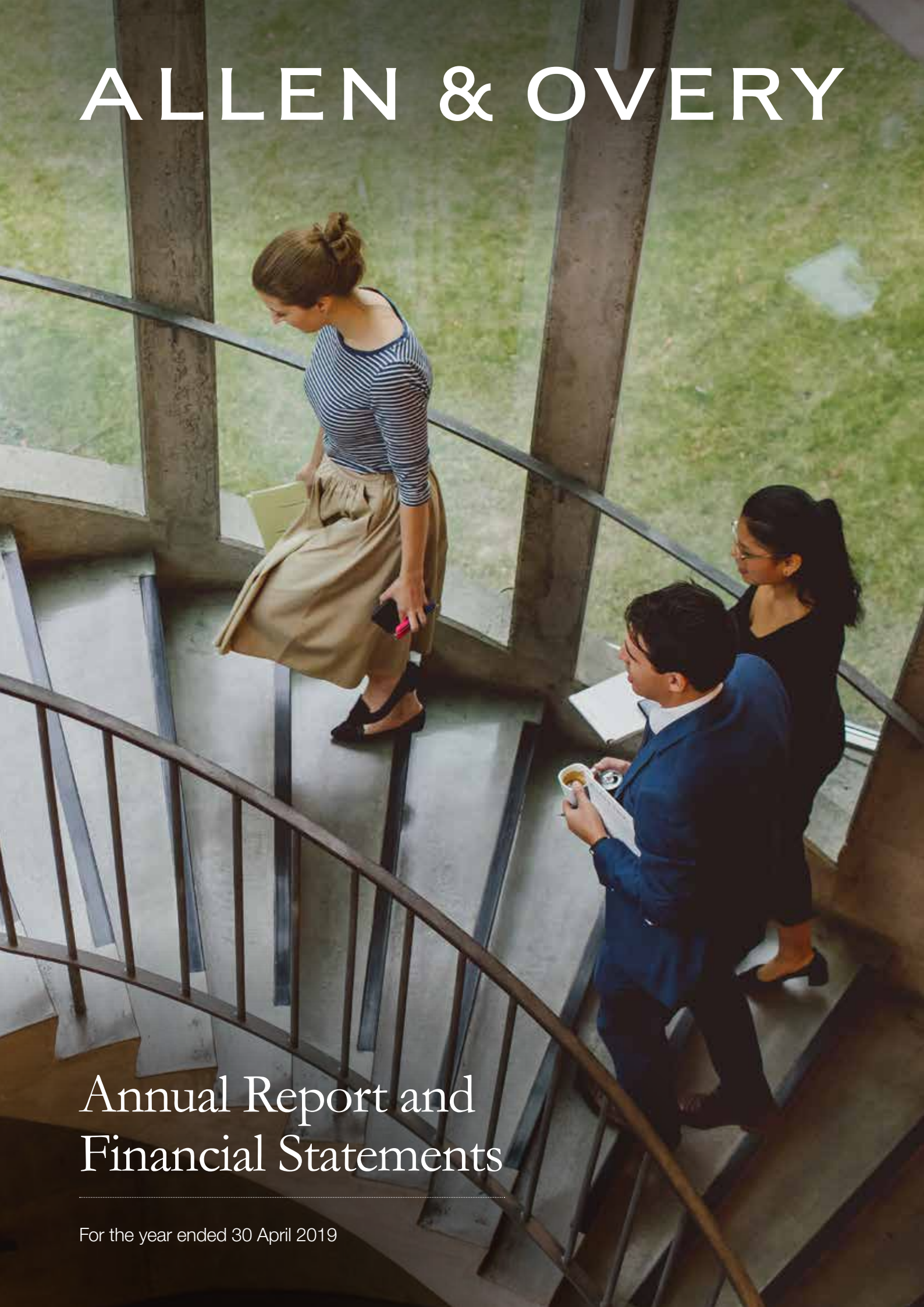
ALLEN & OVERY



Annual Report and Financial Statements

For the year ended 30 April 2019

Contents

Members' report

The Board presents its report to the Members and the audited consolidated financial statements of Allen & Overy LLP for the year ended 30 April 2019.

Group structure

These financial statements consolidate the financial statements of Allen & Overy LLP and its subsidiary undertakings (the **Group**) for the year ended 30 April 2019. **Allen & Overy** is the collective name for an international legal practice comprising Allen & Overy LLP and its subsidiary undertakings. In this report the terms 'the Group' and 'Allen & Overy' are interchangeable.

Allen & Overy LLP (the **LLP**) is a limited liability partnership registered in England and Wales with registered number OC306763. A list of Members and non-Members who are designated as partners is available for inspection at One Bishops Square, London E1 6AD, United Kingdom, which is also the LLP's principal place of business and registered office. For more information visit www.allenovery.com.

Partners/Members

The term **partner** in this annual report is used to refer to a Member of the LLP, or an employee or consultant with equivalent standing and qualifications, or an individual with equivalent status in one of the LLP's subsidiary undertakings. The term **Member** in this annual report is used to refer only to a Member of the LLP. The term **full partner** in this document is used to refer to partners remunerated entirely by profit sharing points.

Principal activity

Allen & Overy's principal activity is the provision of premium legal services. All results derive from continuing activities.

Strategy

At the heart of our strategy is a clear ambition: to become the world's most advanced law firm. That means being at the forefront of legal thinking and building on our reputation for pioneering ideas on how we serve our clients and run our business.

Allen & Overy's strategy has three key dimensions: global reach, local depth; lasting relationships, market leadership; and high-performance culture.

GLOBAL REACH, LOCAL DEPTH

Our clients expect us to be able to operate internationally to high standards while, at the same time, fully understanding the local regulatory framework and how business is actually done in each market.

We have built a network of more than 40 offices globally. The size of our network, along with our corresponding breadth of expertise, is a key differentiator in the market.

We have also developed strong ties with relationship law firms in more than 100 countries where we do not have a physical presence. We combine our international resources and sector expertise to work on cross-border transactions directly in the markets and regions important to our clients.

LASTING RELATIONSHIPS, MARKET LEADERSHIP

Our clients are at the heart of our strategy and we aim to build long-term relationships where we are completely trusted to handle their most complex legal problems.

As well as first-rate legal knowledge and expertise, we aim to bring to our clients strategic and commercial insights based on a deep understanding of their business.

Our strategy is to be tier one in all practice areas in our chosen markets. Our deeply rooted sector expertise allows us to understand the broad business, not just legal, issues faced by our clients daily.

HIGH PERFORMANCE CULTURE

Our clients expect the highest standards of performance and service and we have similarly high expectations of each other.

We offer our people the opportunity to develop personally and professionally and to gain experience by moving around our global network. We know that our future success depends on identifying and developing talented potential leaders with the knowledge and skills required to flourish in a challenging business environment.

Advanced Delivery & Solutions

Allen & Overy has long identified innovation in legal service delivery as a strategic priority. For more than a decade we have been investing in a range of both resourcing and technology capabilities which, as a result, are now mature and operational (see page 8: 'Our Alternative Resourcing and Innovative Technology capabilities').

NEW CLIENT SOLUTIONS

In 2018, in recognition of the scale and complexity of the market and regulatory challenges currently facing our clients, as well as the opportunities presented by new technologies, we launched A&O Consulting and our Markets Innovation Group. These teams look to harness our core legal and market expertise to deliver bespoke client solutions, often delivered through innovative technologies and resourcing models.

A&O Consulting

A&O Consulting

Operating initially in London and Australia, A&O Consulting provides high-quality, practical advice on issues relating to governance, corporate purpose and culture as well as a wide range of non-financial risks. Where appropriate, it works hand-in-hand with A&O lawyers to offer clients a truly one-stop solution. By focusing on results, A&O Consulting delivers sustainable solutions that management teams adopt; and by embracing this tried-and-tested approach, it helps clients solve their most pressing challenges so they can unlock growth and drive better value for shareholders.

MIG
Markets Innovation Group

Markets Innovation Group (MIG)

A dedicated team of A&O partners that develops solutions for our clients' large-scale legal and regulatory challenges. MIG establishes or drives industry working groups on a cross-border basis to ensure strategic issues are resolved at the highest level, drawing on subject matter experts from across our global practices. In terms of practical implementation, the team's tech-based solutions bring order and discipline to the most complex and large-scale problems. MIG uses technology and alternative resourcing models, drawing on the Legal Technology Group, Belfast Legal Services Centre, Project Management Office and Peerpoint to deliver the optimal solution for our clients.

Advanced Delivery & Solutions

We've seen a revenue increase of more than 20% in Advanced Delivery & Solutions

Most recently, we have brought the following solutions to market:

IBORMatrix

An end-to-end solution developed by MIG to assist with the transition from LIBOR to new interest rates at scale. This transition is currently expected to be one of the most significant challenges facing our clients globally over the next few years. Two key features of the system are: (i) due diligence involving our cutting-edge approach to AI technology; and (ii) automatic document generation with built-in workflow capabilities. We have designed the system to be modular and flexible to allow clients to tailor the system to cover a variety of different product areas. IBORMatrix was developed in collaboration with our Legal Technology Group. IBORMatrix has been designed to facilitate the engagement of our legal teams, A&O Consulting, Project Management Office and Belfast Legal Services Centre, working in collaboration with third party management consultants and any other service providers engaged by our clients.

BrexitMatrix

An online workflow platform, developed by MIG, with auto-drafting technology which helps financial institutions repaper a range of contracts to reflect changes in corporate structure resulting from Brexit. The innovation won a 'standout' rating in the new products and services category at the 2018 FT Innovative Lawyers Awards.

A&O Consulting and MIG build on the strong innovative traditions of aosphere, our original online legal service established in 2001 to provide an alternative solution for clients looking to understand cross-border risks for a single, annual subscription. aosphere's growth trajectory has continued, with increases in its client base (the 475th client signed in Q2, a 20% increase in a 12-month period), the launch of three new products (distributing three market data services), and the exploration of new tech capabilities (collaborating with new rules engine providers for automated compliance solutions across two aosphere products).

INVESTMENT IN TECHNOLOGY

In addition, using the insight and experience of our technology teams, including Fuse (our tech innovation space), we have licensed the following legal technologies to help lawyers across our global practice groups transform how we deliver complex projects every day:

Kira, iManage RAVN (document review and data extraction);

Avvoka, ContractExpress (contract lifecycle);

HighQ, Legatics, ReportRoom (deal and team management); and

Relativity (eDiscovery).

OUR ALTERNATIVE RESOURCING AND INNOVATIVE TECHNOLOGY CAPABILITIES

Resourcing

lsc legal services centre

Belfast Legal Services Centre

Delivering a wide range of document-intensive tasks, including due diligence, litigation reviews, drafting and research with greater cost-efficiency.

Peerpoint. by ALLEN & OVERY

Peerpoint

Helping clients access top-tier legal talent on an interim basis, and allowing lawyers to develop their careers in new directions.

pmo project management office

Project Management Office

Dedicated project managers working to deliver complex projects on time and on budget alongside A&O lawyers.

Technology

Fuse by ALLEN & OVERY

Fuse

A tech innovation space where A&O lawyers and technologists work with clients and start-ups to bring cutting-edge technology solutions to life.

legaltech

Legal Technology Group

An expert, multi-disciplinary team supporting clients and A&O lawyers in creating digital solutions to legal, regulatory and deal-related challenges.

eDiscovery

eDiscovery and document review

Using advanced technology solutions alongside A&O lawyers and clients to uncover the facts hidden in data.

STRATEGIC FRAMEWORK

Taken as a whole, our strategy is flexible and distinctive, and delivers value and high-quality service to our clients worldwide.


& OVERY
ALLEN & OVERY

Business and financial performance

REVENUE

Our revenue grew 5% to a record level of £1,627 million (2018: £1,552 million). Our advanced delivery businesses grew strongly and were supported by strong performances from our Banking, Corporate and ICM practices. This strong top-line growth was achieved despite a competitive market and pressures from clients to manage total legal spend.

PROFIT FOR THE FINANCIAL YEAR

Profit before taxation of £708 million for the financial year 2019 (2018: £653 million) was the second-best result in the history of the firm. The current year result included a foreign exchange gain of £9 million, compared to a loss of £16 million in 2018. Exceptional property costs of £21 million were also recognised in 2018 for changes to subtenant lease arrangements. Excluding the impact of foreign currency gains and losses and exceptional property costs, the underlying performance of the business improved, with profit up 1%.

OPERATING COSTS

Our total staff costs increased by £49 million to £610 million (2018: £561 million), reflecting the impact of headcount increases, 1 May 2018 pay awards and increases in total staff financial reward. Other operating expenses reduced by £5 million to £308 million as the £25 million benefit from the swing in exchange gains and losses from 2018 to 2019 offset the underlying increase in operating expenses.

STAFF PENSIONS

2,267 (2018: 2,199) of our staff are active members of the firm's UK defined contribution pension arrangements.

The most recent full actuarial funding report on the firm's defined benefit scheme was as at 1 January 2017. The report showed a surplus of £0.4 million on a technical provisions basis, and as a result it has been confirmed with the Trustees that the firm is not currently required to make cash contributions to the scheme. The next funding valuation is due as at 1 January 2020.

The separate annual valuation undertaken for the purpose of these financial statements at 30 April 2019 indicates a defined benefit pension surplus of £64.0 million, compared with a surplus of £54.0 million in the prior year.

NET ASSETS AND FINANCING

Our balance sheet remains strong, with net assets of £461 million (2018: £450 million).

The Group is financed through a combination of partners' capital, partners' subordinated loans and undistributed profits (including tax retentions). Partners' capital contributions totalling £138 million (2018: £134 million) and partners' subordinated loans totalling £56 million (2018: £57 million) are contributed by reference to the Capital Unit per profit sharing point. The Capital Unit is agreed by the Board by reference to the future working capital needs of the business. Capital and subordinated loans are provided interest-free and are repayable following the partner's retirement.

The Group's borrowing facilities are held with a number of banks. Facilities expire on different dates so that renewals are spread. At 30 April 2019, the Group had unused committed bank facilities of £150 million (note 15). The Board is satisfied that the available facilities are more than sufficient to meet the expected peak cash requirements of the Group over the next 12 months.

PARTNERS' PROFIT SHARE AND DRAWINGS

Partners are remunerated solely out of the profits of the firm after adjusting for annuity payments to certain former partners. The amount of profit to be distributed to partners is determined by the Board after the year-end.

Where a partner receives their remuneration as an employee or a consultant, this is shown under the heading of 'Partners' remuneration charged as an expense' in the Consolidated Income Statement.

In the Consolidated Balance Sheet, the amounts shown as 'Total partners' other interests' and 'Amounts due from partners' relate to amounts due to and from Members of the LLP or partners of its subsidiary undertakings. Balances due to partners remunerated as employees or consultants are shown within 'Trade and other payables'.

Full partners usually draw a proportion of their expected profit share in 12 monthly instalments during the year in which the profit is earned, with the balance of their share of allocated profits, net of a tax retention, paid in 12 equal instalments starting in August of the subsequent financial year. All payments are made subject to the cash requirements of the business.

