

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

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception

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

- 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; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in respect of these matters.

Use of our report

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

Neha Kulkarni (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
London, UK

Dentons UK and Middle East Legal Services

Profit and loss account For the year ended 30 April 2023

	Notes	2023 £	2022 £
Turnover	1(e)	99,617,894	89,271,044
Staff costs	6	(82,979,600)	(74,281,036)
Other operating charges		(12,100,510)	(10,856,297)
Profit on ordinary activities before taxation		4,537,784	4,133,711
Tax on profit on ordinary activities	7	(1,122,689)	(791,118)
Profit for the financial year attributable to the equity shareholders of the Company		3,415,095	3,342,593

All of the above results derive from continuing activities.

There was no other income or losses other than as stated above in either year and accordingly, no separate Statement of Comprehensive Income is prepared.

Dentons UK and Middle East Legal Services

Balance sheet As at 30 April 2023

	Notes	2023 £	2022 £
Fixed assets			
Investments	8	478	448
Current assets			
Debtors	9	13,315,063	11,175,313
Cash at bank and in hand		3,746,028	1,769,707
Called up share capital not paid		2	2
		<u>17,061,093</u>	<u>12,945,022</u>
Creditors: amounts falling due within one year	10	<u>(13,646,474)</u>	<u>(11,852,875)</u>
Net current assets		<u>3,414,619</u>	<u>1,092,147</u>
Total assets less current liabilities		<u>3,415,097</u>	<u>1,092,595</u>
Net assets		<u>3,415,097</u>	<u>1,092,595</u>
Capital and reserves			
Called up share capital	11	2	2
Profit and loss account		<u>3,415,095</u>	<u>1,092,593</u>
Shareholders' funds		<u>3,415,097</u>	<u>1,092,595</u>

The financial statements of Dentons UK and Middle East Legal Services (registered number 2746217) were approved by the board of directors and authorised for issue on 6 September 2023.



Helen Simpson
Director

Dentons UK and Middle East Legal Services

Statement of changes in equity For the year ended 30 April 2023

	Called-up share capital £	Profit and loss account £	Total £
At 1 May 2021	2	2,831,368	2,831,370
Profit for the financial year	-	3,342,593	3,342,593
Dividend paid	-	(5,081,368)	(5,081,368)
	<hr/>	<hr/>	<hr/>
At 30 April 2022	2	1,092,593	1,092,595
Profit for the financial year	-	3,415,095	3,415,095
Dividend paid	-	(1,092,593)	(1,092,593)
	<hr/>	<hr/>	<hr/>
At 30 April 2023	2	3,415,095	3,415,097
	<hr/>	<hr/>	<hr/>

Dentons UK and Middle East Legal Services

Notes to the financial statements For the year ended 30 April 2023

1. Accounting policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and in the preceding year.

The Company has applied FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (FRS 102) issued by the Financial Reporting Council (FRC) incorporating the Amendments to FRS 102 issued by the FRC in July 2015 and the amendments to Company law made by The Companies, Partnerships and Groups (Accounts and Reports) Regulations.

a. General information and basis of accounting

Dentons UK and Middle East Legal Services is an unlimited company incorporated in the United Kingdom under the Companies Act. The address of the registered office is given on page 2. The nature of the Company's operations and its principal activities are set out in the strategic report on pages 1 to 2.

The financial statements have been prepared under the historical cost convention, modified to include certain items at fair value, and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

The functional currency of Dentons UK and Middle East Legal Services is considered to be pounds sterling because that is the currency of the primary economic environment in which the Company operates. Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date.

Exchange differences are recognised in profit or loss in the period in which they arise except for exchange differences arising on gains or losses on non-monetary items which are recognised in other comprehensive income.

The Company meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements. The Company is consolidated in the financial statements of its parent, Dentons UK and Middle East LLP, which may be obtained at One Fleet Place, London EC4M 7WS. Exemptions have been taken in these separate Company financial statements in relation to share-based payments, financial instruments, presentation of a cash flow statement and remuneration of key management personnel.

b. Going concern

The company meets its day-to-day working capital requirements through cash generated from the provision of services to its ultimate parent entity Dentons UK and Middle East LLP.

