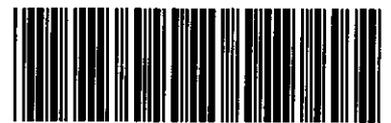


CLIFFORD CHANCE LLP
Financial Statements for the year ended 30 April 2023
Registered no. OC323571

CONTENTS	Page
Report to the Members	1
Independent Auditors' Report to the Members of Clifford Chance LLP	16
Consolidated Income Statement	19
Consolidated Statement of Comprehensive Income	20
Consolidated Balance Sheet	21
Limited Liability Partnership Balance Sheet	23
Consolidated Statement of Changes in Equity	25
Limited Liability Partnership Statement of Changes in Equity	26
Consolidated Cash Flow Statement	27
Limited Liability Partnership Cash Flow Statement	28
Notes to the Financial Statements	29

WEDNESDAY



ACW3VCI

A6

31/01/2024

#239

COMPANIES HOUSE

CLIFFORD CHANCE LLP
Financial Statements for the year ended 30 April 2023

REPORT TO THE MEMBERS

The Executive Leadership Group ('ELG') presents the audited Financial Statements to the members of Clifford Chance LLP, a limited liability partnership registered in England and Wales with registered number OC323571. A list of members' names is available for inspection at 10 Upper Bank Street, London, E14 5JJ, United Kingdom, which is also Clifford Chance LLP's principal place of business and registered office.

Basis of preparation of the financial statements

These audited financial statements of Clifford Chance LLP ('the firm' / 'LLP') and its subsidiaries for the year ended 30 April 2023 have been prepared in accordance with UK-adopted International Accounting Standards and with the requirements of the Companies Act 2006 as applicable to Limited Liability Partnerships reporting under those standards.

Principal activities

The principal activity is the provision of legal services. All results derive from continuing activities.

Group structure

Clifford Chance is the collective name for an international legal practice comprising Clifford Chance LLP and its subsidiary entities. The consolidated financial statements incorporate the financial statements of Clifford Chance LLP and its subsidiary entities. The consolidated results for the years ended 30 April 2023 and 2022 represent a consolidation of all entities controlled either directly or indirectly by Clifford Chance LLP. These entities may be branches, partnerships or separate corporate entities ('the Group'). Clifford Chance LLP practices through overseas branches in Abu Dhabi, Amsterdam, Beijing, Brussels, Dubai and Shanghai.

Management

The ELG, chaired by the firm's Managing Partner, sets the Group's strategy and oversees its implementation. The effectiveness of the ELG is reviewed by the Partnership Council, led by the Group's Senior Partner.

The firm's constitution is governed by our Partnership Agreement. This requires that certain issues are subject to a vote of partners, including the election of the Managing Partner, the Senior Partner and the Partnership Council. Partners also vote on the admission of new partners, mergers or acquisitions and other major investments and changes to the Partnership Agreement itself. Each partner has a single vote, although on certain matters (such as the arrangements for remuneration of equity partners) only equity partners are entitled to vote.

The ELG meets regularly and is responsible for our strategy, the development of our competitive position, our relationship with clients, mid and long-term business planning, the performance of the various parts of the Group, and its financial management.

The Partnership Council is an elected body chaired by the Senior Partner and also currently comprising of six elected council members, as well as one member appointed from outside the Group. The Partnership Council meets regularly in person to review the effectiveness of the Group's leadership and management. The Partnership Council also ensures that appointments to leadership roles are handled effectively and with due regard to the interests of the partnership.

CLIFFORD CHANCE LLP
Financial Statements for the year ended 30 April 2023

REPORT TO THE MEMBERS

Business review

The results for the year ended 30 April 2023 reflect another year of growth for the firm. For the first time income exceeded £2bn, increasing 5% from £1,969m to £2,062m reflecting the continued trust and confidence of our clients and the quality and commitment of our staff and partners.

The war in Ukraine, inflationary pressure and higher interest rates created a more uncertain economic environment and more challenging market conditions for the legal industry. However despite the resulting decline in transactional activity the firm continued to deliver income growth. This reflects the well hedged nature of the firm's business model. Revenue from our Litigation & Dispute Resolution practice offset the impact of reduced demand for our transactional practice areas. Income grew strongly in the UK, offsetting the more challenging market environment impacting Asia Pacific and the Americas regions.

Profit before tax and members' remuneration and profit share was £793m, broadly in line with the prior year.

Reflecting increasing demand from our clients, we have continued to invest in the Partnership of the firm. Partner headcount increased to 593 at 30 April 2023 (2022: 563).

Cash at the year-end was £232m (2022: £378m). The firm maintained strong cash reserves throughout the year and did not drawdown on its Revolving Credit Facility ("RCF").

Net assets attributable to members excluding members' interests classified as liabilities, increased to £559m as at 30 April 2023 (2022: £541m).

Going concern

Having considered current and expected activity levels, together with cashflow forecasts for the following twelve months from the date of approval of the financial statements and the availability of the firm's RCF, the Directors has concluded that the Group has adequate resources to continue in operations for the foreseeable future. Accordingly, the Group continues to adopt the going concern basis of accounting in preparing the financial statements.

Financing

The Group is financed through a combination of members' own capital and undistributed profits. Additionally, a RCF of £150m is also available. The amount of capital per profit sharing unit is determined by the Partnership Agreement with reference to the future requirements of the Group.

CLIFFORD CHANCE LLP
Financial Statements for the year ended 30 April 2023

REPORT TO THE MEMBERS

Members' capital and drawings

The term "partner" in this Financial Statements is used to refer to a member of Clifford Chance LLP, or an employee or consultant with equivalent standing and qualifications, or an individual with equivalent standing in one of the LLP's subsidiary entities. Partner can either be equity partner or non-equity partner as per the partnership agreement. The term "Member" in this document is used to refer only to a member of the LLP.

The partners who are not members of the LLP receive remuneration on an equivalent basis to members. Their remuneration is presented in the Consolidated Income Statement under '*Staff and related costs*'. Remuneration which is not profit-related and not discretionary that is paid to members, is treated as a charge against profit and is presented in the Consolidated Income Statement under '*Members' remuneration charged as an expense*'.

Partners are paid a monthly drawing on account, in addition to the distribution of profit share. Members' capital, which is measured at cost is repayable within six months of retirement, and accordingly, is required to be classified as a liability. Each member contributes capital to the Group in accordance with the Partnership Agreement and in proportion to their profit-sharing units. The amount of capital per profit sharing unit is determined by the Partnership Agreement with reference to the future requirements of the Group.

Profit sharing

The Partnership Agreement of Clifford Chance LLP sets out the basis for determining the profits available for sharing between equity partners. Such profits differ from the profits shown in these financial statements because different accounting policies are applied, and because the members of Clifford Chance LLP exclude certain equity partners and include certain partners who are not equity partners.

Qualifying third party indemnity

The Group has put in place, throughout the year and at the time of approving these financial statements, qualifying third party indemnity provisions for all the members of the Group.

CLIFFORD CHANCE LLP
Financial Statements for the year ended 30 April 2023

REPORT TO THE MEMBERS

Statement of members' responsibilities in respect of the financial statements

The members are responsible for preparing the Financial Statements in accordance with applicable law and regulation.

Company law, as applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 (the "Regulations"), requires the members to prepare financial statements for each financial year. Under that law the members have prepared the group and the LLP financial statements in accordance with UK-adopted international accounting standards.

Under company law, as applied to limited liability partnerships, 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 LLP and of the profit or loss of the group for that period. In preparing the financial statements, the members are required to

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

The members are responsible for safeguarding the assets of the group and LLP and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The members are also responsible for keeping adequate accounting records that are sufficient to show and explain the group's and LLP's transactions and disclose with reasonable accuracy at any time the financial position of the group and LLP and enable them to ensure that the financial statements comply with the Companies Act 2006.

In so far as the members are aware:

- There is no relevant audit information of which the LLP's auditors are unaware, and
- The members have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Independent Auditors

The independent auditors of Clifford Chance LLP are PricewaterhouseCoopers LLP, who will be proposed for reappointment. PricewaterhouseCoopers LLP have expressed their willingness to continue in office as independent auditors.

Designated members

The designated members during the year ended 30 April 2023 and subsequent to the year end are:

Charles Adams
David Harkness
Robin Abraham

CLIFFORD CHANCE LLP
Financial Statements for the year ended 30 April 2023

REPORT TO THE MEMBERS

Streamlined Energy and Carbon Reporting (SECR) under The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations, 2018

In accordance with the requirements of Streamlined Energy and Carbon Reporting (SECR) under The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations, 2018, below are the details for UK locations. A list of members is available on the Companies House website

	<u>2023</u>	<u>2022</u>
1 Energy Consumption used to calculate emissions kWh	13,377,412	14,894,533
2 Emissions from combustion of gas tCO ₂ e (Scope 1)	412	380
3 Emissions from combustion of fuel for transport purposes tCO ₂ e (Scope 1)	Not applicable	Not applicable
4 Emissions from business travel in rental cars or employee - owned vehicles where Group is responsible for purchasing the fuel tCO ₂ e (Scope 3)	2	-
5 Emissions from purchased electricity tCO ₂ e (Scope 2 location -based)	2,154	2,723
6 Total gross tCO ₂ e based on above	2,568	3,103
7 UK's FTE in Nos.	1,980	1,904
8 Intensity ratio: tCO ₂ e gross figure per employee ((6) / (7))	1.30	1.63
9 Methodology:	Defra is used for all UK emissions calculations	Defra is used for all UK emissions calculations
10 Emissions from other activities which the Group own or control including operation of facilities tCO ₂ e (Scope 1)	Not applicable	Not applicable
11 Emissions from purchased electricity tCO ₂ e (Scope 2, market - based factor)	-	4,053
12 Emissions from heat, steam and cooling purchased for own use tCO ₂ e (Scope 2)	Not applicable	Not applicable
13 Emissions from extraction and production of purchased materials and fuels which the Group does not own or control (Scope 3) / tCO ₂ e	Not applicable	Not applicable
14 Emissions from use of sold products and services which the Group does not own or control (Scope 3) / tCO ₂ e	Not applicable	Not applicable
15 Emissions from electricity related to extraction, production, and transportation of fuels consumed in the generation of electricity which the Group does not own or control (Scope 3) / tCO ₂ e	Not applicable	Not applicable
16 Emissions from purchase of electricity that is sold to an end user which the Group does not own or control (Scope 3) / tCO ₂ e	Not applicable	Not applicable
17 Emissions from generation of electricity that is consumed in a transmission and distribution system which the Group does not own or control (Scope 3) / tCO ₂ e	Not applicable	Not applicable
18 Emissions from transportation of purchased fuels which the Group does not own or control (Scope 3) / tCO ₂ e	Not applicable	Not applicable
19 Emissions from transportation of waste out of financial / operational control (Scope 3) / tCO ₂ e	Not applicable	Not applicable
20 Emissions from transportation of sold products which the Group does not own or control (Scope 3) / tCO ₂ e	Not applicable	Not applicable
21 Emissions from employee business travel which the Group does not own or control and where not responsible for purchasing the fuel (Scope 3) / tCO ₂ e	1,420	309
22 Emissions from employees commuting to and from work which the Group does not own or control (Scope 3) / tCO ₂ e	Not applicable	Not applicable
23 Emissions from leased assets, franchises, and outsourced activities (Scope 3) / tCO ₂ e	Not applicable	Not applicable
24 Emissions from disposal of waste generated in operations which the Group does not own or control (Scope 3) / tCO ₂ e	635	396

CLIFFORD CHANCE LLP
Financial Statements for the year ended 30 April 2023

REPORT TO THE MEMBERS

Streamlined Energy and Carbon Reporting (SECR) under The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations, 2018 (continued)

	<u>2023</u>	<u>2022</u>
25 Emissions from disposal of waste generated in production of purchased materials and fuels which the Group does not own or control (Scope 3) / tCO2e	Not applicable	Not applicable
26 Emissions from disposal of sold products at the end of their life which the Group does not own or control (Scope 3) / tCO2e	Not applicable	Not applicable
27 Total gross Scope 3 emissions / tCO2e	2,057	705
28 Total gross Scope 1, Scope 2 (location) & Scope 3 emissions / tCO2e	4,625	3,808
29 Total gross Scope 1, Scope 2 (market) & Scope 3 emissions / tCO2e	2,469	-
30 Carbon offsets / tCO2e	Not applicable	Not applicable
31 Domestic Carbon Units	Not applicable	Not applicable
32 Total annual net emissions / tCO2e (including location based scope 2 emissions)	4,625	3,808
33 Total annual net emissions / tCO2e (including Market based scope 2 emissions)	2,469	-
34 UK's FTE in Nos	1,980	1,904
35 Additional intensity ratio: tCO2e net figure per employee (including location based scope 2 emissions) / (32) / (34)	2.34	2.00
36 Additional intensity ratio: tCO2e net figure per employee (including Market based scope 2 emissions) / (33) / (34)	1.25	-
37 Energy Efficiency Action:		

Our emissions as set out in the table above are higher than the previous year which reflects an increase in travel and a return to office based working. Compared with the year ended 30 April 2020, total annual net emissions have fallen from 8,123 tCO2e to 4,625 tCO2e. We continued to implement energy saving initiatives, as set out below:

- a. We have started to refurbish the chillers by replacing the existing compressors with enhanced, highly efficient refrigerant-cooled, variable speed drives (VSD). The chiller installations are a very significant load factor for electricity usage and energy consumption at London office. The strategy also considers the chilled water distribution systems in the building, in combination to upgrades of the cooling towers equipment, to obtain further energy reductions. Estimated energy savings until 2028 is 407,961 kWh.
- b. We have installed new Inverters on Toilet Extract Fans. The estimated energy savings are 9,037 kWh per year.
- c. We installed new inverters on all three fans and the spray pump of cooling tower 6 to be more energy efficient. During a 2 week comparison of cooling tower 10 with no new inverters fitted, the energy savings were 2,341 kWh.
- d. We have also been monitoring on floor energy consumption patterns and demand and have changed variables on the Building Management System (BMS) to operate building heating and a/c to reflect occupancy levels, and
- e. The Emergency staircase lighting has been replaced with LEDs and sensors so is no longer on 24/7.

CLIFFORD CHANCE LLP
Financial Statements for the year ended 30 April 2023

REPORT TO THE MEMBERS

In compliance with the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008, as amended by the Limited Liability Partnerships (Climate-related Financial Disclosure) Regulations 2022.

1. Introduction

As described in more detail in the Strategy section, the Group does not consider climate change to be a material financial risk to the business. As a law firm our emissions are relatively small, and our infrastructure relatively secure. The Group's business is well hedged and whilst climate change and the transition to a low carbon economy will affect our clients, we do not envisage this reducing demand for our advice and services, provided the firm maintains and builds its relevant expertise. Rather, the Group considers climate change related advice and services as an area for potential growth.

The Group's commitment to reducing emissions and to transparency on progress is oriented to our values, and what our stakeholders can expect of us, despite our operational emissions not having any material impact on global GHG emissions. The Group tracks its climate change-related commitments through specific targets and objectives detailed in this disclosure. We also have policies and controls in place in respect of our business operation and supply chain that specifically address climate change and support our focus to decarbonise our business.

The Group has a plan to reduce absolute Scope 1 and 2 GHG emissions 80% by 2030 from a base year of the year ended 30 April 2020 ("FY20"), and to reduce absolute Scope 3 GHG emissions by 47% within the same timeframe. In March 2022 the Group's near-term science-based targets for 2030 were independently assessed and validated as a key element to our longer-term aim of being net zero.

The Group targets net zero ambitions while at the same time seeking to help our clients with theirs.

The client work the Group undertakes in relation to climate change is integrated into the Group's regions and practice areas and is often an element of a wider scope of work. Therefore, it is not practical to quantify separately the value of work undertaken by the Group in relation to climate change.

This disclosure describes the Group's co-ordinated approach to its own environmental footprint including decarbonising our operations and supply chain, and advising clients on climate change and the energy transition. Key management groups with responsibility for this include:

- the Responsible Business Board ("RB Board") that proposes and has oversight of the Group's responsible business strategy, as approved by the Executive Leadership Group ("ELG")
- the Global ESG Board that steers and co-ordinates the activities of the teams and lawyers advising clients on ESG matters including climate change.

Commonality of people on these Boards including the same individual as Chair helps to connect the approach of the Group to the risks and opportunities that climate change presents.

The Group uses a robust Enterprise Risk Management Framework ("the Framework"), which is designed to address the likelihood and impact of risks materialising. The Framework tracks climate change-related risks.

During the year ended 30 April 2024 ("FY24"), the Group plans to conduct a deeper dive in relation to the financial impact of climate-related issues on its business and assess the Group's financial exposure to climate change (both risks and opportunities). These risks are already on the risk radar of the Group (see below) yet we recognise the value of taking the opportunity to deepen the Group's understanding of its potential financial exposure to climate change (both risks and opportunities).

The Group is a founding member of the Net Zero Lawyers Alliance committed to accelerating the transition to Net Zero by 2050.

CLIFFORD CHANCE LLP
Financial Statements for the year ended 30 April 2023

REPORT TO THE MEMBERS

2. Governance

In this section we define the governance structures for the assessment, management and escalation of climate related matters and describe the key executive responsibilities in relation to climate management and how key decisions and actions are taken

The development, implementation and compliance monitoring of our policies are managed through the General Counsel and Compliance office, led by the General Counsel and Chief Risk & Compliance Officer, who provide regular updates to the Audit & Risk Committee and both sit on the Responsible Business Board representing the Doing Business pillar of the Group's responsible business strategy, alongside the Environment pillar lead of the Responsible Business Board who chairs the Group's Net Zero Delivery Group

These roles and relationships are explained in more detail below, but at a high level this shows the interconnectedness between the different arms of the Group which address climate change

The Group has policies and controls in place in respect of our business operation and supply chain that specifically address climate change and support our focus to decarbonise our business. These include but are not limited to our Environment & Energy Policy, our Climate Change Policy, our Global Procurement Policy, inclusive of our Supplier Relationship Management Framework and our Supplier Code of Conduct and Standards and our Global Travel Policy.

