



Registered number: OC358255

## **Dentons Middle East Partners LLP**

**Annual report and financial statements**

**for the year ended 30 April 2019**



# **Dentons Middle East Partners LLP**

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# Dentons Middle East Partners LLP

## Members' report

The members present their annual report on the affairs of Dentons Middle East Partners LLP, together with the financial statements and auditor's report, for the year ended 30 April 2019.

### Firm structure

Dentons Middle East Partners LLP is a Limited Liability Partnership registered in England and Wales.

### Principal activity

Dentons Middle East Partners LLP is a partner of Dentons & Co, a UK general partnership which provides legal services in the Middle East region.

### Review of the business and future developments

The overall profit before taxation for the year ended 30 April 2019 was £0.6m (2018: £6m). The profit has decreased year on year due to an increase in staff costs and other admin costs within Dentons & Co.

### Designated Members

The designated members holding office throughout the year, except as noted, were as follows:

Jeremy Cohen	
Brandon Ransley	(resigned 6 June 2018)
Madeline Smallwood	
Richard Macklin	(appointed 6 June 2018)

### Members' drawings and the subscription and repayment of members' capital

During the year the profit-sharing members may receive drawings and, from time to time, additional members' remuneration. The cash requirements of the business are regularly reviewed to ensure that such payments can be made within the borrowing limits of the partnership.

Profits are divided into discretionary and non-discretionary allocations. Non-discretionary profits are allocated during the year in accordance with the Members' Agreement. Discretionary profits are allocated after the year end.

The capital requirements of the partnership are determined by the Members' Agreement and are reviewed regularly.


### Going concern

The firm meets its day-to-day working capital requirements through cash generated from its share of the profits of Dentons & Co.

The economic conditions in the Middle East have improved resulting in increased demand for the services of Dentons & Co. The forecasts and projections, taking account of possible changes in trading performance, show that the entity will have sufficient funds to meet its future liabilities.

The members have a reasonable expectation that the LLP has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

On behalf of the Members

  
Jeremy Cohen  
Designated member  
24 July 2019

## **Dentons Middle East Partners LLP**

### **Members' responsibilities statement**

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

The Limited Liability Partnerships (Accounts & Audit) (Application of Companies Act 2006) Regulations 2008 require 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), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". Under Company law as applied to Limited Liability Partnerships, 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 group and Limited Liability Partnership and of the profit or loss of the group and Limited Liability Partnership for that year. In preparing these financial statements, the members are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; and
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The members are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the firm and enable them to ensure that the financial statements comply with the Companies Act 2006, as applicable to limited liability partnerships. 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.

# **Dentons Middle East Partners LLP**

## **Independent auditor's report to the members of Dentons Middle East Partners LLP**

### **Report on the audit of the financial statements**

#### **Opinion**

In our opinion the financial statements of Dentons Middle East Partners LLP (the limited liability partnership):

- give a true and fair view of the state of the limited liability partnership's affairs as at 30 April 2019 and of its profit/loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006 as applied to limited liability partnerships.

We have audited the financial statements which comprise:

- the profit and loss account;
- the balance sheet;
- LLP statement of changes in members' interests; and
- the related notes 1 to 9.

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

#### **Basis for opinion**

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

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

#### **Conclusions relating to going concern**

We are required by ISAs (UK) to report in respect of the following matters where:

- the members' use of the going concern basis of accounting in 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.

We have nothing to report in respect of these matters.

#### **Other information**

The members are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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 respect of these matters.

#### **Responsibilities of members**

As explained more fully in the members' responsibilities statement, 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.

# Dentons Middle East Partners LLP

## Independent auditor's report to the members of Dentons Middle East Partners LLP (continued)

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

### Report on other legal and regulatory requirements

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit; or
- the members were not entitled to prepare financial statements in accordance with the small limited liability partnerships regime.

We have nothing to report in respect of these matters.

#### 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.



Jeremy Black, ACA (Senior statutory auditor)  
For and on behalf of Deloitte LLP  
Statutory Auditor  
London, UK  
25 July 2019

## Dentons Middle East Partners LLP

### Profit and loss account

For the year ended 30 April 2019

	Note	2019 £'000	2018 £'000
Income from group undertakings		775	6,052
Administrative expenses		(176)	(4)
<b>Operating profit</b>		<b>599</b>	<b>6,048</b>
Interest receivable and similar income		-	-
Interest payable and similar charged		-	-
<b>Profit on ordinary activities before taxation and members' remuneration and profit shares</b>		<b>599</b>	<b>6,048</b>
Tax on profit on ordinary activities of the subsidiaries	3	-	-
<b>Profit on ordinary activities before members' remuneration and profit shares</b>		<b>599</b>	<b>6,048</b>
Members' remuneration charged as an expense		(599)	(3,726)
<b>Total comprehensive (loss)/income available for discretionary division among members</b>		<b>-</b>	<b>2,322</b>

All results relate to continuing activities.

There are no recognised gains and losses other than as stated above in either year and therefore no separate Statement of Total Comprehensive Income has been prepared.


