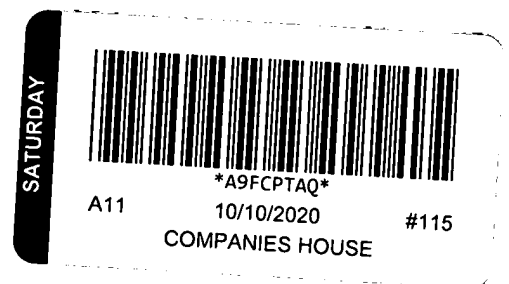


# Dechert LLP

## REPORT AND FINANCIAL STATEMENTS

for the year ended  
31 December 2019



Registration No.OC306029

# Dechert LLP

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# Dechert LLP

## MEMBERS AND ADVISERS

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### DESIGNATED MEMBERS

Black, Gus  
Butwick, Jason  
Croock, James  
Field, Christopher

### REGISTERED OFFICE

160 Queen Victoria Street  
London EC4V 4QQ

### AUDITOR

RSM UK Audit LLP  
Chartered Accountants  
25 Farringdon Street  
London EC4A 4AB

### BANKERS

Royal Bank of Scotland  
36-37 New Bridge Street  
London EC4V 6BJ

National Westminster Bank  
156 Fleet Street  
London EC4A 2DX

HSBC  
60 Queen Victoria Street  
London EC4N 4TR

# Dechert LLP

## MEMBERS' REPORT

### for the year ended 31 December 2019

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The members submit their report and the audited financial statements of Dechert LLP (the Firm) for the year ended 31 December 2019.

#### PRINCIPAL ACTIVITY

The principal activity of the Firm is the provision of a full range of legal services from its office in England.

#### REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

The members consider the results for the year to be satisfactory and that future results will be of a similar nature.

At the time of approval of these financial statements, the COVID-19 (Coronavirus) global pandemic has given rise to additional risk and uncertainty. Many countries have recently lifted the social distancing, sheltering-in-place, and lockdowns that were implemented on a regional or national basis. These emergency measures have caused a disruption to the global economy including closures of non-essential businesses, increased unemployment, scarcity of goods, and transportation delays. While the Firm is able to successfully work remotely, the Firm could be indirectly impacted by reduced demand from our clients. In response to this risk, the Firm has implemented its business continuity plan including risk assessment, readiness evaluations covering all business functions, and robust financial scrutiny. Since the period end, the members have considered the carrying value of assets and liabilities in light of the COVID-19 outbreak. Given the time that has elapsed since the reporting date they do not consider there to be any material changes in the value of assets and liabilities as disclosed.

#### DESIGNATED MEMBERS

The following designated members held office during the year, or subsequent.

Abousleiman, Camille	(resigned 1 February 2019)
Black, Gus	
Butwick, Jason	
Croock, James	
Field, Christopher	(appointed 11 September 2019)
Getter, Douglas	(resigned 11 September 2019)

#### MEMBERS' DRAWINGS, CONTRIBUTIONS AND REPAYMENTS

All members participate in the Firm's profit, share the losses and contribute to the Firm's capital. The Firm's drawings policy allows each member to draw a proportion of their profit share in twelve monthly instalments with the balance of their profits, net of foreign taxes, distributed, generally, early in the following calendar year.

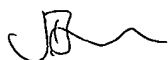
An individual member's capital requirement for amounts reported as members' capital classified as equity is set at £100.

Certain members have additional capital requirements that will be returned to them upon withdrawal from the Firm. This capital is reported as members' capital classified as debt and is included in loans due to members.

#### AUDITOR

A resolution to reappoint RSM UK Audit LLP, Chartered Accountants, will be put to the members of the Firm.

On behalf of the members,



Jason Butwick, Designated Member  
Dated: 30 September 2020

## Dechert LLP

### STATEMENT OF MEMBERS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

---

The members are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 (the 2008 Regulations) requires the members to prepare financial statements for each financial year. Under that law, the members have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

Under the 2008 Regulations, the members must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Firm and of the profit or loss of the Firm for that period.

In preparing those financial statements, the members are required to:

- a) Select suitable accounting policies and then apply them consistently;
- b) Make judgements and estimates that are reasonable and prudent;
- c) State whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- d) Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Firm will continue in business.

Under the 2008 Regulations, the members are responsible for keeping adequate accounting records that are sufficient to show and explain the Firm's transactions and disclose with reasonable accuracy at any time the financial position of the Firm and to enable them to ensure that the financial statements comply with the requirements of those Regulations. They are also responsible for safeguarding the assets of the Firm and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

These responsibilities are exercised by the designated members on behalf of the members.

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DECHERT LLP

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### **Opinion**

We have audited the financial statements of Dechert LLP (the 'limited liability partnership') for the year ended 31 December 2019 which comprise Statement of Comprehensive Income, Statement of Financial Position, Reconciliation of Members' Interests, Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the limited liability partnership's affairs as at 31 December 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006 as applied to limited liability partnerships.

### **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 limited liability partnership in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including 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**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the members' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the members have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the limited liability partnership's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### **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 members are responsible for the other information. Our opinion on the financial statements does not cover the other information and, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 applied to limited liability partnerships requires us to report to you 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
- we have not received all the information and explanations we require for our audit

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DECHERT LLP

### **Responsibilities of members**

As explained more fully in the Members' Responsibilities Statement set out on page 3, the members 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 members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the members are responsible for assessing the limited liability partnership's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the members either intend to liquidate the limited liability partnership 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 description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

### **Use of our report**

This report is made solely to the limited liability partnership's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 as applied to limited liability partnerships. Our audit work has been undertaken so that we might state to the limited liability partnership'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 limited liability partnership and the limited liability partnership's members as a body, for our audit work, for this report, or for the opinions we have formed.