Table 1: Bodies of the Group involved in / having responsibility for climate change-related risks and opportunities

GROUP	OVERSIGHT	DESCRIPTION	GOVERNANCE / REPORTING
ELG	The Group's opportunities and risks	Has ultimate responsibility for the strategy of the Group including the Group's responsible business strategy	Oversight from the Partnership Council
Partnership Council	ELG	Reviews the performance of the ELG and any other issues of concern to the partnership	
Audit & Risk Committee	The Group's financial reporting and risks	Reviews both the reports of Internal Audit and the Group's accounts and monitors the Group's risk management processes	A sub-committee of the Partnership Council
General Counsel's Office and Risk & Compliance	The Group's risks	Develops, implements and monitors compliance with Group Policy and manages the Group's Enterprise wide Risk Management Framework	Part of the ELG
Global ESG Board	ESG-related opportunities for client work	Steering and convening the Group's ESG-related experience and capabilities to provide ESG related support to our clients	
RB Board	The Group's Responsible Business strategy	Proposes and has oversight over the responsible business strategy of the Group, as approved by the ELG	Reports to the ELG
Net Zero Delivery Group	The Group's Net Zero Implementation Plan	Recommends and manages the Group's Road to Net Zero Implementation plan	Reports to the Group's RB Board

REPORT TO THE MEMBERS

2. Governance (contd.)

Global ESG Board

In 2019 the Group created a cross-disciplinary Global ESG Board, drawn from partners and senior colleagues across our Group who are experts in and working on ESG-related topics. The role of the Global ESG Board is steering and convening our experience and capabilities in relation to our ESG client work, which includes aspects of climate change such as strategic advice and planning, carbon trading and project investment, regulation and compliance, investment, financing and due diligence, international obligations, and trade and litigation. The Global ESG Board therefore has an important role in identifying and considering climate related opportunities arising from climate related workstreams.

Climate Change Policy

The Group has a Climate Change Policy that takes climate change issues into consideration in our matter acceptance policies. In accordance with the goals of the Paris Agreement on limiting climate change and the Glasgow Climate Pact, the Group acknowledges that any such assessment needs to consider the level of development and specific needs of vulnerable countries. In most cases where a new matter potentially has a material and adverse impact on climate change issues, we will assess whether there are sufficient mitigating/compensating grounds to take on the matter. In this way, the Climate Change Policy acts to identify work which might be high risk from a climate change perspective and draws these climate-related risks to the attention of partners when considering whether to take on a new matter. As well as according with the Group's values, this process assists in managing the potential risks to the Group's business in terms of reputation, staff retention and impact on winning other business.

Environment & Energy Policy

The Group has an Environment & Energy Policy that takes into consideration the decarbonisation of our business operations and provides visibility of the actions we need to take as an organisation to minimise our environmental impact and fulfill the science-based targets commitments we have made.

Responsible business strategy

The Group's responsible business strategy, which comprises four pillars: Doing Business, People, Community & Pro Bono and of most relevance in this context - the Environment, is overseen by the RB Board. The RB Board, comprising partners and senior directors who include permanent and co-opted members of the ELG, meets at least quarterly to review progress and discuss strategic initiatives. This included the development of the Group's Net Zero strategy and monitoring progress.

The Net Zero Delivery Group, which reports directly into the RB Board, is responsible for the delivery of our Net Zero Programme, inclusive of our near-term science-based targets and will report on climate change risk and opportunity. The Net Zero Delivery Group takes a global approach and comprises pillar leads and representatives from across our Group. The chair of Net Zero Delivery Group is the Deputy Co-Chair of the Responsible Business Board and leads the Environment pillar of the Group's responsible business strategy. The Co-Lead of the Global Markets, Clients and Products Committee of the ELG and the Group's Executive Partner & General Counsel also sit on the RB Board and are the bridge between the RB Board and the ELG.

The focus areas for the Net Zero Programme include business emissions, travel emissions, supplier emissions and lawyer engagement to support delivery of our environmental commitments. Amongst other things we believe that our focus on emissions reduction pre-empt regulation and global events which will increase or even prevent use of fossil fuels.

To add to and improve risk management practices related to climate change, during FY24 the key areas of focus of the Group's Net Zero Delivery Group, working with Operations, Risk and Compliance and other relevant stakeholders, will be:

- **Metrics assessing the financial impact of climate change:** consider the appropriateness of tracking specific financial metrics.
- **Integrating climate risk into the Framework:** While we have had a dedicated risk register on climate risks as part of the Framework for some time, we intend to further enhance and expand the register, with more stakeholder engagement and a greater focus on ownership and accountability.
- **Analysing the resilience of the business model:** as explained above and below, our qualitative assessment is that the Group's business model is resilient to climate change. We will complete a more detailed Group wide analysis in anticipation of FY24 annual report.

REPORT TO THE MEMBERS

2. Governance (contd.)

We recognise that by implementing these recommendations, the Group will strengthen its risk management practices related to climate change. This will enhance understanding, accountability and decision-making processes, while demonstrating a proactive approach towards addressing climate-related risks.

EcoVadis offers third-party support and validation of the Group's transition efforts

The Group has partnered with EcoVadis to help monitor the sustainability performance of the Group and its suppliers against a globally recognised methodology aligned to the UN Global Compact, International Labour Organisation, Global Reporting Initiative and ISO26000. The monitoring through EcoVadis, which requires the Group and its suppliers to provide evidence to support review and assessment, validates the progress that the Group is making year-on-year. The output of the sustainability assessment includes a 'corrective action plan', which enabled the prioritisation of actions during the year ending 30 April 2023 to support continuous improvement efforts.

The Group has used the outputs of the reviews to inform discussions with suppliers, as well as provide transparency around steps that include but are not limited to more detailed reporting on the Group's Responsible Business website. Supply chain engagement is crucial to the Group achieving its Environmental, Social and Governance commitments, acknowledging that 66% of our scope 3 emissions reside with our purchased goods and services category.

The partnership with EcoVadis allows the Group to work alongside suppliers to help supplier to reduce their negative environmental and social impacts, whilst allowing us to fulfil our long-term ambition of becoming net zero.

Some core initiatives include:

- Setting near-term science-based targets for 2030 as a key element to our longer-term commitment to reach net-zero global emissions by 2050 at the latest.
- Creating highly sustainable workplaces, with recent examples including our Perth, Sydney, Singapore and Dubai offices.
- Co-Founding the Net Zero Lawyers Alliance, in a venture that brings together the legal industry to make collaborative efforts towards, and share best practice on, the transition.
- Driving sustainable change through our Cornerstone Initiative, which aims to improve wellbeing in the poorest communities in Kigali, Rwanda.

In 2022, EcoVadis recognised Clifford Chance with a Gold Medal status, placing Clifford Chance in the top 5% of all businesses assessed by EcoVadis and the top 2% of those Groups assessed within the legal and accounting services sector.

3. Strategy

Climate change-related risks

As described in section 4 below, the Group's risk identification process identified climate change as an emerging business risk in 2021. Emerging risks are tracked and reviewed regularly by the central risk team and discussed with the ELG and the Audit & Risk Committee. Until now, on review, it has not been considered a material financial risk to the business. As such, it will continue to be monitored and reviewed as described in this disclosure both as part of the emerging risks and separately in its own right as part of the regular review of the Climate risk register. In any event, there are reputational risks that might arise from a failure to achieve the Group's own emissions reduction targets or non-compliance with our policies, which the Group is focussed on avoiding through the mechanisms that this disclosure explains.

Climate change related opportunities

Advisory services related to climate change and the energy transition

As described above, the Group has a Global ESG Board and has also launched an Energy Transition Initiative that focuses on legal advice for areas including renewable energy, carbon capture and storage, clean hydrogen, energy storage, EV charging, transmission and interconnection, carbon trading and investment and new nuclear. The Group regularly advises clients on climate change regulation, the Just Transition and Transition Planning and sustainable finance. These initiatives form part of the Group's strategy to ensure the Group is well positioned to serve clients in relation to climate change. The Group does not, however, treat climate change as a separate profit centre, and does not separately monitor revenue from climate related work.

REPORT TO THE MEMBERS

3. Strategy (contd.)

Partnering

We believe that it is important that Clifford Chance, as a leading law firm, shows leadership in relation to climate change, but that such leadership is also important for our credibility with clients in relation to climate-related work. The two climate change-related initiatives below are key examples of this.

- Clifford Chance is a founder member of the Net Zero Lawyers Alliance (NZLA) and the Legal Sector Task Force within the Sustainable Markets Initiative (SMI).
- The NZLA commits to support the goal of Net Zero greenhouse gas (GHG) emissions by 2050 or sooner, in line with global efforts to limit warming to 1.5°C (Net Zero).
- The SMI was launched by King Charles III in his former role as His Royal Highness The Prince of Wales at The World Economic Forum in January 2020 to mobilise business and finance leaders to accelerate the transition to a net-zero world. The SMI has formed industry-specific, CEO-level Task Forces to drive positive change to protect people and planet from the threats of climate change, including supporting nature's biodiversity. The Group agreed to be a founding member of the Sustainable Markets Initiative Legal Task Force (LTF). The Group's Senior Partner represents the Group as a member of the LTF.

Also relevant to the Group's reputation is the Group's community and pro bono work, which include and target climate change-focused initiatives. For instance, the Clifford Chance Foundation has provided grant funding of £300,000 to support Save the Children's engagement with the United Nations Green Climate Fund and, specifically, the development of its application for funding of over US\$ 20 million to build the resilience in particular of women and children in the face of climate change across five coastal districts of Sierra Leone.

Climate change-related training and trends

We invest significant time in research, internal training, client training, seminars and written briefings focussed on the energy transition and associated areas such as carbon trading. The process of running events and drafting and publishing reports and briefings on climate change issues, trends and regulatory developments supports and enhances the Group's knowhow and awareness of these topics, and so our ability to win and execute client mandates.

4. Risk management

As part of the firm's ERM process the central team carries out a formal horizon scanning exercise where internal stakeholders, subject matter experts and the Group's leadership are engaged to identify key risks relevant to our business. This includes use of internal surveys, workshops and research conducted by the risk team based on external publications and reliable sources. Climate change was identified as an emerging risk as part of this process and a risk register dedicated to Climate-related risks was developed in 2021 which identified physical and transition risks in broad terms, together with controls and mitigations.

As part of the Group's reporting structure, all emerging risks are reported to the Audit and Risk Committee and the Executive Leadership Group periodically. Climate change was discussed as an emerging risk with the Audit Risk Committee in September 2021, the conclusion of which was that the risks identified were not financially material to the Group's business as a law firm.

Some climate related risks are identified and assessed through our business continuity management processes. Operational resilience and business continuity is a standing item on the agenda of the Group's Operations and Business Transformation Committee, co-chaired by members of the EUG.

Climate change risk will continue to be monitored as part of the Group's ERM process.

Whilst the Group's ability to meet and progress towards its climate change commitments does not currently represent a material financial risk, it represents a risk to our reputation and therefore our progress requires to be monitored. Our progress towards the Group's near term science-based targets for 2030 as a key element to our longer term commitment to reach net-zero global emissions by 2050 at the latest are detailed in the objectives and metrics below.

CLIFFORD CHANCE LLP
Financial Statements for the year ended 30 April 2023

REPORT TO THE MEMBERS

5. Metrics and targets

Climate change related risks

The Group does not currently have detailed financial-related metrics for climate change risks and as described above will consider whether such metrics could be developed and what they would measure during FY24

Climate change-related opportunities

We consider trends and themes that we anticipate seeing in the medium term and ensure that our teams are developing skillsets in the high-end areas of climate change-related legal expertise that our clients require and that we expect to continue to grow. We do not currently track what percentage of the Group's revenue stems from climate change-related services. We are however increasingly offering climate change-related legal services (see above). The Group will explore whether it can track and report the revenue generated by this work in the Group's annual report for the year ended 30 April 2024.

Table 2. A review of our GHG emissions FY23 v FY20

Category	Emissions (tCO2e) FY23	Emissions (tCO2e) FY20 (validated by SBTi in FY22)	% change (+ / -) FY20 to FY23
1 Direct Emissions	739.00	1,304.00	-43%
2 Indirect Emissions (Location-Based)	7,541.39	8,602.00	-12%
2 Indirect Emissions (Market- Based)	3,154.07	3,869.00	-18%
1 + 2 (Location-Based)	8,280.39	9,906.00	-16%
1 + 2 (Market-Based)	3,893.07	5,173.00	-25%
3 Other Indirect Emissions	94,958.04	126,521.36	-25%
1 + 2 (Location-Based) + 3	103,238.43	136,427.36	-24%
1 + 2 (Market-Based) + 3	98,851.11	131,694.36	-25%

Supply Chain (Scope 3)

Our sustainable procurement programme for the reporting period has focused on measuring the sustainability and carbon performance of our key suppliers, which has seen a 16% reduction in our purchased goods and services category emissions against an FY20 baseline. For the year ending 30 April 2023 we have been able to use supplier specific emissions factors to help reduce our reported emissions, however, we have also noted a heavy reliance on spend data still where supplier emissions have not been provided.

To support effective decarbonisation of our supply chain, we are seeking to expand our engagement with our suppliers as part of our programme to support suppliers to take positive steps towards measuring their carbon reduction and setting science-based targets, including providing metrics through EcoVadis. The monitoring through EcoVadis provides, through validation the practical steps that our suppliers are taking to minimise their environmental impact. It also provides visibility of low environment scores and supports corrective action planning and consultation with suppliers to support direct and indirect GHG emissions reduction.

REPORT TO THE MEMBERS

5. Metrics and targets (contd.)

Supply Chain (Scope 3) (contd.)

The percentage make-up of our purchased goods and services category within scope 3 has increased in the year ending 30 April 2023 from 59.5% to 66% even though we've been able to reduce our overall supply chain emissions for the reporting period by 16%. This has demonstrated a greater reliance on third parties by the Group. Whilst there are benefits of use of third parties, we know that reliance on them can expose the Group to the risk of our suppliers' management and infrastructure. It increases the complexity of risk management, as it is inherently difficult to understand the processes, procedures and inner workings of our suppliers and can introduce the types of risk to which the Group may not have previously been exposed. This includes, but is not limited to, concentration risk, location risk, legal and / or jurisdiction risk, noting that the supplier may be operating in high-risk countries. Through our sustainable procurement and supplier management programmes, we're focused on enhancing our supplier risk management approach and in FY24, as part of the procurement of new tools, focused on country, industry and country risk assessment, we're hoping to review global or regional economic disruption arising from the impact on sectors with supply chains that are heavily concentrated in areas of high physical risk.

As part of our commitment we have set a goal that our top 50 purchased goods and services suppliers (by emissions) set 1.5 degree aligned science-based targets to reduce their own climate impact and will achieve a 50% reduction by 2030. We acknowledge that this requires regular engagement with our suppliers through our sustainable procurement programme and have prioritised targeted action to support data capture in EcoVadis. Moving away from data capture using spend data to actual emissions data will also help to support more accurate data capture and minimise any reputational damage through us not achieving our targets.

Lower travel as a result of the Pandemic, has led to a 79% reduction in Business Travel against the FY20 baseline. This is not sustainable in the longer term and we will plan to implement a "Responsible Travel" campaign to ensure compliance with travel policies and communicate the impact of our environmental targets.

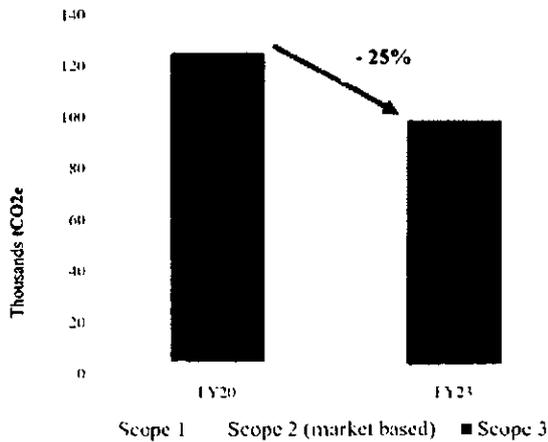
Table 3. Our business travel and supplier management targets

Overall Target	Business Travel Goals	Supplier Management Goals	Impact
Our annual commitment for Scope 3 from FY20 reduces by 47% by 2030	<ul style="list-style-type: none"> - 40% reduction in international flights and long-haul flights by 2030 - Flight emission factors to be reduced by 8% by 2030 - Reduce emissions from taxis by 25% by 2030 	<ul style="list-style-type: none"> - Top 50 suppliers with set a 1.5 degree aligned SBT and will achieve a 50% reduction by 2030 Next level down – next 50 suppliers with high submissions will be invited to Sustainable Procurement Programme with a 30% reduction by 2030 	<ul style="list-style-type: none"> - Aligned to 1.5C (which is key for a Net Zero pathway) - Remaining emissions in 2030: 74,771 tCO2e

REPORT TO THE MEMBERS

5. Metrics and targets (contd.)

Chart 1. FY20 to FY23 - change in total emissions (market based)



Based on IEA data from the IEA (2022) Emissions factors. All rights reserved, as modified by Clifford Chance LLP.