Dentons UK and Middle East LLP has considered the impact of macro-economic factors such as the Russia/Ukraine conflict and unusually high inflation levels, and prepared cashflow forecasts through to September 2024 which show that the group will have adequate funds to meet its future liabilities.

In addition, Dentons UK and Middle East LLP, has evaluated its banking facilities and concluded that even taking account of significant further reductions in its own trading performance, the Group will still have sufficient funds to meet its liabilities and those of its subsidiaries as they fall due.

Having considered the ability of the company to meet its obligations, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Dentons UK and Middle East Legal Services

Notes to the financial statements For the year ended 30 April 2023

1. Accounting policies (continued)

c. Employee benefits

The company does not operate a company pension scheme but makes contributions to employees' individual pension plans as applicable.

d. 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 balance sheet date.

e. Turnover

All of the turnover of the company is derived in the United Kingdom from the provision of office and employment services to Dentons UK and Middle East LLP. Turnover is stated net of VAT and is recognised when the significant risks and rewards are considered to have been transferred to the buyer. Turnover from the supply of services represents the value of services provided under agreements to the extent that there is a right to consideration and is recorded at the fair value of the consideration received or receivable.

f. Debtors

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

g. Creditors

Short-term creditors are measured at the transaction price. Other financial liabilities, including accruals, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

h. Joint Ventures and associates

In the financial statements investments in joint ventures and associates are accounted for using the equity method. Investments in joint ventures and associates are initially recognised at the transaction price (including transaction costs) and are subsequently adjusted to reflect the company's share of the profit or loss and other comprehensive income of the joint ventures and associates.

2. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Dentons UK and Middle East Legal Services accounting policies, which are described in note 1, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

When applicable, estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The Directors are of the opinion there are no critical accounting judgements or key sources of estimation uncertainty.

Dentons UK and Middle East Legal Services

Notes to the financial statements For the year ended 30 April 2023

3. Profit before taxation

	2023 £	2022 £
Profit before taxation is stated after crediting:		
Foreign exchange gain	(12,379)	(41,514)

4. Dividends on equity shares

	2023 £	2022 £
Amounts recognised as distributions to equity holders in the period:		
Dividend declared and paid during the year*	-	5,081,368
Dividend declared and paid during the year	1,092,593	-
	<u>1,092,593</u>	<u>5,081,368</u>

*Comparatives have been presented to align with current disclosure

The proposed final dividend is subject to approval by the shareholders and has not been included as a liability in these financial statements. £3,415,095 was declared and paid in September 2023.

5. Auditor's remuneration

Fees payable to Deloitte LLP and their associates for the audit of the Company's annual accounts were £6,545 (2022: £5,950).

No fees were payable to Deloitte LLP and their associates for non-audit services to the Company.

Dentons UK and Middle East Legal Services

Notes to the financial statements For the year ended 30 April 2023

6. Staff numbers and costs

	2023 No.	2022 No.
The average monthly number of employees during the year was:		
– Fee earners	528	487
– Administrative and support staff	375	417
	<u>903</u>	<u>904</u>
	£	£
Their aggregate remuneration comprised:		
– wages and salaries	67,342,047	60,129,590
– social security costs	8,692,210	7,653,170
– other pension costs (see note 1c.)	6,945,343	6,498,276
	<u>82,979,600</u>	<u>74,281,036</u>

No remuneration was paid to the directors in respect of their services to the Company for the year (2022: £nil).

The pension cost for the year was £6,945,343 (2022: £6,498,276). As at 30 April 2023 there was £656,841 outstanding to be paid in respect of employee contributions (2022: £588,788).

Dentons UK and Middle East Legal Services

Notes to the financial statements For the year ended 30 April 2023

7. Tax on profit

	2023 £	2022 £
The taxation charge on the profit for the year is made up as follows:		
UK corporation tax	1,081,500	785,893
Adjustments in respect of prior years	41,189	5,225
Total current tax	1,122,689	791,118
Deferred tax: origination and reversal of timing differences	-	-
Total tax on profit	1,122,689	791,118

The standard rate of tax for the year based on the UK standard rate of corporation tax is 25% (2022: 19%).