*RSM UK Audit LLP*

HYWEL PEGLER (Senior Statutory Auditor)  
For and on behalf of RSM UK AUDIT LLP, Statutory Auditor  
Chartered Accountants  
25 Farringdon Street,  
London, EC4A 4AB

Date: 30 September 2020

# Dechert LLP

## STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 December 2019

	<i>Notes</i>	2019 £	2018 £
TURNOVER	2	116,221,729	104,245,867
Operating expenses	3	(70,116,327)	(64,410,028)
OPERATING PROFIT	5	46,105,402	39,835,839
Interest receivable and similar income	6	97,505	119,708
Interest payable	7	(1,205,192)	(1,370,634)
PROFIT FOR THE FINANCIAL YEAR BEFORE MEMBERS' REMUNERATION & PROFIT SHARES		44,997,715	38,584,913
Members' remuneration charged as an expense	8	-	-
PROFIT FOR THE FINANCIAL YEAR AVAILABLE FOR DISCRETIONARY DIVISION AMONG MEMBERS		44,997,715	38,584,913
OTHER COMPREHENSIVE INCOME			
Actuarial (loss)/gain on defined benefit scheme	16	(2,709,000)	8,718,000
TOTAL COMPREHENSIVE INCOME		42,288,715	47,302,913

The profit for the year arises from the Firm's continuing operations.



# Dechert LLP


## STATEMENT OF FINANCIAL POSITION at 31 December 2019

Registration No. OC306029

	Notes	2019 £	2018 £
FIXED ASSETS			
Tangible assets	10	4,586,449	5,536,832
CURRENT ASSETS			
Debtors	12	51,830,309	53,427,831
Cash at bank and in hand		14,058,128	9,092,975
		<u>65,888,437</u>	<u>62,520,806</u>
CREDITORS: Amounts falling due within one year	13	(62,124,030)	(56,609,227)
NET CURRENT ASSETS		<u>3,764,407</u>	<u>5,911,579</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		8,350,856	11,448,411
CREDITORS: Amounts falling due after more than one year	14	(18,324,065)	(18,948,627)
Net defined benefit liability	16	(20,621,100)	(20,014,100)
NET LIABILITIES ATTRIBUTABLE TO MEMBERS		<u>(30,594,309)</u>	<u>(27,514,316)</u>
REPRESENTED BY:			
Loans and other debts due to members:			
Members' capital classified as debt	17	2,110,926	2,482,319
		<u>2,110,926</u>	<u>2,482,319</u>
Members' other interests:			
Members' capital classified as equity	17	4,900	4,500
Other reserves classified as equity	17	(32,710,135)	(30,001,135)
		<u>(32,705,235)</u>	<u>(29,996,635)</u>
TOTAL MEMBERS' INTERESTS			
Loans and other debts due to members		2,110,926	2,482,319
Members' other interests		(32,705,235)	(29,996,635)
		<u>(30,594,309)</u>	<u>(27,514,316)</u>

These financial statements on pages 6 to 26 were approved by the designated members of Dechert LLP and authorised for issue on: 30 September 2020.

Signed on behalf of the members:



Jason Butwick, Designated Member



James Croock, Designated Member

# Dechert LLP

## RECONCILIATION OF MEMBERS' INTERESTS for the year ended 31 December 2019

Registration No. OC306029

	<u>Members' other interests</u>			<u>Loans and other debts due to members</u>			<u>Total Members' Interests</u>
	Members' capital classified as equity £	Other reserves £	Profits to be divided £	Total £	Members' capital classified as debt £	Loans and other debts due to members £	Total £
At 31 December 2017	4,400	(38,719,135)	-	(38,714,735)	2,408,152	-	2,408,152 (36,306,583)
Profit for the financial year available for division among members	-	-	38,584,913	38,584,913	-	-	- 38,584,913
Members' interests after profit for the year	4,400	(38,719,135)	38,584,913	(129,822)	2,408,152	-	2,408,152 2,278,330
Allocated profits:							
To Dechert LLP members	-	-	(38,584,913)	(38,584,913)	-	38,584,913	38,584,913 -
Other comprehensive income	-	8,718,000	-	8,718,000	-	-	- 8,718,000
Distributions to members	-	-	-	-	-	(38,584,913)	(38,584,913) (38,584,913)
Capital:							
Paid in	600	-	-	600	1,057,365	-	1,057,365 1,057,965
Repaid	(500)	-	-	(500)	(983,198)	-	(983,198) (983,698)
Amounts due to members					2,482,319		
At 31 December 2018	4,500	(30,001,135)	-	(29,996,635)	2,482,319	-	2,482,319 (27,514,316)
Profit for the financial year available for division among members	-	-	44,997,715	44,997,715	-	-	- 44,997,715
Members' interests after profit for the year	4,500	(30,001,135)	44,997,715	15,001,080	2,482,319	-	2,482,319 17,483,399
Allocated profits:							
To Dechert LLP members	-	-	(44,997,715)	(44,997,715)	-	44,997,715	44,997,715 -
Other comprehensive income	-	(2,709,000)	-	(2,709,000)	-	-	- (2,709,000)
Distributions to members	-	-	-	-	-	(44,997,715)	(44,997,715) (44,997,715)
Capital:							
Paid in	1,000	-	-	1,000	1,257,466	-	1,257,466 1,258,466
Repaid	(600)	-	-	(600)	(1,628,859)	-	(1,628,859) (1,629,459)
Amounts due to members					2,110,926		
At 31 December 2019	4,900	(32,710,135)	-	(32,705,235)	2,110,926	-	2,110,926 (30,594,309)