# Dentons Middle East Partners LLP

## Balance sheet

As at 30 April 2019

	Notes	2019 £'000	2018 £'000
<b>Fixed assets</b>			
Investments	5	-	-
		-	-
<b>Current assets</b>			
Debtors	6	605	6,052
<b>Creditors: amounts falling due within one year</b>	7	(6)	(4)
<b>Net current assets</b>		599	6,048
<b>Total assets less current liabilities</b>		599	6,048
<b>Creditors: amounts falling due after more than one year</b>		-	-
<b>Net assets attributable to members</b>		599	6,048
<b>Represented by:</b>			
<b>Loans and other debts due to members within one year</b>			
Other amounts due to Members		599	3,726
<b>Members' other interests</b>			
Other reserves classified as equity		-	2,322
		599	6,048
<b>Total members' interests</b>			
Loans and other debts due to members		599	3,726
Members' other interests		-	2,322
		599	6,048

The financial statements of Dentons Middle East Partners LLP (registered number OC358255) were approved by the Board and authorised for issue on 24 July 2019. They were signed on behalf of the Partnership by:

  
Jeremy Cohen  
Designated member



## Dentons Middle East Partners LLP

### LLP statement of changes in members' interests At 30 April 2019

	Loans and other debts due to/(from) members £'000	Total £'000	Other reserves £'000	Total £'000
<b>Members' interest at 30 April 2017</b>	<b>2,473</b>	<b>2,473</b>	-	-
Members' remuneration charged as an expense	-	-	-	-
Profit for the financial year available for discretionary division among members	-	-	6,048	6,048
<b>Total comprehensive income available for discretionary division among members</b>	<b>2,473</b>	<b>2,473</b>	<b>6,048</b>	<b>6,048</b>
Allocated profits in respect of the prior year	3,726	3,726	(3,726)	(3,726)
Drawings (including tax payments)	(2,473)	(2,473)	-	-
<b>At 30 April 2018</b>	<b>3,726</b>	<b>3,726</b>	<b>2,322</b>	<b>2,322</b>
Members' remuneration charged as an expense	-	-	-	-
Profit for the financial year available for discretionary division among members	-	-	599	599
<b>Total comprehensive income available for discretionary division among members</b>	<b>3,726</b>	<b>3,726</b>	<b>2,921</b>	<b>2,921</b>
Allocated profits in respect of the prior year	599	599	(599)	(599)
Drawings (including tax payments)	(3,726)	(3,726)	(2,322)	(2,322)
<b>At 30 April 2019</b>	<b>599</b>	<b>599</b>	-	-

# **Dentons Middle East Partners LLP**

## **Notes to the financial statements**

**For the year ended 30 April 2019**

### **1. Accounting policies**

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

The LLP has applied FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (FRS 102) issued by the Financial Reporting Council (FRC) incorporating the Amendments to FRS 102 issued by the FRC in July 2015 and the amendments to Company law made by The Companies, Partnerships and Groups (Accounts and Reports) Regulations 2015 prior to their mandatory effective date of accounting periods beginning on or after 1 January 2016.

#### **a. General information and basis of accounting**

Dentons Middle East Partners LLP ("the Partnership") is incorporated in the United Kingdom under the Limited Liability Partnership Act 2000. The address of the registered office is given on page 1. The nature of the group's operations and its principal activities are set out in the members' report on page 1.

The average monthly number of employees (including executive directors) was 0 (2018: 0).

The financial statements have been prepared under the historical cost convention, modified to include certain items at fair value, and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council and the requirements of the Statement of Recommended Practice Accounting by Limited Liability Partnerships (issued July 2014).

The functional currency of Dentons Middle East Partners LLP is considered to be pounds sterling because that is the currency of the primary economic environment in which the Partnership operates. Foreign operations are included in accordance with the policies set out below.

Dentons Middle East Partners LLP has taken advantage of the exemption conferred by section 400 of the Companies Act 2006, not to prepare group financial statements. The largest and smallest group into which the LLP's results are consolidated is that headed by Dentons UK and Middle East LLP. Copies of the financial statements can be obtained from One Fleet Place, London EC4M 7WS.

Dentons Middle East Partners LLP meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements, which are presented alongside the Group's consolidated financial statements. Exemptions have been taken in relation to financial instruments, presentation of a cash flow statement and remuneration of key management personnel.

#### **b. Going concern**

The LLP's business activities, together with the factors likely to affect its performance and position are set out in the Review of the Business and Future Developments which forms part of the members' report.

The LLP is financed by its subsidiary undertakings and meets its day-to-day working capital requirements through cash transfers as required.

The Economic conditions in the Middle East have improved over the last year with increased demand for the Group's services. The Group's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the Group should be able to operate comfortably within the level of its current facility.

The members have a reasonable expectation that the LLP has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

## **Dentons Middle East Partners LLP**

### **Notes to the financial statements (continued)**

For the year ended 30 April 2019

**1. Accounting policies (continued)**

**c. Income from group undertakings**

Income from group undertakings comprises of the profits of Dentons & Co, a UK partnership and dividend income from subsidiary undertakings. Income from group undertakings is recognised when the significant risks and rewards are considered to have been transferred to the buyer.

