

Linklaters (Europe) Holdings

**Annual Report and Financial Statements
for the year ended 30 April 2016**

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Directors, officers and advisers

Directors

G Moore

CR Jacobs

Secretary

Hackwood Secretaries Limited

Registered Office

One Silk Street
London EC2Y 8HQ

Auditor

Deloitte LLP
Chartered Accountants and Statutory
Auditor
London

Banks

SEB
SE-106 40 Stockholm
Sweden

KBC
Havenlaan 16-3e verdiep
1080 Brussels

The directors, in preparing this strategic report have complied with s414c of the Companies Act 2016.

Principal activities

The principal activity of the group is the supply of legal services to clients in Sweden.

Business review

The directors consider the key indicator of the group's performance to be turnover. As shown in the group's income statement on page 8, the group's turnover has decreased from £13,901k in 2015 to £13,049k in 2016. The decrease is due to changes in foreign exchange rates as a result of the prevailing Sterling:Swedish Krone exchange rate being stronger during the year ended 30 April 2016.

The balance sheet on page 9 shows that the net assets of the group have increased from £5,176k in 2015 to £6,045k in 2016 reflecting a 68% increase in the group's cash balance.

The group's directors believe that further key performance indicators for the group are not necessary or appropriate for an understanding of the development, performance or position of the business.

The directors consider the results for the year to be satisfactory given the prevailing political and economic environment and are confident of the group's future prospects.

Financial risk management

The directors believe the principal risk to the group surrounds credit-worthiness of customers. However, they note that as at the date of this report the group has no significant year end trade debtors that remain unpaid. As such, the directors do not consider that the group is exposed to any significant credit risk in relation to the 30 April 2016 balance sheet. On an ongoing basis trade debtors are monitored and a provision is made in circumstances where there are uncertainties over the recovery of the debt.

The group has no external borrowings and so the directors do not consider that the group is exposed to any interest risk or liquidity risk.

Approved by the Board and signed on its behalf by:



Secretary
for and on behalf of Hackwood Secretaries Limited

21 November 2016

The directors present their annual report and the audited consolidated financial statements of Linklaters (Europe) Holdings ("the Group") for the year ended 30 April 2016. Linklaters (Europe) Holdings is a private unlimited company which holds shares in Linklaters Advokatbyrå Holding Aktiebolag, a Swedish company which holds the shares of the Swedish operating company.

Results and dividend

The profit for the year after taxation amounted to £850k (2015: profit of £326k). The increase in profit is a result of a 13% fall in staff costs due to reduced employee seniority during 2016 and an 11% reduction in other operating expenses due to lower foreign exchange losses in the year ended 30 April 2016. Dividends of £323k relating to the financial year ending 30 April 2015 were declared and paid during the current year (2015: £2,348k).

Directors

The present directors are named on page 1. The following directors served throughout the year and to the present time unless otherwise indicated.

| | |
|------------|------------------------------|
| G Moore | (appointed 18 November 2016) |
| CR Jacobs | (appointed 1 October 2016) |
| R Elliott | (resigned 1 October 2016) |
| S J Davies | (resigned 1 January 2016) |

All persons who at any time during the year were directors of the Company were also partners in Linklaters LLP and interested as such in the agreement between the Company and the Firm for the supply of services to the partnership.

Employee related matters

Employee involvement

Throughout the year, the Company has provided employees on a regular basis with information on matters of concern to them as employees. The Company operates an employee appraisal system, which provides employees with the opportunity to be consulted on an annual basis in order that their views can be taken into account in making decisions which would affect their interests.

Disabled persons

Throughout the year, the policy of the Company has been to give full and fair consideration to the employment of applicants who are disabled persons with suitable aptitudes and abilities, to retain in employment (where reasonable) employees becoming disabled persons and to have fair regard to the training needs and career development and promotion potential of disabled persons in its employment.

Matters covered in the Strategic Report

The groups principal activities, business review, future plans and financial risk management principal risks are set out within the Strategic Report.