Table 4. Progress versus 30 April 2023 climate change-related targets set by the RB Board and approved by the ELG

Target	Key Performance Indicator	Performance
To reduce the Group's absolute GHG emissions from our FY20 baseline to achieve our near-term targets (80% reduction for scope 1 and 2 and 47% reduction for scope 3) by 2030. Scope 1 & 2 emissions reduced by 7.3% (year on year average). Scope 3 emissions reduced by 4.2% (year on year average)	Near-term 2030 science-based target implementation plan created and communicated across the Group • Science based targets reviewed to ensure all relevant emission sources are being measured • Total emissions generated in tCO ₂ e - Scope 1 - tCO ₂ e - Scope 2 - tCO ₂ e - Scope 3 - tCO ₂ e	See separate table above
To support the work of environmental NGOs through pro bono assistance and grants from the Clifford Chance Foundation	Percentage number and amount of our pro bono and community outreach mandates, and Clifford Chance Foundation grants that contribute to the achievement of the Sustainable Development Goals relating to the environment	Opened 19 environment related pro bono mandates We have long-term relationships with 12 pro bono and community partners. There are 17 projects within these relationships with an environmental focus
To participate in recognised external forums to inform and support our near-term 2030 science-based target commitment	Number of external forums attended	7 x forums (Net Zero Lawyers Alliance, Sustainable Markets Initiative, CIPS Procurement Futures, Legal Foresight Summit, Moving Beyond, EcoVadis Sustain, Legal Sustainability Alliance)

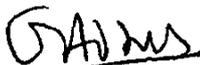
REPORT TO THE MEMBERS

5. Metrics and targets (contd.)

Table 4. Progress versus 30 April 2023 climate change-related targets set by the RB Board and approved by the ELG (contd.)

Target	Key Performance Indicator	Performance
To raise internal and external awareness and involvement in our environmental and energy policies to support the delivery of our near-term 2030 science-based target commitment	Percentage of employed engaged and/or trained • No. of Campaigns	We have progressed training for our sustainable procurement programme and have a plan in place to support training / upskill for our Sourcing team and Contract Managers / Owners 5 x cohorts (50 participants) have been run for our SRM Learning Programme, which includes, but is not limited to, sustainability 2 (World Environment Day and Earth Hour)
To leverage our Sustainable Procurement Programme to understand our suppliers' indirect and direct GHG emissions and to use the outputs from independent verification and analysis to report and reduce our scope 3 emissions and in collaboration with our supply chain, fulfil our near-term 2030 science-based target commitment	<ul style="list-style-type: none"> • % Key suppliers taking action on energy consumption & GHGs • % Key suppliers that have waste management procedures in place • % Key suppliers reporting on energy consumption & GHGs • % Key suppliers signed up to Science Based Targets Initiative • % Key suppliers that have acknowledged our Supplier Code • No. of Suppliers Engaged (Global) • Total emissions generated' in tCO2e: - Scope 1 - tCO2e Scope 2 - tCO2e Scope 3 - tCO2e 	<ul style="list-style-type: none"> 83% of our key suppliers are taking action on energy consumption & GHGs 83% of our key suppliers have waste management procedures in place 67% of our key suppliers are reporting on energy consumption & GHGs. 45% of our key suppliers have signed up to Science Based Targets Initiative 100 % of our key suppliers have acknowledged our Supplier Code 66 of our key suppliers have been rated through EcoVadis so far, with 27 assessments in progress. See separate table above

Report to the members, the streamlined energy and carbon report and task force on climate-related financial disclosures are signed on behalf of the Executive Leadership Group by


Charles Adams
Managing Partner
13 July 2023


Patrick Glydon
Chief Financial Officer
13 July 2023

Independent auditors' report to the members of Clifford Chance LLP

Report on the audit of the financial statements

Opinion

In our opinion Clifford Chance LLP's group financial statements and LLP financial statements (the "financial statements"):

- give a true and fair view of the state of the group's and of the LLP's affairs as at 30 April 2023 and of the group's profit and the group's and LLP's cash flows for the year then ended;
- have been properly prepared in accordance with UK-adopted international accounting standards as applied in accordance with the provisions of the Companies Act 2006; and
- have been prepared in accordance with the requirements of the Companies Act 2006 as applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008.

We have audited the financial statements, included within the Financial Statements (the "Annual Report"), which comprise consolidated and limited liability partnership balance sheets as at 30 April 2023, consolidated income statement, consolidated statement of comprehensive income, consolidated and limited liability partnership statements of changes in equity and consolidated and limited liability partnership cash flow statements for the year then ended, and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethics Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and the LLP's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the group's and the LLP's ability to continue as a going concern.

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

Independent auditors' report to the members of Clifford Chance LLP (continued)

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The members are responsible for the other information. Our opinion on the financial statements does not cover the other information and accordingly, we do not express an audit opinion or any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

Responsibilities for the financial statements and the audit

Responsibilities of the members for the financial statements

As explained more fully in the Statement of members' responsibilities in respect of the financial statements, the members are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The members are also responsible for such internal control as they 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 group's and the LLP'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 group or the LLP or to cease operations or have no realistic alternative but to do so.

Auditors' 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 auditors' 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 SAs (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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the group and industry, we identified that the principal risks of non-compliance with laws and regulations related to Solicitors Regulation Authority regulation, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006 as applied to limited liability partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting of inappropriate journal entries to manipulate accounting records, overriding relevant controls to prepare incorrect financial information and management bias in accounting estimates. Audit procedures performed by the engagement team included:

- Evaluation of the design of management's controls designed to prevent and detect irregularities,
- Review of all internal audit reports issued to the Audit and Risk Committee which highlighted any issues with respect to potential fraud,
- Discussion with management, the Chief Risk and Compliance Officer and the Head of Legal, including consideration of known or suspected instances of non-compliance with law and regulations and fraud,

Independent auditors' report to the members of Clifford Chance LLP (continued)

Auditors' responsibilities for the audit of the financial statements (continued)

- Challenge of assumptions and judgements made by management in respect of significant accounting estimates; and
- Testing unusual or unexpected journal entries, particularly those impacting revenue.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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

Use of this report

This report, including the opinions, has been prepared for and only for the members of the partnership as a body in accordance with the Companies Act 2006 as applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 as applicable to limited liability partnerships we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.



Gilly Lord (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

July 2023

14

CLIFFORD CHANCE LLP
Financial Statements for the year ended 30 April 2023

CONSOLIDATED INCOME STATEMENT

Year ended 30 April	Note	2023 £m	2022 £m <i>(restated)*</i>
Revenue	4	2,062	1,969
Other operating income		3	3
Operating costs			
Staff and related costs	5	(964)	(869)
Other operating costs		(273)	(268)
Net impairment losses on financial assets	26	(14)	(20)
Operating profit		814	815
Finance income		3	3
Finance costs		(24)	(21)
Finance costs - net	8	(21)	(18)
PROFIT BEFORE TAX AND MEMBERS' REMUNERATION AND PROFIT SHARE		793	797
Members' remuneration charged as an expense	9	(20)	(18)
PROFIT BEFORE TAX AVAILABLE FOR PROFIT SHARE AMONG MEMBERS	6	773	779
Income tax expense	10	(31)	(40)
PROFIT FOR THE FINANCIAL YEAR AVAILABLE FOR PROFIT SHARE AMONG MEMBERS		742	739

The results derive from continuing operations

* Refer note 28 for restatement of previous year financial statements for reasons explained in that note

CLIFFORD CHANCE LLP
Financial Statements for the year ended 30 April 2023

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 30 April	Note	2023 £m	2022 £m <i>(restated)*</i>
PROFIT FOR THE FINANCIAL YEAR AVAILABLE FOR PROFIT SHARE AMONG MEMBERS		<u>742</u>	<u>739</u>
<i>Items that will not be reclassified subsequently to the Consolidated Income Statement</i>			
Actuarial gain on defined benefit pension scheme	21	17	125
Deferred tax charge relating to items not reclassified	10	-	(51)
<i>Items that may be reclassified subsequently to the Consolidated Income Statement</i>			
Net foreign exchange differences recognised within reserves	24	<u>34</u>	<u>49</u>
Other comprehensive income for the year net of tax		<u>51</u>	<u>123</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u><u>793</u></u>	<u><u>862</u></u>

* Refer note 28 for restatement of previous year financial statements for reasons explained in that note

CLIFFORD CHANCE LLP
Financial Statements for the year ended 30 April 2023

CONSOLIDATED BALANCE SHEET

As at 30 April	Note	2023 £m	2022 £m <i>(restated)*</i>	As at 1 May 2021 £m <i>(restated)*</i>
ASSETS				
Property, plant and equipment	13	73	65	72
Right-of-use assets	27	453	329	311
Finance lease receivable - non-current	27	70	98	120
Deferred tax asset	10	1	1	51
Total Non-Current Assets		597	493	554
Accrued income	26	376	369	305
Trade and other receivables	15	601	520	457
Finance lease receivable - current	27	24	24	23
Amounts due from members	16	87	81	88
Cash and cash equivalents	17	232	378	370
Total Current Assets		1,320	1,372	1,243
TOTAL ASSETS		1,917	1,865	1,797
LIABILITIES				
Trade and other payables	18	506	492	457
Employee benefit obligations	20, 21, 22	18	21	21
Provisions	20	-	1	2
Lease liability - current	27	91	94	87
Members' capital - current	23	28	31	31
Total Current Liabilities		643	639	598
Employee benefit obligations	20, 21, 22	207	266	429
Provisions	20	39	54	28
Lease liability - non-current	27	545	461	475
Members' capital - non-current	23	86	111	126
Total Non-Current Liabilities		877	892	1,058
TOTAL LIABILITIES		1,520	1,531	1,656
TOTAL EQUITY		397	334	141
Total Liabilities Excluding Members' Interests Classified As Liabilities		1,358	1,324	1,425
Net Assets Of Members Excluding Members' Interests Classified As Liabilities	24	559	541	372

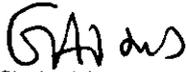
CLIFFORD CHANCE LLP
Financial Statements for the year ended 30 April 2023

CONSOLIDATED BALANCE SHEET

As at 30 April	Note	2023 £m	2022 £m <i>(restated)*</i>	As at 1 May 2021 £m <i>(restated)*</i>
REPRESENTED BY :				
Provision for annuities due to current members	20,22	48	65	74
Members' capital - current	23	28	31	31
Members' capital - non-current	23	<u>86</u>	<u>111</u>	<u>126</u>
Members' interests classified as liabilities		162	207	231
Reserves		<u>397</u>	<u>334</u>	<u>141</u>
		<u>559</u>	<u>541</u>	<u>372</u>
Total members' interests:				
Amounts due from members	16	(87)	(81)	(88)
Provision for annuities due to current members	20,22	48	65	74
Members' capital - current	23	28	31	31
Members' capital - non-current	23	86	111	126
Reserves		<u>397</u>	<u>334</u>	<u>141</u>
		<u>472</u>	<u>460</u>	<u>284</u>

* Refer note 28 for restatement of previous year financial statements for reasons explained in that note

The financial statements on pages 19 to 69 have been approved by the members and were signed on **13** July 2023 by Charles Adams, designated member



Charles Adams
Clifford Chance LLP

CLIFFORD CHANCE LLP
Financial Statements for the year ended 30 April 2023

LIMITED LIABILITY PARTNERSHIP BALANCE SHEET

As at 30 April	Note	2023 £m	2022 £m <i>(restated)*</i>	As at 1 May 2021 £m <i>(restated)*</i>
ASSETS				
Investments	12	225	225	5
Property, plant and equipment	14	14	12	9
Right-of-use assets	27	122	125	120
Finance lease receivable - non-current	27	69	91	107
Total Non-Current Assets		430	453	241
Accrued income	26	162	163	136
Trade and other receivables	15	660	529	478
Finance lease receivable - current	27	17	17	17
Cash and cash equivalents	17	96	138	136
Total Current Assets		935	847	767
TOTAL ASSETS		1,365	1,300	1,008
LIABILITIES				
Trade and other payables	18	592	592	592
Amounts due to members	16	35	36	7
Employee benefit obligations	20, 21, 22	15	19	18
Provisions	20	-	1	2
Lease liability - current	27	46	45	44
Members' capital - current	23	28	31	31
Total Current Liabilities		716	724	694
Employee benefit obligations	20, 21, 22	193	248	138
Provisions	20	28	44	17
Lease liability - non-current	27	220	259	276
Members' capital - non-current	23	86	111	126
Total Non-Current Liabilities		527	662	557
TOTAL LIABILITIES		1,243	1,386	1,251
TOTAL EQUITY		122	(86)	(243)
Total Liabilities Excluding Certain Members' Interests Classified As Liabilities*		1,087	1,188	1,029
Net Assets/(Liabilities) Of Members Excluding Certain Members' Interests Classified As Liabilities	24	278	112	(21)

CLIFFORD CHANCE LLP
Financial Statements for the year ended 30 April 2023

LIMITED LIABILITY PARTNERSHIP BALANCE SHEET

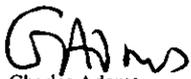
As at 30 April	Note	2023	2022	As at 1 May 2021
		£m	£m	£m
			<i>(restated)*</i>	<i>(restated)*</i>
REPRESENTED BY :				
Provision for annuities due to current members	20,22	42	56	65
Members' capital - current	23	28	31	31
Members' capital - non-current	23	86	111	126
Members' interests classified as liabilities		<u>156</u>	<u>198</u>	<u>222</u>
Reserves		<u>122</u>	<u>(86)</u>	<u>(243)</u>
		<u>278</u>	<u>112</u>	<u>(21)</u>
Total members' interests:				
Amounts due to members (not capital in nature) [#]	16	35	36	7
Provision for annuities due to current members	20,22	42	56	65
Members' capital - current	23	28	31	31
Members' capital non-current	23	86	111	126
Reserves		<u>122</u>	<u>(86)</u>	<u>(243)</u>
		<u>313</u>	<u>148</u>	<u>(14)</u>

As permitted by Section 408 of the Companies Act 2006, the LLP has not presented its own income statement. A profit of £648m (2022: £377m (restated)) is included within the financial statements of the LLP.

* Refer note 28 for restatement of previous year financial statements for reasons explained in that note

In presenting the Limited Liability Partnership Balance Sheet, total liabilities are also presented excluding those members' interests which as per accounting standards are classified as liability but which we regard as capital in nature

The financial statements on pages 19 to 69 have been approved by the members and were signed on 13 July 2023 by Charles Adams, designated member


Charles Adams
Clifford Chance LLP

CLIFFORD CHANCE LLP
Financial Statements for the year ended 30 April 2023

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Foreign Exchange Reserves £m (restated)	Other Reserves £m (restated)	Total Reserves Equity £m (restated)	Provision for Annuities classified as liabilities £m	Members' Capital classified as liabilities £m	Members' Capital & Reserves £m
Balance as at 1 May 2021	35	106	141	74	157	372
Restatement adjustment (note 28)	8	(8)	-	-	-	-
Balance as at 1 May 2021 (restated)	43	98	141	74	157	372
Profit for the financial year available for profit share among members*	-	739	739	-	-	739
Other comprehensive income for the year*	49	74	123	-	-	123
Total comprehensive income for the year	49	813	862	-	-	862
Profit distributions and related tax	-	(669)	(669)	-	-	(669)
Change in provision for annuities	-	-	-	(9)	-	(9)
Change in members' capital (note 23)	-	-	-	-	(15)	(15)
Balance as at 30 April 2022	92	242	334	65	142	541
Profit for the financial year available for profit share among members	-	742	742	-	-	742
Other comprehensive income for the year	34	17	51	-	-	51
Total comprehensive income for the year	34	759	793	-	-	793
Profit distributions and related tax	-	(730)	(730)	-	-	(730)
Change in provision for annuities	-	-	-	(17)	-	(17)
Change in members' capital (note 23)	-	-	-	-	(28)	(28)
Balance as at 30 April 2023	126	271	397	48	114	559

* See note 28 for details on the restatement

CLIFFORD CHANCE LLP
Financial Statements for the year ended 30 April 2023

LIMITED LIABILITY PARTNERSHIP STATEMENT OF CHANGES IN EQUITY

	Foreign Exchange Reserves	Other Reserves	Total Reserves Equity	Provision for Annuities classified as liabilities	Members' Capital classified as liabilities	Members' Capital & Reserves
	£m	£m <i>(restated)</i>	£m <i>(restated)</i>	£m	£m	£m <i>(restated)</i>
Balance as at 1 May 2021	26	(387)	(361)	65	157	(139)
Restatement adjustment (note 28)	3	115	118	-	-	118
Balance as at 1 May 2021 (restated)	29	(272)	(243)	65	157	(21)
Profit for the financial year available for profit share among members*	-	377	377	-	-	377
Other comprehensive income for the year*	17	78	95	-	-	95
Total comprehensive income for the year	17	455	472	-	-	472
Profit distributions and related tax*	-	(315)	(315)	-	-	(315)
Change in provision for annuities	-	-	-	(9)	-	(9)
Change in members' capital (note 23)	-	-	-	-	(15)	(15)
Balance as at 30 April 2022	46	(132)	(86)	56	142	112
Profit for the financial year available for profit share among members	-	648	648	-	-	648
Other comprehensive income for the year	13	17	30	-	-	30
Total comprehensive income for the year	13	665	678	-	-	678
Profit distributions and related tax	-	(470)	(470)	-	-	(470)
Change in provision for annuities	-	-	-	(14)	-	(14)
Change in members' capital (note 23)	-	-	-	-	(28)	(28)
Balance as at 30 April 2023	59	63	122	42	114	278

* See note 28 for details on the restatement.