**Dechert LLP**  
**STATEMENT OF CASH FLOWS**  
**for the year ended 31 December 2019**

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	<i>Notes</i>	2019 £	2018 £
<b>OPERATING ACTIVITIES</b>			
Transactions with non-members:			
Cash generated from operations	18	51,364,613	28,864,061
Interest received	6	97,505	119,708
Interest paid	7	(682,192)	(675,634)
Transactions with members and former members:			
Distributions to members		(44,997,715)	(38,584,913)
<b>NET CASH FROM/(USED IN) OPERATING ACTIVITIES</b>		<u>5,782,211</u>	<u>(10,276,778)</u>
<b>INVESTING ACTIVITIES</b>			
Transactions with non-members:			
Purchase of tangible fixed assets	10	(704,832)	(2,476,435)
<b>NET CASH USED IN INVESTING ACTIVITIES</b>		<u>(704,832)</u>	<u>(2,476,435)</u>
<b>FINANCING ACTIVITIES</b>			
Transactions with members and former members:			
Capital contributed by members		1,258,466	1,057,965
Capital repaid to members		(1,629,459)	(983,698)
<b>NET CASH (USED IN)/FROM FINANCING ACTIVITIES</b>		<u>(370,993)</u>	<u>74,267</u>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>		<u>4,706,386</u>	<u>(12,678,946)</u>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>		9,092,975	21,863,670
Effect of foreign exchange rate changes		258,767	(91,749)
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>		<u>14,058,128</u>	<u>9,092,975</u>

# Dechert LLP

## ACCOUNTING POLICIES

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### GENERAL INFORMATION

Dechert LLP (the Firm) has prepared financial statements covering the individual entity's results for the year to 31 December 2019.

Dechert LLP is a limited liability partnership and is incorporated in England and Wales. The address of the Firm's registered office is disclosed on page 1 of these financial statements under Members and Advisers. The Firm's principal activity is disclosed on page 2 under Members' Report.

### BASIS OF ACCOUNTING

These financial statements have been prepared under the historical cost convention in accordance with the Statement of Recommended Practice 'Accounting by Limited Liability Partnerships' published January 2017 and FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102). These financial statements present information about Dechert LLP as an individual undertaking. Group accounts have not been prepared on the basis that the subsidiary undertakings are immaterial to Dechert LLP. Monetary amounts in these financial statements are rounded to the nearest whole £, except where otherwise indicated.

### GOING CONCERN

At 31 December 2019, Dechert LLP had net liabilities of £30.6m. This is primarily due to the Firm's policy of distributing all profits on an annual basis and the Firm's defined benefit pension obligation. As a result, certain amounts related to the Firm's pension obligation and the adoption of UITF abstract 40 'Revenue Recognition and Service Contracts' (now reported under FRS 102 Chapter 23 'Revenue'), which were recorded as other comprehensive income and therefore did not affect distributions, remain on the Statement of Financial Position resulting in the overall net liabilities.

At 31 December 2019, Dechert LLP had cash at bank and in hand of £14.1m. The net current assets of the Firm also included amounts due to related parties of £54.2m and amounts due from related parties of £16.4m as detailed further in note 21. These amounts have no agreed repayment terms, however the majority of the balances are not anticipated to be settled within twelve months from the date of signing the accounts.

Subsequent to 31 December 2019, the COVID-19 (Coronavirus) global pandemic has given rise to additional risk and uncertainty. In response to this risk, the Firm has implemented its business continuity plan as described on page 2 of these financial statements under Members' Report.

The members, after considering the Firm's profit or loss and cash flow forecasts for the year to 31 December 2020, and expected cash flow requirements and available resources for the period to 30 September 2021, have concluded that the business will have adequate financial resources to continue in operation for the foreseeable future. The members have therefore prepared these financial statements on a going concern basis.

### FOREIGN CURRENCIES

The financial statements are presented in British pounds which is the currency of the primary economic environment in which the Firm operates. The British pound is the Firm's functional and presentational currency. Transactions in currencies other than the functional currency (foreign currencies) are initially recorded at the exchange rate prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies are translated at the rate ruling at the date of the transaction or, if the asset or liability is measured at fair value, the rate when that fair value was determined.

All translation differences are taken to profit or loss except to the extent that they relate to gains or losses on non-monetary items recognised in other comprehensive income. In such cases, the related translation gain or loss is also recognised in other comprehensive income.

# Dechert LLP

## ACCOUNTING POLICIES

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### TURNOVER

Turnover represents revenue earned, net of third party disbursements and value added tax, under a wide variety of contracts to provide professional services. Revenue is recognised at the fair value of the consideration earned when, and to the extent that, Dechert LLP obtains the right to consideration in exchange for its performance under these contracts. The fair value of consideration takes into account any settlement discounts.

Revenue is generally recognised as contract activity progresses so that for incomplete contracts it reflects the partial performance of the contractual obligations. For such contracts, the amount of revenue reflects the accrual of the right to consideration by reference to the value of work performed.

Revenue that has not yet been billed to clients, where it is probable that the future economic benefits will flow to the Firm, is included in debtors. Client payments on account that are in excess of the relevant amount of revenue are included in creditors.

Revenue that is contingent on events outside of Dechert LLP's control, where it is not probable that the future economic benefits will flow to the Firm, is recognised when the contingent event has occurred.

### OPERATING LEASES

Lease payments under operating leases (excluding costs for services such as insurance and maintenance) are recognised as an expense on a straight line basis over the lease term. Rent-free periods or other incentives received for entering into a lease are recognised as a reduction of expense on a straight line basis over the lease term. Lease term is defined as the non-cancellable period for which the Firm has contracted to lease the asset. Lease term also includes any further terms for which the Firm has the option to continue to lease the asset, if, at the inception of the lease, it is reasonably certain that the Firm will exercise the option. If payments to the lessor are structured to increase in line with expected general inflation to compensate the lessor for expected inflationary cost increases, then the lease payments are recognised as an expense in accordance with the lease payment schedule.