Going concern

After making adequate enquiries, the directors have reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Further details regarding the adoption of the going concern basis can be found in the accounting policies in note 2.3 to the financial statements.

Auditor

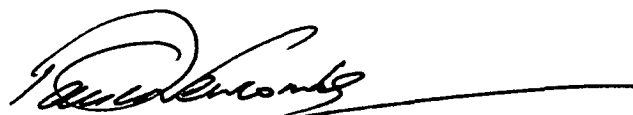
Each of the persons who is a director at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the group's auditor is unaware; and
- the director has taken all the steps that he / she ought to have taken as a director to make himself/herself aware of any relevant audit information and to establish that the group'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 indicated their willingness to be reappointed for another term 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 by:



Secretary
for and on behalf of Hackwood Secretaries Limited

21 November 2016

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 Practice (United Kingdom Accounting Standards and applicable law), including FRS 101 "Reduced Disclosure Framework". 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 group and the company and of the profit or loss of the group 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;
- 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 group and company will continue in business.

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

Independent auditor's report to the members of Linklaters (Europe) Holdings

We have audited the financial statements of Linklaters (Europe) Holdings for the year ended 30 April 2016 which comprise the consolidated income statement, consolidated statement of comprehensive income, consolidated and parent company balance sheets, group statement of changes in equity, company statement of changes in equity and the related notes 1 to 18. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 101 "Reduced Disclosure Framework".

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.

Respective responsibilities of Directors and Auditor

As explained more fully in the Statement of Directors' Responsibilities, 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). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

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 group's and the parent 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. 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.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 30 April 2016 and of the group's 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.



John Charlton (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
London

24 November 2016

Consolidated Income Statement for the year ended 30 April 2016

| | Notes | 2016 £'000 | 2015 £'000 |
|--|-------|---------------|---------------|
| Turnover | 2 | 13,049 | 13,901 |
| Other operating income | | - | 7 |
| Total income | | 13,049 | 13,908 |
| Cost of sales | 4 | (5,172) | (5,941) |
| Gross profit | | 7,877 | 7,967 |
| Administrative expenses | | (3,058) | (3,417) |
| Operating profit | 3 | 4,819 | 4,550 |
| Interest receivable and similar income | 6 | 46 | 60 |
| Profit before taxation | | 4,865 | 4,610 |
| Taxation | 7 | (1,115) | (1,124) |
| Profit after taxation | | 3,750 | 3,486 |
| Equity minority interests | | (2,900) | (3,160) |
| Profit for the financial year | | 850 | 326 |

Turnover and profit on ordinary activities after taxation were exclusively generated from continuing operations and arose mainly in Sweden from the main operating activity.

Consolidated statement of comprehensive income for the year ended 30 April 2016

| | Notes | 2016 £'000 | 2015 £'000 |
|---|-------|---------------|---------------|
| Profit for the financial year | | 850 | 326 |
| Other comprehensive income: | | | |
| Exchange differences on translation of foreign operations | | 122 | (134) |
| Total comprehensive income for the year | | 972 | 192 |

Consolidated and parent company balance sheets as at 30 April 2016

| | | Group | | Company | |
|---|-------|---------------|---------------|---------------|---------------|
| | Notes | 2016 £'000 | 2015 £'000 | 2016 £'000 | 2015 £'000 |
| Fixed assets | | | | | |
| Property, plant and equipment | 8 | 219 | 276 | - | - |
| Investments | | - | - | 1 | 1 |
| | | <u>219</u> | <u>276</u> | <u>1</u> | <u>1</u> |
| Current assets | | | | | |
| Trade and other receivables | 10 | 7,694 | 7,255 | 4,029 | 3,894 |
| Cash and bank balances | | 3,177 | 1,888 | 972 | 518 |
| | | <u>10,871</u> | <u>9,143</u> | <u>5,001</u> | <u>4,412</u> |
| Total assets | | 11,090 | 9,419 | 5,002 | 4,413 |
| Current liabilities | | | | | |
| Trade and other payables | 11 | (4,863) | (3,835) | (3,104) | (2,726) |
| Net current assets | | 6,008 | 5,308 | 1,897 | 1,686 |
| Total assets less current liabilities | | 6,227 | 5,584 | 1,898 | 1,687 |
| Non-current liabilities | | | | | |
| Provisions | | (182) | (408) | - | - |
| Net assets | | 6,045 | 5,176 | 1,898 | 1,687 |
| Equity | | | | | |
| Share capital | 13 | - | - | - | - |
| Retained earnings | | 2,904 | 2,255 | 1,898 | 1,687 |
| | | <u>2,904</u> | <u>2,255</u> | <u>1,898</u> | <u>1,687</u> |
| Minority Interests | | 3,141 | 2,921 | - | - |
| Equity attributable to owners of the Company | | 6,045 | 5,176 | 1,898 | 1,687 |