As partners draw a proportion of their expected profit share during the year before the profits for the year have been determined, divided and allocated to them, by the year-end their personal current accounts with Allen & Overy are in deficit. The total of these accounts is shown in the Consolidated Balance Sheet within 'Amounts due from partners'. Once the profit for the year has been divided and allocated, the partners' current accounts are in surplus by the amount of their share of the year's profits not already drawn.

In the majority of jurisdictions, the tax payable on a partner's profit allocation is the personal liability of the partner. However, tax is retained from their profit entitlement which is then paid to the relevant tax authorities on their behalf, with any excess being released and any shortfall being charged to the partner as appropriate. The balance of such retentions is included in the partners' accounts, the total of which is shown within 'Amounts due from partners' in the Consolidated Balance Sheet.

Annual results | 1 May 2018-30 April 2019

Revenue

£1,627 million

$2,129 million; €1,844 million

+5%

from 2018

Profit before tax

£708 million

$926 million; €802 million

TAX POLICY

The firm is committed to being a responsible and compliant taxpayer in the countries in which it operates. We engage openly with HM Revenue & Customs and other tax authorities around the world.

Responsibility for the conduct of the firm's tax affairs lies with the firm's Finance & Operations Director and is subject to scrutiny by the Audit Committee and the Board.

TAX CONTRIBUTION

Allen & Overy makes significant financial contributions to the economies of the jurisdictions in which it practises through the payment of taxes by both the firm and its partners, and also by the collection of taxes from others. The total contributions are approximately £569 million (2018: £540 million).

Allen & Overy and its partners have paid, or will pay, taxes of over £344 million in relation to the year ended 30 April 2019. Globally this amount comprises approximately £288 million of profit taxes, £41 million of employer's social security contributions, £10 million of property taxes and £5 million of other taxes.

In addition, Allen & Overy has collected approximately £225 million of taxes on behalf of the governments of the jurisdictions in which we practise. £125 million was collected by way of payroll and social security deductions from remuneration paid to our staff and £100 million of VAT, GST and similar taxes was collected from clients.

POLITICAL DONATIONS

The LLP has no political affiliation. The firm does not make any cash donations to any political party or other groups with a political agenda.

AUDITORS

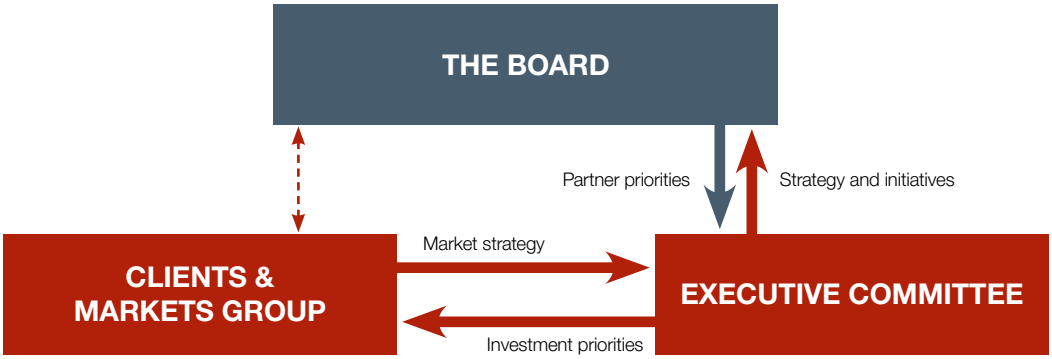
The independent auditors, PricewaterhouseCoopers LLP, have indicated their willingness to be re-appointed.

GOING CONCERN

The Board has a reasonable expectation that the Group has adequate financial resources to meet its operational needs for the foreseeable future and therefore the going concern basis has been adopted in preparing the financial statements.

Governance

The firm's principal decision-making and governance bodies are the Board and the Executive Committee (Exco).



The primary purpose of the Board is the stewardship of the firm and the oversight of the executive management. The Board reviews and approves the strategy for the firm as designed by Exco and oversees its implementation. It approves the business planning processes set by Exco and holds Exco to account. The Board is also the guardian of the firm's culture and the voice of the partnership.

The Board comprises the Senior and Managing Partners, six independent partner directors (IPDs) who are elected to the positions for a four-year term, and two co-opted members. For the year ended 30 April 2019, the Board comprised Wim Dejonghe (Senior Partner), Andrew Ballheimer (Managing Partner) and the six IPDs: Laëtitia Bénard, Denise Gibson, David Lee, Christian Saunders, Daniel Shurman and Tim Stevens. Pamela Chepiga and Roger Lui were the co-opted members. In addition, the Board also benefits from the advice of the Finance & Operations Director, Jason Haines, who attends all Board meetings.

The Exco is responsible for the development and implementation of the firm's overall strategy, major initiatives, priorities and investments. It is the firm's key decision-making body and is responsible for the overall performance management of the business. For the year ended 30 April 2019, Exco comprised the Senior Partner and Managing Partner plus eight other partners (David Benton, Philip Bowden, Ian Ingram-Johnson, Astrid Krüger, Vicki Liu, Dirk Meeus, Karen Seward and Barbara Stettner) from across the firm. The membership of the Exco is reflective of the firm's product and geographic diversity. Exco also benefits from the advice of the four support directors: Andrew Brammer (IT & Shared Services Director); Richard Grove (Marketing, Business Development and Communications Director); Jason Haines (Finance & Operations Director); and Sasha Hardman (Human Resources Director).

The Clients & Markets Group is responsible for setting and implementing a structured approach to the development and management of client relationships. It is structured around a number of industry sectors and priority clients and is accountable for growth in those sectors and for the development of priority client relationships. It is chaired by the Senior Partner and includes representatives of the sectors and client relationship teams.

THE BOARD

Wim Dejonghe
Senior partner – UK

Andrew Ballheimer
Managing partner – UK

Laetitia Benard
Partner – France

Pamela Chepiga
Partner – U.S.

Denise Gibson
Partner – UK

David Lee
Partner – UK

Roger Lui
Partner – China

Christian Saunders
Partner – UAE

Daniel Shurman
Partner – UK

Tim Stevens
Partner – Netherlands

Risk and compliance

Allen & Overy has strong institutional and integrated risk management structures, systems and procedures. The Board is Allen & Overy's overarching governing body and the principal forum for considering all substantive risk management issues. On a day-to-day basis, risk management is undertaken by offices, practice groups and support groups at a managerial level so that local managing partners, practice group heads, and directors and heads of the support departments actively manage the business risks to which Allen & Overy is exposed.

The Board, the partners and the wider firm are supported in a number of ways.

RISK FUNCTION

The Risk function, led by Simon Fuge (Partner – Risk and Compliance), consists of several different teams staffed by lawyers and analysts in the UK, the U.S. and Singapore. Between them, they deal with business acceptance, sanctions, anti-money laundering, in-house legal advice, risk management, compliance, data protection and ethical issues.

GENERAL COUNSEL

Andrew Clark is the firm's General Counsel and deals with internal and external contentious and reputational issues, including professional indemnity issues and client complaints, regulatory investigations, disputes and related matters.

AUDIT COMMITTEE

The Audit Committee, chaired by David Lee, is responsible for reviewing the Group's financial risks. The Audit Committee is appointed by the Board and consists of six partners and one independent external member. It reviews Allen & Overy's financial statements and receives reports from the external auditors regarding the findings of the audit. It also considers the scope, results and effectiveness of internal and external audits, including reviewing the independence of external auditors and their non-audit services and fees.

RISK COMMITTEE

The Risk Committee, chaired by Andrew Clark, is appointed by the Board and consists of ten partners, the Global Head of Regulation and Conduct, the Human Resources Director and the IT & Shared Services Director. It does not have executive powers and responsibilities but its role is to identify and assess the Group's material non-financial risks, formulate and review the Group's approach to risk, and support others with risk management responsibilities to improve the control and coordination of risk management across the Group.

RISK CONTACTS

Allen & Overy has designated risk contacts for each office, London practice group and support department, who assist with communicating risk messages, local risk training, providing local perspectives on risk issues, and having oversight of the risk register in their jurisdiction or group. The principal risk contacts are the managing partners of each office, jurisdiction or practice group and they are supported by other designated individuals who assist with the day-to-day supervision of risk management tasks.

IT BOARD

Given the significance of information technology to the business, an IT Board, chaired by Andrew Ballheimer, is responsible for ensuring that we receive value for our substantial investment in IT. The IT Board has responsibility for considering potential IT investments and prioritising investment decisions. It consists of nine partners, the IT & Shared Services Director, the Finance & Operations Director, the Human Resources Director, the Director of Marketing and Business Development, the Chief Information Security Officer and others co-opted as required.

REVIEWING RISK

While we develop our own strategies and policies based on our business circumstances, we also actively engage with the concerns and priorities of our clients, our regulators (in particular the Solicitors Regulation Authority of England and Wales), government agencies and the wider legal market. The Group creates and employs a number of innovative strategies to protect and enhance the confidentiality of the information which it holds (including client data). We have a proactive approach to information security, robust information security processes and procedures and cutting-edge technological solutions, led by the firm's Chief Information Security Officer. We also regularly liaise with external agencies and experts.

PRINCIPAL FINANCIAL RISKS AND UNCERTAINTIES

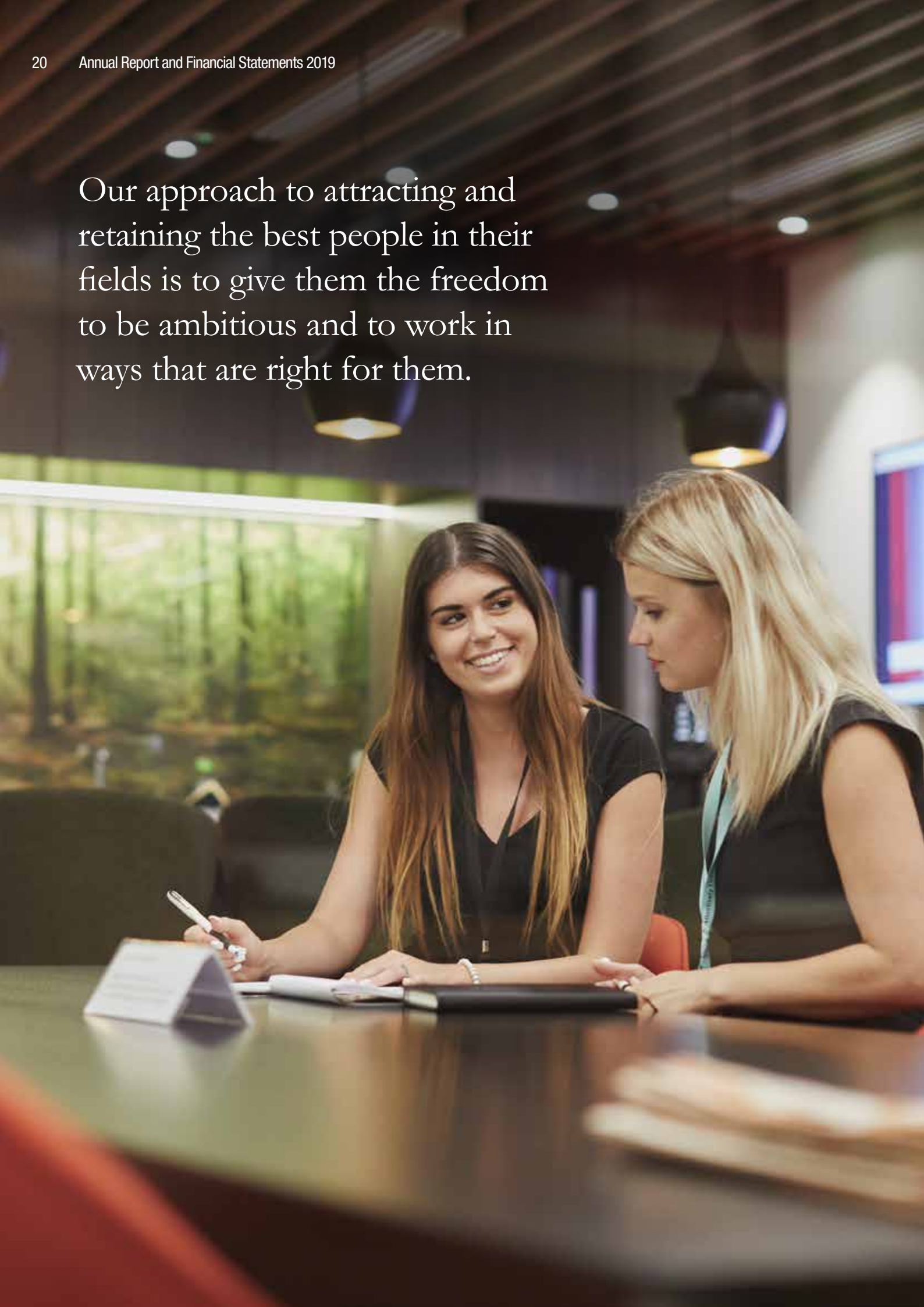
The principal risk and uncertainty affecting the financial results of the Group is the variability of the market for premium legal advice. Geopolitical forces also introduce uncertainty. Management seeks to match the Group's resources to the expected demand, while expanding the Group's market share where possible and international reach where appropriate. More information on the Group's strategy is provided on pages 5 to 8.

The Group's main financial risks relate to the non-recoverability of client receivables and foreign currency risk due to the international nature of the Group. More generally, the principal risks faced by the firm and the ways in which management respond to them are as follows:

Risk	Response
Reputation and brand: Damage to our reputation and brand.	– Embedding of Allen & Overy culture in partners and staff. – Business acceptance processes covering client suitability, engagement terms and scope. – Well disseminated global risk management policies, training and awareness programmes. – Crisis management and public relations plans. – Management of PI cases/complaints.
Financial: Pressure on earnings, margins and costs.	– Annual budgets approved by the Board. – Monthly analysis of financial results by practice group and by office. – Working capital management, including monitoring exposure to clients. – Fee management committee oversight of pricing. – People/resource planning to monitor headcount. – Cost-optimisation programmes.

Risk	Response
Evolving Markets: Impact of changes in legal markets and client requirements and of political, regulatory and security risks in emerging markets.	– Diverse practice in terms of legal services offered and geographical spread. – Integrated advanced delivery group, headed by a senior partner, which comprises the firm's advanced resourcing, technology and client solution capabilities. – Efficient systems and procedures for service delivery. – Assessment and monitoring of risks posed by new and changing markets. – Secondment of partners to key management roles in client organisations. – Business continuity plans for offices which take account of security and political risks and a travel security policy. – Engagement with local regulatory authorities and lawyers to ensure compliance.
Service: Delivery of service which does not meet the high quality required.	– Planning and staffing of client instructions, including project management office. – Supervision of associates by partners. – Innovative delivery methods, eg Peerpoint, aosphere, Collaborate, BrexitMatrix, MarginMapp, MarginXchangeTM and MarginMatrixTM. – ISO 22301 certification in the UK for business continuity management. – Scope of work and terms of business agreed. – Institutionalising client relationships. – Integration with Fuse.
People and talent: Inability to recruit, retain and develop the best people.	– Recruitment strategies to identify and attract talent. – Appraisal, training and development programmes, including ongoing feedback. – Promotion of diversity, equal opportunities and flexible working. – Investment in professional support to capture and embed knowledge and know-how.
IT, information and data security: Loss or misuse of confidential data or of the firm's IT systems.	– Information security management system is ISO/IEC 27001: 2013 compliant. – IT technical solutions covering encryption, event monitoring and incident management, including expert internal resource to support agility and responsiveness to threats. – Physical security controls covering premises. – Personnel security and vetting controls. – Global information security training and awareness programmes. – Chief Information Security Officer oversight. – A dedicated Data Privacy team and global personal data training, policies and procedures designed to meet GDPR requirements.
Brexit: Possible adverse impact on practices.	– Short and medium term review of the potential implications of Brexit for clients and the firm, both in terms of risks and opportunities, which is overseen by a firm-wide specialist group.