### TANGIBLE FIXED ASSETS

Tangible fixed assets are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost of each asset to its estimated residual value on a straight line basis over its expected useful life, as follows:

Leasehold improvements	Over the lesser of the period of the lease or 10 years
Computer equipment	Over a period of four years
Furniture and equipment	Over a period of five years

Residual value is calculated on prices prevailing at the reporting date, after estimated costs of disposal, for the asset as if it were at the age and in the condition expected at the end of its useful life.

# Dechert LLP

## ACCOUNTING POLICIES

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### FINANCIAL INSTRUMENTS

The Firm has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102, in full, to all of its financial instruments.

Financial assets and financial liabilities are recognised when the Firm becomes a party to the contractual provisions of a financial instrument. Set-off occurs only when the Firm has a legally enforceable right to set-off the recognised amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

#### *Financial assets*

Financial assets are classified into specific categories depending on the nature and purpose of the financial assets at the time of recognition. Basic financial assets, which include cash, bank balances, and trade and other receivables, are initially measured at transaction price, including transaction costs, and are subsequently carried at amortised cost using the effective interest method. Financial assets that are classified as financing transactions are measured at the present value of the future receipts discounted at a market rate of interest. Other financial assets that are classified as fair value through profit or loss (FVTPL) are measured at fair value.

#### *Impairment of financial assets*

Financial assets, other than those held at fair value through profit or loss (FVTPL), are assessed for indicators of impairment at each reporting date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. The impairment loss is recognised in profit or loss.

#### *Financial liabilities and equity*

Financial instruments are classified as liabilities and equity instruments according to the substance of the contractual arrangements entered into.

Financial liabilities are classified into specific categories depending on the nature and purpose of the financial liabilities at the time of recognition. Basic financial liabilities are initially measured at transaction price and subsequently measured at amortised cost. Financial liabilities that are classified as financing transactions are measured at the present value of the future payments discounted at a market rate of interest. Other financial liabilities that are classified as fair value through profit or loss (FVTPL) are measured at fair value.

An equity instrument is any contract that evidences a residual interest in the assets of the Firm after deducting all of its liabilities.

### CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash in hand, deposits held at call with banks, and short-term liquid investments with original maturities of three months or less. Bank overdrafts are repayable on demand and are considered an integral part of the Firm's cash management. As such, bank overdrafts, if any, are included in cash and cash equivalents.

### INVESTMENTS

Interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. Interests in subsidiaries are assessed for impairment at each reporting date. Any impairment losses or reversals of impairment losses are recognised immediately in profit or loss. See note 11 for further details.

## Dechert LLP

### ACCOUNTING POLICIES

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#### PENSION AND RETIREMENT BENEFITS

##### *Defined contribution scheme*

For the Firm's defined contribution scheme, the amount charged to profit or loss as operating expense represents contributions to the scheme as they become payable. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

##### *Defined benefit scheme*

For the Firm's defined benefit scheme, a pension scheme asset is recognised in the Statement of Financial Position only to the extent that a surplus may be recovered by reduced future contributions or to the extent that the trustees have agreed a refund from the scheme at the reporting date. A pension scheme liability is recognised to the extent that the Firm has a legal or constructive obligation to settle the liability.

The net defined benefit liability is measured as the net total of the present value of the obligation at the reporting date (i.e. its defined benefit obligation) minus the fair value of the scheme assets out of which the obligation is to be settled at the reporting date.

The defined benefit obligation is measured on a discounted present value basis. The rate used to discount the future payments is based on market yields on high quality corporate bonds at the reporting date. The projected unit credit method is used to measure the defined benefit obligation and the related expense.

The net interest on the net defined benefit liability is determined by multiplying the net defined benefit liability by the discount rate both at the start of the annual reporting period and taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments.

Gains or losses recognised in profit or loss include:

- The current pension service cost, if any
- The net interest on the net defined benefit liability
- The cost of scheme introductions, benefit changes, curtailments and settlements, if any

Gains or losses recognised in other comprehensive income include:

- Actuarial gains and losses on scheme liabilities
- Experience gains and losses on scheme liabilities
- The return on scheme assets (excluding net interest on the net defined benefit liability)

The defined benefit scheme is funded with the assets held separately from the Firm in funds administered by trustees. Full actuarial valuations carried out by a professionally qualified actuary are obtained at least every three years. On an annual basis, the most recent actuarial valuation is updated by a professionally qualified actuary to reflect current conditions at the reporting date.

Members of Dechert LLP are at liberty to make their own provisions for retirement by contributing to personal retirement schemes.

#### OTHER EMPLOYEE BENEFITS

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

#### CLAIMS

Provision is made on a case-by-case basis in respect of the estimated cost of defending and/or settling claims against the Firm. Separate disclosure is not made of these claims on the grounds that disclosure might seriously prejudice the outcome of the claims.

## Dechert LLP

### ACCOUNTING POLICIES

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#### TAXATION

The taxation payable on profits is the personal liability of the members during the period. Consequently, neither partnership tax nor related deferred taxation arising in respect of the Firm is accounted for in the financial statements.

#### MEMBERS' PARTICIPATION RIGHTS

Members' participation rights are the rights of a member against the Firm that arise under the members' agreement (for example, in respect of amounts subscribed or otherwise contributed, remuneration and profits).

Members' participation rights in the earnings or assets of the Firm are analysed between those that are, from the Firm's perspective, either a financial liability or equity, in accordance with FRS 102 Chapter 11 'Basic Financial Instruments' and FRS 102 Chapter 22 'Liabilities and Equity'. A member's participation right results in a liability unless the right to any payment is discretionary on the part of the Firm.