CLIFFORD CHANCE LLP
Financial Statements for the year ended 30 April 2023

CONSOLIDATED CASH FLOW STATEMENT

Year ended 30 April	Note	2023 £m	2022 £m <i>(restated)</i>
Cash flows from operating activities:			
Profit before tax and members' remuneration and profit share		793	797
Interest paid	8	24	19
Interest received	8	(3)	(3)
Depreciation	13, 27	84	78
Contributions to defined benefit pension scheme	21	(24)	(22)
Amounts credited for annuity obligations	22	(10)	(5)
Annuities paid to former partners	22	(21)	(20)
(Decrease)/increase in property and other provisions		(12)	13
Remuneration to members	9	(19)	(16)
Operating cashflow before movements in working capital		812	841
Increase in accrued income		(4)	(56)
Increase in receivables		(75)	(56)
Increase in payables		6	26
Cash generated from operations		739	755
Income taxes paid		(33)	(22)
NET CASH GENERATED FROM OPERATING ACTIVITIES		706	733
Cash flows from investing activities:			
Purchase of property, plant and equipment	13	(29)	(15)
Proceeds from sublease	27	26	26
NET CASH (USED)/GENERATED FROM INVESTING ACTIVITIES		(3)	11
Cash flows from financing activities:			
Drawings and distributions to members		(708)	(632)
Repayment of lease liabilities (including interest paid £14m (2022: £12m))	27	(117)	(101)
Capital net repayments to members	23	(28)	(15)
NET CASH OUTFLOW FROM FINANCING ACTIVITIES		(853)	(748)
NET DECREASE IN CASH AND CASH EQUIVALENTS		(150)	(4)
Cash and cash equivalents at beginning of year		378	370
Effects of foreign exchange rate changes		4	12
CASH AND CASH EQUIVALENTS AT END OF YEAR	17	232	378

Reconciliation of liabilities arising from financing activities:

	2023	2022
	Members Capital	Members Capital
	£m	£m
Opening	142	157
Financing cash flows	-	-
Capital transferred	(28)	(15)
Closing	114	142

Lease Liabilities	Net		Financing cash flows	Financing charge	Translation difference	Closing
	Opening	Additions				
	£m	£m	£m	£m	£m	£m
For the year ended 30 April 2023	555	178	(117)	14	6	636
For the year ended 30 April 2022	562	75	(101)	12	7	555

CLIFFORD CHANCE LLP
Financial Statements for the year ended 30 April 2023

LIMITED LIABILITY PARTNERSHIP CASH FLOW STATEMENT

Year ended 30 April	Note	2023 £m	2022 £m <i>(restated)</i>
Cash flows from operating activities:			
Profit before tax and members' remuneration and profit share		651	404
Interest paid		16	10
Interest received		(2)	(3)
Depreciation	14, 21	25	24
Contributions to defined benefit pension scheme	21	(24)	(15)
Amounts credited for annuity obligations		(10)	(3)
Annuities paid to former partners	22	(18)	(18)
(Decrease)/increase in property and other provisions		(13)	14
Dividend income*		(158)	-
Impairment of financial assets		1	2
Operating cashflow before movements in working capital		468	415
Decrease/(increase) in accrued income		1	(29)
Decrease/(increase) in receivables		(129)	(53)
Increase/(decrease) in payables		149	(1)
Cash generated from operations		489	332
Income taxes paid		(9)	(10)
NET CASH GENERATED FROM OPERATING ACTIVITIES		480	322
Cash flows from investing activities:			
Purchase of property, plant and equipment	14	(6)	(8)
Proceeds from sublease		20	18
Dividend received*		10	-
NET CASH GENERATED FROM INVESTING		24	10
Cash flows from financing activities:			
Drawings and distributions to members		(459)	(267)
Repayment of lease liabilities (including interest paid £7m (2022: £6m))		(59)	(49)
Capital net repayments to members	23	(28)	(15)
NET CASH OUTFLOW FROM FINANCING ACTIVITIES		(546)	(331)
NET (DECREASE)/ INCREASE IN CASH AND CASH		(42)	1
Cash and cash equivalents at beginning of year		138	136
Effects of foreign exchange rate changes		-	1
CASH AND CASH EQUIVALENTS AT END OF YEAR	17	96	138
Reconciliation of liabilities arising from financing activities:			
		2023	2022
		Members	Members
		Capital	Capital
		£m	£m
Opening		142	157
Financing cash flows		-	-
Capital transferred		(28)	(15)
Closing		114	142
Lease Liabilities		Opening	Closing
		£m	£m
For the year ended 30 April 2023		304	266
	Net	Additions	-
		£m	-
	Financing	cash flows	-
		£m	-
	Financing	charge	-
		£m	-
	Translation	difference	-
		£m	-
For the year ended 30 April 2022		320	304

*Clifford Chance LLP received dividend income of £158m during the year (2022: £nil), of which £10m was received in cash and the remaining £148m was offset against an intra-group payable balance

CLIFFORD CHANCE LLP
Financial Statements for the year ended 30 April 2023

NOTES TO THE FINANCIAL STATEMENTS

1 General

Clifford Chance LLP is a limited liability partnership registered in England and Wales and with offices in principal business centres worldwide. Clifford Chance LLP is the ultimate parent of the Clifford Chance Group.

2 Significant accounting policies

a) Basis of preparation

These financial statements present the consolidated and standalone results of Clifford Chance LLP and its subsidiary entities for the year ended 30 April 2023.

The consolidated and standalone financial statements of Clifford Chance LLP have been prepared in accordance with UK adopted international accounting standards in conformity with the requirements of the Companies Act 2006 as applicable to Limited Liability Partnerships reporting under those standards.

The Group has applied the following amendments for the first time for their annual reporting period commencing 1 May 2022:

- Property, Plant and Equipment - Proceeds before Intended Use - Amendments to IAS 16
- Onerous contracts - Cost of fulfilling a Contract - Amendments to IAS 37
- Annual Improvements to IFRS Standards 2018-2020, and
- Reference to the Conceptual Framework - Amendments to IFRS 3

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

Certain new accounting standards and interpretations have been published that are not mandatory for 30 April 2023 reporting periods and have not been early adopted by the Group. We are in process of assessing the impact of the implementation of IFRS 17 on our accounting for annuities due to members. No other accounting standards are expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

Refer to note 28 for restatement of previous year financial statements for reasons explained in that note.

b) Basis of consolidation

The consolidated financial statements incorporate the financial statements of Clifford Chance LLP and its subsidiary entities. Subsidiary entities are those entities controlled by Clifford Chance LLP, which may be partnerships, limited liability partnerships or separate corporate entities. Control exists when Clifford Chance LLP is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. The financial statements of subsidiary entities are included in the consolidated financial statements from the date that control commences until the date that control ceases. As permitted under section 408 of the Companies Act 2006, no separate income statement is presented for Clifford Chance LLP.

Intra-group balances and transactions are eliminated in the consolidated financial statements.

CLIFFORD CHANCE LLP
Financial Statements for the year ended 30 April 2023

2 Significant accounting policies (continued)

c) Revenue

Revenue represents amounts chargeable to clients for professional services provided, excluding external disbursements where the Group acts as an agent and sales tax. The Group is generally paid in arrears for its services. Invoices are typically payable within 30 to 60 days.

The Group provides services to clients under a contract or matter. In most instances, services within a matter are not considered distinct and are therefore accounted for as a single performance obligation. However, where a contract or matter requires services that are capable of being distinct, are distinct in the context of the contract and are accounted for as separate performance obligations, revenue is allocated to each of the performance obligation based on a standalone fee.

Typically performance obligations are satisfied over time as services are provided because the client receives and uses the benefits simultaneously. Revenue for variable time-based contracts, is recognised as the customer is receiving these services. For fixed or capped fee contracts, revenue is recognised based on the proportion of the service performance with an input method used to measure progress for each performance obligation. The input method used is the value of time recorded to date relative to the total value of time expected to be incurred to complete the scope of the matter. The Group has applied the practical expedient of IFRS 15 paragraph 121 to not disclose information about remaining performance obligations as the performance obligations are part of contracts or matters with an original expected duration of one year or less.

Revenue for services which is contingent and dependent on external events (for example the completion of a transaction listing or fund formation), is recognised when the event is highly probable and a significant reversal is unlikely. The revenue constraint is applied until such time as the event has occurred, contingent fees have been confirmed with the client or there remains little uncertainty that the event will occur.

The valuation of accrued income and calculation of revenue is dependent on judging the likely engagement outcome for matters with a contingent fee arrangement.

d) Members' remuneration, drawings and distributions

The partners who are not members of the LLP receive remuneration on an equivalent basis to members. Their remuneration is presented in the consolidated income statement under 'Staff and related costs'. Remuneration which is not profit-related and not discretionary that is paid to certain partners who are members is treated as a charge against profits and is presented in the consolidated income statement under 'Members' remuneration charged as an expense'.

Partners are paid a monthly drawing in advance of the calculation and payment of profit distributions. Such amounts are classified as amounts due from members within current assets. Distributions of profits to members are recognised within equity when the distribution occurs.

e) Foreign currency

Transactions in foreign currencies are recorded at the foreign exchange rate ruling on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the foreign exchange rates ruling on that date. Foreign exchange differences arising are recognised in the consolidated income statement. The presentation currency of the Group is Pound Sterling (GBP).

The results of offices, which do not prepare their financial statements in GBP, are translated into GBP at the average rates for the year which approximate to the rates at the date of the transactions. The balance sheets of these offices are translated at the exchange rate ruling on the balance sheet date. Exchange differences arising from the retranslation of opening net assets, together with the difference between the income statement translated at the average and closing exchange rates, and certain exchange differences arising on the distribution of profits to members, are recorded in the foreign exchange reserve.

CLIFFORD CHANCE LLP
Financial Statements for the year ended 30 April 2023

2 Significant accounting policies (continued)

f) Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation and any recognised impairment loss. Depreciation is charged to the income statement on a straight-line basis over the estimated useful lives of the assets. The estimated useful lives are as follows

Household improvements	-	10 - 15 years, or life of lease if shorter
Office and IT equipment		
- Personal computers and small IT assets	-	2 - 5 years
- Other equipment	-	3 - 5 years
Furniture and fittings	-	3 - 10 years

g) Intangible assets

Costs associated with the development of the global accounting and practice management system, including internal costs directly attributable to development were recognised in the financial statements as an intangible asset. The Firm expected to derive economic benefits from the development costs capitalised in this manner over a period of ten years. These intangible assets are now fully amortised.

Software as a Service (SaaS) configuration and customisation costs are expensed as incurred unless they create a separately identifiable asset controlled by the Firm, in which case they are capitalised.

h) Impairment of tangible and intangible assets

At each balance sheet date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such 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 is reduced to its recoverable amount and the impairment loss is recognised as an expense immediately.

i) Pensions

i. Defined contribution plans

Contributions to defined contribution pension plans are recognised as an expense in the income statement as incurred.

ii. Defined benefit scheme

Defined benefit scheme the assets of which are held in separate trustee-administered fund, is funded by payments from the employer, taking account of the recommendations of an independent qualified actuary.

Full actuarial valuations of the principal scheme are carried out every three years and the scheme actuary updates these at each balance sheet date.

Defined benefit schemes are accounted for under IAS 19 (revised) Employee Benefits. The retirement benefits obligation represents the present value of the obligation to provide benefits, less the fair value of the schemes' assets. The financing costs of the schemes are recognised in the consolidated income statement and actuarial gains and losses are recognised in full in the consolidated statement of comprehensive income. Net interest is calculated by applying the discount rate to the net defined pension liability.

CLIFFORD CHANCE LLP
Financial Statements for the year ended 30 April 2023

2 Significant accounting policies (continued)

j) Annuities

The cost of providing annuities to current and retired partners is determined annually by an independent actuary and charged to the income statement over the estimated service lives of the partners

k) Provisions

A provision is recognised in the balance sheet when there is a legal or constructive present obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are determined by discounting, if the effect is material, the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money.

l) Contingent liabilities

Contingent liabilities include possible obligations whose existence will be confirmed by uncertain future events that are not wholly within the control of the entity and obligations that are not recognised because their amount cannot be measured reliably or because settlement is not probable. Where contingent liabilities exist, they are disclosed in the notes to the financial statements. See note 20 for further details

m) Financial instruments

Financial assets and financial liabilities are recognised in the group's balance sheet when the Group becomes a party to the contractual provisions of the instrument

Investments in subsidiaries

Investments in subsidiaries are held at cost less accumulated impairment losses.

Trade and other receivables

Trade and other receivables are measured at cost less any impairment, including an expected credit loss provision

Cash and cash equivalents

Cash and cash equivalents comprise cash in hand or demand deposits and other short-term highly liquid investments

Accrued Income

Accrued income is measured at the selling value of unbilled hours chargeable to clients less any impairment, including an expected credit loss provision.

Trade and other payables

Trade and other payables, including borrowings, are measured at fair value on inception then subsequently at amortised cost

In relation to the impairment of financial assets, IFRS 9 requires an expected credit loss model. The Group applies the simplified approach to measure expected credit losses using a lifetime expected loss allowance for trade receivables and accrued income. In case of investments in subsidiaries, the LLP carries out annual impairment tests to ascertain if the carrying value of such investments are impaired. These tests comprise a comparison between the carrying value of such investments and the net asset value of such subsidiaries. In some instances, the future estimated profit or loss or valuations of subsidiaries are prepared. Valuations for impairment tests are based on established market multiples or risk-adjusted future cash flows over the estimated useful life of the asset, where limited, discounted using appropriate interest rates. The assumptions relating to future cash flows, estimated useful lives and discount rates are based on business forecasts and are therefore, inherently judgemental. Future events could cause the assumptions used in these impairment tests to change with a consequent adverse effect on the future results of the subsidiaries.

CLIFFORD CHANCE LLP
Financial Statements for the year ended 30 April 2023

2 Significant accounting policies (continued)

n) Leases

The Group assesses whether a contract is, or contains a lease at the inception of the contract. A lease conveys the right to direct the use and obtain substantially all of the economic benefits of an identified asset for a period of time in exchange for consideration.

As a lessee

The Group leases buildings for its office space. The leases of office space typically run for a defined period, but may have extension options. Contracts may contain both lease and non-lease components. For property leases the Group has elected to separate lease and non-lease components and allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Lease liabilities include the net present value of the following lease payments:

- fixed payments,
- variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date, and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Group

- uses a relevant corporate bond rate within each specific region, and
- makes an adjustment specific to the lease term and the risk in each region relative to the overall market.

The Group is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset. The Group has no variable lease payments for its property leases other than those linked to an index or a rate.

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, less any lease incentives receivable, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

The practical expedients for short term leases were not adopted for the leases within the Group. The Group also has low value leases that are primarily classified as office equipment and a few motor vehicle leases. The office equipment mostly comprise printers and photocopiers. The Group has not adopted the practical expedient for short term or low value leases and have included all these leases on the balance sheet.

CLIFFORD CHANCE LLP
Financial Statements for the year ended 30 April 2023

2 Significant accounting policies (continued)

n) Leases (continued)

As a lessee (continued)

There are no material termination options included in the property leases across the Group. The Group has included some material extension options for the Singapore & Australian office leases as management is reasonably certain the extension options held by the Group will be exercised. Leases due to expire within 12 months of year end were examined to see if there were any extension options exercisable by lessee that may potentially be exercised. In considering all the facts and circumstances the Group determined that none of these leases expiring in 12 months should include an extended lease term.

As a lessor

The Group also sub-let some of its office buildings, primarily in the UK and the US. The Group determines at each sub-lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease.

When the Group is an intermediate lessor, it accounts for its interest in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset.

o) Income taxation

Income tax payable on partnership profits is the personal liability of individual members in most jurisdictions including the UK. In some locations, income tax payable on partnership profits is the liability of the relevant partnership. There is a separate tax charge in the income statement and a separate tax liability in the balance sheet for such amounts payable by partnerships together with tax payable by the corporate subsidiaries.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements of the Group's corporate subsidiaries and the corresponding tax bases used in the computation of taxable profit and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised in future. The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the balance sheet date in the relevant country. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the intention is to settle the current tax assets and liabilities on a net basis.

Current and deferred tax are recognised in the income statement, except when they relate to items that are recognised in the statement of comprehensive income or directly in statement of changes in equity, in which case, the current and deferred tax are also recognised in the statement of comprehensive income or directly in equity respectively.

CLIFFORD CHANCE LLP
Financial Statements for the year ended 30 April 2023

2 Significant accounting policies (continued)

p) Members' capital

Non-US members are required to give a minimum of not less than six months notice of retirement, whilst US members are not required to give notice. Members' capital which is measured at cost is repayable within six months of retirement. Accordingly, members' capital is required to be classified as a liability, with capital due to US and retiring partners classified as a current liability, and the remaining liability classified as a non-current liability.

q) Critical accounting estimates & judgements and key sources of estimation

The preparation of financial statements in conformity with IFRS 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 under the circumstances. The critical accounting estimates and key sources of estimation applied in these financial statements are set out below. Any significant change in these estimates could have a material effect on the Group's financial position and results of operations within the next year in terms of IAS 1 'Presentation of Financial Statements'.

Actuarial assumptions

The pension liabilities in respect of the principal defined benefit scheme and the provisions for annuity payments to current and retired partners have been independently valued by actuaries based on information provided by Clifford Chance LLP. The assumptions are set out in notes 21 and 22 and have been determined having taken advice from the independent actuaries.