These financial statements were approved by the Board of Directors and authorised for issue on 21 November 2016.

Signed on behalf of the Board of Directors

Director - Gideon Moore

Statement of changes in equity for the year ended 30 April 2016

| Group | Called-up share capital £'000 | Retained earnings £'000 | Total shareholders' funds £'000 | Minority interests £'000 | Total equity £'000 |
|--|-------------------------------------|-------------------------------|--|--------------------------------|--------------------------|
| Balance at 1 May 2014 | - | 4,411 | 4,411 | 1,737 | 6,148 |
| Profit for the financial year | - | 326 | 326 | - | 326 |
| Other comprehensive income for the year | - | - | - | - | - |
| Differences on translation of foreign operations | - | (134) | (134) | (155) | (289) |
| Dividends paid | - | (2,348) | (2,348) | (1,825) | (4,173) |
| Minority interest profit share | - | - | - | 3,160 | 3,160 |
| Increase in share capital | - | - | - | 4 | 4 |
| Balance at 30 April 2015 | - | 2,255 | 2,255 | 2,921 | 5,176 |
| Profit for the financial year | - | 850 | 850 | - | 850 |
| Other comprehensive income for the year | - | - | - | - | - |
| Differences on translation of foreign operations | - | 122 | 122 | 480 | 602 |
| Dividends paid | - | (323) | (323) | (3,160) | (3,483) |
| Minority interest profit share | - | - | - | 2,900 | 2,900 |
| Increase in share capital | - | - | - | - | - |
| Balance at 30 April 2016 | - | 2,904 | 2,904 | 3,141 | 6,045 |

Statement of changes in equity for the year ended 30 April 2016

| Company | Called-up share capital £'000 | Retained earnings £'000 | Total shareholders' funds £'000 | Minority interests £'000 | Total equity £'000 |
|--|-------------------------------------|-------------------------------|--|--------------------------------|--------------------------|
| Balance at 1 May 2014 | - | 2,121 | 2,121 | - | 2,121 |
| Profit for the financial year | - | 2,108 | 2,108 | - | 2,108 |
| Other comprehensive income for the year | - | - | - | - | - |
| Differences on translation of foreign operations | - | (194) | (194) | - | (194) |
| Dividends paid | - | (2,348) | (2,348) | - | (2,348) |
| Minority interest profit share | - | - | - | - | - |
| Increase in share capital | - | - | - | - | - |
| Balance at 30 April 2015 | - | 1,687 | 1,687 | - | 1,687 |
| Profit for the financial year | - | 531 | 531 | - | 531 |
| Other comprehensive income for the year | - | - | - | - | - |
| Differences on translation of foreign operations | - | 3 | 3 | - | 3 |
| Dividends paid | - | (323) | (323) | - | (323) |
| Minority interest profit share | - | - | - | - | - |
| Increase in share capital | - | - | - | - | - |
| Balance at 30 April 2016 | - | 1,898 | 1,898 | - | 1,898 |

1. Authorisation of financial statements and statement of compliance with FRS 101

The Company is incorporated in the United Kingdom under the Companies Act 2006.

The Company is a private Company limited by shares and is registered in England and Wales. The address of the Company's registered office is shown on page 1.