Amounts subscribed or otherwise contributed by members, for example members' capital, are classified as equity if the Firm has an unconditional right to refuse payment to members.

Where profits are automatically divided as they arise, so the Firm does not have an unconditional right to refuse payment, the amounts arising that are due to members are in the nature of liabilities. They are therefore recognised as an expense in the Statement of Comprehensive Income. To the extent that they remain unpaid at the reporting date, they are recognised as liabilities in the Statement of Financial Position.

Conversely, where profits are divided only after a decision by the Firm or its representative, so that the Firm has an unconditional or discretionary right to refuse payment, such profits are classified as an appropriation of equity rather than as an expense. They are therefore shown as a residual amount available for discretionary division among members in the Statement of Comprehensive Income and are equity appropriations in the Statement of Financial Position.

Other amounts applied to members, for example remuneration paid under an employment contract and interest on capital balances, are treated in the same way as all other divisions of profits as described above, according to whether the Firm has, in each case, an unconditional or discretionary right to refuse payment.



# Dechert LLP

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2019

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### 1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

#### Key sources of estimation uncertainty:

The Firm makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

#### *Accrued income*

Accrued income is valued at the reporting date based on chargeable hours that have not yet been billed to clients net of an estimated allowance for uncollectible amounts. The estimated allowance is calculated based on a combination of management judgement, current billing and collection data, and historical realization rates.

#### *Trade debtors*

Trade debtors is valued at the reporting date based on amounts billed to clients net of an estimated allowance for uncollectible amounts. The estimated allowance is calculated based on a combination of management judgement, current billing and collection data, and historical realization rates.

#### *Defined benefit scheme*

The net defined benefit liability is valued at the reporting date based on an actuarial valuation. The valuation inherently includes estimates and assumptions. A key assumption within the valuation is the discount rate which is used to measure the present value of the defined benefit obligation. The discount rate is determined based on management judgement with reference to market yields on high quality corporate bonds that are generally of the same currency and duration as the defined benefit obligation, where possible.

#### Critical areas of judgement:

#### *Leases*

In categorising leases as finance leases or operating leases, management makes judgments as to whether significant risks and rewards of ownership have transferred from the lessor to the Firm, as lessee.

#### *Tangible fixed assets*

In calculating depreciation expense, management makes judgements as to the useful economic life of the associated asset.

# Dechert LLP

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2019

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### 2 TURNOVER

Turnover comprises amounts rendered, net of third party disbursements and value added tax, and movements in work in progress in respect of the provision of legal services. Revenue is recognised when earned.

An analysis of the geographical location of the Firm's turnover was as follows:

	2019 £	2018 £
United Kingdom	91,245,032	81,369,837
Rest of world	24,976,697	22,876,030
	<u>116,221,729</u>	<u>104,245,867</u>

### 3 ANALYSIS OF OPERATING EXPENSES

	2019 £	2018 £
Staff costs (note 4)	34,414,965	32,062,737
Depreciation (note 10)	1,654,447	1,187,300
Other operating charges	34,046,915	31,159,991
	<u>70,116,327</u>	<u>64,410,028</u>

### 4 STAFF COSTS

	2019 No.	2018 No.
The average monthly number of persons employed during the year (excluding members) was:		
Associates and counsel	104	110
Paralegals and other non-lawyers	49	43
Secretaries and word processors	48	51
Firm administration	98	87
	<u>299</u>	<u>291</u>

	2019 £	2018 £
Staff costs incurred during the year in respect of these employees were:		
Salaries	29,042,471	25,656,586
Social security costs	4,354,312	3,805,283
Pension and retirement benefits	1,018,182	2,600,868
	<u>34,414,965</u>	<u>32,062,737</u>

# Dechert LLP

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2019

5	OPERATING PROFIT	2019 £	2018 £
	Operating profit is stated after charging:		
	Operating lease rentals for land and buildings	4,154,033	3,728,689
	Depreciation (note 10)	1,654,447	1,187,300
	Auditor's remuneration for statutory audit	29,988	29,400
	Auditor's remuneration for non-audit services	13,750	14,250
	Loss on disposal of fixed assets	768	1,736
	Foreign exchange loss	1,061,838	2,175,239
		<u>1,205,192</u>	<u>1,370,634</u>
6	INTEREST RECEIVABLE AND SIMILAR INCOME	2019 £	2018 £
	Bank interest income	97,505	119,708
		<u>97,505</u>	<u>119,708</u>
7	INTEREST PAYABLE	2019 £	2018 £
	Interest on loans with related parties (note 14)	682,192	675,634
	Net interest on the net defined benefit liability (note 16)	523,000	695,000
		<u>1,205,192</u>	<u>1,370,634</u>
8	MEMBERS' REMUNERATION CHARGED AS AN EXPENSE		
	Member remuneration arrangements and capital requirements are structured such that the Firm has no salaried members. Additionally, the partnership agreement, to which all members are party, provides for a discretionary division of profits.		
9	MEMBERS' SHARES OF PROFIT		
	Profits are shared among the members in accordance with agreed profit sharing arrangements.		
		2019 No.	2018 No.
	Average monthly number of members	45	43
		<u>45</u>	<u>43</u>

The share of profits of the Firm and related parties that is attributable to the member with the largest entitlement to profit is £6,132,072 (2018: £4,526,957).