Leases - discount rate

Given the absence of the interest rate implicit in a lease the Group has applied a methodology to determine the lessee's incremental borrowing rate. This rate is determined as being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions. An adjustment is then made specific to the risk factor in each region.

r) Going concern

The applicability of going concern basis is reviewed by the management taking into account the continued availability of sufficient funding for the operations of the Group. The Group's main sources of funding are partners' capital, undistributed profits and borrowing facilities. The current borrowing facilities are described in note 19 and the availability of these facilities is dependent upon continued compliance with the applicable financial covenants. Regular financial forecasts are prepared to monitor the Group's funding requirements and projected compliance with the covenants. Consideration is given to the potential business risks which could affect future compliance and the potential actions which could be taken to mitigate the effect of these risks. The main financial risks to which the Group is exposed are described in note 26.

It is considered that the Group will be able to continue to comply with the applicable covenants for a period of at least twelve months from the date of approval of these financial statements, given the current level of cash at bank and forecasted trading performance.

Accordingly, the going concern basis of accounting has been adopted in preparing these financial statements.

CLIFFORD CHANCE LLP
Financial Statements for the year ended 30 April 2023

2 Significant accounting policies (continued)

s) Related party transactions

Within the Group financial statements, balances between Clifford Chance LLP and its subsidiary entities have been eliminated on consolidation. Total transactions with and year end balances held with other related parties are disclosed in note 25.

Remuneration of the Executive Leadership Group members, who are related parties, is disclosed in note 25

3 Entities included in the consolidation

Clifford Chance LLP practices through overseas branches in Abu Dhabi, Amsterdam, Beijing, Brussels, Dubai and Shanghai. As at 30 April 2023, Clifford Chance LLP also had the following undertakings, all 100% controlled, except as detailed in the section headed "Alliances" below

The principal activity of the entities listed below is the provision of legal services with the exception of those marked below as follows:

- (1) entities which provide services to other Group entities, or
- (2) entities which hold investments in other Group undertakings, or
- (3) entities which are dormant

The UK subsidiaries annotated with an "*" from the following list of subsidiaries are exempt from the Companies Act 2006 requirements relating to the audit of their individual accounts by virtue of Section 479A of the Companies Act 2006 as Clifford Chance LLP has guaranteed the subsidiary companies under Section 479C of the Companies Act 2006.

Name of entity	Country of Operation	Registered address
Clifford Chance	Australia	Level 24 Brookfield Place, 10 Carrington Street Sydney NSW 2000 Australia
Clifford Chance Australia Pty Limited (2)	Australia	Level 24 Brookfield Place, 10 Carrington Street Sydney NSW 2000 Australia
Clifford Chance Australia Services Pty Limited (1)	Australia	Level 24, Brookfield Place, 10 Carrington Street Sydney NSW 2000 Australia
Clifford Chance Australia Nominee Pty Ltd (1)	Australia	Level 24, Brookfield Place, 10 Carrington Street Sydney NSW 2000 Australia
Clifford Chance Ltda	Brazil	Rua Funchal 418 15th Floor, SP 04551-060 São Paulo, Brazil
Clifford Chance Prague LLP*	Czech Republic	10 Upper Bank Street, London, E14 5JJ, UK
Clifford Chance Europe LLP	France	10 Upper Bank Street, London, E14 5JJ, UK,
Clifford Chance SELAFA (1)	France	1, rue d'Astorg, CS 60058, 75377 Paris Cedex 08, France
Clifford Chance Services GmbH (1)	Germany	Kölner Straße 3 a, 65760 Eschborn Germany
Clifford Chance Steuerberatungsgesellschaft mbH (1)	Germany	Junghofstraße 14, 60311 Frankfurt am Main Germany

CLIFFORD CHANCE LLP
Financial Statements for the year ended 30 April 2023

3 Entities included in the consolidation - continued

Name of entity	Country of Operation	Registered address
Clifford Chance Partnerschaft mit beschränkter Berufshaftung (2)	Germany	Junghofstraße 14, 60311 Frankfurt am Main Germany
Clifford Chance Tech GmbH	Germany	Junghofstraße 14, 60311 Frankfurt am Main Germany
Clifford Chance GmbH	Germany	Junghofstraße 14, 60311 Frankfurt am Main Germany
Clifford Chance (2)	Hong Kong	27th Floor, Jardine House, One Connaught Place, Hong Kong
Brecon Limited (1)	Hong Kong	27th Floor, Jardine House, One Connaught Place, Hong Kong
Legibus Secretaries (Hong Kong) Limited (1&2)	Hong Kong	27th Floor, Jardine House, One Connaught Place, Hong Kong
Clifford Chance Limited (3)	Hong Kong	Room A, 30th Floor, Jardine House, One Connaught Place, Hong Kong
Clifford Chance Business Services Private Limited (1)	India	First Floor, Unit No. 3, Ambience Corporate Tower II, Plot No. 3, Ambience Island, NH-8, Sec 26, Gurgaon, Gurgaon, Haryana, 122001
Studio Legale Associato in Associazione con Clifford Chance	Italy	Via Broletto 16, 20121, Milano, Italia
Clifford Chance (Tokyo) LLP	Japan	31 West 52nd Street, New York, NY 10019-6131, USA
Clifford Chance Law Office	Japan	Palace Building, 3rd floor, 1-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo 100-0005, Japan
Clifford Chance (Gaikokuho Kyodo Jigyō)	Japan	Palace Building, 3rd floor, 1-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo 100-0005, Japan
Clifford Chance	Luxembourg	10 Blvd G D Charlotte, B P 1147, L-1011 Luxembourg, Grand-Duché de Luxembourg
Clifford Chance GP (2)	Luxembourg	10 Blvd G D Charlotte, B P 1147, L-1011 Luxembourg, Grand-Duché de Luxembourg
Clifford Chance, Janicka, Kruzewski, Namotkiewicz i Wspólnicy sp. k	Poland	Norway House, ul. Towarska 19, 00-660 Warsaw, Poland
Clifford Chance Badea SRL	Romania	Excelsior Center, 28-30 Academiei Street, Sector 1, Bucharest, 010016, Romania
Clifford Chance CIS Limited*#	Russia	10 Upper Bank Street, London, E14 5JJ, UK
Clifford Chance Pte. Limited	Singapore	Marina Bay Financial Centre, 25th Floor, Tower 3, 12 Marina Boulevard, Singapore
Clifford Chance International LLP*	Singapore / Morocco	10 Upper Bank Street, London, E14 5JJ, UK
Clifford Chance S.L.P.U	Spain	Paseo de la Castellana 110, 28046, Madrid, Spain
Moleglade AB	Sweden	C/O IMF Sweden AB, Vasagatan 38, 111 20, Stockholm, Sweden
Clifford Chance (Thailand) Limited (3)	Thailand	Level 11, Mercury Tower, 540 Pleonchit Road, Lumpini, Pathumwan, Bangkok, 10330, Thailand
Judde Holdings Limited (3)	Thailand	Level 11, Mercury Tower, 540 Pleonchit Road, Lumpini, Pathumwan, Bangkok, 10330, Thailand
Clifford Chance Danışmanlık Hizmetleri Avukatlık Ortaklığı	Turkey	Kanyon Ofis Binası Kat: 10, Büyükdere Cad. No. 185, İstanbul 34394, Turkey
Clifford Chance Danışmanlık Hizmetleri Limited Şirketi (1)	Turkey	Kanyon Ofis Binası Kat: 10, Büyükdere Cad. No. 185, İstanbul 34394, Turkey

CLIFFORD CHANCE LLP
Financial Statements for the year ended 30 April 2023

3 Entities included in the consolidation - continued

Name of entity	Country of Operation	Registered address
Clifford Chance Newcastle Limited (1)*	UK	The Lumen, St James Boulevard, Newcastle Helix, Newcastle Upon Tyne, UK
Clifford Chance No 2 Limited (2)*	UK	10 Upper Bank Street, London, E14 5JJ, UK
Clifford Chance Germany LLP (3)* (formerly Clifford Chance Deutschland LLP)	UK	10 Upper Bank Street, London, E14 5JJ, UK
Clifford Chance Nominees No 2 Limited (1)*	UK	10 Upper Bank Street, London, E14 5JJ, UK
Clifford Chance Pension Trustees Limited (3)	UK	10 Upper Bank Street, London, E14 5JJ, UK
Clifford Chance Property Nominees Limited (1)*	UK	10 Upper Bank Street, London, E14 5JJ, UK
Clifford Chance Secretaries Limited (2)*	UK	10 Upper Bank Street, London, E14 5JJ, UK
Mithras Limited (2)	UK	10 Upper Bank Street, London, E14 5JJ, UK
Moleglade Limited*	UK	10 Upper Bank Street, London, E14 5JJ, UK
Clifford Chance London Limited (1)	UK	10 Upper Bank Street, London, E14 5JJ, UK
CC Worldwide Limited	India/Kuwait and Kenya	10 Upper Bank Street, London, E14 5JJ, UK
Clifford Chance Applied Solutions Limited	UK	10 Upper Bank Street, London, E14 5JJ, UK
Clifford Chance Technology Limited*	UK	10 Upper Bank Street, London, E14 5JJ, UK
Clifford Chance Holdings LLP (1&2)*	UK	10 Upper Bank Street, London, E14 5JJ, UK
Clifford Chance Business Services Holdings Limited (2)*	UK	10 Upper Bank Street, London, E14 5JJ, UK
Clifford Chance US LLP	USA	31 West 52nd Street, New York, NY 10019-6131, USA
Clifford Chance Law Firm (3)	Saudi Arabia	C/O Abuhmed Alsheikh Alhagbani Law Firm Building 15, The Business Gate King Khaled International Airport Road Cordoba District Riyadh, Kingdom of Saudi Arabia

* The firm ceased operations in Russia from 31 May 2022, after which the provision of legal services from our existing Moscow office ceased. Existing Russian client work was transferred to a new independent law firm.

Alliances

The Group has entered into contractual arrangements with the entities below such as to require their results to be consolidated with the financial statements of the Group.

Name of entity	Country of Operation	Registered address
Cavenagh Law LLP	Singapore	Marina Bay Financial Centre, 25th Floor, Tower 3, 12 Marina Boulevard, Singapore 018982
Ciftci Avukatlık Ortaklığı (also known as Ciftci Attorney Partnership)	Turkey	Kanyon Ofis Binası Kat: 10, Büyükdere Cad. No 185, İstanbul 34394, Turkey
Clifford Chance Sociedade de Consultores	Brazil	Rua Funchal 418 15th Floor, SP 04551-060 São Paulo, Brazil

With effect from 1 May 2023 Clifford Chance LLP and Abuhmed Alsheikh Alhagbani Law Firm (AS&H) have entered into an agreement to form a joint venture in Saudi Arabia. The joint venture will be known as AS&H Clifford Chance having registered office in Riyadh. Clifford Chance LLP holds 50% of the voting rights in this joint venture.

CLIFFORD CHANCE LLP
Financial Statements for the year ended 30 April 2023

4. Revenue

The Group derives revenue from the provision of professional services to clients typically over time in the following geographic and client segments

Revenue by geography

	2023	2022
	£m	£m
United Kingdom	764	687
Continental Europe	634	622
Asia Pacific	332	344
Americas	268	259
Middle East	64	57
	<u>2,062</u>	<u>1,969</u>

	2023	2022
	£m	£m
Revenue by client segment		
Financial Investors	738	704
Corporate Enterprises	736	631
Banks	508	531
Others	80	103
	<u>2,062</u>	<u>1,969</u>

The Group has recognised accrued income of £376m (2022: £369m) in relation to contracts with customers. Accrued income arises when the Group fulfills contractual performance obligations ahead of billing its clients.

The Group also recognised a loss allowance for accrued income of £2m (2022: £3m), also see note 26.

5. Staff and related costs

	Consolidated		LLP	
	2023	2022	2023	2022
	£m	£m	£m	£m
Salaries and other remuneration of non-members	761	684	71	67
Social security contributions	62	54	7	6
Pension contributions	25	23	5	8
Annuities credit (note 22)	(10)	(5)	(9)	(3)
Other staff costs	126	113	56	55
	<u>964</u>	<u>869</u>	<u>130</u>	<u>133</u>

The monthly average number of partners and employees during the year was as follows:

	Consolidated		LLP	
	2023	2022	2023	2022
	Nos.	Nos.	Nos.	Nos.
Total partners	593	563	242	230
Associates and other fee earners	2,481	2,452	296	316
Total trainees	650	636	95	87
Administrative and support staff	3,017	3,010	241	234
	<u>6,741</u>	<u>6,661</u>	<u>874</u>	<u>867</u>

The monthly average number of members included above for the Group is 480 (2022: 457)

The amount of profit for the current year which is attributable to the member with the largest entitlement to profit is £4.82m (2022: £4.94m)

CLIFFORD CHANCE LLP
Financial Statements for the year ended 30 April 2023

6. Profit for the year

Profit before tax for the year available for profit share among members has been arrived at after charging/(crediting):

	2023	2022
	£m	£m
		<i>(restated)</i>
Depreciation of property, plant and equipment (note 13)	20	20
Depreciation on right-of use assets (note 27)	64	58
(Gains)/losses on foreign exchange*	(2)	5
Operating lease income from sub tenants (note 27)	(3)	(3)

* See note 28 for details on the restatement

7. Auditors' remuneration

	2023	2022
	£m	£m
The following amounts have been charged against operating profit		
Fees payable to the LLP's auditors for the audit of the LLP's financial statements	1.1	1.0
Fees payable to the auditors and their associates for other services to the Group		
- Fees for the audit of the LLP's subsidiary entities pursuant to legislation	0.5	0.3
Total audit fees	<u>1.6</u>	<u>1.3</u>
Audit-related assurance services	0.2	0.1
Taxation compliance services	0.5	0.8
Other taxation advisory services*	0.1	0.0
Other services and fees payable in respect of associated pension schemes	0.1	0.1
Total non-audit fees	<u>0.9</u>	<u>1.0</u>
Total fees to auditors	<u><u>2.5</u></u>	<u><u>2.3</u></u>

* Other taxation advisory services is made up of services totaling to £74,952 (2022: £42,639)

8. Finance income and costs

	2023	2022
	£m	£m
Finance income		
Finance lease income from sub tenants (note 27)	(2)	(3)
Interest income on bank deposits	(1)	-
	<u>(3)</u>	<u>(3)</u>
Finance costs		
Pensions (note 21)	4	5
Finance charge on lease liabilities (note 27)	14	12
Annuities (note 22)	5	2
Interest on tax payments	1	2
	<u>24</u>	<u>21</u>
Finance costs - net	<u><u>21</u></u>	<u><u>18</u></u>

CLIFFORD CHANCE LLP
Financial Statements for the year ended 30 April 2023

9. Members' remuneration charged as an expense

Members' remuneration charged as an expense comprises the remuneration of certain partners who are members of Clifford Chance LLP but whose remuneration is not a share of profits and not discretionary amounting to £19m (2022: £16m), and a charge of £1m (2022: £2m) for annuities (refer note 22)

10. Income tax expense

	2023	2022
	£m	£m
Current tax		
UK corporation tax	4	4
Overseas taxes	36	21
Prior year adjustments	(9)	16
	<u>31</u>	<u>41</u>
Deferred tax		
In respect of accelerated capital allowances, bonus accruals & allowable losses carried forward	-	(1)
	<u>-</u>	<u>(1)</u>
Income tax expense	<u>31</u>	<u>40</u>

In most locations, including the UK, income tax payable on the allocation of profits to members is the personal liability of the members and hence is not shown in these financial statements

Reconciliation of tax charge:	2023	2022
	£m	£m
		<i>(restated)</i>
Profit before taxation*	773	779
Amounts subject to personal tax*	(580)	(634)
Adjusted Profit before taxation	<u>193</u>	<u>145</u>
Tax at UK standard corporate rate 19.49% (2022: 19%)	38	28
Permanent difference between the basis of recognition of profits for tax and accounting	-	(8)
Tax effects of differing overseas tax rates	2	4
Prior year adjustment	(9)	16
Total income tax expense	<u>31</u>	<u>40</u>

* See note 28 for details on the restatement

Amounts recognised in the statement of comprehensive income

	2023	2022
	£m	£m
Deferred tax charge in the reporting period and not recognised in the income statement but directly charged to other comprehensive income	-	51

Deferred tax asset

Deferred tax asset movements during the current year were as follows	2023	2022
	£m	£m
At the beginning of the year	1	51
Movement in the year	-	(50)
At the end of the year	<u>1</u>	<u>1</u>

The deferred tax asset is recognised in respect of accelerated capital allowances, bonus accruals & allowable losses carried forward. In the previous year, the LLP, Clifford Chance London Limited ("CCLL") and the Trustee of the Pension Scheme, in which certain employees of CCI1 participated had agreed under a 'Flexible Apportionment Arrangement' to the transfer of the whole pension liability of CCI1 to the LLP as on 30 November 2021. As a result, the deferred tax asset recognised in CCI1 in respect of temporary differences related to the defined benefit pension scheme was reversed in the previous year.