The nature of the Company's operations and its principal activities are set out in the strategic report on page 2.

These financial statements are presented in pounds sterling although the functional currency of the group is Swedish Krona which is the currency of the primary economic environment in which the group operates. All values are rounded to the nearest thousand pounds (£000) except when otherwise indicated

The Company has applied Financial Reporting Standard 101 'Reduced Disclosure Framework' (FRS 101) issued by the Financial Reporting Council (FRC) incorporating the Amendments to FRS 101 issued by the FRC in July 2015 and the amendments to Company law made by The Companies, Partnerships and Groups (Accounts and Reports) Regulations 2015 prior to their mandatory effective date of accounting periods beginning on or after 1 January 2016.

The results of Linklaters (Europe) Holdings are included in the consolidated financial statements of Linklaters LLP which are publically available.

Adoption of new and revised Standards - amendments to IFRSs and the new Interpretation that are mandatorily effective for the current year

In the current year, the Company has applied a number of amendments to IFRSs and a new Interpretation issued by the International Accounting Standards Board (IASB) that are mandatorily effective for an accounting period that begins on or after 1 January 2015. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

Annual Improvements to IFRSs: 2011-2013

The Company has adopted the various amendments to standards: IFRS 3 Business Combinations, IFRS 13 Fair Value Measurement and IAS 40 Investment Property. The majority of the amendments are in the nature of clarifications rather than substantive changes to existing requirements.

2. Statement of accounting policies

2.1 Basis of preparation

The Company meets the definition of a qualifying entity under FRS 100 'Application of Financial Reporting Requirements' issued by the FRC. Accordingly, in the year ended 30 April 2016 the Company and group have undergone transition from reporting under UK GAAP to FRS 101 'Reduced Disclosure Framework'. The financial statements have therefore been prepared in accordance with FRS 101. This transition is not considered to have had a material effect on the financial statements and therefore no further disclosures are made in this regard.

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to:

- the requirements of IFRS 7 Financial Instruments: Disclosures
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement

2. Statement of accounting policies (continued)

- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
 - paragraph 79(a)(iv) of IAS 1
 - paragraph 73(e) of IAS 16 Property, Plant and Equipment
- the requirements of paragraphs 10(d) and 134-136 of IAS 1 Presentation of Financial Statements
- the requirements of IAS 7 Statement of Cash Flows
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- the requirements of paragraph 17 of IAS 24 Related Party Disclosures
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member

2.2 Basis of accounting

The financial statements have been prepared on the historical cost basis, except for financial instruments that are measured at revalued amounts or fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for the goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date

2.3 Going concern

The group's business activity, together with the factors likely to affect its future development, performance and position are set out in the Strategic Report. The group has considerable financial resources with which to support itself. Consequently, the directors believe that the group is well placed to manage its business risks successfully. After making enquiries, the directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

2.4 Turnover

Turnover comprises professional charges and additional services, which Linklaters may charge when invoicing clients as incurred, e.g. photocopying, excluding external disbursements charged to clients and value added tax, with adjustments made for any deferred or accrued income. Turnover for services provided to clients which has not been billed at the balance sheet date has been recognised based on the fair value of services provided up to the balance sheet date. Turnover is recognised only to the extent that there is contractual right to receive consideration for the work performed. Where the right to receive payment is contingent on factors outside the control of Linklaters, turnover is only recognised (over and above any agreed minimum fee) when the contingent event occurs. Unbilled

2. Statement of accounting policies (continued)

revenue is included in client and other receivables. Turnover principally derives from Sweden and Europe. The directors consider disclosures of turnover and profit before tax by segment would be prejudicial to the group and therefore have not been disclosed.