Our approach to attracting and retaining the best people in their fields is to give them the freedom to be ambitious and to work in ways that are right for them.



People and performance

Throughout our 89-year history, it has been the talent, experience and commitment of our people that have helped us to shape the future of law and of our business.

Our approach to attracting and retaining the best people in their fields is to give them the freedom to be ambitious and to work in ways that are right for them. This year, we continue to be recognised in several markets as a top recruiter in the legal sector, and have been ranked as the number one international law firm amongst students from lower socio-economic backgrounds, suggesting that our approaches are working. With an eye to the future, our Advanced Delivery graduate programme in London is helping position us as a great career choice for STEM (Science, Technology, Engineering, Maths) students who have ranked us as the most attractive legal employer in the UK.

To ensure that we continue to create an environment where people can thrive, in 2015 we assembled our People and Performance Board, made up of 13 partners and senior support representatives from across the firm who focus on our people at a strategic level. The People and Performance Board is also supported by a Global People and Performance Forum, made up of 25 individuals who reflect the full spectrum of roles and regions across Allen & Overy, and who ensure that our strategy resonates at a global and local level.

A COMPELLING PROMISE TO OUR PEOPLE

One of the key priorities for the People and Performance Board is to reinforce the promise that we, as a firm, make to our people. The People and Performance Board has been continuing to work to support the delivery of a compelling proposition for our people that differentiates us from our competitors. We believe that this is achieved by creating a working environment that is all about relationships and being part of a team, is challenging and provides the opportunity to learn, and equips our people for the future.

COMPASS

After a successful pilot, we have been rolling out our new approach to performance development globally. Compass enables better and more frequent and forward-looking performance/career conversations.

EMBEDDING THE ALLEN & OVERY BUSINESS SCHOOL AND SUPPORT ACADEMY

We have a market-leading skills development programme for our associates and support staff and have continued to have a real focus on increasing awareness and understanding of the programmes on offer. The Allen & Overy Business School programmes develop our fee-earners to be more than specialists in their field: they enhance their understanding of commercial challenges, and encourage them to develop a keen eye for new business opportunities and to think entrepreneurially for our clients and the firm. The Support Academy offers a series of regionally delivered, face-to-face training programmes, focusing on business and soft skills needed at each career development stage. We have also had a strong focus on delivering training programmes for people managers to ensure these individuals develop the skills required to manage their teams effectively, as well as developing some key programmes for our lawyers to assist them with effectively managing their careers.

CAREER PORTAL

We have redeveloped our global career portal to give our people the tools and information they need to manage their careers proactively. The portal has numerous tools and resources for individuals to work through in their own time.

FUTURE LEADERSHIP

The Leadership Centre has continued to go from strength to strength as we continue to expand our offering to partners. In addition, we have continued to focus on developing our leaders with an emphasis on identifying and developing emerging leaders across our fee-earner and support staff population. We are investing more in talent programmes for support staff and continue to run our Emerging Leader programme for fee-earners. In addition to training, sponsorship and coaching from across the network have continued to play a key role.

LAWYER OF THE FUTURE

Having defined the skills requirements for the lawyer of the future, we have developed and rolled out new scenario-based interview approaches to over 200 interviewers globally and became the first major law firm to implement an online interactive situational judgement test that has been used by nearly 4,000 students globally. Together, these new approaches strengthen the quality of our hiring decisions and help ensure that we recruit the talent we need to meet the future needs of our global business.

DIVERSITY AND INCLUSION

These issues continue to be a strategic focus for the firm globally. In 2018 we refreshed our strategy for creating better gender balance at the more senior levels in the firm, with an increased emphasis on accountability for identifying and progressing talented women. This gave our efforts new momentum and we were pleased to promote eight women to partner in this year's promotion round. We also started a global conversation around race and ethnicity with new networks in the UK and the U.S., and we were the first law firm in the UK to publish our ethnicity pay gap. We still have a lot to do and the work continues, but we were delighted to be recognised as a Times Top 50 Employer for Women 2019 and, in recognition of our efforts to create better LGBT+ inclusion, as a 2018 Stonewall Top Global Employer.

HEALTH AND WELLBEING

The wellbeing of our people is a priority for us. We aim to promote a culture of health where people value their physical and psychological wellbeing (and that of their colleagues) in equal measure. This year we have focused on engaging senior leaders to help create a more open culture where our people feel they can speak freely about their mental health. We have appointed a Board Sponsor and in some of our offices there is a local sponsor, helping to put the mental health of our people on the leadership agenda. During the year, in a number of offices, people managers were offered training to help them spot the early signs that someone is struggling and give them the confidence to start a conversation. Feedback on these sessions has been incredibly positive and we are hoping to partner with some of our clients to deliver similar sessions.

In an effort to reduce the stigma associated with mental health, we have encouraged discussion through expert guest speakers, internal articles and, most recently, story-telling. In May, for Mental Health Awareness Week, many of our offices supported the Green Ribbon Campaign and our Board Sponsor wrote an open letter to the firm sharing his personal and very powerful story. The response from our people has been overwhelmingly positive. We are always looking for new ways to support our people and provide them with the tools to help them look after their own mental health, and this year we piloted a mindfulness app with around 300 of our people. The take-up was good and we are considering how we might expand the service.

Corporate responsibility

PRO BONO AND COMMUNITY INVESTMENT

Pro bono and community investment has been at the heart of our firm for decades. Our global programme supports access to justice, education and employment for tens of thousands of vulnerable people around the world each year.

Together, our lawyers delivered over 132 hours of pro bono and community investment work every day last year – amounting to 48,372 hours worldwide.

All of our partners contribute to the Allen & Overy Foundation – donating a total of £1.59 million in the past financial year – from which we provide grants to non-profit organisations around the world. To enhance the impact of our funding, we also offer up to 100 hours of pro bono support to every beneficiary of the Global Grants Programme, which represents approximately 25% of the Foundation's work.

AN AWARD-WINNING PROGRAMME OF WORK

- Our pro bono and community investment work has been commended in the **Financial Times Innovative Lawyers Awards** for five years running. This year, we were recognised in Europe for defending Romanian anti-corruption judge Dr Camelia Bogdan, following her expulsion from the judiciary. In the Asia-Pacific awards, we were Highly Commended for preparing guides on the stop and seize powers of officials in Hong Kong, which can impact freedom of movement for journalists, activists and NGO workers.
- Our global charity partnership with War Child – which supported Syrian refugee children in a Jordanian camp and funded War Child's work more broadly – was named Best Charity Partnership in the legal sector at the **Business Charity Awards**.
- In the **Asian Legal Business Awards**, former partner and now Head of Pro Bono and Community Investment in Hong Kong Catherine Husted was named Woman Lawyer of the Year – the first time the overall award has been given specifically for achievements in pro bono work.
- In recognition of our long-term commitment to pro bono and community investment work, we were awarded Best Contribution by an International Firm at the **LawWorks Awards**.

Some of our other achievements from the past year are below.

ENDING INSTITUTIONAL CARE FOR CHILDREN – OUR PARTNERSHIP WITH HOPE AND HOMES FOR CHILDREN

A&O's current global charity partner is Hope and Homes for Children. We have set ourselves a target of raising £1 million over the two-year partnership and, eight months in, have already raised over £500,000.

Through fundraising and pro bono support, our aim is to stop the practice of child trafficking through orphanages in India and Nepal, as well as to support the charity's wider objective of ending the institutionalisation of children worldwide.

The success of A&O's fundraising means Hope and Homes for Children is already establishing solid foundations in India and Nepal for the overhaul of child protection and care systems. This supports children transitioning from orphanages to family-based care.

If we reach our fundraising target, Hope and Homes for Children will help an estimated 400 children transition out of institutions and into families in target areas within Nepal and India, as well as using community-based interventions to prevent a further 4,000 children and their families from being separated in the first place.

SMART START CELEBRATES 10 YEARS IN THE UK

This year marks the tenth anniversary of Smart Start in the UK – our award-winning work experience programme for young people from disadvantaged backgrounds.

Since its launch in 2009, Smart Start has supported 1,450 young people with high-quality work experience and skills development. These are young people from low-income households who, because of the barriers disadvantage creates, can find it harder to access opportunities and achieve their potential.

Smart Start is the only scheme in the legal sector to be formally accredited for its quality and has led the way in raising the standards of work experience for young people across the sector through PRIME – an alliance of law firms who now offer around 750 quality work experience placements every year.

Over the past ten years, Smart Start has evolved to offer summer school placements at university, work placements with clients, ongoing mentoring, and bursaries to help fund higher education. We also launched Smart Start International in 2016, running programmes in India, South Africa and Hong Kong.

Most importantly, every year the feedback we get from the students is excellent – over 90% tell us they feel more confident, ambitious and prepared for the world of work after having spent time with A&O and our client volunteers during Smart Start.

VICTORY FOR ROMA STUDENTS ILLEGALLY SEGREGATED IN SCHOOL

In Budapest, A&O counsel Balázs Sahin-Tóth and lawyers from local firms have won a substantial litigation on behalf of 62 Roma students, who argued their human rights had been breached and life chances affected because of illegal segregation at school – a widespread practice many Roma children experience in Hungary.

In a case that the team hopes will shape future court decisions, the students were awarded HUF500,000 (approximately £1,400) in moral damages for every year that each student has spent in a segregated class – amounting to around £280,000 in total.

This work builds on the success of a long and complex six-year case won by Balázs against a school in Miskolc, in which the Supreme Court awarded moral damages for school segregation for the first time.

Balázs' long-term work to defend the rights of Roma children has previously won the prestigious International Bar Association Pro Bono Award and an award from the President of the Hungarian Bar.

U.S. RESEARCH ON GUNS IN SCHOOLS

In response to the 2018 shooting at Marjory Stoneman Douglas High School in Florida, in which 17 students and staff were killed, A&O has been working with the Giffords Law Center to Prevent Gun Violence.

Over the course of six months, an A&O team has conducted a comprehensive 50-state research project on state and local laws that govern the possession of firearms in local, private and religious schools across the U.S., as well as the policies and practices of some of the largest school districts in key states.

The Giffords Law Center is using A&O's research to identify the jurisdictions in which to focus its limited legal resources, and in ongoing litigation in Florida.

RECOGNITION OF RELATIONSHIPS AND LGBT+ RIGHTS IN HONG KONG

In 2019, A&O released a report commissioned by Hong Kong's Equal Opportunities Commission to analyse areas of legislation and policy in which an individual's relationship status impacts their legal rights.

As marriage between opposite-sex couples is the only relationship recognised under Hong Kong law, they are entitled to various benefits – access to public housing and reproductive technology, for example – which those in same-sex marriages, cohabiting couples, civil partnerships and other relationships are not.

Our report identifies the different treatment applied to those in heterosexual marriages, as well as providing examples of where a failure to recognise alternative relationships limits the government's reach of policy and law enforcement efforts. We hope the report will now prompt discussions about whether and how particular areas of law could benefit from reform.

This research follows A&O's attempt to intervene – along with a number of law firms and investment banks – in proceedings relating to a challenge brought by a woman in a same-sex civil partnership, whose spouse was denied a dependant visa on the grounds that the term 'spouse' relates only to a marriage between a man and a woman.

The intervention helped to raise the profile of the judicial review proceedings by arguing that such a policy would discourage talented people from living and working in Hong Kong, and therefore impact businesses' ability to create strong and diverse teams.

In July 2018, the Court of Final Appeal made a landmark decision in the proceedings, upholding the right of all people, regardless of sexual orientation, to obtain dependant visas for their spouses to live and work in Hong Kong – a significant result for LGBT+ equality.

Environment

During the year, the firm continued to demonstrate its commitment to environmental sustainability by addressing its most material sources of CO2 emissions and supporting UN Sustainable Development Goal 13 – Climate Action. We purchased Gold Standard Voluntary Emissions Reductions (VER) credits to offset the CO2 emissions from our global air travel for 2017. We plan to continue investing in Gold Standard VERs for our 2018 and future global aviation emissions. Over 75% of our global electricity consumption was supplied from renewable sources in 2018.

Just over 55% of our carbon footprint is within the scope of our ISO 14001 and 50001 Environmental and Energy Management Systems at our London, Belfast and Amsterdam offices.

ENVIRONMENTAL PERFORMANCE FOR CALENDAR YEAR 2018

Our reported global carbon footprint has decreased from 32,320 tCO2 equivalent (using national emissions factors for grid electricity) in calendar year 2017, to 30,714 tCO2 equivalent in calendar year 2018. This decrease of 5% is within the context of an increase in employee numbers of 2% and a small reduction in occupied office floor space of 1% globally.

Our carbon footprint has therefore reduced on an absolute, per capita and per unit area basis.

The most significant reason for our reduced carbon footprint is a reduced electricity consumption and reduced grid emissions factors, more than offsetting an increase in fuel consumption and emissions from air travel.

Statement of Members' responsibilities in respect of the financial statements

The Members are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and 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 elected to prepare the financial statements for the LLP and the Group in accordance with International Financial Reporting Standards (**IFRS**) as adopted by the European Union. Under company law, as applied to limited liability partnerships, the Members must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the LLP, and of the profit or loss of the Group for that period. In preparing these financial statements, the Members are required to:

– select suitable accounting policies and then apply them consistently;

– make judgements and accounting estimates that are reasonable and prudent;

– state whether applicable IFRS as adopted by the European Union have been followed, subject to any material departures disclosed and explained in the financial statements; and

– prepare the financial statements on a going concern basis unless it is inappropriate to presume that the LLP and Group will continue in business.

The Members are responsible for keeping adequate accounting records that are sufficient to show and explain the LLP's and Group's transactions and disclose with reasonable accuracy at any time the financial position of the LLP and the Group, and enable them to ensure that the financial statements comply with the Companies Act 2006 as applied to limited liability partnerships by the Regulations. They are also responsible for safeguarding the assets of the LLP and the Group, and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Members are responsible for the maintenance and integrity of the Group's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

These responsibilities are exercised by the Board on behalf of the Members.

STATEMENT ON DISCLOSURE OF INFORMATION TO AUDITORS

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.