CLIFFORD CHANCE LLP
Financial Statements for the year ended 30 April 2023

11. Profit attributable to the Limited Liability Partnership

The profit for the financial year available for profit share among members dealt with in the financial statements of the parent undertaking Clifford Chance LLP, is set out in note 24

12. Investments - LLP

	£m
<i>Cost:</i>	
Balance as at 1 May 2021	5
Additions*	<u>220</u>
Balance as at 30 April 2022	<u>225</u>
Additions	<u>-</u>
Balance as at 30 April 2023	<u>225</u>
<i>Impairment:</i>	
Balance as at 1 May 2021	-
Additions	<u>-</u>
Balance as at 30 April 2022	<u>-</u>
Additions	<u>-</u>
Balance as at 30 April 2023	<u>-</u>
<i>Carrying amount:</i>	
As at 30 April 2022	<u>225</u>
As at 30 April 2023	<u>225</u>

The subsidiaries of the LLP as at 30 April 2023 are as follows

Name	Direct shares held (%)	Registered Address
Moleglade Limited	100	10 Upper Bank Street London, E14 5JJ, UK
Clifford Chance No 2 Limited	100	10 Upper Bank Street, London, E14 5JJ, UK
Clifford Chance London Limited	*	10 Upper Bank Street London, E14 5JJ, UK

* In the previous year, the LLP, Clifford Chance London Limited ("CCLL") and the Trustee of the Pension Scheme, in which certain employees of CCLL participated had agreed under a 'Flexible Apportionment Arrangement' to the transfer of the whole pension liability of CCLL to the LLP as on 30 November 2021. The outstanding pension liability on 30 November 2021 was £220m. The transfer was accounted for as a capital contribution by the LLP in CCLL and resulted in an increase in investments by an amount equal to the net pension liability at the date of the transfer.

Also refer note 3 for list of entities included in the consolidation.

CLIFFORD CHANCE LLP
Financial Statements for the year ended 30 April 2023

13. Property, plant and equipment and intangible assets - Consolidated

	Property, plant and equipment				Intangible assets
	Leasehold improvements	Office and IT equipment	Furniture and fittings	Total	
	£m	£m	£m	£m	£m
Cost:					
Balance as at 1 May 2021	118	77	28	223	51
Foreign exchange movements	3	1	1	5	-
Additions	4	10	1	15	-
Disposals	(9)	(5)	(2)	(16)	-
Balance as at 30 April 2022	116	83	28	227	51
Foreign exchange movements	1	-	1	2	-
Additions	18	8	3	29	-
Disposals	(7)	(7)	(2)	(16)	-
Balance as at 30 April 2023	128	84	30	242	51
Accumulated depreciation:					
Balance as at 1 May 2021	(68)	(63)	(20)	(151)	(51)
Foreign exchange movements	(2)	(1)	(1)	(4)	-
Depreciation charge for the year	(9)	(9)	(2)	(20)	-
Disposals	6	5	2	13	-
Balance as at 30 April 2022	(73)	(68)	(21)	(162)	(51)
Foreign exchange movements	(1)	-	-	(1)	-
Depreciation charge for the year	(9)	(9)	(2)	(20)	-
Disposals	5	7	2	14	-
Balance as at 30 April 2023	(78)	(70)	(21)	(169)	(51)
Carrying amount:					
As at 30 April 2022	43	15	7	65	-
As at 30 April 2023	50	14	9	73	-

The intangible assets are capitalised software development costs and are fully amortised

CLIFFORD CHANCE LLP
Financial Statements for the year ended 30 April 2023

14. Property, plant and equipment and intangible assets - LLP

	Property, plant and equipment			Intangible assets	
	Leasehold improvements	Office and IT equipment	Furniture and fittings	Total	Software
<i>Cost:</i>	£m	£m	£m	£m	£m
Balance as at 1 May 2021	11	39	4	54	51
Additions	4	4	-	8	-
Disposals	(4)	(2)	(1)	(7)	-
Balance as at 30 April 2022	<u>11</u>	<u>41</u>	<u>3</u>	<u>55</u>	<u>51</u>
Additions	3	3	-	6	-
Disposals	(2)	(1)	-	(3)	-
Balance as at 30 April 2023	<u><u>12</u></u>	<u><u>43</u></u>	<u><u>3</u></u>	<u><u>58</u></u>	<u><u>51</u></u>
<i>Accumulated depreciation:</i>					
Balance as at 1 May 2021	(7)	(35)	(3)	(45)	(51)
Depreciation charge for the year	(1)	(3)	-	(4)	-
Disposals	4	2	-	6	-
Balance as at 30 April 2022	<u>(4)</u>	<u>(36)</u>	<u>(3)</u>	<u>(43)</u>	<u>(51)</u>
Depreciation charge for the year	(1)	(3)	-	(4)	-
Disposals	2	1	-	3	-
Balance as at 30 April 2023	<u><u>(3)</u></u>	<u><u>(38)</u></u>	<u><u>(3)</u></u>	<u><u>(44)</u></u>	<u><u>(51)</u></u>
<i>Carrying amount:</i>					
As at 30 April 2022	<u>7</u>	<u>5</u>	<u>-</u>	<u>12</u>	<u>-</u>
As at 30 April 2023	<u><u>9</u></u>	<u><u>5</u></u>	<u><u>-</u></u>	<u><u>14</u></u>	<u><u>-</u></u>

The intangible assets are capitalised software development costs and are fully amortised

CLIFFORD CHANCE LLP
Financial Statements for the year ended 30 April 2023

15. Trade and other receivables

	Consolidated		LLP	
	2023	2022	2023	2022
	£m	£m	£m	£m
Trade receivables	516	452	267	217
Amounts due from subsidiary entities	-	-	353	274
Sundry receivables and prepayments	85	68	40	38
	601	520	660	529

Further information regarding credit risk and the allowance for doubtful debts in relation to client receivables is given in note 26

There is no material difference between the fair value and carrying value of trade and other receivables. The amounts for intercompany result from fees owed by other offices in respect of client matters which arise when the leading office issues a fee note to the client and also in respect of inter-office charges for items such as management charges. Also the amounts due from subsidiary entities includes amounts in respect of distribution and payment of profits by the LLP on behalf of subsidiary entities to Partners of those subsidiary entities as per the partnership agreement. Such balances are interest free and repayable on demand

16. Amounts due from and due to members

Amounts due from and due to members comprise drawings paid to members during the financial year, which are advance payments in relation to the profit for the financial year available for profit share among members, together with advance payments of members' personal taxes, less net amounts withheld from prior year profit distributions but not yet paid over to the tax authorities in relation to members' prior year tax liabilities

17. Cash and cash equivalents

	Consolidated		LLP	
	2023	2022	2023	2022
	£m	£m	£m	£m
Cash at bank and in hand	232	378	96	138
	232	378	96	138

The cash and cash equivalents disclosed above and in the statement of cash flows include £6m (LLP: £m) (2022: Group £4m, LLP £m) worth of cash at bank which are subject to contractual restrictions and are therefore not available for general use.

There is no material difference between the fair value and carrying value of cash and cash equivalents.

18. Trade and other payables

	Consolidated		LLP	
	2023	2022	2023	2022
	£m	£m	£m	£m
Accounts payable	45	39	29	25
Amounts due to subsidiary entities	-	-	406	406
Social security and other taxes	21	19	1	1
Corporate and income taxes payable	12	10	2	4
Capital of non-members	26	28	12	14
Undistributed earnings due to non-members	111	104	35	31
Other creditors	51	44	19	17
	266	244	504	498
Accruals	216	229	64	75
Deferred income	24	19	24	19
	506	492	592	592

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

The amounts due to subsidiary entities result from fees due to other offices in respect of client matters which arise when the leading office issues a fee note to the client and also in respect of inter-office charges for items such as management charges. Also the amounts due to subsidiary entities includes amounts in respect of distribution and payment of profits by the subsidiary entities on behalf of the LLP to Partners of those subsidiary entities as per the partnership agreement. Such balances are interest free and repayable on demand

CLIFFORD CHANCE LLP
Financial Statements for the year ended 30 April 2023

19. Borrowings

No borrowings were outstanding at the balance sheet date (2022: £nil). The average effective interest rate was 3.18% (2022: 1.02%).

At 30 April 2023, available undrawn committed borrowing facilities in both the Group and the LLP amounted to £150m (2022: £150m) which expires in April 2025.

20. Provisions and Employee benefit obligations

	Consolidated				
	Employee benefit obligations		Provisions		
	Pensions	Annuities	Property	Other provisions	Total
	£m	£m	£m	£m	£m
	(note 21)	(note 22)			
Balance at 1 May 2021	271	179	20	10	480
Charge/(credit) during the year	5	(1)	-	27	31
Amounts paid / utilised / released	(22)	(20)	-	(2)	(44)
Net gain due to changes in actuarial assumptions	(125)	-	-	-	(125)
Balance at 30 April 2022	129	158	20	35	342
Charge/(credit) during the year	4	(4)	-	3	3
Amounts paid / utilised / released	(24)	(21)	-	(19)	(64)
Net gain due to changes in actuarial assumptions	(17)	-	-	-	(17)
Balance at 30 April 2023	92	133	20	19	264

Provisions – Property

The Group is required to restore certain leased premises to their original condition at the end of the respective lease terms. A provision has been recognised for the present value of the estimated restoration expenditure.

Provisions – Other provisions

Other provisions includes provision related to those matters for which the tax determination is uncertain but it is considered probable that there will be a future outflow of funds to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable. The assessment is based on the judgement of tax professionals and in certain cases based on specialist independent tax advice. Other provisions also includes provision related to long term employee benefits. These provisions are not expected to be settled in the next financial year.

The Group may be involved in disputes in the ordinary course of business, which may give rise to claims by clients or regulatory investigations or proceedings. The Group defends such claims where appropriate and also benefits from substantial professional indemnity insurance. Where costs are likely to be incurred in defending and concluding such claims, a provision is made based on management's assessment of the specific circumstances in each case and the likely costs to be incurred by the Group which is recorded under "Other provisions". No separate disclosure is made of the cost or nature of claims covered by insurance as to do so could seriously prejudice the position of the Group.

CLIFFORD CHANCE LLP
Financial Statements for the year ended 30 April 2023

20. Provisions and Employee benefit obligations (continued)

	LLP				
	Employee benefit obligations		Provisions		Total
	Pensions	Annuities	Property	Other provisions	
£m (note 21)	£m (note 22)	£m	£m		
Balance at 1 May 2021	-	156	14	5	175
Transferred from Clifford Chance London Limited*	220	-	-	-	220
Charge during the year	2	-	1	26	29
Amounts paid / utilised / released	(15)	(18)	-	(1)	(34)
Net gain due to changes in actuarial assumptions	(78)	-	-	-	(78)
Balance at 30 April 2022	129	138	15	30	312
Charge during the year	4	(4)	-	1	1
Amounts paid / utilised / released	(24)	(18)	-	(18)	(60)
Net gain due to changes in actuarial assumptions	(17)	-	-	-	(17)
Balance at 30 April 2023	92	116	15	13	236

The above amounts have been disclosed in the balance sheet as follows

	Consolidated		LLP	
	2023	2022	2023	2022
	£m	£m	£m	£m
Employee benefit obligations - current	18	21	15	19
Employee benefit obligations - non-current	207	266	193	248
	225	287	208	267
Provisions - current	-	1	-	1
Provisions - non-current	39	54	28	44
	39	55	28	45
	264	342	236	312

* In the previous year, the LLP, CCLL and the Trustee of the Pension Scheme, in which certain employees of CCLI participated had agreed under a 'Flexible Apportionment Arrangement' to the transfer of the whole pension liability of CCLI to the LLP as on 30 November 2021. The outstanding pension liability on 30 November 2021 was £220m. The transfer was accounted for as a capital contribution by the LLP in CCLL and resulted in an increase in investments by an amount equal to the pension liability at the date of the transfer.

CLIFFORD CHANCE LLP
Financial Statements for the year ended 30 April 2023

21. Defined benefit pension scheme

Clifford Chance Pension Trustees Limited is the trustee of a defined benefit scheme in which certain employees of Clifford Chance London Limited participated ("the Scheme"). The Scheme was closed to future accrual with effect from 30 April 2011. The assets of the Scheme are held separately from those of the Group.

Payments into the Scheme are assessed in accordance with the advice of an independent qualified actuary with the funding rate intended to enable the Scheme to be fully funded over time.

A full triennial actuarial valuation of the Scheme has been carried out as at 30 April 2022 but has not yet been concluded, and updated as at 30 April 2023 by a qualified independent actuary. Details of such updated valuation are as under:

The key accounting assumptions used are set out below:

	2023	2022
Discount rate	4.8%	3.1%
Future pension increases - pensions accrued prior to 30 April 2015	3.0%	3.2%
Future pension increases - pensions accrued after 30 April 2015	2.0%	2.3%
Price inflation	3.2%	3.3%

Mortality assumptions have been based on S3 SAPS Light tables with CMI 2021 improvements (2022: S3 SAPS Light tables with CMI 2021 improvements), projected according to each member's year of birth. The assumptions for both years include an allowance for increased longevity, assuming a long-term rate of improvement of 1.0% per annum.

The assumed life expectations on retirement at age 65 are:

	2023	2022
Retiring today:		
Males	88.1	88.3
Females	89.6	89.8
Retiring in 20 years:		
Males	89.1	89.3
Females	90.8	91.0

The amount recognised in the consolidated income statement was as follows:

	2023	2022
	£m	£m
Interest charge (net) under net finance costs (note 8)	4	5

The amount recognised in the consolidated other comprehensive income was as follows:

	2023	2022
	£m	£m
Remeasurement gain from changes in financial assumptions	(233)	(154)
Remeasurement loss from changes in experience	13	6
Remeasurement (gain)/loss from changes in demographic assumptions	(4)	12
Remeasurement loss on the scheme assets	207	11
Gain recognised in the consolidated statement of comprehensive income	<u>(17)</u>	<u>(125)</u>

CLIFFORD CHANCE LLP
Financial Statements for the year ended 30 April 2023

21. Defined benefit pension scheme (continued)

The liability included in the consolidated balance sheet was as follows:

	Consolidated		LLP	
	2023	2022	2023	2022
	£m	£m	£m	£m
Present value of defined benefit obligation	534	743	534	743
Fair value of plan assets	(442)	(614)	(442)	(614)
Present value of net obligation (note 20)	92	129	92	129

Movements in the present value of defined benefit obligations in the year were as follows:

	Consolidated		LLP	
	2023	2022	2023	2022
	£m	£m	£m	£m
At the beginning of the year	743	869	743	-
Transferred from Clifford Chance London Limited*	-	-	-	971
Interest on obligations	23	17	23	7
Remeasurement gain from changes in financial assumptions	(233)	(154)	(233)	(241)
Remeasurement loss/(gain) from changes in experience	13	6	13	(2)
Remeasurement (gain)/loss from changes in demographic assumptions	(4)	12	(4)	12
Benefits paid	(8)	(7)	(8)	(4)
At the end of the year	534	743	534	743

Movements in the fair value of Scheme assets were as follows:

	Consolidated		LLP	
	2023	2022	2023	2022
	£m	£m	£m	£m
At the beginning of the year	614	598	614	-
Transferred from Clifford Chance London Limited*	-	-	-	751
Interest income on Scheme assets	19	12	19	5
Remeasurement loss on the scheme assets	(207)	(11)	(207)	(153)
Contributions made	24	22	24	15
Benefits paid	(8)	(7)	(8)	(4)
At the end of the year	442	614	442	614

The assets held by the Scheme were as follows

	2023		2022	
	value	% of total value	value	% of total value
	£m		£m	
Equities and other growth assets	232	52%	358	58%
Liability driven investment	186	42%	211	34%
Bonds	-	0%	29	5%
Other assets	24	6%	16	3%
	442	100%	614	100%

* In the previous year, the LLP, CCLL and the Trustee of the Pension Scheme, in which certain employees of CCLL participated had agreed under a 'Flexible Apportionment Arrangement' to the transfer of the whole pension liability of CCLL to the LLP as on 30 November 2021. The outstanding pension liability on 30 November 2021 was £220m. The transfer was accounted for as a capital contribution by the LLP in CCLL and resulted in an increase in investments by an amount equal to the pension liability at the date of the transfer.

Based on the results of the most recently completed triennial actuarial valuation as at 30 April 2019, the employer has agreed that it will aim to eliminate the Scheme's deficit (as assessed on the ongoing funding basis) by 31 May 2028. The contributions paid by the employer for the period from 1 May 2022 to 30 April 2023 were £24m. Funding levels are monitored on an annual basis and the next triennial valuation as at 30 April 2022 is currently underway. Expected employer contributions to the Scheme for the year ending 30 April 2024 are around £17m. There are no member contributions expected for the year to 30 April 2024. The weighted average duration of the defined benefit obligation is around 18 years.

CLIFFORD CHANCE LLP
Financial Statements for the year ended 30 April 2023

21. Defined benefit pension scheme (continued)

Sensitivities

The key assumptions used for the actuarial valuation are the discount rate, price inflation and mortality. If different assumptions were used this could have a material effect on the results disclosed. The sensitivity of the results to these assumptions is as follows:

	Consolidated		LLP	
	2023	2022	2023	2022
<i>Discount rate less 0.25% per annum</i>	£m	£m	£m	£m
Present value of defined benefit obligation	559	784	559	784
Fair value of assets	(442)	(614)	(442)	(614)
Revised net pension liability	117	170	117	170
Revised total charge to the income statement	5	5	5	5
<i>RPI inflation plus 0.25% per annum</i>	£m	£m	£m	£m
Present value of defined benefit obligation	554	778	554	778
Fair value of assets	(442)	(614)	(442)	(614)
Revised net pension liability	112	164	112	164
Revised total charge to the income statement	5	5	5	5
<i>Mortality assumption with 1.25% per annum long term rate of improvement</i>	£m	£m	£m	£m
Present value of defined benefit	538	750	538	750
Fair value of assets	(442)	(614)	(442)	(614)
Revised net pension liability	96	136	96	136
Revised total charge to the income statement	4	4	4	4

The sensitivity information shown above is approximate and has been determined taking into account the duration of the liabilities and the overall profile of the plan membership.