2.5 Property, plant and equipment

Property, plant and equipment is stated at cost less any provision for impairment and is depreciated at rates calculated to write off its cost in equal annual instalments over their estimated useful economic lives, as follows:

| | |
|---|-------------|
| Improvements to leasehold property | 20% pa |
| Plant and machinery | 20% pa |
| Fixtures, fittings, tools and equipment | 20 - 30% pa |

2.6 Impairment of property, plant and equipment

At each balance sheet date the carrying amount of property, plant and equipment is reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If such an 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 of the asset is reduced to its recoverable amount and the impairment loss recognised as an expense immediately.

2.7 Leases

Rental costs and any incentives under operating leases are charged to the income statement in equal annual amounts over the term of the lease. Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease and any benefits payable to the sub-tenant as an incentive to enter into the operating lease are also spread on a straight-line basis over the lease term.

2.8 Provisions

A provision is recognised in the balance sheet when there is a present obligation as a result of a past event, and it is probable that Linklaters will be required to settle the obligation. Provisions are estimated by management and are discounted to the present value of the obligation where material.

2.9 Financial instruments

Financial assets and liabilities are recognised in the Group and Company balance sheets when they become a party to the contractual provision of the instrument.

- Trade and other receivables – initially recognised at fair value, and are subsequently reduced for any irrecoverable amounts
- Cash and cash equivalents – comprise cash in hand or demand deposits and other short-term highly liquid investments
- Trade and other payables – initially measured at fair value, and are subsequently reduced for any discounts given by suppliers

2. Statement of accounting policies (continued)

2.10 Taxation

Current tax

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.

Deferred tax

Deferred tax is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in tax computations in periods different from those in which they are included in financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered.

2.11 Foreign currencies

The financial statements are presented in pounds sterling (presentational currency). The currency of the primary economic environment in which the Company operates is Swedish Krona (its functional currency).

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction or, if applicable, at the related forward contract rate. All monetary assets and liabilities expressed in foreign currencies are retranslated into local currency at rates of exchange ruling at the end of the year. Differences between the translated trading transactions and subsequent cash settlements, or retranslated monetary assets and liabilities, are recorded in the income statement.

Any exchange gains and losses resulting from the translation of foreign operations are recorded in reserves.

2.12 Pension costs and other post-retirement benefits

Defined contribution

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due. Payments made to state-managed retirement benefit schemes are dealt with as payments to defined contribution schemes where the Company's obligations under the schemes are equivalent to those arising in a defined contribution retirement benefit scheme.

2.13 Critical accounting estimates and key sources of estimation

The preparation of financial statements 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 and constitute management's best judgement at the date of the financial statements.

The key estimates and assumptions relate to the fair value of unbilled client revenue and debt impairment. Further details are set out in each of the relevant accounting policies and the notes to the financial statements. Management will continue to review the assumptions used against actual experience and adjustments will be made in future periods if appropriate.

3 Operating profit

| | 2016 | 2015 |
|--|--------------|--------------|
| | £'000 | £'000 |
| This is stated after charging: | | |
| Depreciation (note 8) | 129 | 123 |
| Operating lease rentals | 785 | 799 |
| Fees payable to the company's auditor for the audit of the company's annual accounts | 30 | 28 |
| Exchange loss | 11 | 415 |

4 Staff costs

| | 2016 | 2015 |
|-----------------------|--------------|--------------|
| | £'000 | £'000 |
| Wages and salaries | 3,560 | 4,186 |
| Social security costs | 1,042 | 1,072 |
| Other staff costs | 570 | 683 |
| | <u>5,172</u> | <u>5,941</u> |

All staff are employed in the provision of legal services or the support of staff thereon involved. Directors received no remuneration for their services to the Company (2015: £nil).

| | No | No |
|--|-----------|-----------|
| Average number of persons employed (including Directors) | <u>59</u> | <u>60</u> |

5 Dividends on Equity Shares

| | 2016 £'000 | 2015 £'000 |
|---|---------------|---------------|
| Amounts recognised as distributions to equity holders in the year: | | |
| Final dividend for the prior year | <u>323</u> | <u>2,348</u> |

As at 30 April 2016, the proposed dividend for the year ending 30 April 2016 was subject to approval and has not been included as a liability in these financial statements.