**d. Debtors**

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

**e. Creditors**

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

**f. Taxation**

The taxation payable on the partnership profits is the personal liability of the members, although payment of such liabilities is administered by the partnership on behalf of the members. Consequently, neither partnership taxation nor related deferred taxation are accounted for in the financial statements.

**g. Members' Interests**

The capital requirements of the Partnership are determined by the Members' Agreement and are reviewed regularly.

Loans and other debts due to members (other than members' capital classified as debt) rank pari passu with unsecured creditors. The legal opinion given in an appendix to the SORP, is that members' other interests rank after unsecured creditors.

**h. Divisible profits and members' remuneration**

Profits are divided into discretionary and non-discretionary allocations. Non-discretionary profits are allocated during the year in accordance with the Members' Agreement and are treated as members' remuneration charged as an expense to the profit and loss account in arriving at profit available for discretionary division among members. Discretionary profits are allocated after the year end.

The remainder of profit shares, which have not been allocated until after the balance sheet date, are treated in these financial statements as unallocated at the balance sheet date and included within other reserves.

# **Dentons Middle East Partners LLP**

## **Notes to the financial statements (continued)**

**For the year ended 30 April 2019**

### **1. Accounting policies (continued)**

#### **i. Foreign currency**

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date.

The results of overseas operations are translated at the average rates of exchange during the period and their balance sheets at the rates ruling at the balance sheet date. Exchange differences arising on translation of the opening net assets and results of overseas operations are reported in other comprehensive income and accumulated in equity.

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

### **2. Critical accounting judgements and key sources of estimation uncertainty**

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

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

The key assumptions concerning the future, and other key sources of estimation uncertainty are discussed below.

#### **Impairment of debtors**

The LLP makes an estimate of the recoverable value of debtors. When assessing impairment of debtors and amounts recoverable on contracts, management considers factors including the current credit rating of the debtor, the ageing profile and historic experience. See note 6 for the net carrying amount of the Group's debtors.

The Directors are of the opinion there are no critical accounting judgements.

## Dentons Middle East Partners LLP

### Notes to the financial statements (continued)

For the year ended 30 April 2019

#### 3. Profit on ordinary activities before taxation and members' remuneration and profit shares

Profit on ordinary activities before taxation is stated after charging:

	2019 £'000	2018 £'000
<b>Fees payable to the Dentons Middle East Partners LLP's auditor and its associates for the audit of the Limited Liability Partnership's annual accounts</b>	4	4
<b>Total audit fees</b>	4	4
<b>Total non-audit fees</b>	-	-
<b>Total fees</b>	4	4

No services were provided pursuant to contingent fee arrangements.

Fees payable to other auditors in relation to services pursuant to legislation were £nil (2018: £nil).

#### 4. Members' remuneration and transactions

Profits are shared among the members in accordance with agreed profit sharing arrangements.

The profit attributable to the member with the largest entitlement was £178,000 (2018: £908,000).

The average number of members during the year was 4 (2018: 5).

#### 5. Fixed asset investments

Total fixed asset investments comprise

	£'000
<b>Cost and net book value</b>	
At 30 April 2019 and 30 April 2018	-

Dentons Middle East Partners LLP owns 100% of the ordinary share capital of Dentons Middle East Limited, a UK incorporated company registered at One Fleet place, London, EC4M 7WS, which holds investments in the Middle East. Dentons Middle East Limited owns 99% of the share capital of Dentons LLC – an Egyptian Limited Liability Company registered at 9 Shagaret El Dor St, Zamalek PO Box 35 Agouza, Cairo, Egypt, which performs legal services in Egypt. The remaining 1% of the share capital of Dentons LLC is owned by Dentons UK and Middle East Nominees Ltd.

## **Dentons Middle East Partners LLP**

### **Notes to the financial statements (continued)**

For the year ended 30 April 2019

#### **6. Debtors**

	<b>2019 £'000</b>	<b>2018 £'000</b>
Amounts owed by group undertakings	605	6,052
	<u>605</u>	<u>6,052</u>

All debtors fall due within one year. No interest is charged on amounts owed by group undertakings.

#### **7. Creditors: amounts falling due within one year**

	<b>2019 £'000</b>	<b>2018 £'000</b>
Amounts owed to other Dentons entities	2	-
Accruals and deferred income	4	4
	<u>6</u>	<u>4</u>

Intercompany balances carry no interest and are repayable on demand.

#### **8. Related party transactions**

Dentons Middle East Partners LLP has relied upon the exemption given in FRS102 section 33 not to disclose transactions with other group companies which meet the criteria that all subsidiary undertakings which are party to the transactions are wholly-owned by the ultimate controlling parent, Dentons UK and Middle East LLP.

#### **9. Controlling party**

The LLP is controlled by its members and as such there is no one controlling party.