# Dechert LLP

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2019

10	TANGIBLE FIXED ASSETS	Leasehold improvements £	Computer equipment £	Furniture and equipment £	Total £
	Cost				
	At 1 January 2019	7,145,550	2,709,961	2,129,026	11,984,537
	Additions	256,965	254,858	193,009	704,832
	Disposals	-	(2,901)	(8,174)	(11,075)
	At 31 December 2019	7,402,515	2,961,918	2,313,861	12,678,294
	Depreciation				
	At 1 January 2019	3,379,927	1,700,465	1,367,313	6,447,705
	Charged in the year	968,277	450,106	236,064	1,654,447
	Disposals	-	(2,817)	(7,490)	(10,307)
	At 31 December 2019	4,348,204	2,147,754	1,595,887	8,091,845
	Net book value				
	At 31 December 2019	3,054,311	814,164	717,974	4,586,449
	Net book value				
	At 31 December 2018	3,765,623	1,009,496	761,713	5,536,832

## 11 INVESTMENTS

The partnership holds more than 20% of the nominal value of any class of share capital in the following undertakings:

	Class of holding	Proportion directly held %	Nature of Business
Dechert Secretaries Ltd	Ordinary	100	Dormant
Dechert Nominees Ltd	Ordinary	100	Dormant
Dechert Trustee Company Limited	Ordinary	100	Dormant
Dechert T&N Company	Ordinary	100	Dormant
TSD Continuation Limited	Ordinary	100	Dormant

The above entities are dormant and have no assets or liabilities other than a nominal value of share capital and a related receivable. As such, the investment value has been previously written down to zero, being the carrying value of the investment.

12	DEBTORS	2019 £	2018 £
	Trade debtors	9,304,760	18,729,044
	Amounts due from related parties (note 21)	16,377,148	12,874,146
	Accrued income	23,320,021	19,170,946
	Prepayments and other debtors	2,828,380	2,653,695
		51,830,309	53,427,831

Amounts due from related parties are unsecured, interest free and due on demand.

# Dechert LLP

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2019

13	CREDITORS: Amounts falling due within one year	2019 £	2018 £
	Trade creditors	871,938	3,142,738
	Amounts due to related parties (note 21)	54,214,282	47,040,969
	Other taxation and social security costs	206,115	131,332
	Accruals	6,831,695	6,294,188
		<u>62,124,030</u>	<u>56,609,227</u>

Amounts due to related parties are unsecured, interest free and due on demand.

14	CREDITORS: Amounts falling due after more than one year	2019 £	2018 £
	Notes payable to DF Luxembourg SARL (note 21)	17,137,251	17,137,251
	Deferred rent	1,186,814	1,811,376
		<u>18,324,065</u>	<u>18,948,627</u>

Analysis of debt maturity:  
Amounts payable within five years

17,137,251	17,137,251
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The notes payable to DF Luxembourg SARL of £17.1m represents an amount made available to the Firm pursuant to a loan facility agreement that is repayable in full as of 31 October, 2022. This loan bears a variable interest rate equal to sterling LIBOR plus 3%. DF Luxembourg SARL is a wholly owned subsidiary of Dechert LLP, a limited liability partnership organised in Pennsylvania, USA ('Dechert LLP (US)'), and is a related party as the members of Dechert LLP are also partners of Dechert LLP (US). See note 21 for further details.

Deferred rent represents the long term portion of lease incentives related to the Firm's operating lease agreement with its landlord. Deferred rent is amortized over the term of the lease ending in 2023.

## 15 FINANCIAL INSTRUMENTS

At 31 December, the carrying amount of the Firm's financial instruments were:

	2019 £	2018 £
Financial assets:		
Debt instruments measured at amortised cost		
Trade debtors (note 12)	9,304,760	18,729,044
Amounts due from related parties (note 12)	16,377,148	12,874,146
Accrued income (note 12)	23,320,021	19,170,946
Other debtors	564,534	303,927
	<u>49,566,463</u>	<u>51,078,063</u>

**Dechert LLP**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 31 December 2019**

**15 FINANCIAL INSTRUMENTS (continued)**

	2019 £	2018 £
Financial liabilities:		
Instruments measured at amortised cost		
Trade creditors (note 13)	871,938	3,142,738
Amounts due to related parties (note 13)	54,214,282	47,040,969
Amounts due to DF Luxemburg SARL (note 14)	17,137,251	17,137,251
Accrued expenses	3,207,132	2,846,637
Employee benefits	91,828	76,294
	<u>75,522,431</u>	<u>70,243,889</u>

**16 STAFF RETIREMENT BENEFITS**

During the year, Dechert LLP operated a defined benefit scheme and a defined contribution scheme. The Final Salary Scheme ("Plan") is a defined benefit scheme and is closed to new entrants. The Group Personal Pension Plan is a defined contribution scheme which opened to new entrants effective 1 April 2014. The assets of these schemes are held separately from those of the Firm in funds administered by trustees.

The contributions paid during the year for the schemes were:

	2019 £	2018 £
Final Salary Scheme	2,625,000	2,657,000
Group Personal Pension Plan	1,018,182	861,479
	<u>3,643,182</u>	<u>3,518,479</u>

*Final Salary Scheme*

Effective 30 June 2017, a guarantee was signed by Dechert LLP (US), the Firm, and the Trustee of the Plan. As Guarantor, Dechert LLP (US) agreed to an aggregate liability cap of £4.5M in respect of the Guaranteed Obligations, as defined, falling due for payment in each individual calendar year separately, and \$150M in respect of the Guaranteed Obligations, as defined, falling due for payment in aggregate. Broadly, the Guaranteed Obligations are the obligations of the Firm, or any relevant employer who replaces the Firm, under the Schedule of Contributions. The payment obligations under this agreement rank on an equal footing with all other present and future unsecured payment obligations of Dechert LLP (US), except for obligations mandatorily preferred by relevant laws. In exchange for this guarantee, the Firm and the Trustee of the Plan signed an agreement effective 30 June 2017 to revise certain terms of the Plan related to the employer debt provisions under Section 75 of the Pensions Act 1995.