6 Net interest receivable

| | 2016 £'000 | 2015 £'000 |
|--|---------------|---------------|
| Interest from banks and other deposits | 2 | 7 |
| Inter-office interest receivable | <u>44</u> | <u>53</u> |
| | <u>46</u> | <u>60</u> |

7 Tax on profit on ordinary activities

| | 2016 | 2015 |
|---|--------------|--------------|
| | £'000 | £'000 |
| (i) Analysis of tax charge on ordinary activities | | |
| Current tax: | | |
| UK corporation tax charge | - | - |
| Foreign tax charge | 1,115 | 1,124 |
| Adjustments in respect of prior years | - | - |
| Total current tax | <u>1,115</u> | <u>1,124</u> |
| Deferred tax: | | |
| Origination and reversal of timing differences | - | - |
| Adjustments in respect of prior years | - | - |
| Total deferred tax | <u>-</u> | <u>-</u> |
| | <u>1,115</u> | <u>1,124</u> |
| (ii) Factors affecting current tax charge for the current year | | |
| Profit on ordinary activities before tax | <u>4,865</u> | <u>4,610</u> |
| Tax on profit on ordinary activities at standard rate of 20% (2015: 20%) | 973 | 922 |
| Expenses not deductible for tax purposes | 39 | 59 |
| Tax losses not utilised | 5 | 46 |
| Tax rate differential between UK and Sweden | 98 | 97 |
| Adjustment to tax charge in respect of prior years | - | - |
| Current tax charge for the year | <u>1,115</u> | <u>1,124</u> |

A deferred tax asset has not been recognised in respect of timing differences relating to UK and Belgian tax losses carried forward. The amount of the asset not recognised is estimated to be £728k (2015: £705k). The asset has not been recognised since there is insufficient evidence that this asset would be recovered.

Factors that may influence future tax charges:

The Finance Act 2015 included legislation reducing the main rate of corporation tax in the UK to 19% from 1 April 2017 and to 18% from 1 April 2020.

8 Property, plant and equipment

| | Leasehold properties | Machinery Plant and machinery | Fixtures, fittings, tools and equipment | Total |
|----------------------------------|-------------------------|-------------------------------------|--|-------|
| <i>Cost:</i> | £'000 | £'000 | £'000 | £'000 |
| At 1 May 2015 | 423 | 1,460 | 33 | 1,916 |
| Additions | - | 55 | - | 55 |
| Disposals | - | (309) | - | (309) |
| Exchange differences | 39 | 138 | 3 | 180 |
| At 30 April 2016 | 462 | 1,344 | 36 | 1,842 |
| <i>Accumulated depreciation:</i> | | | | |
| At 1 May 2015 | 304 | 1,309 | 27 | 1,640 |
| Charge for the year | 70 | 59 | - | 129 |
| Disposals | - | (309) | - | (309) |
| Exchange differences | 34 | 126 | 3 | 163 |
| At 30 April 2016 | 408 | 1,185 | 30 | 1,623 |
| <i>Carrying amount:</i> | | | | |
| At 30 April 2016 | 54 | 159 | 6 | 219 |
| At 30 April 2015 | 119 | 152 | 6 | 276 |

9 Investments

| | Shares in subsidiaries |
|---------------------------------|---------------------------|
| | £ |
| Cost and net book value | |
| At 1 May 2015 and 30 April 2016 | 1,334 |

Interests in subsidiaries

The shares in subsidiaries relate to the 24.0% ownership of the ordinary shares of Linklaters Advokatbyrå Holding Aktiebolag and were purchased on the 10 August 2001. This subsidiary is incorporated in Sweden and provides legal services there. The ordinary shares represent 69.4% of the voting rights of the subsidiary.