Approved by the partners and signed on their behalf on 12 September 2019 by

Wim Dejonghe
Senior Partner

Independent auditors' report to the Members of Allen & Overy LLP

Report on the audit of the financial statements

Opinion

In our opinion, Allen & Overy LLP's group financial statements and limited liability partnership financial statements (the "financial statements"):

– give a true and fair view of the state of the Group's and of the limited liability partnership's affairs as at 30 April 2019 and of the Group's profit and the Group's and the limited liability partnership's cash flows for the year then ended;

– have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and, as regards the limited liability partnership's financial statements, as applied in accordance with the provisions of the Companies Act 2006 as applied to limited liability partnerships; 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 Annual Report and Financial Statements (the "Annual Report"), which comprise: the consolidated and limited liability partnership balance sheets as at 30 April 2019; the consolidated income statement and consolidated statement of comprehensive income; the consolidated and limited liability partnership cash flow statements; and the consolidated and limited liability partnership statements of changes in equity 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 Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

ISAs (UK) require us to report to you when:

– the Members' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or

– the Members have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group's and limited liability partnership's ability to continue to adopt the going concern basis of accounting for a period of at least 12 months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of the above matters.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Group's and limited liability partnership's ability to continue as a going concern. For example, the terms on which the United Kingdom may withdraw from the European Union are not clear, and it is difficult to evaluate all of the potential implications on the Group's trade, clients, suppliers and the wider economy.

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 set out on page 27, 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 limited liability partnership's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the members either intend to liquidate the Group or the limited liability partnership 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 ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Use of this report

This report, including the opinion, 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 this opinion, 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 received all the information and explanations we require for our audit; or

– adequate accounting records have not been kept by the limited liability partnership, or returns adequate for our audit have not been received from branches not visited by us; or

– the limited liability partnership financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Darryl Phillips (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
12 September 2019

Annual Financial Statements

CONSOLIDATED INCOME STATEMENT – YEAR ENDED 30 APRIL 2019

	Notes	2019 £m	2018 £m
Revenue from contracts with clients	3	1,626.9	1,552.1
Operating costs			
Staff costs	6	(610.2)	(561.1)
Depreciation, amortisation and impairment		(23.0)	(23.3)
Exceptional item	4	–	(21.1)
Other operating expenses		(307.7)	(312.6)
Operating profit		686.0	634.0
Other income		23.8	21.1
Finance income	7	1.9	1.9
Finance costs	7	(3.9)	(3.9)
Profit before taxation		707.8	653.1
Taxation	8	(35.0)	(33.9)
Profit before partners' remuneration and profit shares		672.8	619.2
Partners' remuneration charged as an expense		(229.5)	(217.4)
Profit for the financial year available for division among full partners		443.3	401.8

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME – YEAR ENDED 30 APRIL 2019

	Notes	2019 £m	2018 £wm
Profit for the financial year available for division among full partners		443.3	401.8
Other comprehensive income:			
Items that may be subsequently reclassified to profit or loss: Exchange (loss)/gain on translation of foreign operations		(5.7)	15.3
Items that will not be reclassified to profit or loss: Actuarial gain on defined benefit pension scheme	21	8.6	1.4
Other comprehensive (loss)/income for the year		2.9	16.7
Total comprehensive income for the year		446.2	418.5

CONSOLIDATED BALANCE SHEET – AT 30 APRIL 2019

	Notes	At 30 April 2019 £m	At 30 April 2018 £m
Assets			
Non-current assets			
Intangible assets	9	26.0	17.0
Property, plant and equipment	10	81.9	88.2
Investments	12	0.5	0.3
Retirement benefit surplus	21	64.0	54.0
		172.4	159.5
Current assets			
Client and other receivables	13	795.3	786.3
Amounts due from partners	22	54.2	49.1
Cash and cash equivalents	14	124.9	132.8
		974.4	968.2
Total assets		1,146.8	1,127.7
Liabilities			
Current liabilities			
Trade and other payables	15	(325.9)	(317.4)
Current tax liabilities		(7.9)	(15.5)
Provisions for other liabilities and charges	16	(14.3)	(14.0)
Partners' capital	22	(5.0)	(5.1)
		(353.1)	(352.0)
Non-current liabilities			
Trade and other payables	15	(95.7)	(88.8)
Provisions for other liabilities and charges	16	(104.6)	(108.6)
Partners' capital	22	(132.8)	(128.8)
		(333.1)	(326.2)
Total liabilities		(686.2)	(678.2)
Net assets		460.6	449.5
Equity			
Partners' other reserves		464.3	443.5
Translation reserve		(3.7)	6.0
		460.6	449.5
Total partners' interests			
Amounts due from partners	22	(54.2)	(49.1)
Partners' capital classed as a liability	22	137.8	133.9
Total partners' other interests	22	460.6	449.5
		544.2	534.3

The financial statements on pages 31 to 67 were authorised for issue by the partners and signed on their behalf on 12 September 2019 by:

Wim Dejonghe
Senior Partner

Andrew Ballheimer
Managing Partner

Jason Haines
Finance & Operations Director

Allen & Overy LLP
Registered no. OC306763

LIMITED LIABILITY PARTNERSHIP BALANCE SHEET – AT 30 APRIL 2019

	Notes	At 30 April 2019 £m	At 30 April 2018 £m
Assets			
Non-current assets			
Intangible assets	9	26.0	17.0
Property, plant and equipment	11	55.2	59.2
Investments	12	10.2	10.2
Retirement benefit surplus	21	64.0	54.0
		155.4	140.4
Current assets			
Client and other receivables	13	748.3	725.8
Amounts due from Members	22	22.0	22.7
Cash and cash equivalents	14	84.1	96.3
		854.4	844.8
Total assets		1,009.8	985.2
Liabilities			
Current liabilities			
Trade and other payables	15	(303.4)	(286.6)
Current tax liabilities		(7.5)	(15.6)
Provisions for other liabilities and charges	16	(12.4)	(11.8)
Members' capital	22	(4.8)	(5.1)
		(328.1)	(319.1)
Non-current liabilities			
Trade and other payables	15	(63.3)	(59.1)
Provisions for other liabilities and charges	16	(99.5)	(103.9)
Members' capital	22	(129.3)	(125.3)
		(292.1)	(288.3)
Total liabilities		(620.2)	(607.4)
Net assets		389.6	377.8
Equity			
Members' other reserves at 1 May		377.8	452.9
Profit for the financial year attributable to Members		371.8	332.2
Other changes in Members' other reserves		(357.2)	(411.6)
Members' other reserves at 30 April		392.4	373.5
Translation reserve		(2.8)	4.3
		389.6	377.8
Total Members' interests			
Amounts due from Members	22	(22.0)	(22.7)
Members' capital classed as a liability	22	134.1	130.4
Total Members' other interests	22	389.6	377.8
		501.7	485.5

The financial statements on pages 31 to 67 were authorised for issue by the Members and signed on their behalf on 12 September 2019 by:

Wim Dejonghe
Senior Partner

Andrew Ballheimer
Managing Partner

Jason Haines
Finance & Operations Director

Allen & Overy LLP
Registered no. OC306763

CONSOLIDATED CASH FLOW STATEMENT – YEAR ENDED 30 APRIL 2019

	Notes	2019 £m	2018 £m
Cash flows from operating activities			
Cash generated from operations	19	744.8	690.3
Tax paid		(42.2)	(19.9)
Net cash inflow from operating activities		702.6	670.4
Cash flows from investing activities			
Purchase of property, plant and equipment		(16.6)	(31.2)
Purchase of intangible assets		(9.0)	(15.9)
Purchase of investments		(0.2)	(0.3)
Interest received		0.6	0.5
Proceeds on disposal of property, plant and equipment		-	0.1
Net cash used in investing activities		(25.2)	(46.8)
Cash flows from financing activities			
Partners' capital introduced	22	12.1	18.4
Capital repayments to partners	22	(8.2)	(24.3)
Payments to and on behalf of partners		(665.7)	(638.8)
Retirement benefits paid to former partners		(8.6)	(9.1)
Interest paid		(1.0)	(1.1)
Net cash used in financing activities		(671.4)	(654.9)
Net increase/(decrease) in cash and cash equivalents		6.0	(31.3)
Cash and cash equivalents at beginning of year		132.8	170.8
Effects of foreign exchange rate changes		(13.9)	(6.7)
Cash and cash equivalents at end of year	14	124.9	132.8

LIMITED LIABILITY PARTNERSHIP CASH FLOW STATEMENT – YEAR ENDED 30 APRIL 2019

	Notes	2019 £m	2018 £m
Cash flows from operating activities			
Cash generated from operations	20	550.5	469.4
Tax paid		(35.8)	(12.7)
Net cash inflow from operating activities		514.7	456.7
Cash flows from investing activities			
Purchase of property, plant and equipment		(10.3)	(18.2)
Purchase of intangible assets		(9.0)	(15.9)
Cash transferred out on establishment of Belgium subsidiary		–	(2.8)
Interest received		0.5	0.4
Net cash used in investing activities		(18.8)	(36.5)
Cash flows from financing activities			
Members' capital introduced	22	11.8	16.0
Capital repayments to Members	22	(8.1)	(17.3)
Payments to and on behalf of Members		(488.2)	(454.0)
Retirement benefits paid to former Members		(8.6)	(9.1)
Interest paid		(0.9)	(1.0)
Net cash used in financing activities		(494.0)	(465.4)
Net increase/(decrease) in cash and cash equivalents		1.9	(45.2)
Cash and cash equivalents at beginning of year		96.3	134.0
Effects of foreign exchange rate changes		(14.1)	7.5
Cash and cash equivalents at end of year	14	84.1	96.3

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY – YEAR ENDED 30 APRIL 2019

	Equity 2019			Equity 2018		
	Other reserves £m	Translation reserve £m	Total £m	Other reserves £m	Translation reserve £m	Total £m
Equity at 1 May	443.5	6.0	449.5	530.0	(9.3)	520.7
Profit for the financial year available for division among partners	443.3	–	443.3	401.8	–	401.8
Exchange (loss)/gain on translation of foreign operations	–	(5.7)	(5.7)	–	15.3	15.3
Actuarial gain on pension scheme	8.6	–	8.6	1.4	–	1.4
Total comprehensive income for the year	451.9	(5.7)	446.2	403.2	15.3	418.5
Reclassification of translation reserve	4.0	(4.0)	–	–	–	–
Profit allocated to partners	(435.1)	–	(435.1)	(489.7)	–	(489.7)
Total transactions with partners recognised directly in equity	(431.1)	(4.0)	(435.1)	(489.7)	–	(489.7)
Equity at 30 April	464.3	(3.7)	460.6	443.5	6.0	449.5

LIMITED LIABILITY PARTNERSHIP STATEMENT OF CHANGES IN EQUITY – YEAR ENDED 30 APRIL 2019

	Equity 2019			Equity 2018		
	Other reserves £m	Translation reserve £m	Total £m	Other reserves £m	Translation reserve £m	Total £m
Equity at 1 May	373.5	4.3	377.8	452.9	(5.0)	447.9
Profit for the financial year attributable to Members	371.8	–	371.8	332.2	–	332.2
Exchange (loss)/gain on translation of foreign operations	–	(3.1)	(3.1)	–	9.3	9.3
Actuarial gain on pension scheme	8.6	–	8.6	1.4	–	1.4
Total comprehensive income for the year	380.4	(3.1)	377.3	333.6	9.3	342.9
Reclassification of translation reserve	4.0	(4.0)	–	–	–	–
Profit allocated to Members	(365.5)	–	(365.5)	(413.0)	–	(413.0)
Total transactions with Members recognised directly in equity	(361.5)	(4.0)	(365.5)	(413.0)	–	(413.0)
Equity at 30 April	392.4	(2.8)	389.6	373.5	4.3	377.8

Notes to the financial statements

Year ended 30 April 2019

1 ACCOUNTING POLICIES

Basis of accounting

These financial statements have been prepared on a going concern basis in accordance with International Financial Reporting Standards (**IFRS**) and International Financial Reporting Interpretation Committee (**IFRIC**) interpretations adopted for use in the European Union and issued and effective as at 30 April 2019, and with those parts of the Companies Act 2006 applicable to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008. The financial statements have been prepared on the historical cost basis. The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New and amended standards adopted by the Group

The Group has applied the following standards and amendments for the first time for the annual reporting period commencing 1 May 2018:

– IFRS 9 Financial Instruments; and

– IFRS 15 Revenue from Contracts with Customers.

IFRS 9: Financial instruments

The Group has changed its accounting policy and made certain adjustments following the adoption of IFRS 9. This is disclosed in note 24.

IFRS 15: Revenue from Contracts with Customers

Management conducted a review of each of the Group's revenue streams and contractual arrangements with clients and assessed the performance obligations and billing arrangements of each against the revenue recognition principles of IFRS 15. This included consideration of legal services revenue; billed under fixed, variable and alternative success/abort based billing arrangements, revenue derived from client placements, revenue from the provision of subscription based services and sub-lease rental income. Management concluded that the existing accounting policy applied by the Group for revenue recognition was materially compliant with IFRS 15. As such the adoption of this standard did not have any impact on the amounts recognised in prior periods and is not expected to impact the current or future periods. The only changes to the financial statements in respect of IFRS 15 are the presentation of Other Income, which was previously disclosed as an element of 'Revenue' but is now disclosed outside of Operating Profit, and the identification of contract assets in the Notes to the financial statements.

New standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for the 30 April 2019 reporting period and have not been early adopted by the Group. The Group's assessment of the impact of these new standards and interpretations is set out below.

IFRS 16: Leases

IFRS 16: 'Leases' was issued in January 2016 and replaces the current guidance in IAS 17. IFRS 16 will result in almost all leases being recognised on the balance sheet by lessees, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases.

The Group set up a project team that reviewed all Group leasing arrangements in light of the new accounting rules. The standard will primarily affect the accounting for the Group's operating leases.

As at the reporting date, the Group has non-cancellable operating lease commitments of £632 million (see note 18).

Upon adoption of IFRS 16 on 1 May 2019, the Group expects to recognise right-of-use assets of approximately £576m and lease liabilities of £598m (after adjustments for prepayments and accrued lease payments recognised as at 30 April 2019). Overall net assets will be approximately £21m lower. The Group is still in the process of assessing the impact on net current assets and on deferred taxes.

The Group expects that net profit before tax will decrease by approximately £9m for FY20 as a result of adopting the new rules. Operating profit is expected to increase by approximately £3m as operating lease payments were included in operating profit, but interest payable on the lease liability is excluded from this measure.

Operating cash flows will increase and financing cash flows will decrease by approximately £101m as repayment of the principal portion of the lease liabilities and interest charge will be classified as cash flows from financing activities.

The Group's activities as lessor are not material and hence the group does not expect any significant impact on the financial statements. However, some additional disclosures will be required from next year.

The Group will apply the standard from its mandatory adoption date of 1 May 2019. The Group intends to apply the modified transition approach and will not restate comparative amounts for the year prior to first adoption. Right-of-use assets for leases will be measured on transition at an amount that is equal to the lease liability on adoption, adjusted for any prepaid or accrued lease expenses, provisions for onerous leases, and the net book value of leasehold assets created with a dilapidation provision recognised as at 30 April 2019.