On 29 March 2018, the Firm and the Trustee of the Plan signed a Deed of Amendment to the rules of the Plan to close it to future accrual with effect from 1 April 2018. Plan participants who were in Pensionable Service (as defined) immediately prior to the effective date will be entitled to a preserved pension subject to and in compliance with the rules of the Plan. Additionally, the requirement for plan participants to pay contributions to the Plan, and the ability of plan participants to pay additional voluntary contributions to the Plan, ceased on the date of closure. As a result of the plan closure, a one-time curtailment cost of approximately £1.7M was incurred during 2018.

The contributions paid by the Firm to the Final Salary Scheme are agreed by the Firm and the Trustee of the Plan as part of the triennial actuarial valuation process, and are set out in a Schedule of Contributions. The most recent triennial actuarial valuation of the Plan was completed as at 1 January 2019 and the next triennial actuarial valuation is due as at 1 January 2022.

# Dechert LLP

## NOTES TO THE FINANCIAL STATEMENTS

### for the year ended 31 December 2019

#### 16 STAFF RETIREMENT BENEFITS (continued)

##### *Final Salary Scheme (continued)*

On 1 August 2018, a new Schedule of Contributions was agreed as required by Section 227 of the Pensions Act 2004. Under the new schedule, which covered the period from 1 January 2016 to 31 January 2030, the rate of Firm contributions was at least 53.3% of Pensionable Salary, as defined, until 1 April 2018, at which point these contributions ceased. Beginning 1 April 2017 to 31 March 2018, £2,550,000 per annum was payable in respect of the shortfall in funding. The first payment was due in April 2017 and totalled £400,000 as an adjustment in respect of the payments that were made under the previous Schedule of Contributions up to 31 March 2017. A subsequent payment of £2,550,000 was due on 31 January 2018. Beginning 1 April 2018 to 31 January 2030, £2,625,000 per annum was payable in respect of the shortfall in funding. The first payment was due on 30 June 2018 and totalled £56,250. Subsequent payments of £2,625,000 were due on each 31 January, with the first payment due on 31 January 2019 and the final payment due on 31 January 2030.

Subsequent to 31 December 2019, on 5 February 2020, a new Schedule of Contributions was agreed as required by Section 227 of the Pensions Act 2004. Under the new schedule, which covers the period from 1 January 2019 to 31 January 2026, a contribution of £1,025,000 was paid on 25 February 2020 as an adjustment in respect of the payments that were made under the previous Schedule of Contributions up to 31 January 2020. Subsequent payments of £3,250,000 per annum with annual increases of £75,000 per annum are due on each 31 January, with the next payment of £3,250,000 due on 31 January 2021 and the final payment of £3,625,000 due on 31 January 2026.

The most recent triennial actuarial valuation report was carried out as at 1 January 2019 and updated by an actuary as at the reporting date to provide the information required by FRS 102. The principal assumptions used under FRS102 are:

	2019	2018
Discount rate	2.1%	2.9%
Revaluation in deferment	5.0%	5.0%
Pension increases	5.0%	5.0%
Base tables	93% of S3PMA (males), 93% of S3PFA_M (females)	95% of S2PMA (males) 95% of S2PFA (females)
Future projections	CMI 2018	CMI 2018
Long term rates of improvements	1.25%	1.25%
Initial addition to mortality improvements	0.5%	0.0%

The average life expectancy at age 65 for a pensioner currently aged 65 at the reporting date was:

	2019	2018
Males	22.7	22.0
Females	24.4	24.0

The average life expectancy at age 65 for an employee currently aged 45 at the reporting date was:

	2019	2018
Males	24.0	23.3
Females	25.9	25.5

**Dechert LLP**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 31 December 2019**

**16 STAFF RETIREMENT BENEFITS (continued)**

Amounts recognised in profit or loss in respect of the defined benefit scheme were as follows:

	2019 £000	2018 £000
Current pension service cost	-	40
Net interest on the net defined benefit liability	523	695
Curtailment cost	-	1,712
	<u>523</u>	<u>2,447</u>

Amounts recognised in other comprehensive income in respect of the defined benefit scheme were as follows:

	2019 £000	2018 £000
Actuarial (loss)/gain on scheme liabilities	(16,176)	12,510
Experience gain on scheme liabilities	4,420	-
Return gain/(loss) on scheme assets (excluding net interest on the net defined benefit liability)	9,047	(3,792)
Actuarial (loss)/gain on defined benefit scheme	<u>(2,709)</u>	<u>8,718</u>

Amounts recognised in the statement of financial position in respect of the defined benefit scheme were as follows:

	2019 £000	2018 £000
Present value of the defined benefit obligation at the end of the year	(85,196)	(73,499)
Fair value of scheme assets at the end of the year	64,575	53,485
Net defined benefit liability	<u>(20,621)</u>	<u>(20,014)</u>

	2019 £000	2018 £000
<u>Changes in the present value of the defined benefit obligation:</u>		
Present value of the defined benefit obligation at the beginning of the year	(73,499)	(87,172)
Interest cost	(2,100)	(2,149)
Current pension service cost	-	(40)
Curtailment cost	-	(1,712)
Actuarial (loss)/gain on scheme liabilities	(16,176)	12,510
Experience gain on scheme liabilities	4,420	-
Contributions by scheme participants	-	(5)
Benefits paid	2,159	5,069
Present value of the defined benefit obligation at the end of the year	<u>(85,196)</u>	<u>(73,499)</u>



# Dechert LLP

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2019

### 16 STAFF RETIREMENT BENEFITS (continued)

	2019 £000	2018 £000
<u>Changes in the fair value of scheme assets:</u>		
Fair value of scheme assets at the beginning of the year	53,485	58,230
Interest income	1,577	1,454
Gain/(Loss) on scheme assets (excluding net interest on the net defined benefit liability)	9,047	(3,792)
Contributions by the Firm	2,625	2,657
Contributions by scheme participants	-	5
Benefits paid	(2,159)	(5,069)
Fair value of scheme assets at the end of the year	<u>64,575</u>	<u>53,485</u>

The actual gain on scheme assets was £10,624,000 (2018: £2,338,000 loss).