10 Trade and other receivables

| | Group | | Company | |
|--|--------------|--------------|----------------|--------------|
| | 2016 | 2015 | 2016 | 2015 |
| | £'000 | £'000 | £'000 | £'000 |
| Trade receivables | 3,747 | 3,320 | 6 | 6 |
| Amounts due from other associated entities | 1,500 | 654 | 4,023 | 3,887 |
| Current corporation tax debtor | 149 | 194 | - | - |
| Prepayments and accrued income | 2,298 | 3,087 | - | 1 |
| | <u>7,694</u> | <u>7,255</u> | <u>4,029</u> | <u>3,894</u> |

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

11 Trade and other payables

| | Group | | Company | |
|---|--------------|--------------|----------------|--------------|
| | 2016 | 2015 | 2016 | 2015 |
| | £'000 | £'000 | £'000 | £'000 |
| Trade payables | 122 | 207 | - | - |
| Amounts owed to other associated entities | 2,556 | 1,720 | 2,800 | 2,694 |
| Other taxation | 477 | 339 | - | - |
| Accruals and deferred income | 1,427 | 1,569 | 23 | 32 |
| Other payables | 281 | - | 281 | - |
| | <u>4,863</u> | <u>3,835</u> | <u>3,104</u> | <u>2,726</u> |

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

12 Provisions

| | Group | | Company | |
|-----------------------------|--------------|--------------|----------------|--------------|
| | 2016 | 2015 | 2016 | 2015 |
| | £'000 | £'000 | £'000 | £'000 |
| At 1 May 2015 | 408 | 930 | - | - |
| Charged to income statement | 4 | 2 | - | - |
| Utilised | (268) | (422) | - | - |
| Exchange differences | 38 | (102) | - | - |
| At 30 April 2016 | <u>182</u> | <u>408</u> | <u>-</u> | <u>-</u> |

The total balance of £182k relates entirely to an onerous lease provision in the Swedish office, which is expected to be used within the next financial year (2015: £408k).

13 Share capital

| | Group | | Company | |
|--|--------------|-------------|----------------|-------------|
| | 2016 | 2015 | 2016 | 2015 |
| | £ | £ | £ | £ |
| <i>Authorised:</i> | | | | |
| 100 ordinary shares of £1 each | <u>100</u> | <u>100</u> | <u>100</u> | <u>100</u> |
| <i>Called up, allotted and fully paid:</i> | | | | |
| 2 ordinary shares of £1 each | <u>2</u> | <u>2</u> | <u>2</u> | <u>2</u> |

14 Capital commitments

The Company had no capital commitments that were authorised and contracted for at the end of the year (2015: £nil).

15 Operating lease commitments

Lease payments under operating leases recognised in the income statement for the year:

| | 2016 £'000 | 2015 £'000 |
|--------------------|---------------|---------------|
| Land and buildings | 785 | 799 |
| | <u>785</u> | <u>799</u> |

At the balance sheet date, Linklaters (Europe) Holdings has outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

| | 2016 | | 2015 | |
|----------------------------|--------------------------------|----------------|--------------------------------|----------------|
| | Land and buildings £'000 | Other £'000 | Land and buildings £'000 | Other £'000 |
| Within one year | 1,258 | 41 | 1,154 | 51 |
| Between two and five years | 2,928 | 26 | 770 | 61 |
| In more than five years | - | - | - | - |
| | <u>4,186</u> | <u>67</u> | <u>1,924</u> | <u>112</u> |

16 Profit attributable to the company

The profit for the financial year attributable to the parent company was £531k (2015: profit of £2,108k). As permitted by section 408 of the Companies Act 2006 the parent company has elected not to present its own income statement for the year.

17 Contingent liabilities

There are contingent liabilities in respect of indemnities and guarantees, entered into as part of and from the ordinary course of business, on which no material loss is expected to arise. It is not practicable to quantify the amounts of any such contingent liabilities.

18 Ultimate parent company

The immediate and ultimate controlling party and the parent undertaking of the smallest and largest group, which includes the Company and for which group financial statements are prepared, was Linklaters LLP, a limited liability partnership which is incorporated in Great Britain and registered in England and Wales. The financial statements of Linklaters LLP are available from The Company Secretary of Linklaters Business Services Holdings, One Silk Street, London EC2Y 8HQ.