Risks

The Group is exposed to a number of risks through the Scheme of which the most significant are detailed below:

Asset volatility

The liabilities are calculated using a discount rate set with reference to corporate bond yields. If assets underperform this yield, this will create a deficit. The Scheme holds a significant proportion of growth assets (including equities, diversified growth funds and property) which are expected to outperform corporate bonds in the long-term while resulting in volatility and risk in the short-term. The allocation to growth assets is monitored such that it is consistent with the Scheme's long term objectives.

Changes in bond yields

A decrease in corporate bond yields will increase the Scheme's liabilities although this will be partially offset by an increase in the value of the Scheme's bond holdings.

CLIFFORD CHANCE LLP
Financial Statements for the year ended 30 April 2023

21. Defined benefit pension scheme (continued)

Inflation risk

The majority of the Scheme's benefit obligations are linked to inflation and higher inflation will lead to higher liabilities (although, in most cases, caps on the level of inflationary increases are in place to protect against extreme inflation). A significant proportion of the Scheme's assets are invested in a liability driven investment portfolio which is designed to match the liabilities of the Scheme and provide protection against increases in inflation.

Life expectancy

The majority of the Scheme's obligations are to provide benefits for the life of the member, so increases in the life expectancy will result in an increase in the liabilities.

In addition to the UK scheme, the Firm operates some smaller defined benefit schemes in other countries. The total pension cost for the year and the aggregate assets and liabilities of these schemes were not material.

22. Annuity obligations to current and former partners

An independent qualified actuary has assessed the cost of annuity obligations. The economic assumptions used by the actuary in assessing the cost of annuity obligations in both the Consolidated and LLP financial statements are as follows:

	2023	2022
	%	%
Discount rate	5.1	3.0
Rate of price inflation	3.4	4.8

The cost of annuities which are dependent upon the future profitability of the Firm has been estimated based upon current and projected levels of profitability and having regard to a cap applicable to such annuity payments.

	2023	2022
	£m	£m
Amounts recognised in the consolidated income statement were as follows		
Movements in provision arising from		
Current service cost	3	3
Other actuarial gains	(12)	(6)
Amount credited to the consolidated income statement*	(9)	(3)
Interest costs associated with obligations shown under net finance costs (note 8)	5	2
Total credit to the consolidated income statement (note 20)	(4)	(1)

* Of this amount, a charge of £1m (2022: £2m) has been included within members' remuneration charged as an expense, and a credit of £10m (2022: £5m) in relation to partners who were not members and former partners has been included in staff and related costs.

CLIFFORD CHANCE LLP
Financial Statements for the year ended 30 April 2023

22. Annuity obligations to current and former partners (continued)

Movements in the net liability recognised in the consolidated balance sheet were as follows

	Consolidated		LLP	
	2023	2022	2023	2022
	£m	£m	£m	£m
Provision at the beginning of the year	158	179	138	156
Credit to the income statement	(4)	(1)	(4)	-
Annuities paid	(21)	(20)	(18)	(18)
Provision at the end of the year (note 20)	<u>133</u>	<u>158</u>	<u>116</u>	<u>138</u>

The basis of calculation of the annuities provision in the balance sheet of Clifford Chance LLP is the same as set out above in relation to the consolidated balance sheet, but takes into account only those partners whose annuity entitlements are a direct obligation of Clifford Chance LLP. Annuity entitlements of other partners are a contingent obligation of Clifford Chance LLP.

Sensitivities

The key assumption used for the actuarial valuation is the discount rate. The impact of a 0.1% decrease to the discount rate would be to increase the liability by approximately £1m (2022: £1m)

23. Members' capital

	Consolidated and LLP	
	2023	2022
	£m	£m
Total members' capital at the beginning of the year	142	157
Capital contributed during the year	-	-
Capital repaid during the year	(28)	(15)
Total members' capital at the end of the year	<u>114</u>	<u>142</u>

Non-US members are required to give a minimum of not less than six months notice of retirement, whilst US members are not required to give notice. Members' capital which is measured at cost is repayable within six months of retirement. Members' capital is required to be classified as a liability, with capital due to US and retiring partners classified as a current liability, and the remaining liability classified as a non-current liability.

CLIFFORD CHANCE LLP
Financial Statements for the year ended 30 April 2023

24. Statement of movements in net assets/(liabilities) of members excluding members' interests classified as liabilities

A summary of movements in net assets / (liabilities) attributable to members excluding members' interests classified as liabilities since the last balance sheet date is as follows:

	<u>Consolidated</u>		<u>LLP</u>	
	2023 £m	2022 £m <i>(restated)</i>	2023 £m	2022 £m <i>(restated)</i>
Net assets / (liabilities) attributable to members excluding members' interests classified as liabilities at the beginning of the year	541	372	112	(21)
Profit for the year	742	739	648	377
Foreign exchange differences arising on translation of foreign operations	34	49	13	17
Actuarial gain on defined benefit pension scheme	17	125	17	78
Deferred tax on defined benefit pension scheme	-	(51)	-	-
Decrease in provisions attributable to members	(17)	(9)	(14)	(9)
Capital repayments (net)	(28)	(15)	(28)	(15)
Profit distributions and related tax	(730)	(669)	(470)	(315)
Net assets / (liabilities) attributable to members excluding members' interests classified as liabilities at the end of the year	<u>559</u>	<u>541</u>	<u>278</u>	<u>112</u>

25. Related party transactions

Within the Group financial statements, balances between Clifford Chance LLP and its subsidiary entities have been eliminated on consolidation.

During the year, Clifford Chance LLP provided management and legal services to its subsidiary entities totaling £177m (2022: £150m). Management and legal services were purchased from other Group members totaling £478m (2022: £408m). Profit distribution paid by the LLP on behalf of subsidiary entities totaling net £10m (2022: net £62m). The LLP has received dividend income of £158m (2022: £nil) during the year. The balances outstanding between Clifford Chance LLP and its subsidiary entities at the end of the financial year are shown in notes 15 and 18.

The key management personnel comprise the Executive Leadership Group (ELG). The total remuneration of the 16 ELG members (2022: 14 ELG members) in respect of the financial year amounted to £38m (2022: £34m). The total remuneration in respect of the financial year for the relative of an ELG member, who is an employee, amounted to £1m (2022: £1m).

CLIFFORD CHANCE LLP
Financial Statements for the year ended 30 April 2023

26. Financial assets and liabilities

The following information is provided in accordance with the requirements of IFRS 7 "Financial Instruments: Disclosures"

Categories of financial assets and liabilities

The following table categorises the carrying value of the financial assets and liabilities at the balance sheet date. In each case, the fair value is not materially different to the carrying value.

Financial assets	Consolidated		LLP	
	2023 £m	2022 £m	2023 £m	2022 £m
Accrued income	376	369	162	163
Trade receivables	516	452	267	217
Amounts due from subsidiary entities	-	-	353	274
Finance lease receivables	94	122	86	108
Amounts due from members	87	81	-	-
Cash at bank and in hand	232	378	96	138
	<u>1,305</u>	<u>1,402</u>	<u>964</u>	<u>900</u>
Financial liabilities				
Trade and other current payables excluding accruals and deferred income	266	244	98	92
Amounts due to subsidiary entities	-	-	406	406
Lease liabilities	636	555	266	304
Amounts due to members	-	-	35	36
Members' capital	114	142	114	142
Annuities	133	158	116	138
Accruals	216	229	64	75
	<u>1,365</u>	<u>1,328</u>	<u>1,099</u>	<u>1,193</u>

Risks arising from financial assets and liabilities

The following summarises the principal risks associated with the group's financial assets and liabilities and how those risks are managed.

Liquidity and capital risk

The business is predominantly financed by partners' capital and undistributed earnings with a RCF available. The capital structure is reviewed regularly to ensure that it is adequate to fund the current and projected needs of the business. The adequacy of borrowing facilities is regularly reviewed in light of projections of future cash flows. The Group has comfortably complied with the banking covenants set under the borrowing facilities.

The Group continues to focus on working capital management, in particular implementing improvements to manage WIP and debtor days. As at 30 April 2023 there are total undrawn committed borrowing facilities of £150m in both the Group and the LLP. The Group also has a substantial cash at bank balance of £232m (2022: £378m).

Currency risk

The reporting currency is Sterling but the Group's business is international. Within each office, revenues and costs are predominantly in the same currency. The consolidated balance sheet exposures to currencies other than Sterling (principally US Dollars and Euros) are regularly monitored and are considered to be naturally hedged.

Credit risk

The treasury policy requires that surplus funds be deposited only with approved counterparties and within counterparty limits. An assessment is made of the credit risk associated with clients by reviewing independent ratings and by monitoring the level of unpaid fees.

CLIFFORD CHANCE LLP
Financial Statements for the year ended 30 April 2023

26. Financial assets and liabilities (continued)

The Group has two types of financial asset that are subject to the expected credit loss model

- Trade receivables
- Accrued income

While cash at bank and in hand and amount due from members are also subject to the impairment requirements of IFRS 9, the identified impairment loss was not material

The Group applies the IFRS 9 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all trade receivables and accrued income, and therefore does not track changes in credit risk. With respect to amounts due from group undertakings, a general approach under IFRS 9 is applied under which the loss allowance is measured at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. However, if, at the reporting date, the credit risk on the amounts due from group undertakings have not increased significantly since initial recognition, an entity shall measure the loss allowance at an amount equal to 12-month expected credit losses

To measure the expected credit losses, trade receivables and accrued income have been grouped based on shared credit risk characteristics and the days past due. Assessing the credit risk on a client by client basis would involve significant cost and effort. As such, credit risk is considered on an office by office basis, as each office can be considered to reflect a particular level of credit risk

Trade receivables and accrued income are written off when there is no probability of recovery. Indicators would include failure to make any contractual payments, entering liquidation procedures or clear signs of financial difficulties

The accrued income amounts relate to unbilled work in progress. Under the ECL provision matrix methodology, the "less than 30 days" loss ratio (Group 0.5% (2022 0.8%), LLP 0.1% (2022 0.6%)) calculated in respect of current trade receivables, is applied to the whole of the WIP balance after specific provisions on the basis that all of these amounts are unbilled and therefore fully current

The Group considers the ageing profile of billings and receivables over a three-year period, being that period over which more than 99% of invoices are collected. The expected loss rates are based on the weighted average rates of payment profiles over the bills issued during the financial years ended 30 April 2019 and 2020, adjusted by country specific credit default swap rates to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables

CLIFFORD CHANCE LLP
Financial Statements for the year ended 30 April 2023

26. Financial assets and liabilities (continued)

The loss allowance as at 30 April 2023 and 30 April 2022 for debtors due is set out below. The loss rate for 30 days has been wholly applied to the accrued income balance.

Consolidated						
Ageing	Gross trade receivables due		Loss rates		Loss allowance	
	2023	2022	2023	2022	2023	2022
	£m	£m	%	%	£m	£m
30 days	300	265	0.7	0.8	(2)	(2)
60 days	79	71	1.3	1.4	(1)	(1)
90 days	55	39	3.6	5.1	(2)	(2)
180 days	52	54	7.7	7.4	(4)	(4)
1 year	37	31	24.3	19.4	(9)	(6)
3 years	37	34	70.3	88.2	(26)	(30)
Over 3 years	17	17	100.0	82.4	(17)	(14)
	577	511			(61)	(59)
	Accrued income		Loss rates		Loss allowance	
	2023	2022	2023	2022	2023	2022
	£m	£m	%	%	£m	£m
Current	378	372	0.5	0.8	(2)	(3)

LLP						
Ageing	Gross trade receivables due		Loss rates		Loss allowance	
	2023	2022	2023	2022	2023	2022
	£m	£m	%	%	£m	£m
30 days	164	135	0.6	0.7	(1)	(1)
60 days	44	34	-	-	-	-
90 days	24	17	-	5.9	-	(1)
180 days	19	20	5.3	5.0	(1)	(1)
1 year	16	12	18.8	16.7	(3)	(2)
3 years	14	16	64.3	93.8	(9)	(15)
Over 3 years	8	7	100.0	57.1	(8)	(4)
	289	241			(22)	(24)
	Accrued income		Loss rates		Loss allowance	
	2023	2022	2023	2022	2023	2022
	£m	£m	%	%	£m	£m
Current	162	164	0.1	0.6	(0)	(1)

CLIFFORD CHANCE LLP
Financial Statements for the year ended 30 April 2023

26. Financial assets and liabilities (continued)

Accrued income

The table below analyses accrued income at the balance sheet date by geographic region

	Consolidated		LLP	
	2023	2022	2023	2022
	£m	£m	£m	£m
Americas	58	56	-	-
Asia Pacific	74	76	21	25
Continental Europe	121	115	19	18
Middle East	8	10	8	10
United Kingdom	115	112	114	110
Total	376	369	162	163

Trade receivables

The table below analyses trade receivables at the balance sheet date by geographic region

	Consolidated		LLP	
	2023	2022	2023	2022
	£m	£m	£m	£m
Americas	56	50	-	-
Asia Pacific	68	73	4	4
Continental Europe	158	140	31	24
Middle East	26	18	25	18
United Kingdom	208	171	207	171
Total	516	452	267	217

CLIFFORD CHANCE LLP
Financial Statements for the year ended 30 April 2023

26. Financial assets and liabilities (continued)

Movements in the allowance for doubtful debts were as follows:

	Consolidated		LLP	
	2023	2022	2023	2022
	£m	£m	£m	£m
Balance at the beginning of the year	(59)	(55)	(24)	(25)
Increase in provision	(25)	(28)	(6)	(9)
Reversal of provision	10	10	5	6
Amounts utilised during the year	14	17	4	5
Foreign exchange movements	(1)	(3)	(1)	(1)
Balance at the end of the year	<u>(61)</u>	<u>(59)</u>	<u>(22)</u>	<u>(24)</u>

Trade receivables not yet paid are reviewed regularly and provisions are established on a specific basis if collection of the amount due is in doubt. Amounts are written off against the provision once it becomes clear that no further recovery is likely to occur, at which point enforcement activity will cease

Net impairment losses on financial assets recognised in consolidated income statement were as follows

	Consolidated	
	2023	2022
	£m	£m
Net impairment losses - movement in loss allowance for trade receivables	(15)	(18)
Net impairment losses - movement in loss allowance for accrued income	1	(2)
	<u>(14)</u>	<u>(20)</u>

Currency profile of financial assets and liabilities

The currency profile of the Group's financial assets and liabilities at the balance sheet date was as follows

	Consolidated		LLP	
	2023	2022	2023	2022
	£m	£m	£m	£m
Financial assets				<i>(restated)</i>
GBP	562	578	466	458
USD	145	215	117	28
EUR	312	309	121	138
Other	286	300	260	276
	<u>1,305</u>	<u>1,402</u>	<u>964</u>	<u>900</u>
Financial liabilities				
GBP	732	800	656	886
USD	242	134	50	15
EUR	240	261	101	95
Other	151	133	292	197
	<u>1,365</u>	<u>1,328</u>	<u>1,099</u>	<u>1,193</u>

CLIFFORD CHANCE LLP
Financial Statements for the year ended 30 April 2023

26. Financial assets and liabilities (continued)

Maturity profile of financial liabilities

The following tables show the maturity profile of the Group's financial liabilities at the balance sheet date

2023	Consolidated				
	0-1 year £m	1-5 years £m	More than 5 years £m	Others £m	Total £m
Trade and other current payables excluding accruals and deferred income	266	-	-	-	266
Members' capital *	8	-	-	106	114
Annuities	18	57	58	-	133
Accruals	216	-	-	-	216
	<u>508</u>	<u>57</u>	<u>58</u>	<u>106</u>	<u>733</u> #

2023	LLP				
	0-1 year £m	1-5 years £m	More than 5 years £m	Others £m	Total £m
Trade and other current payables excluding accruals and deferred income	98	-	-	-	98
Amounts due to subsidiary entities	406	-	-	-	406
Members' capital *	8	-	-	106	114
Amounts due to members	35	-	-	-	35
Annuities	15	49	52	-	116
Accruals	64	-	-	-	64
	<u>626</u>	<u>49</u>	<u>52</u>	<u>106</u>	<u>833</u> #

*As per the partnership agreement members' capital is repayable within six months of a member retiring from the partnership, and accordingly, the maturity of this amount is dependent upon when a partner retires. Amount under "0-1 year" represents capital repayable of such retired partners. The remaining portion of members' capital classified as Others is dependent on the dates of member retirements which is unknown beyond 12 months.

The maturity profile of lease liabilities of 30 April 2023 is included in Note 27 Group £636m (undiscounted £778m), LLP £266m (undiscounted £289m).

CLIFFORD CHANCE LLP
Financial Statements for the year ended 30 April 2023

26. Financial assets and liabilities (continued)

Maturity profile of financial liabilities

The following tables show the maturity profile of the Group's financial liabilities at the balance sheet date

2022	Consolidated				
	0-1 year £m	1-5 years £m	More than 5 years £m	Others £m	Total £m
Trade and other current payables excluding accruals and deferred income	244	-	-	-	244
Members' capital *	9	-	-	133	142
Annuities	21	59	78	-	158
Accruals	229	-	-	-	229
	<u>503</u>	<u>59</u>	<u>78</u>	<u>133</u>	<u>773</u> #
	LLP				
2022	0-1 year £m	1-5 years £m	More than 5 years £m	Others £m	Total £m
Trade and other current payables excluding accruals and deferred income	92	-	-	-	92
Amounts due to subsidiary entities (<i>restated</i>)	406	-	-	-	406
Members' capital *	9	-	-	133	142
Amounts due to members	36	-	-	-	36
Annuities	19	53	66	-	138
Accruals	75	-	-	-	75
	<u>637</u>	<u>53</u>	<u>66</u>	<u>133</u>	<u>889</u> #

*As per the partnership agreement, members' capital is repayable within six months of a member retiring from the partnership, and accordingly, the maturity of this amount is dependent upon when a partner retires, amount under "0-1 year" represents capital repayable of such retired partners. The remaining portion of members' capital classified as Others is dependent on the dates of member retirements which is unknown beyond 12 months.