Scheme assets consisted of the following at the reporting date:

	2019 £000	2018 £000
Equities	28,054	23,189
Bonds	-	11,374
Liability Driven Investments (LDI)	13,255	7,496
Newton Real Return Fund	23,163	11,361
Cash	103	65
Fair value of scheme assets	<u>64,575</u>	<u>53,485</u>

### 17 MEMBERS' INTEREST

Members' capital classified as equity represents capital that the Firm has an unconditional right to refuse payment to the members. No additional rights or preferences attach to the members' capital classified as equity.

Members' capital classified as debt represents capital that the Firm does not have an unconditional right to refuse payment to the members.

Loans and other debts due to members represent profits that have been approved for allocation to the members by the Firm but which have not yet been paid.

Other reserves represent the cumulative actuarial gains and losses on the defined benefit pension scheme and the one-time effect of adopting UITF abstract 40 'Revenue Recognition and Service Contracts' (now reported under FRS 102 Chapter 23 'Revenue').

Members' interests rank after unsecured creditors in the event of the winding up of the Firm. A member's capital contribution is not repayable until after the member withdraws or retires. All amounts due to members relate to items falling due within one year. There are no restrictions or limitations on the ability of the members to reduce the amount of members' other interests.

# Dechert LLP

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2019

### 18 RECONCILIATION OF PROFIT FOR THE FINANCIAL YEAR AVAILABLE FOR DISCRETIONARY DIVISION AMONG MEMBERS TO NET CASH GENERATED FROM OPERATIONS

	2019 £	2018 £
Profit for the financial year	44,997,715	38,584,913
Adjustment for non-cash transactions:		
Depreciation (note 10)	1,654,447	1,187,300
Loss on disposal of tangible fixed assets	768	1,736
Curtailment cost (note 16)	-	1,712,000
Adjustment for movements in working capital:		
Debtors	2,866,042	(15,296,778)
Creditors	3,362,954	4,040,964
Interest receivable (note 6)	(97,505)	(119,708)
Interest payable (note 7)	1,205,192	1,370,634
Pension contributions (note 16)	(2,625,000)	(2,657,000)
Current pension service cost (note 16)	-	40,000
Cash generated from operations	<u>51,364,613</u>	<u>28,864,061</u>

### 19 COMMITMENTS UNDER OPERATING LEASES

At 31 December, the Firm had outstanding commitments for future minimum lease payments under non-cancellable operating office leases, which fall due as follows:

	2019 £	2018 £
Amounts due for land and buildings:		
Within one year	3,826,978	3,649,965
Between one and five years	7,991,946	11,818,924
Amounts due for equipment:		
Within one year	78,895	78,895
Between one and five years	82,060	160,955
	<u>                    </u>	<u>                    </u>

### 20 CONTINGENT LIABILITIES

The Firm may receive claims in the normal course of business, but it is not considered that any further provisions are required in addition to those that may already be included in these financial statements.

# Dechert LLP

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2019

### 21 RELATED PARTY TRANSACTIONS

The members of the Firm are also partners of Dechert LLP, a limited liability partnership organised in Pennsylvania, USA (Dechert LLP (US)). Dechert globally is comprised of separate legal entities. The global partnership agreement, to which all partners are party, provides that each constituent entity shall remain a separate legal entity and will not have legal liability for the obligations of any other constituent entity save where exceptionally a guarantee has been given. The separate legal entities are reported as 'related parties' in the schedule that follows.

The Firm had the following transactions with related parties during the year and the following balances at the reporting date:

	Other related parties	
	2019	2018
	£	£
Cash transfers from related parties	11,072,557	8,957,778
Cash transfers to related parties	9,557,067	17,294,696
Corporate overhead charge	10,908,696	9,843,565
Fees and receipts by related parties	34,731,048	29,408,049
Fees and receipts on behalf of related parties	19,024,432	21,482,706
Payments made on behalf of related parties	16,586,935	9,983,493
Payments made by related parties	23,950,520	12,933,162
Amounts due from related parties at 31 December (note 12)	16,377,148	12,874,146
Amounts due to related parties (note 13)	54,214,282	47,040,969
Notes payable to DF Luxembourg SARL (note 14)	17,137,251	17,137,251

The amounts outstanding are unsecured, interest free and due on demand. No guarantees have been given or received. There are no provisions for uncollectible receivables related to the amounts outstanding, and no expense has been recognised in the year in respect of bad debts from related parties (2018: £nil).

### 22 ULTIMATE PARENT COMPANY AND ULTIMATE CONTROLLING PARTY

The Firm is controlled by its members and as such there is no one controlling party. The results of the Firm are consolidated within a group directly and ultimately headed by Dechert LLP (US) as discussed in note 21.

### 23 REMUNERATION OF KEY MANAGEMENT PERSONNEL

The total remuneration from the Firm and related parties to the members who are considered key management personnel was £7,272,143 (2018: £9,413,255), of which £nil (2018: £nil) has been recognised as remuneration charged as an expense and £7,272,143 (2018: £9,413,255) has been recognised as profits distributable to members.

### 24 SUBSEQUENT EVENTS

Since the period end, the members have considered the carrying value of assets and liabilities in light of the COVID-19 (Coronavirus) outbreak as disclosed on page 2 of these financial statements under Members' Report. Given the time that has elapsed since the reporting date they do not consider there to be any material changes in the value of assets and liabilities as disclosed.