There are no other standards that are not yet effective and that would be expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

Basis of preparation

These financial statements consolidate the financial statements of Allen & Overy LLP (the **LLP**) and its subsidiary undertakings (the **Group**) for the year ended 30 April 2019. **Allen & Overy** is the collective name for an international legal practice comprising the LLP and its subsidiary undertakings. In these financial statements the terms 'the Group' and 'Allen & Overy' are interchangeable.

The term **partner** in these financial statements refers to a Member of the LLP, or an employee or consultant with equivalent standing and qualifications, or an individual with equivalent status in one of the LLP's subsidiary undertakings. The term **Member** refers only to a Member of the LLP. The term **full partner** refers to partners remunerated entirely by profit sharing points.

Where a partner receives their remuneration as an employee or a consultant, this is shown under the heading 'Partners' remuneration charged as an expense' in the Consolidated income statement.

No individual income statement is presented for the LLP as permitted by section 408 of the Companies Act 2006 as applied to limited liability partnerships.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the LLP and its subsidiary undertakings. Subsidiary undertakings are those entities controlled by the LLP, which may be partnerships or separate corporate entities. Control exists when the LLP has the power, directly or indirectly, to govern the financial and operating policies of an enterprise so as to obtain benefits from its activities. The financial statements of subsidiary undertakings are included in the consolidated financial statements from the date that control commences until the date that control ceases.

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

Revenue from contracts with clients

Revenue from contracts with clients represents amounts chargeable to clients for professional services provided during the year, including legal services, client placements and subscriptions to information solutions provided through electronic formats to clients. Revenue includes expenses and excludes sales tax.

Legal services are provided under variable, time-based contracts, or fixed, capped or alternative success/abort based billing arrangements. Revenue from providing these services is recognised in the accounting period in which the services are rendered because the client receives and uses the benefit simultaneously. For variable, time-based contracts, revenue is recognised in the amount to which the Group has a right to invoice. For fixed or capped fee arrangements, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of total services to be provided. Where the right to receive payment is contingent on factors outside the control of Allen & Overy, revenue is only recognised (over and above any agreed minimum fee) when the contingent event occurs. Revenue from client placements is recognised once services have been provided; is recorded to match costs as they are incurred; and is billed on a monthly basis or other client-agreed terms. For subscriptions revenue, where the performance obligation in the contract is transferred at the point access is provided to the online content, revenue is recognised on time-based recognition principles, matching the delivery of the subscription service.

Services provided to clients that have not been billed at the balance sheet date have been recognised as revenue. Unbilled revenue is a contract asset that is included in client and other receivables. Where individual on-account billings exceed revenue on client assignments, the excess is classified as a contract liability held within trade and other payables.

Other income

Other income mainly represents operating lease rental income received from the sublease of surplus office space.

Exceptional items

Exceptional items are disclosed separately in the financial statements, where it is necessary to do so to provide further understanding of the financial performance of the Group. They are items that are material, either because of their size or their nature, or that are non-recurring, and are presented within the line items to which they best relate.

Property, plant and equipment

Property, plant and equipment is stated at cost (original purchase price and construction costs), net of depreciation and any provision for impairment.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying amount of the asset, and is recognised as income.

Depreciation is provided to write off the cost, less the estimated residual value, of the relevant assets by equal instalments over their estimated useful economic lives, which are as follows:

Leasehold improvements: The shorter of the period of the lease, the expected use of the property, and ten years

Furniture, fixtures and fittings: The shorter of five years and the expected use of the asset

Computer equipment: Two to five years

Motor vehicles: Five years

The assets' residual values and useful economic lives are reviewed, and if necessary adjusted, at each balance sheet date.

Internally generated intangible assets

Costs associated with maintaining computer software programs are recognised as an expense when incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognised as intangible assets where the following criteria are met:

– it is technically feasible to complete the software product so that it will be available for use;

– management intends to complete the software product and use or sell it;

– there is an ability to sell or use the software product;

– it can be demonstrated how the software product will generate probable future economic benefits;

– adequate technical, financial and other resources to complete the development and to use or sell software product are available; and

– the expenditure attributable to the software product during its development can be reliably measured.

Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Computer software development costs recognised as assets are amortised over their estimated useful life, which does not exceed five years. Computer software under development is not amortised. Amortisation starts from the date on which the software is available for use. If a decision is made to halt development then the cost is immediately expensed.

Impairment of property, plant and equipment and intangible assets

At each balance sheet date, the Group reviews the carrying amount of its property, plant and equipment 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 of the asset is reduced to its recoverable amount and the impairment loss recognised as an expense immediately.

Investments

Investments in subsidiaries are stated at cost, less provision for impairment. Investments are considered to be impaired when their carrying value is greater than their estimated recoverable amount. Quoted and unquoted shares classified as held for trading are measured at fair value through the income statement.

Client and other receivables

Client and other receivables are initially recognised at the amount of consideration that is unconditional. The Group holds client receivables with the objective of collecting the contractual cash flows, and so it measures them subsequently at amortised cost using the effective interest method. The classification and measurement at initial recognition of client and other receivables did not change on adoption of IFRS 9.

From 1 May 2018, the Group assesses, on a forward-looking basis, the expected credit losses associated with client and other receivables carried at amortised cost. The Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime credit losses to be recognised from initial recognition of the receivables (see note 24 for further details on how expected lifetime losses are measured). Client and other receivables are specifically provided for or written off where there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include significant financial difficulties of the debtor and default or delinquency in payments. Impairment losses are recognised in the income statement within 'Other operating expenses'.

Accounting policy applied until 30 April 2018

The Group has applied IFRS 9, but has elected not to restate comparative information. As a result, the comparative information provided continues to be accounted for in accordance with the Group's previous accounting policy.

Until 30 April 2018, the Group assessed, at the end of each reporting period, whether there was objective evidence that client and other receivables were impaired. A provision for impairment of trade receivables was established only when there was objective evidence that the Group would not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor and default or delinquency in payments were considered indicators that the client receivable was impaired. The amount of the provision was the difference between the asset's carrying amount and the estimated future cash flows. The carrying amount of the asset was reduced through the use of a provision account and the amount of the loss was recognised in the income statement within 'Other operating expenses'.

Cash and cash equivalents

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

Trade and other payables

Trade and other payables are initially measured at fair value, and are subsequently reduced for discounts given by suppliers.

Taxation

In most locations, including the UK, the taxation payable on the profits of limited liability partnerships is the personal liability of the equity partners and hence is not shown in these financial statements. A retention from profit distributions is made to fund the taxation payments on behalf of equity partners. These retentions are included within 'Amounts due from partners'.

The tax expense in the Consolidated income statement represents the sum of the current and deferred tax relating to the corporate subsidiaries and branches that are subject to tax based on their profits.

The Group's liability for current tax is calculated using tax rates that have been enacted or substantially enacted by the balance sheet date.

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 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.

The carrying amount of 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 the tax rates that have been enacted or substantially enacted by the balance sheet date in the relevant country. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Foreign currencies

The individual financial statements of each of the Group's operations are presented in the currency of the primary economic environment in which it operates (its functional currency).

Transactions denominated in currencies other than the functional currency of the operation are recorded at the rates of exchange ruling at the dates of the transactions. Monetary assets and liabilities not denominated in the functional currency at the balance sheet date are translated at the rates ruling at that date. Translation differences to functional currencies are dealt with in the income statement.

For the purpose of the consolidated financial statements the results and financial position of each operation are expressed in Sterling, which is the functional currency of the largest branch of the LLP, and the presentation currency for the consolidated financial statements.

The results of operations where the functional currency is not Sterling are translated at the average rates of exchange for the period, and their balance sheets at the rates ruling at the balance sheet date. Differences arising on translation of the opening net assets and results of such operations are reported in the Consolidated statement of comprehensive income. Where loans are made from the UK LLP to international branches or subsidiaries, these are not deemed to be permanent in nature and therefore any exchange differences on consolidation are recorded in the income statement.

Partners' capital denominated in currencies other than Sterling is translated at the rates ruling on the balance sheet date. Any translation differences are reported in the Consolidated income statement.

Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. Finance leases are capitalised at the lease commencement at the lower of the fair value of the leased property and the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges. The corresponding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance cost is charged to the income statement over the lease period so as to produce a constant periodic interest rate on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases is depreciated over the shorter of the useful life of the asset and the lease term.

All other leases are classified as operating leases.

Group as lessee

Operating lease rentals are charged to the income statement in equal amounts over the lease term from the date on which the asset becomes available for use.

Benefits received and receivable as an incentive to enter into an operating lease are also spread on a straight line basis over the lease term.

Group as lessor

The Group sublets certain parts of its office premises. Rental income from these operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease and any benefits payable as an incentive to enter into the operating lease are also spread on a straight line basis over the lease term. The rental income is included within other income.

Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event and it is probable that the Group will be required to settle that obligation and that a reliable estimate can be made. Provisions are measured at management's best estimate of the expenditure required to settle the obligation at the balance sheet date and are discounted to present value where the effect is material. The increase during the year in the discounted amount arising from the passage of time and the effect of any change in the discount rate is charged to the income statement as a finance cost. For further details on the specific recognition and measurement criteria applied to each main category of provision, see Note 16.

Retirement benefit obligations

The Group operates various post-employment schemes, including both defined benefit and defined contribution pension plans.

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

A defined benefit plan sets out an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The asset recognised in the balance sheet in respect of defined benefit pension plans is the fair value of plan assets less the present value of the defined benefit obligation at the end of the reporting period. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash flows using interest rates of high-quality corporate bonds that are denominated in the currency in which benefits will be paid and that have terms to maturity approximating to the terms of the related pension obligation.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income in the period in which they arise.

Past service costs are recognised immediately in the income statement.

For defined contribution plans the Group pays contributions to publicly or privately administered pension plans on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as an employee benefit expense when they are due.

Partners' and Members' capital and reserves

Partners are required to contribute capital or make subordinated loans in proportion to the number of profit sharing points allocated to them and by reference to the Capital Unit per profit sharing point. The value of the Capital Unit is assessed annually, with any changes becoming effective on 1 May. Capital or subordinated loans are repaid to partners following their retirement from Allen & Overy.

In the event of the LLP going into administration or being wound up, partner capital and subordinated loans within the LLP generally rank after debts due to unsecured creditors who are not Members.

Amounts due to partners whose remuneration is charged as an expense are included in 'Trade and other payables'.

The translation reserve comprises all foreign exchange translation differences arising on the results and financial position of subsidiaries and overseas branches which do not report in the Group's reporting currency.

Other reserves comprise principally undistributed profits arising in the current and previous periods available for distribution in the future.

2 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of consolidated financial statements under IFRS requires management to make estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities.

The estimates and judgements are based on historical experience and other factors, including expectations of future events that are believed to be reasonable and that constitute management's best judgement at the date of the financial statements. In the future, actual outcomes could differ from those estimates, and adjustments could be required in future periods. Where appropriate, present values are calculated using discount rates reflecting the maturity of items being valued.

The key judgements are set out in the relevant accounting policies. Set out below is a summary of the principal estimates that could have a significant effect on the Group's financial results:

– Revenue recognition and allocation of transaction price to unbilled client work (note 13) – estimating the stage of contract completion, including estimating the costs still to be incurred, assessing the likely engagement outcome and assessing the unbilled amounts for client work.

– Defined benefit schemes (note 21) and former partner annuities (note 16) – determining the actuarial assumptions to be applied in estimating the defined benefit obligation for each scheme, with the key actuarial assumptions being discount rate, inflation and life expectancy.

– Provisions for early retirement of partners/former partners (note 16) – estimating the level of profit for future years.

– Onerous property costs (note 16) – assessing future sublet income to offset the continuing rental obligations for surplus or vacated office space.

– Provisions for claims – assessing the probable outcome of claims and estimating the level of costs incurred in defending and concluding such matters.

– Impairment of client receivables (note 24) – assessing the risk of default and estimating expected loss rates.

Further details of significant estimates and judgements are set out in the related notes to the financial statements.

3 REVENUE FROM CONTRACTS WITH CLIENTS

The Group derives revenue from professional services and subscriptions in the following major geographical regions

	2019 £m	2018 £m
UK	633.3	620.1
Continental Europe	512.5	491.9
Asia Pacific	244.5	221.7
Americas	136.4	129.4
Middle East & Africa	100.2	89.0
	1,626.9	1,552.1

4 PROFIT BEFORE TAXATION

	2019 £m	2018 £m
Profit before taxation is stated after charging/(crediting):		
Depreciation of property, plant and equipment	23.0	23.3
Loss on sale of property, plant and equipment	0.2	0.1
Net foreign exchange (gain)/loss	(9.1)	16.0
Sublease rental income	(21.8)	(18.7)
Operating lease expense	101.2	94.3
Exceptional item – charge for onerous lease[1]	–	21.1

[1] Surplus office space in the London office at Bishops Square is sublet to a number of parties on varying lease terms. During the year ended 30 April 2018 one subtenant gave notice under the terms of its lease and vacated. A replacement subtenant was found and the space occupied on such terms that a loss was incurred for the remaining period of the lease. Management recognised a provision for the expected cash shortfall arising over the remainder of the lease. This crystallised a one-off charge to the income statement of £21.1 million; this was considered an exceptional item and was disclosed separately in the consolidated income statement for the year ended 30 April 2018.

5 AUDITORS' REMUNERATION

Fees payable to PricewaterhouseCoopers LLP and their associates are shown below:

	2019 £m	2018 £m
Fees payable to the LLP's auditors for the audit of the LLP's and the Group's consolidated financial statements	0.5	0.4
Fees payable to the LLP's auditors and its associates for other services:		
– The audit of the LLP's subsidiary undertakings pursuant to legislation	0.2	0.2
– Other services pursuant to legislation	0.2	0.1
– Taxation compliance services	0.9	0.7
– Taxation advisory services	0.5	0.1
– Other assurance and transaction services	2.4	0.4
	4.7	1.9

6 STAFF AND STAFF COSTS

	Consolidated		Limited Liability Partnership	
	2019 No.	2018 No.	2019 No.	2018 No.
The average number of partners and employees during the year was:				
Partners	536	538	382	392
Lawyers and other fee earners	2,517	2,434	1,687	1,664
Support staff	2,284	2,249	1,360	1,340
	5,337	5,221	3,429	3,396

	2019 £m	2018 £m	2019 £m	2018 £m
Staff costs incurred during the year were:				
Salaries (including staff bonus)	486.3	445.4	345.3	321.0
Social security costs	41.8	39.2	33.1	31.1
Pension costs	19.1	16.3	15.4	13.0
Other costs (such as staff development, recruitment, medical expenses, and the cost of temporary staff)	63.0	60.2	54.9	52.1
	610.2	561.1	448.7	417.2

7 FINANCE INCOME AND COSTS

	2019 £m	2018 £m
Finance income		
Interest receivable on bank deposits	0.5	0.6
Net finance income on retirement benefits plan (note 21)	1.4	1.3
	1.9	1.9
Finance costs		
Interest payable on bank loans and overdrafts	(1.1)	(1.1)
Unwinding of discount and effect of change in discount rate on provisions (note 16)	(2.8)	(2.8)
	(3.9)	(3.9)

8 TAXATION

	2019 £m	2018 £m
Current tax on profits for the year	32.5	32.7
Adjustments in respect of prior years	2.5	1.2
Total current tax	35.0	33.9

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

In some other locations the income tax payable on the allocation of profits to partners is the personal liability of the partners resident in that location, but the element payable by the partners not resident in that location is the liability of the LLP. Only the latter amounts are reflected in these financial statements.