The maturity profile of lease liabilities of 30 April 2022 is included in Note 27 Group £555m (undiscounted £601m), LLP £304m (undiscounted £323m)

CLIFFORD CHANCE LLP
Financial Statements for the year ended 30 April 2023

26. Financial assets and liabilities (continued)

Sensitivity to market risks

Foreign currency risk arises on financial instruments that are denominated in a currency other than the functional currency in which they are measured, including foreign currency denominated intercompany receivables and payables which, although they eliminate in the Group's financial statements, the effect on the result of their revaluation under IAS 21, is not fully eliminated

The most significant foreign currencies to the Group are US Dollars and the Euro. The sensitivity of the Group's income statement to changes in these exchange rates arises from US Dollar and Euro denominated financial instruments. The Group does not engage in cash flow hedging activities.

The exchange rates used in the preparation of these financial statements were as follows:

	2023		2022	
	Average rate	Closing rate	Average rate	Closing rate
United States Dollar / £	1.21	1.26	1.35	1.26
Euros / £	1.16	1.14	1.18	1.19

The following table details the Group's sensitivity to a 10% increase or decrease in the strength of Sterling to the US Dollar and to the Euro. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates.

A negative number below indicates a decrease in profit and other equity where Sterling strengthens 10% against the relevant currency. For a 10% weakening of Sterling against the relevant currency, there would be a comparable impact on the profit and other equity, and the balances below would be positive.

	Consolidated			
	Impact on post-tax profit		Impact on other components of equity	
	2023	2022	2023	2022
	£m	£m (restated)	£m	£m (restated)
Sterling 10% stronger against US Dollar	9	(7)	-	-
Sterling 10% stronger against Euro	(7)	(4)	-	-

	LLP			
	Impact on post-tax profit		Impact on other components of equity	
	2023	2022	2023	2022
	£m	£m (restated)	£m	£m (restated)
Sterling 10% stronger against US Dollar	(6)	(1)	-	-
Sterling 10% stronger against Euro	(2)	(4)	-	-

The Group's net interest cost on external borrowings is £nil and accordingly the sensitivity of the group's profits and financial assets and liabilities to changes in interest rates is insignificant.

CLIFFORD CHANCE LLP
Financial Statements for the year ended 30 April 2023

27. Leases

(a) As a lessee:

This note provides information for leases where the Group is a lessee. For leases where the Group is a lessor see note 27 (b).

(i) Amounts recognised in the balance sheet

The balance sheet shows the following amounts relating to leases:

	Consolidated		LLP	
	2023	2022	2023	2022
	£m	£m	£m	£m
Right-of-use assets				
Property	450	326	122	125
Other	3	3	-	-
	<u>453</u>	<u>329</u>	<u>122</u>	<u>125</u>

The following are the changes in the carrying value of right-of-use assets for the year

	Consolidated			LLP
	Property	Other	Total	Property
	£m	£m	£m	£m
Cost:				
Balance as at 1 May 2021	412	5	417	141
Additions	77	1	78	28
Terminations	(10)	(2)	(12)	(6)
Translation difference	8	-	8	2
Balance as at 30 April 2022	<u>487</u>	<u>4</u>	<u>491</u>	<u>165</u>
Additions	183	1	184	19
Terminations	(10)	(1)	(11)	(6)
Translation difference	7	-	7	1
Balance as at 30 April 2023	<u>667</u>	<u>4</u>	<u>671</u>	<u>179</u>
Accumulated Depreciation:				
Balance as at 1 May 2021	(104)	(2)	(106)	(21)
Depreciation	(57)	(1)	(58)	(20)
Terminations	5	2	7	2
Translation difference	(5)	-	(5)	(1)
Balance as at 30 April 2022	<u>(161)</u>	<u>(1)</u>	<u>(162)</u>	<u>(40)</u>
Depreciation	(63)	(1)	(64)	(21)
Terminations	8	1	9	4
Translation difference	(1)	-	(1)	-
Balance as at 30 April 2023	<u>(217)</u>	<u>(1)</u>	<u>(218)</u>	<u>(57)</u>
Carrying amount:				
As at 30 April 2022	<u>326</u>	<u>3</u>	<u>329</u>	<u>125</u>
As at 30 April 2023	<u>450</u>	<u>3</u>	<u>453</u>	<u>122</u>

The Group leases many assets which are primarily buildings for its office space worldwide

	Consolidated		LLP	
	2023	2022	2023	2022
	£m	£m	£m	£m
Lease liabilities				
Current	91	94	46	45
Non-current	545	461	220	259
	<u>636</u>	<u>555</u>	<u>266</u> *	<u>304</u> *

*this lease liability balance includes £719m (2022: £265m) payable to an intermediate lessor (related party)

As at 30 April 2023, three lease contracts relating to London, Düsseldorf and Brussels offices were committed and not commenced amounting to £336m. As at 30 April 2022, an 8 year lease contract which related to the Sydney office was committed but not commenced amounting to £26m.

CLIFFORD CHANCE LLP
Financial Statements for the year ended 30 April 2023

27. Leases (continued)

(a) As a lessee (continued):

(i) Amounts recognised in the balance sheet (continued)

The following is the movement in lease liabilities during the year.

	Consolidated			LLP
	Property	Other	Total	Total
	£m	£m	£m	£m
Balance as at 1 May 2021	558	4	562	320
Additions	79	1	80	29
Terminations	(5)	-	(5)	(3)
Finance cost accrued during the year	12	-	12	6
Payment of lease liabilities	(99)	(2)	(101)	(49)
Translation difference	7	-	7	1
Balance as at 30 April 2022	552	3	555	304
Additions	179	1	180	15
Terminations	(2)	-	(2)	(2)
Finance cost accrued during the year	14	-	14	7
Payment of lease liabilities	(116)	(1)	(117)	(59)
Translation difference	6	-	6	1
Balance as at 30 April 2023	633	3	636	266

Total undiscounted lease liabilities as at 30 April

	Consolidated		LLP	
	2023	2022	2023	2022
	£m	£m	£m	£m
Maturity analysis - contractual undiscounted cash flows				
Less than one year	111	106	51	51
One to two years	104	107	51	51
Two to three years	97	88	51	51
Three to four years	89	78	51	50
Four to five years	84	69	52	50
More than five years	293	153	33	70
	778	601	289	323

(ii) Amounts recognised in the income statement

The income statement shows the following amounts relating to leases

	Consolidated	
	2023	2022
	£m	£m
Depreciation charge of right-of-use assets		
Property	63	57
Other	1	1
	64	58
Interest on lease liabilities (included in finance cost)	14	12
Income from sub-leasing right-of-use assets - operating leases	(3)	(3)
Income from sub-leasing right-of-use assets - finance leases	(2)	(3)
Amounts recognised in the statement of cash flows		
Net cash outflow for leases	(91)	(75)

CLIFFORD CHANCE LLP
Financial Statements for the year ended 30 April 2023

27. Leases (continued)

(a) As a lessee (continued):

(iii) Extension and termination options

There are no material termination options included in the property leases across the Group. The Group has included some material extension options for the Singapore & Australian office leases as management is reasonably certain the extension options, held by the Group will be exercised. Leases due to expire within 12 months of year end were examined to see if there were any exercisable by lessee that may potentially be extended. In considering all the facts and circumstances the Group determined that none of these leases expiring in 12 months should include an extended lease term.

(iv) Liquidity

The Group does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due. For more details on the liquidity risk see note 26.

(b) As a lessor:

Lease income from lease contracts in which the Group acts as a lessor is as below:

	<u>Consolidated</u>	
	<u>2023</u>	<u>2022</u>
	£m	£m
Finance Income		
Finance income on the net investment in the lease	2	3
Operating lease		
Lease income	3	4

The following is the movement in finance lease receivables for the year:

	<u>Consolidated</u>	<u>LLP</u>
	£m	£m
Balance as at 1 May 2021	143	124
Interest income accrued during the year	3	2
Lease receipts	(26)	(18)
Foreign exchange reserve	2	-
Balance as of 30 April 2022	<u>122</u>	<u>108</u>
Interest income accrued during the year	2	2
Lease receipts	(26)	(20)
Terminations	(4)	(4)
Balance as of 30 April 2023	<u>94</u>	<u>86</u>

CLIFFORD CHANCE LLP
Financial Statements for the year ended 30 April 2023

27. Leases (continued)

(b) As a lessor (continued):

	<u>Consolidated</u>	<u>LLP</u>
	<u>2023</u>	<u>2023</u>
	£m	£m
Lease receivables		
Current	24	17
Non-current	70	69
	<u>94</u>	<u>86</u>
	<u>Consolidated</u>	<u>LLP</u>
	<u>2022</u>	<u>2022</u>
	£m	£m
Lease receivables		
Current	24	17
Non-current	98	91
	<u>122</u>	<u>108</u>

Operating leases

The following table sets out the maturity analysis of the lease payments for the sub leases classified as operating leases, showing the undiscounted lease payments to be received after the reporting date

	<u>Consolidated</u>	<u>LLP</u>
	<u>2023</u>	<u>2023</u>
	£m	£m
Less than 1 year	2	2
One to two years	-	-
Two to three years	-	-
Three to four years	-	-
Four to five years	-	-
More than 5 years	-	-
Total undiscounted lease payment	<u>2</u>	<u>2</u>
	<u>Consolidated</u>	<u>LLP</u>
	<u>2022</u>	<u>2022</u>
	£m	£m
Less than 1 year	3	2
One to two years	2	2
Two to three years	-	-
Three to four years	-	-
Four to five years	-	-
More than 5 years	-	-
Total undiscounted lease payment	<u>5</u>	<u>4</u>

CLIFFORD CHANCE LLP
Financial Statements for the year ended 30 April 2023

27. Leases (continued)

(b) As a lessor (continued):

Finance leases

The following table sets out the maturity analysis of the lease payments for the sub leases classified as finance leases, showing the undiscounted lease payments to be received after the reporting date

	<u>Consolidated</u>	<u>LLP</u>
	<u>2023</u>	<u>2023</u>
	£m	£m
Less than 1 year	25	18
One to two years	18	18
Two to three years	18	18
Three to four years	18	18
Four to five years	19	18
More than 5 years	-	-
Total undiscounted lease payments receivable	98	90
Unearned finance income	(4)	(4)
Total lease receivables	94	86

	<u>Consolidated</u>	<u>LLP</u>
	<u>2022</u>	<u>2022</u>
	£m	£m
Less than 1 year	26	19
One to two years	25	18
Two to three years	19	19
Three to four years	19	19
Four to five years	19	19
More than 5 years	21	20
Total undiscounted lease payments receivable	129	114
Unearned finance income	(7)	(6)
Total lease receivables	122	108

CLIFFORD CHANCE LLP
Financial Statements for the year ended 30 April 2023

28. Restatement of Consolidated and Limited Liability Partnership Financial Statements

The CCLLP Partnership Agreement sets out the basis of determining the profits available for allocating profits to Partners. Distributions of these profits to members are on a discretionary basis and are subject to approval by the Executive Leadership Group each year. Prior to the year ended 30 April 2022, any profits earned at a subsidiary which were then distributed to members were recorded by CCLLP in an intra-group receivable account, with a corresponding entry within reserves of the CCLLP standalone accounts (the Limited Liability Partnership Financial Statements).

In preparing the Annual Report and Accounts for the year ended 30 April 2022, management reviewed the appropriateness of this accounting treatment and concluded that the audit trail setting out the appropriate accounting entries and counterparties to the intra-group balances at that time was not complete. Additionally at this time CCLLP did not have a formalised contractual relationship with its subsidiary entities for such transactions. Therefore, a prior year adjustment was recorded to derecognise the intra-group balance with a corresponding correcting adjustment in the reserves of CCLLP. This was the correction of an error.

During the year ended 30 April 2023, management have undertaken a further exercise to

- 1) Calculate the individual intra-group balances between CCLLP and each subsidiary entity as at 30 April 2021, 30 April 2022 and 30 April 2023 which arise from profit distributions paid by CCLLP on behalf of a subsidiary entity, or vice-versa,
- 2) Put in place documentation in the form of agreements between CCLLP and relevant subsidiary entities to formalise the existing practice of allocating and distributing LLP profits.

As a result, the Annual Report and Accounts for the year ended 30 April 2023 includes a prior period restatement to the standalone financial statements of CCLLP, to recognise the resulting correct intra-group balances with a corresponding entry in reserves for the historic profit allocations in the standalone balance sheet of CCLLP which arises from a correction of a prior period error. This restatement also recognises foreign exchange translation differences on the revised intra-group balances and additionally includes an adjustment to remove foreign exchange translation differences in the foreign exchange reserve related to balances derecognised in the prior year that remained in the reserve in error. This restatement is set out in restatement 1 below. Restatement 1 also includes a small adjustment to distributions in the year to 30 April 2022 (£3m).

During the process of correcting the intra-group balances as noted above, it was noted that foreign exchange gains and losses arising on other historic intra-group balances had been incorrectly classified in the foreign exchange reserve rather than in profit and loss reserve. This restatement which is the correction of an error is set out in restatement 2 below. There was also a correction of an error to the consolidated financial statements for the same reason, which has been noted separately in a table below (set out as restatement 2a).

CLIFFORD CHANCE LLP
Financial Statements for the year ended 30 April 2023

28. Restatement of Consolidated and Limited Liability Partnership Financial Statements (continued)

The restatement outlined above in relation to the consolidated financial statements is set out as follows

Consolidated Balance Sheet as at 1 May 2021

	<u>Audited</u>	<u>Restatement 2a</u>	<u>Restated</u>
	£m	£m	£m
Reserves*	141	-	141

Consolidated Balance Sheet as at 30 April 2022

	<u>Audited</u>	<u>Restatement 2a</u>	<u>Restated</u>
	£m	£m	£m
Reserves*	334	-	334

Consolidated Income Statement for the year ended 30 April 2022

	<u>Audited</u>	<u>Restatement 2a</u>	<u>Restated</u>
	£m	£m	£m
Operating costs			
Other operating costs	(253)	(15)	(268)

Consolidated Statement of Comprehensive Income for the year ended 30 April 2022

	<u>Audited</u>	<u>Restatement 2a</u>	<u>Restated</u>
	£m	£m	£m
Items that may be reclassified subsequently to the Consolidated Income statement:			
Net foreign exchange differences recognised within reserves	34	15	49

Consolidated Cash Flow Statement for the year ended 30 April 2022

	<u>Audited</u>	<u>Restatement 2a</u>	<u>Restated</u>
	£m	£m	£m
Cash flows from operating activities	748	(15)	733
Cash flows from financing activities	(763)	15	(748)

*The resulting restatement to 'Reserves' as at 1 May 2021 is an increase of £8m in 'Foreign Exchange Reserves' and corresponding reduction of £8m in 'Other Reserves'. Similarly, as at 30 April 2022 there is an increase of £23m in 'Foreign Exchange Reserves' and a corresponding reduction of £23m in 'Other Reserves'

CLIFFORD CHANCE LLP
Financial Statements for the year ended 30 April 2023

28. Restatement of Consolidated and Limited Liability Partnership Financial Statements (continued)

The restatements 1 and 2 outlined above in relation to the standalone financial statements are set out as follows

Limited Liability Partnership Balance Sheet as at 1 May 2021

	<u>Audited</u>	<u>Restatement 1</u>	<u>Restatement 2</u>	<u>Restated</u>
	£m	£m	£m	£m
ASSETS				
Trade and other receivables	458	20	-	478
LIABILITIES				
Trade and other payables	690	(98)	-	592
REPRESENTED BY:				
Other reserves	(387)	101	14	(272)
Foreign exchange reserves	26	17	(14)	29
Total Reserves	(361)	118	-	(243)

Limited Liability Partnership Balance Sheet as at 30 April 2022

	<u>Audited</u>	<u>Restatement 1</u>	<u>Restatement 2</u>	<u>Restated</u>
	£m	£m	£m	£m
ASSETS				
Trade and other receivables	489	40	-	529
LIABILITIES				
Trade and other payables	738	(146)	-	592
REPRESENTED BY:				
Other reserves (as at 1 May 2021)	(387)	101	14	(272)
Foreign exchange reserves (as at 1 May 2021)	26	17	(14)	29
Profit for the year ended 30 April 2022	332	53	(8)	377
Other comprehensive income for the year ended 30 April 2022	75	12	8	95
Profit distributions and related tax for the year ended 30 April 2022	(318)	3	-	(315)
Total Reserves	(272)	186	-	(86)

Limited Liability Partnership Cash Flow Statement for the year ended 30 April 2022

	<u>Audited</u>	<u>Restatement 1</u>	<u>Restatement 2</u>	<u>Restated</u>
	£m	£m	£m	£m
Cash flows from operating activities	345	(15)	(8)	322
Cash flows from financing activities	(354)	15	8	(331)

The corrections to profit, other comprehensive income and profit distributions and related tax for the year ended 30 April 2022 as noted in the earlier table also result in a correction between operating and financing activities in the cash flow statement. In prior years the income statement and other comprehensive income movements was not correctly mapped against the corresponding intercompany receivable/payable balance sheet movements which resulted in operating and financing cash flow movements being reported in error. The restatement corrects this.