The actual tax charge for the current and the previous year reconciles to the standard rate as set out in the following reconciliation:

	2023 £	2022 £
Profit before tax	4,537,784	4,133,711
Tax on profit at standard rate 25% (2022: 19%)	1,134,446	785,405
Disallowable expenses	(52,946)	488
Adjustments in respect of prior years	41,189	5,225
Total tax on profit	1,122,689	791,118

On 3 March 2021 the UK government announced an intention to increase the UK corporation tax rate to 25% with effect from 1 April 2023. This has impacted the value of our UK deferred tax balances, and the tax charged on UK profits generated in 2023 and subsequently. The company has yet to determine the impact of these proposed changes.

Dentons UK and Middle East Legal Services

Notes to the financial statements For the year ended 30 April 2023

8. Fixed asset investments

	2023 £	2022 £
Subsidiary undertakings	-	-
Joint venture	478	448
Total	478	448

Subsidiary undertaking

	2023 £	2022 £
Carrying value before impairment		
At start of year	815	815
Additions	-	-
Allocation of loss from investment	-	-
At end of year	815	815
Provision for impairment		
At start of year	(815)	(815)
Impairment of investment	-	-
Release of impairment	-	-
At end of year	(815)	(815)
Carrying value	-	-

The company has the following subsidiary:

Subsidiary undertaking	Country of incorporation	Principal activity	Type of shares held	%
Dentons Risk Consulting LLP	United Kingdom	Provision of risk consulting services	N/A	99

Joint venture

	2023 £	2022 £
Cost and net book value at start of year	448	476
Effect of foreign exchange	30	(28)
Cost and net book value at end of year	478	448

Dentons UK and Middle East Legal Services

Notes to the financial statements For the year ended 30 April 2023

8. Fixed asset investments (continued)

The company has the following joint venture:

	Country of incorporation	Principal activity	Type of shares held	%
Dentons Business Services EMEA SP.Z.O.O	Poland	Provision of shared services	Ordinary	50

9. Debtors

	2023 £	2022 £
Amounts owed by group undertakings	11,742,350	9,772,718
Other debtors	1,572,713	1,402,595
	<u>13,315,063</u>	<u>11,175,313</u>

Amounts owed by group undertakings carry no interest and are repayable on demand.

10. Creditors: amounts falling due within one year

	2023 £	2022 £
Other creditors – social security and PAYE	3,125,665	2,874,631
Accruals	9,865,595	8,395,522
Corporation tax	623,948	405,914
Trade creditors	31,266	176,808
	<u>13,646,474</u>	<u>11,852,875</u>

Dentons UK and Middle East Legal Services

Notes to the financial statements For the year ended 30 April 2023

11. Called-up share capital and reserves

	2023 £	2022 £
Called up, allotted, issued at par and not yet paid:		
Two ordinary shares of £1 each	<u>2</u>	<u>2</u>

12. Related party transactions

The company has taken advantage of the exemption in FRS 102, section 33, not to disclose transactions with other group entities which meet the criteria that all subsidiary undertakings which are party to the transactions are wholly-owned by the ultimate controlling parent, Dentons UK and Middle East LLP.

During the year, the Company received services from Dentons Business Services EMEA, a joint venture, at a cost of £5.4m (2022: £3.9m). The amount owed to the joint venture at 30 April 2023 was £495,000 (2022: £288,000).

13. Immediate and ultimate parent undertaking and ultimate controlling party

The ultimate controlling party of Dentons UK and Middle East Legal Services at 30 April 2023 is Dentons UK and Middle East LLP, One Fleet Place, London EC4M 7WS. Dentons UK and Middle East LLP is the immediate and ultimate parent undertaking and the only group in which Dentons UK and Middle East Legal Services is consolidated. Copies of the financial statements can be obtained from One Fleet Place, London EC4M 7WS.