	2019 £m	2018 £m
Profit before taxation	707.8	653.1
Less: Amounts subject to personal tax	(585.8)	(538.2)
Profits subject to taxation	122.0	114.9

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the average UK corporation tax rate applicable to profits of the Group as follows:

	2019 £m	2018 £m
Profits subject to tax	122.0	114.9
At UK corporation tax of 19% (2018 – 19%)	23.2	21.8
Tax effects of:		
Different tax rates and bases in other jurisdictions	8.0	9.3
Unrelieved losses	1.3	1.6
Adjustment in respect of prior years	2.5	1.2
Current year charge for the year	35.0	33.9

9 INTANGIBLE ASSETS

	Consolidated and Limited Liability Partnership	
	2019 £m	2018 £m
Internally generated IT software		
Cost		
At 1 May	35.9	20.0
Additions	9.0	15.9
At 30 April	44.9	35.9
Accumulated Amortisation		
At 1 May	18.9	18.9
At 30 April	18.9	18.9
Net book value		
At 30 April	26.0	17.0

£26.0m (2018: £17.0m) of the cost and net book value relates to assets under development.

10 PROPERTY, PLANT AND EQUIPMENT – CONSOLIDATED

	Leasehold improvements £m	Furniture, fixtures and fittings £m	Computer equipment £m	Motor vehicles £m	Total £m
Cost					
At 1 May 2017	241.2	64.1	80.6	0.2	386.1
Currency translation adjustments	(0.1)	0.6	(0.1)	–	0.4
Additions	13.0	3.3	14.8	0.1	31.2
Disposals	(3.5)	(1.4)	(0.6)	–	(5.5)
At 1 May 2018	250.6	66.6	94.7	0.3	412.2
Currency translation adjustments	0.7	(0.4)	0.3	–	0.6
Additions	7.4	3.3	5.9	–	16.6
Disposals	(4.9)	(2.1)	(0.6)	–	(7.6)
At 30 April 2019	253.8	67.4	100.3	0.3	421.8
Accumulated Depreciation					
At 1 May 2017	179.8	53.3	72.5	–	305.6
Currency translation adjustments	(0.1)	0.6	(0.1)	–	0.4
Charge for year	12.3	4.0	6.8	0.2	23.3
Disposals	(3.3)	(1.4)	(0.6)	–	(5.3)
At 1 May 2018	188.7	56.5	78.6	0.2	324.0
Currency translation adjustments	0.3	(0.4)	0.4	–	0.3
Charge for year	12.8	4.0	6.2	–	23.0
Disposals	(4.8)	(2.0)	(0.6)	–	(7.4)
At 30 April 2019	197.0	58.1	84.6	0.2	339.9
Net Book Value					
At 30 April 2019	56.8	9.3	15.7	0.1	81.9
At 30 April 2018	61.9	10.1	16.1	0.1	88.2

Furniture, fixtures and fittings includes the following amounts where the Group is a lessee under finance leases:

	2019 £m	2018 £m
Cost – capitalised finance leases	–	0.6
Accumulated depreciation	–	(0.6)
Net Book Value	–	–

Computer equipment includes the following amounts where the Group is a lessee under finance leases:

	2019 £m	2018 £m
Cost – capitalised finance leases	–	0.1
Accumulated depreciation	–	(0.1)
Net Book Value	–	–

11 PROPERTY, PLANT AND EQUIPMENT – LIMITED LIABILITY PARTNERSHIP

	Leasehold improvements £m	Furniture, fixtures and fittings £m	Computer equipment £m	Motor vehicles £m	Total £m
Cost					
At 1 May 2017	209.5	46.7	70.0	–	326.2
Currency translation adjustments	(0.5)	–	(0.3)	–	(0.8)
Additions	5.5	1.3	11.4	–	18.2
Disposals	(8.5)	(3.3)	(3.7)	–	(15.5)
At 1 May 2018	206.0	44.7	77.4	–	328.1
Currency translation adjustments	0.9	–	0.6	–	1.5
Additions	4.5	1.5	4.3	–	10.3
Disposals	–	(0.3)	(0.1)	–	(0.4)
At 30 April 2019	211.4	45.9	82.2	–	339.5
Accumulated depreciation					
At 1 May 2017	162.6	40.2	63.2	–	266.0
Currency translation adjustments	(0.5)	–	(0.3)	–	(0.8)
Charge for year	8.2	2.3	5.5	–	16.0
Disposals	(5.8)	(2.9)	(3.6)	–	(12.3)
At 1 May 2018	164.5	39.6	64.8	–	268.9
Currency translation adjustments	0.9	(0.1)	0.4	–	1.2
Charge for year	8.3	2.1	4.2	–	14.6
Disposals	–	(0.3)	(0.1)	–	(0.4)
At 30 April 2019	173.7	41.3	69.3	–	284.3
Net Book Value					
At 30 April 2019	37.7	4.6	12.9	–	55.2
At 30 April 2018	41.5	5.1	12.6	–	59.2

Furniture, fixtures and fittings includes the following amounts where the LLP is a lessee under finance leases:

	2019 £m	2018 £m
Cost – capitalised finance leases	–	0.6
Accumulated depreciation	–	(0.6)
Net Book Value	–	–

Computer equipment includes the following amounts where the LLP is a lessee under finance leases:

	2019 £m	2018 £m
Cost – capitalised finance leases	–	0.1
Accumulated depreciation	–	(0.1)
Net Book Value	–	–

12 INVESTMENTS

The LLP has investments in the following subsidiaries:

Name of entity	Address of the registered office	Activity	Proportion of ordinary shares or ownership
Allen & Overy (Asia) Pte. Limited	50 Collyer Quay, #09-01 OUE Bayfront, Singapore, 049321	Supply of legal services	100%
Allen & Overy (Hong Kong) Limited	9th Floor, Three Exchange Square, Central, Hong Kong	Service company	100%
Allen & Overy Legal Services	One Bishops Square, London E1 6AD, United Kingdom	Supply of legal services	100%
Allen & Overy Service Company Limited	One Bishops Square, London E1 6AD, United Kingdom	Service company	100%
Allen & Overy Services Italy srl	Via Nino Bixio 31, Milan, 20129, Italy	Service company	100%
Allen & Overy Serviços de Consultoria Limitada	São Paulo, State of São Paulo, at Rua das Olímpiadas, 100, 10° andar, conjunto 101, sala A, Vila Olímpia, CEP 04551-000, Brazil	Service company	100%
Allen & Overy (SSF) Limited	One Bishops Square, London E1 6AD, United Kingdom	Service company	100%
Allen & Overy (Holdings) Limited	One Bishops Square, London E1 6AD, United Kingdom	Supply of legal services	100%
Cong Ty Luat Trach Nhiemhuu Han Allen & Overy (Vietnam)	(a) Ho Chi Minh City office: 39th Floor, Bitexco Financial Tower, 2 Hai Trieu, District 1, Ho Chi Minh City, Vietnam; and	Supply of legal services	100%
	(b) Level 5, Sentinel Place Building, 41A Ly Thai To Street, Ly Thai To Ward, Hoan Kiem District, Hanoi, Vietnam		
A.O. Services	One Bishops Square, London E1 6AD, United Kingdom	Trustee company	100%
First Combined Trust	One Bishops Square, London E1 6AD, United Kingdom	Dormant	100%
Allen & Overy (Trustee) Limited	One Bishops Square, London E1 6AD, United Kingdom	Trustee company	100%
Allen & Overy (London) Limited	One Bishops Square, London E1 6AD, United Kingdom	Dormant	100%
Fleetside Legal Representative Services Limited	One Bishops Square, London E1 6AD, United Kingdom	Holding company	100%
Allen & Overy Pension Trustee Limited	One Bishops Square, London E1 6AD, United Kingdom	Trustee company	100%
Alnery Incorporations No. 1 Limited	One Bishops Square, London E1 6AD, United Kingdom	Dormant	100%
Alnery Incorporations No. 2 Limited	One Bishops Square, London E1 6AD, United Kingdom	Dormant	100%
Allen & Overy (Asia) Limited	One Bishops Square, London E1 6AD, United Kingdom	Dormant	100%
Allen & Overy (Legal Advisers) Limited	One Bishops Square, London E1 6AD, United Kingdom	Holding company	100%
A&O (Legal Advisers) Limited	One Bishops Square, London E1 6AD, United Kingdom	Dormant	100%
Newchange Limited	One Bishops Square, London E1 6AD, United Kingdom	Dormant	100%
The Allen & Overy Foundation	One Bishops Square, London E1 6AD, United Kingdom	Charitable company	100%
Alnery Secretarial (Hong Kong) Limited	9th Floor, Three Exchange Square, Central, Hong Kong	Company secretarial services	100%
Allen & Overy Holdings (Thailand) Limited	23rd Floor, Sindhorn Tower III, 130-132 Wireless Road Lumpini, Pathumwan, Bangkok 10330, Thailand	Holding company	47%
Allen & Overy (Thailand) Co. Limited	23rd Floor, Sindhorn Tower III, 130-132 Wireless Road Lumpini, Pathumwan, Bangkok 10330, Thailand	Supply of legal services	49%
Allen & Overy Limited	Suite 539/540, Inya Lake Hotel, 37 Kaba Aye Pagoda Road, Mayangone Township, Yangon 11061, Myanmar	Supply of legal services	49%
Allen & Overy (Australia) Pty Ltd	Level 25, 85 Castlereagh Street, Sydney, NSW 2000, Australia	Trustee company	100%
Allen & Overy Africa – Sarl AU	Anfaplace, Centre d'Affaires, Immeuble A, Boulevard de la Corniche, Casablanca, Morocco	Dormant	100%
AO Büro Destek Hizmetleri Limited Şirketi	River Plaza, Floor 17, Büyükdere Caddesi, Bahar Sokak no. 13, TR-34394 Levent, Istanbul, Turkey	Service company	100%
Allen & Overy (Africa) (Pty) Limited	6th Floor, 90 Grayston, 90 Grayston Drive, Sandton, Johannesburg, 2196 South Africa	Dormant	100%
Allen & Overy (South Africa) Inc.	6th Floor, 90 Grayston, 90 Grayston Drive, Sandton, Johannesburg, 2196 South Africa	Dormant	100%
Allen & Overy (Pty) Limited	6th Floor, 90 Grayston, 90 Grayston Drive, Sandton, Johannesburg, 2196 South Africa	Dormant	100%
Allen & Overy Management Services Company Limited	38F Roppongi Hills Mori Tower 6-10-1 Roppongi, Minato-ku, Tokyo, 106-6138, Japan	Service company	100%
Allen & Overy Service GmbH	Haus am Opernturm, Bockenheimer Landstraße 2, 60306 Frankfurt am Main, Germany	Service company	100%

The LLP has power, directly or indirectly, to govern the financial and operating policies to obtain benefits from the activities of the following entities and undertakings:

Name of entity	Address of the registered office or principal place of business	Activity	Proportion of ordinary shares or ownership
Allen & Overy (an English general partnership operating in Australia)	Level 25, 85 Castlereagh Street, Sydney, NSW 2000, Australia	Supply of legal services	–
Allen & Overy (an English general partnership operating in Hong Kong)	9th Floor, Three Exchange Square, Central, Hong Kong	Supply of legal services	–
Allen & Overy (an English general partnership operating in Spain)	Serrano 73, 28006 Madrid, Spain	Supply of legal services	–
Allen & Overy, A. Pedzich sp.k.	Rondo ONZ 1, 34th floor, Warsaw, 00-124, Poland	Supply of legal services	–
Allen & Overy Bratislava s.r.o	Eurovea Central 1, Pribinova 4, Bratislava, 81109, Slovakia	Supply of legal services	–
Allen & Overy LLP – Consultores em Direito Estrangeiro/Direito Norte-Americano	São Paulo, State of São Paulo, at Rua das Olímpiadas, 100, 10° andar, conjunto 101, sala A, Vila Olímpia, CEP, 04551-000, Brazil	Supply of legal services	–
Allen & Overy (Czech Republic) LLP	One Bishops Square, London E1 6AD, United Kingdom	Supply of legal services	–
Allen & Overy Danişmanlik Hizmetleri Avukatlik Ortakliği	River Plaza, Floor 17, Büyükdere Caddesi, Bahar Sokak no. 13, TR-34394 Levent, Istanbul, Turkey	Supply of legal services	–
Allen & Overy Gaikokuho Kyodo Jigyo Horitsu Jimusho	38F Roppongi Hills Mori Tower 6-10-1 Roppongi, Minato-ku, Tokyo, 106-6138, Japan	Supply of legal services	–
Allen & Overy, société en commandite simple	33 Avenue J.F. Kennedy, L-1855, Luxembourg	Supply of legal services	–
Allen & Overy (South Africa) LLP	One Bishops Square, London E1 6AD, United Kingdom	Supply of legal services	–
aosphere LLP	One Bishops Square, London E1 6AD, United Kingdom	Development and marketing of legal software	–
Lengyel Allen & Overy Ügyvédi Iroda	Madách Trade Centre, Madách Imre utca 13-14, H-1075 Budapest, Hungary	Supply of legal services	–
Naciri & Associés Allen & Overy	Anfaplace, Centre d'Affaires, Immeuble A, Boulevard de la Corniche, Casablanca, Morocco	Supply of legal services	–
Studio Legale Associato	(a) Via Nino Bixio 31, Milan, 20129, Italy; and (b) Corso Vittorio Emanuele II 284, Rome, 00186, Italy	Supply of legal services	–
Spitalfields Projects LLP	One Bishops Square, London E1 6AD, United Kingdom	Legal risk management solutions	–
Allen & Overy (Greece) LLP	One Bishops Square, London E1 6AD, United Kingdom	Dormant	–
Allen & Overy (Belgium) LLP	One Bishops Square, London E1 6AD, United Kingdom	Supply of legal services	–
Allen & Overy (formerly Shawe & Botha)	6th Floor, 90 Grayston, 90 Grayston Drive, Sandton, Johannesburg, 2196 South Africa	Supply of legal services	–
Allen & Overy Spain (No 1) LLP	One Bishops Square, London E1 6AD, United Kingdom	Holding entity	–
Allen & Overy Spain (No 2) LLP	One Bishops Square, London E1 6AD, United Kingdom	Holding entity	–
Allen & Overy (Australia) LLP	One Bishops Square, London E1 6AD, United Kingdom	Holding entity	–
Allen & Overy Hong Kong (No 1) LLP	One Bishops Square, London E1 6AD, United Kingdom	Holding entity	–
Allen & Overy Hong Kong (No 2) LLP	One Bishops Square, London E1 6AD, United Kingdom	Holding entity	–
Allen & Overy Strategy Group LLP	One Bishops Square, London E1 6AD, United Kingdom	Dormant	–

The LLP has branches in the People's Republic of China, France, Germany, Japan, South Korea, the Netherlands, Qatar, Singapore, the United Arab Emirates, the United Kingdom and the United States of America.

The LLP has also entered into association agreements with Ginting & Reksodiputro, an Indonesian law firm, and Gedik & Eraksoy, a Turkish Attorney Partnership, pursuant to which legal services are provided in relation to Indonesian law and Turkish law respectively.

	Consolidated	Limited Liability Partnership		
	Other Investments £m	Group Interests £m	Other Investments £m	Total £m
Cost				
At 1 May 2017	0.1	10.5	–	10.5
Additions	0.3	–	–	–
Disposals	(0.1)	(0.3)	–	(0.3)
At 1 May 2018	0.3	10.2	–	10.2
Additions	0.2	–	–	–
At 30 April 2019	0.5	–	–	–
Carrying amount at 30 April 2019	0.5	10.2	–	10.2
Carrying amount at 30 April 2018	0.3	10.2	–	10.2

Other investments include quoted and unquoted shares which are classified as held for trading and are measured at fair value through the income statement. All other investments are stated at cost, less provision for impairment.

The investment in Group interests represents the conversion of an inter-company loan to share capital in Cong Ty Luat Trach Nhiemhuu Han Allen & Overy (the firm's subsidiary in Vietnam).

13 CLIENT AND OTHER RECEIVABLES

	Consolidated		Limited Liability Partnership	
	2019 £m	2018 £m	2019 £m	2018 £m
Client receivables	566.3	566.0	401.8	422.7
Loss allowance (see note 24)	(27.6)	(27.5)	(16.3)	(20.1)
	538.7	538.5	385.5	402.6
Contract assets – unbilled revenue	188.9	171.7	136.8	125.0
Amounts due from other Group undertakings	–	–	178.8	143.4
Other receivables	25.7	36.8	10.7	22.3
Prepayments	42.0	39.3	36.5	32.5
	795.3	786.3	748.3	725.8

Client receivables are amounts due from clients for services performed in the ordinary course of business. They are generally due for settlement within 30 days and are therefore all classified as current. Client receivables are recognised initially at the amount of consideration that is unconditional. The Group holds the client receivables with the objective of collecting the contractual cash flows and therefore subsequently measures them at amortised cost using the effective interest method.

Due to their short-term nature, there is no difference between the carrying value of the consolidated or limited liability partnership's client and other receivables and their fair value.

At 30 April 2019 there are £1.2 million of unsecured interest-bearing loans due from Group undertakings which are repayable within 12 months. Interest is charged based on LIBOR plus a margin ranging from 1% to 3%. The remaining amounts due from Group undertakings are unsecured, interest-free and repayable on demand.

The carrying amount of financial assets recorded in the financial statements, which is net of any impairment losses, represents the Group's maximum exposure to credit risk. Financial assets include client and other receivables and cash. The Group does not hold collateral over these balances.

Details regarding the Group's impairment policies and the calculation of the loss allowance, along with information about the Group's and LLP's exposure to credit risk and foreign currency risk, are provided in note 24.

14 CASH AND CASH EQUIVALENTS

	Consolidated		Limited Liability Partnership	
	2019 £m	2018 £m	2019 £m	2018 £m
Cash and cash equivalents	124.9	132.8	84.1	96.3

Cleared funds are monitored on a daily basis and surplus funds are placed on short-term deposit.

There is no material difference between the book value of cash and cash equivalents and their fair values.

15 TRADE AND OTHER PAYABLES

	Consolidated		Limited Liability Partnership	
	2019 £m	2018 £m	2019 £m	2018 £m
Trade payables	44.0	43.5	36.4	37.8
Amounts due to other Group undertakings	–	–	37.0	30.5
Employment and sales taxes	35.7	38.0	31.2	35.9
Other payables	16.6	26.3	29.3	37.0
Partners' subordinated loans	56.4	57.1	35.1	35.4
Other amounts due to partners remunerated as employees or consultants	135.4	107.1	96.7	65.1
Accruals	113.1	110.1	84.4	83.6
Deferred rent	20.4	24.1	16.6	20.4
	421.6	406.2	366.7	345.7

	Consolidated		Limited Liability Partnership	
	2019 £m	2018 £m	2019 £m	2018 £m
Included in current liabilities	325.9	317.4	303.4	286.6
Included in non-current liabilities	95.7	88.8	63.3	59.1
	421.6	406.2	366.7	345.7

Non-current liabilities comprise sales taxes, other payables, partners' subordinated loans, other amounts due to partners remunerated as employees or consultants, accruals and deferred rent.

Amounts due to Group undertakings are unsecured, interest-free and repayable on demand.

There is no difference between the carrying value of the consolidated or Limited Liability Partnership's trade and other payables and their fair values. Included within 'Other payables' are gross finance lease liabilities of £nil (2018: £0.1m).

At 30 April 2019, the LLP had committed bank loan facilities of £150m (2018: £150m). At the balance sheet date, no amounts were outstanding.

	£m
The committed facilities expire as follows:	
Between one and two years	50.0
Between three and five years	100.0
	150.0

The borrowing facilities arranged vary from overdraft facilities to cover short-term fluctuations in the timing of payments and receipts to loan facilities spanning several years. All borrowing facilities are arranged through the LLP. It is the Group's policy to have in place short-term borrowing facilities that comfortably exceed forecast borrowing requirements for the following 12 months.

Interest on short-term borrowings would be payable at floating rates linked to the base rate and its currency equivalent, while any amounts drawn down in respect of the longer-term borrowing facilities would incur interest at floating rates linked to LIBOR.

16 PROVISIONS

Provision for Annuities

The LLP has made conditional commitments to pay annuities to certain individuals who are either former partners of Allen & Overy or the widows of those partners. The annuities are payable only out of future profits of the LLP on which they constitute a first allocation of profits. Further entitlement to these arrangements was withdrawn in 1994. An actuarial valuation of the net present value of the expected liability for the future payments to these individuals is obtained at each year-end and any change to the provision necessary is recorded in the income statement.

The provision for annuities is subject to actuarial adjustments and is utilised over the life of the annuitants.

The assumptions used by the actuaries in the calculation of the provision are the same as those used in the valuation of the defined benefit pension scheme as set out in note 21.

Provision for early retirement of partners/former partners

Partners satisfying certain conditions may elect to take early retirement in exchange for future payments, which are normally spread over five years. These payments are determined by the profits of future years. The present value of the best estimate of the expected liabilities for future payments under this scheme is provided in full in the year in which a partner elects to take early retirement, with the charge included in 'Partners' remuneration charged as an expense' in the Consolidated income statement. Any subsequent changes in the provision for liabilities under this scheme arising from changes in financial estimates while the person is still a partner in Allen & Overy are charged or credited under this heading. Once the partner retires, any changes are recorded in 'Other operating expenses' in the income statement.

The provision for partners'/former partners' payments has been made using an estimated level of profit for future years, based on current best estimates. This provision has been discounted to the present value using a 2.25% (2018: 2%) discount factor. It is expected that the early retirement provision will be paid over the next six years.

Provision for onerous leases and dilapidations

For leases on properties that have been vacated and are considered surplus, a provision has been recognised to the extent that the continuing rental obligations are not expected to be recovered through subletting. The leases to which this provision relates all expire by 2030.

The provision for dilapidations is in respect of property leases which contain a requirement for the premises to be returned to their original state prior to the conclusion of the lease term. The leases to which this provision relates all expire by the end of 2030.

These provisions have been discounted to the present value using 4%.

	Consolidated				
	Provision for annuities £m	Provision for early retirement of partners/ former partners £m	Provision for onerous leases and dilapidations £m	Total 2019 £m	Total 2018 £m
At 1 May	16.9	36.8	68.9	122.6	101.2
Currency translation adjustments	–	–	0.1	0.1	(0.5)
Provision utilised	(2.0)	(7.9)	(4.4)	(14.3)	(13.5)
	14.9	28.9	64.6	108.4	87.2
Charged to the income statement	–	–	(0.5)	(0.5)	20.9
Charge for the year:					
– former partners	–	0.7	–	0.7	(0.1)
– current partners	–	6.5	–	6.5	13.6
Unwind of discount and change in discount rate	–	0.4	2.4	2.8	2.8
Actuarial adjustment	1.1	–	–	1.1	(1.0)
Provision released:					
– former partners	–	–	–	–	(0.7)
– current partners	–	(1.4)	–	(1.4)	(0.8)
Charged to fixed assets	–	–	1.3	1.3	0.7
	1.1	6.2	3.2	10.5	35.4
At 30 April	16.0	35.1	67.8	118.9	122.6

	2019 £m	2018 £m
Included in current liabilities	14.3	14.0
Included in non-current liabilities	104.6	108.6
	118.9	122.6

	Limited Liability Partnership				
	Provision for annuities £m	Provision for early retirement of partners/ former partners £m	Provision for onerous leases and dilapidations £m	Total 2019 £m	Total 2018 £m
At 1 May	16.9	36.8	62.0	115.7	93.8
Currency translation adjustments	–	–	0.2	0.2	(0.2)
Provision utilised	(2.0)	(7.9)	(3.6)	(13.5)	(12.6)
	14.9	28.9	58.6	102.4	81.0
Charged to the income statement	–	–	(0.5)	(0.5)	20.8
Charge for the year:					
– former partners	–	0.7	–	0.7	(0.1)
– current partners	–	6.5	–	6.5	13.6
Unwind of discount and change in discount rate	–	0.4	2.2	2.6	2.7
Actuarial adjustment	1.1	–	–	1.1	(1.0)
Provision released:					
– former partners	–	–	–	–	(0.7)
– current partners	–	(1.4)	–	(1.4)	(0.8)
Charged to fixed assets	–	–	0.5	0.5	0.2
	1.1	6.2	2.2	9.5	34.7
At 30 April	16.0	35.1	60.8	111.9	115.7

	2019 £m	2018 £m
Included in current liabilities	12.4	11.8
Included in non-current liabilities	99.5	103.9
	111.9	115.7

17 CAPITAL COMMITMENTS

The following amounts have been contracted for but not provided in the financial statements:

	2019 £m	2018 £m
Property fit-out costs	1.3	0.6
Computer, telecommunications and other equipment	–	0.1
	1.3	0.7

18 OPERATING LEASE COMMITMENTS

	Consolidated	
	2019 £m	2018 £m
Lease payments under operating leases recognised as an expense in the Income Statement for the year	101.2	94.3
Rent receivable from subleases recognised as Other Income in the Income Statement for the year	21.8	18.7

At 30 April 2019, the Group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Land & Buildings		Other	
	2019 £m	2018 £m	2019 £m	2018 £m
Within one year	107.0	101.0	1.5	1.2
Within two to five years	365.0	355.0	2.6	1.9
In more than five years	155.8	186.1	–	–
	627.8	642.1	4.1	3.1

At 30 April 2019, the Group had the following minimum amounts to be received under non-cancellable subleases for land and buildings, which fall due as follows:

	Land & Buildings	
	2019 £m	2018 £m
Within one year	17.8	14.3
Within two to five years	53.2	49.2
In more than five years	22.3	25.2
	93.3	88.7

19 RECONCILIATION OF PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	Consolidated	
	2019 £m	2018 £m
Profit before taxation	707.8	653.1
Adjustments for:		
Depreciation of property, plant and equipment	23.0	23.3
Foreign exchange loss/(gain) on operating activities	2.3	22.9
Net finance costs	2.0	2.0
Loss on disposal of property, plant and equipment	0.2	0.2
Operating cash flows before movement in working capital	735.3	701.5
Increase in provisions	2.0	28.2
Increase in receivables	(6.1)	(57.1)
Increase in payables	13.6	17.7
Cash generated by operations	744.8	690.3

20 RECONCILIATION OF PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	Limited Liability Partnership	
	2019 £m	2018 £m
Profit before taxation	527.0	484.3
Adjustments for:		
Depreciation of property, plant and equipment	14.6	16.0
Loss on disposal of investments	-	0.3
Foreign exchange loss on operating activities	5.2	21.2
Net finance costs	1.6	1.9
Operating cash flows before movement in working capital	548.4	523.7
Increase in provisions	2.0	28.6
Increase in receivables	(20.3)	(65.7)
Increase/(decrease) in payables	20.4	(17.2)
Cash generated by operations	550.5	469.4

21 RETIREMENT BENEFIT OBLIGATIONS

The LLP operates a pension scheme which includes a defined benefit section and a defined contribution section for its UK-based staff. The defined benefit section was closed to new entrants in 1998 and closed to future year accruals in 2007. The assets of the pension scheme are held separately from those of the LLP.

Employees in jurisdictions outside the United Kingdom are usually members of insured schemes into which the LLP pays contributions. These contributions are included in amounts shown under the 'Defined contribution section and schemes' heading below.

Defined contribution section and schemes

The cost of contributions to the defined contribution section of the UK pension scheme plus contributions to non-UK pension schemes included in the income statement for the year was £19.1m (2018 – £16.3m). The cost charged represents contributions payable to these schemes by the Group at rates specified in the rules of the plans.

Defined benefit section

The LLP sponsors a funded defined benefit pension scheme for qualifying UK employees. The Scheme is administered by a separate board of Trustees which is legally separate from the LLP. The Trustees are composed of representatives of both the firm and employees. The Trustees are required by law to act in the interest of all relevant beneficiaries and are responsible for the investment policy with regard to the assets plus the day-to-day administration of the benefits.

Under the Scheme, employees are entitled to annual pensions in retirement based on their salary and service. Benefits are also payable on death and following other events such as withdrawal from active service.

The Scheme's duration is an indicator of the weighted-average time until benefit payments are made. For the Scheme as a whole, the duration is around 18-19 years.

UK legislation requires that pension schemes are funded prudently. The last funding valuation of the Scheme was carried out by a qualified actuary as at 1 January 2017 and showed a surplus of £0.4 million on a technical provisions basis. The next funding valuation is due as at 1 January 2020.

The Scheme exposes the LLP to a number of risks, the most significant of which are:

Asset volatility: The liabilities under IAS 19 are calculated using a discount rate set with reference to corporate bond yields; if assets underperform this yield, this will worsen the IAS 19 funding position with all else being equal. The Scheme holds a significant proportion of growth assets (such as equities, diversified growth funds and global absolute return funds) which, though expected to outperform corporate bond returns in the long term, create volatility and risk in the short term. The allocation to growth assets is monitored to ensure it remains appropriate, given the Scheme's long-term objectives.

Changes in bond yields: A decrease in corporate bond yields will increase the value placed on the Scheme's liabilities for accounting purposes, although this will be partially offset by an increase in the value of the Scheme's bond holdings.

Inflation risk: The Scheme's benefit obligations are linked to inflation, and higher inflation will lead to higher liabilities. A significant proportion of the Scheme's assets are either unaffected by or only loosely correlated with inflation, meaning that an increase in inflation will reduce the funding position with all else being equal.

Life expectancy: Most of the Scheme's obligations are to provide benefits for the life of the member and his or her dependants, so increases in life expectancy will result in an increase in liabilities.

The LLP and Trustees have agreed a long-term strategy for reducing investment risk as and when appropriate. This includes an asset-liability matching policy which aims to reduce the volatility of the funding level of the Scheme by investing in assets such as index-linked government bonds which are intended to move in line with the liabilities of the Scheme so as to protect, for example, against inflation being higher than expected.

The Trustees insure certain benefits payable on death before retirement.

The liabilities have been updated from the most recent actuarial funding valuation, as at 1 January 2017, by an independent qualified actuary from Lane Clark & Peacock LLP.

The principal assumptions used for valuing the liabilities were as follows:

	2019 %	2018 %
Discount Rate	2.6	2.6
RPI inflation	3.3	3.1
CPI inflation	2.2	2.0
Salary increases	3.3	3.1
Pension increase in deferment	2.2	2.0
Pension increases in payment	2.2	2.0

The post-retirement mortality assumptions are based on standard mortality tables which allow for future improvements in life expectancy resulting in the following life expectancies:

	2019 Years	2018 Years
Current pensioners at age 65 – Male	22.9	23.4
Current pensioners at age 65 – Female	24.2	24.7
Future pensioners at age 65* – Male	24.5	25.1
Future pensioners at age 65* – Female	26.0	26.5

* for non-pensioners currently aged 45

The allocation and market value of the Scheme assets at the balance sheet date was as follows:

	2019 £m	2018 £m
Performance assets (non-property):		
Global equities (quoted)	42.7	39.5
Diversified Growth Funds (primarily quoted)	27.6	26.9
Hedge funds and alternative investments (unquoted)	–	8.2
Property (unquoted)	10.9	10.7
Inflation opportunities fund (unquoted)	12.3	11.6
Bonds:		
Liability-driven investment (quoted)	55.0	49.9
Other fixed income (quoted)	46.0	45.3
Cash and other assets (quoted)	37.9	27.5
Defined benefit assets at end of the year	232.4	219.6

The Scheme does not invest directly in property occupied by the firm or in financial securities issued by the firm.

The amounts recognised in the consolidated and LLP balance sheets are as follows:

	2019 £m	2018 £m
Fair value of scheme assets	232.4	219.6
Present value of defined benefit obligations	(168.4)	(165.6)
Retirement benefit surplus	64.0	54.0

No adjustment has been made to restrict the surplus recognised, since under the Scheme rules the firm could receive a refund of surplus if the Scheme is run on until the last member has died.

The amounts recognised in the consolidated income statement are as follows:

	2019 £m	2018 £m
Finance credit:		
Interest on pension Scheme assets	5.6	5.6
Finance cost:		
Interest on pension Scheme defined benefit obligations	(4.2)	(4.3)
Net finance income for the year	1.4	1.3

The amounts recognised in the consolidated statement of comprehensive income are as follows:

	2019 £m	2018 £m
Return on Scheme assets in excess of/(below) that recognised in net interest	12.2	(6.5)
Actuarial (losses)/gains due to changes in financial assumptions	(6.5)	7.4
Actuarial gains due to changes in demographic assumptions	2.9	0.9
Actuarial gains/(losses) due to liability experience	–	(0.4)
	8.6	1.4

Changes in the fair value of plan assets are as follows:

	2019 £m	2018 £m
Opening fair value of Scheme assets	219.6	226.6
Interest income on Scheme assets	5.6	5.6
Remeasurement gains/(losses) on Scheme assets	12.2	(6.5)
Benefits paid	(5.0)	(6.1)
Closing fair value of Scheme assets	232.4	219.6

The actual return on the Scheme assets during the period was a £17.8 million gain (2018 – £0.9 million loss).

Changes in the present value of the defined benefit obligations are as follows:

	2019 £m	2018 £m
Opening defined benefit obligation	(165.6)	(175.3)
Interest cost	(4.2)	(4.3)
Gain from change in demographic assumptions	2.9	0.9
(Loss)/gain from change in financial assumptions	(6.5)	7.4
Experiences losses	–	(0.4)
Benefits paid	5.0	6.1
Closing defined benefit obligation	(168.4)	(165.6)

The value of insured pensions has been excluded from both the assets and liabilities on the grounds of materiality. As the value of the obligations and assets in respect of the insured pensions would be the same under IAS 19, including them would not change the balance sheet position.

Sensitivity analysis

The principal actuarial assumptions all have an effect on the IAS 19 accounting valuations. The following table shows the sensitivity of the value of the defined benefit obligations to changes in these assumptions. Each assumption has been varied individually and a combination of changes in assumptions could produce a different result.

	Defined benefit obligation increase £m
0.25% decrease in the assumed discount rate	8.1
0.25% increase in the expected rate of increase in salaries	0.4
0.25% increase in the assumed rate of inflation	7.7
One-year increase in average life expectancy	5.0

Future Cash Funding

The most recent full actuarial valuation was as at 1 January 2017 and was completed in 2017 using the Projected Unit valuation method. The valuation revealed a surplus at the valuation date. Accordingly, the expected contributions by the Firm to the defined benefit section of the Scheme over the next 12 months are nil. The next actuarial valuation is due at 1 January 2020.

22 TOTAL EQUITY PARTNERS'/MEMBERS' INTERESTS

Allen & Overy is financed through a combination of partners' capital, subordinated loans, undistributed profits and tax retentions. The Board reviews the projected financing requirements annually when agreeing the Group's budget, and based on this review sets the value of the Capital Unit. The cash flow forecast for the entire Group is updated regularly and compared to the budget, with any significant variance being reported to the Board. The below tables disclose both the cash and non-cash movements in the Group and LLP's liabilities arising from financing activities.

	Consolidated				
	Amounts due from partners £m	Partners' capital classified as a liability £m	Equity £m	Total 2019 £m	Total 2018 £m
Total partners' interests at 1 May	(49.1)	133.9	449.5	534.3	542.9
Total comprehensive income for the year	–	–	446.2	446.2	418.5
Profit allocated to partners	435.1	–	(435.1)	–	–
Drawings and distributions	(440.2)	–	–	(440.2)	(421.3)
Foreign currency capital revaluation	–	–	–	–	0.1
Capital introduced	–	12.1	–	12.1	18.4
Capital repaid	–	(8.2)	–	(8.2)	(24.3)
	(54.2)	137.8	460.6	544.2	534.3

	Limited Liability Partnership				
	Amounts due from Members £m	Members' capital classified as a liability £m	Equity £m	Total 2019 £m	Total 2018 £m
Total Members' interests at 1 May	(22.7)	130.4	377.8	485.5	490.8
Total comprehensive income for the year	–	–	377.3	377.3	342.9
Profit allocated to Members	365.5	–	(365.5)	–	–
Drawings and distributions	(364.8)	–	–	(364.8)	(347.0)
Foreign currency capital revaluation	–	–	–	–	0.1
Capital introduced	–	11.8	–	11.8	16.0
Capital repaid	–	(8.1)	–	(8.1)	(17.3)
	(22.0)	134.1	389.6	501.7	485.5

Capital due to partners/Members retiring within one year is shown as current, as it will be repaid within 12 months of the reporting date. Total partners'/Members' capital analysed by repayable dates is as follows:

	Consolidated		Limited Liability Partnership	
	2019 £m	2018 £m	2019 £m	2018 £m
Included in current liabilities	5.0	5.1	4.8	5.1
Included in non-current liabilities	132.8	128.8	129.3	125.3
	137.8	133.9	134.1	130.4

The carrying value of partners' and Members' capital is consistent with fair value in the current and prior year.

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23 RELATED PARTY TRANSACTIONS

The key management personnel comprise the Senior Partner and Managing Partner, the heads of the main global practice groups and the support directors. The majority of partners in key management positions maintain significant client responsibilities. The share of the profit and the salaries (including post-employment benefits) awarded to these key management personnel for the year ended 30 April 2019 amount to £16.0m (2018: £14.8m).

The Group and the LLP are related parties because they are both controlled by the Board. Related party transactions between the Group and the LLP are disclosed below.

Services in respect of client engagements

Arrangements are in place for the LLP to supply services to other Group undertakings in connection with client assignments and vice versa. For the year ended 30 April 2019, there was a net provision of services to the LLP from other Group undertakings to the value of £12.0m (2018: £12.8m).

Administrative support provided within the Group

Global and regional management charges are levied across the Group for the cost of services provided to the global network by central support functions. The staff that perform global and regional roles are located in a number of locations as determined by the directors responsible for the global support functions. For the year ended 30 April 2019, there was a net provision of administrative support to the LLP from other Group entities to the value of £6.5m (2018: £4.1m).

Balances outstanding

The balances outstanding between the LLP and other Group undertakings are disclosed as 'Amounts due from other Group undertakings' under note 13 and as 'Amounts due to other Group undertakings' under note 15.

24 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The management's objective in managing financial risk is to ensure the long-term sustainability of the Group.

As the Group's principal financial instruments comprise cash, client receivables and unbilled revenue, and other payables, accruals, provisions and partners' capital that arise directly from operations, the main risks are those that relate to credit in regard to receivables, the Group's liquidity in relation to the payables and foreign currency risk.

Credit risk

(i) Risk management

Cash deposits with banks and financial institutions give rise to counterparty risk. The Group manages this counterparty risk by reviewing the credit ratings regularly and by limiting the aggregate amount and duration of exposure to any one counterparty, taking into account its credit rating, market capitalisation and relative credit default swap price. The minimum long-term credit rating of all banks and financial institutions which held any significant short-term deposits during the year was BBB+.

Although the Group has a policy of performing credit checks on all new clients, its main protection against a significant charge to its income statement for non-recoverability of a client receivable lies in its wide client base. The Group's large client base of reputable corporations and entities is both geographically diverse and spread across different industry sectors. This ensures that no one client accounts for a significant element of the combined client receivables and unbilled revenue balance. Management regularly reviews the concentration of specific clients to assess whether the level of credit risk is acceptable.

(ii) Impairment of financial assets

The Group has three types of financial asset that are subject to impairment using the expected credit loss model:

– client receivables;

– contract assets related to unbilled revenue; and

– other receivables.

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all client receivables and unbilled revenue.

While cash and cash equivalents are also subject to the impairment requirements of IFRS 9, the identified impairment loss on cash and cash equivalents was immaterial.

Client receivables

To measure the expected credit loss, client receivables have been grouped based on days past due. The expected loss rates are based on the payment profiles of bills raised over a period of 24 months before 30 April 2019 and the corresponding historical credit loss experienced within this period. The historical loss rate has then been adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of clients to settle the receivables. The Group has identified the GDP of the countries in which it sells its services to be the most relevant factor, and accordingly adjusted the historical loss rates based on expected changes in GDP.

On that basis, the loss allowance as at 30 April 2019 was determined as follows for client receivables:

	Consolidated				
	Not past due	Past due 0-30 days	Past due 31-120 days	Past due greater than 120 days	Total £m
30 April 2019					
Expected loss rate	0.4%	0.3%	1.8%	30.2%	4.9%
Gross carrying amount – client receivables	277.0	99.6	109.7	80.0	566.3
Loss allowance	(1.1)	(0.3)	(2.0)	(24.2)	(27.6)
Net carrying value – client receivables	275.9	99.3	107.7	55.8	538.7
30 April 2018					
Net carrying value – client receivables	258.2	126.9	91.0	62.4	538.5

	Limited Liability Partnership				
	Not past due	Past due 0-30 days	Past due 31-120 days	Past due greater than 120 days	Total £m
30 April 2019					
Expected loss rate	0.3%	0.2%	1.2%	31.8%	4.1%
Gross carrying amount – client receivables	223.7	63.6	68.2	46.3	401.8
Loss allowance	(0.7)	(0.1)	(0.8)	(14.7)	(16.3)
Net carrying value – client receivables	223.0	63.5	67.4	31.6	385.5
30 April 2018					
Net carrying value – client receivables	219.0	89.3	55.5	38.8	402.6

Contract asset – unbilled revenue

The Group's unbilled revenue relates to work in progress which has substantially the same risk characteristics as the client receivables for the same types of contracts. The Group therefore concluded that the expected loss rates for client receivables are a reasonable approximation of the loss rates for unbilled revenue and applied the same calculation methodology. However, the identified impairment loss was immaterial and so has not been reflected in the financial statements.

Other receivables and amounts due from Group undertakings

The Group and LLP determined that the expected credit loss on other receivables and amounts due from Group undertakings was not material to the financial statements and so no loss allowance for expected credit loss has been recognised.

Client receivables and unbilled revenue are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include significant financial difficulties on the part of the debtor and default or delinquency in payments. Impairment losses on client receivables and unbilled revenue are presented as net impairment losses within operating profit. Subsequent recoveries of amounts which were written off previously are credited against the same line item.

The closing loss allowances for client receivables as at 30 April 2019 reconciles to the opening loss allowance as follows:

Movement in loss allowance

	Consolidated		Limited Liability Partnership	
	2019 £m	2018 £m	2019 £m	2018 £m
At 1 May – calculated under IAS 39	(27.5)	(29.6)	(20.1)	(22.2)
Impact of IFRS 9 first-time adoption at 1 May 2018 – charged to the income statement	–	–	–	–
	(27.5)	(29.6)	(20.1)	(22.2)
Currency translation adjustment	(0.5)	0.5	(0.5)	0.5
Provision utilised	10.2	6.6	7.3	4.2
Increase in loss allowance recognised in profit or loss during the year	(19.8)	(15.6)	(10.9)	(11.1)
Provision released	10.0	10.6	7.9	8.5
At 30 April	(27.6)	(27.5)	(16.3)	(20.1)

No opening balance adjustment for expected credit losses was made as at 1 May 2018 upon transition to IFRS 9, as the adjustment would have represented less than 1% of the gross client receivables balance.

Previous accounting policy for impairment of client receivables

In the previous year, the impairment of client receivables was assessed based on the incurred loss model. Individual receivables which were known to be uncollectible were written off by reducing the carrying amount directly. For other receivables, a provision for impairment was established when there was objective evidence that the Group would not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor and default or delinquency in payments were considered indicators that the client receivable was impaired. The amount of the provision was the difference between the asset's carrying amount and the estimated future cash flows. The carrying amount of the asset was reduced through the use of a provision account and the amount of the loss was recognised in the income statement within 'Other operating expenses'.

(iii) Significant estimates and judgements

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history and existing market conditions in addition to forward-looking estimates at the end of each reporting period. Details of the key assumptions and inputs used are disclosed above.

Group financial assets and liabilities by category Assets	2019 £m	2018 £m
Net client receivables	538.7	538.5
Unbilled revenue	188.9	171.7
Other receivables	25.7	36.8
Cash	124.9	132.8
	878.2	879.8

The carrying amounts of financial assets are denominated in the following currencies:

	2019 £m	2018 £m
Euro	272.7	266.0
Sterling	295.3	321.4
U.S. Dollar (or currencies linked to U.S. Dollar)	235.8	222.3
Other currencies	74.4	70.1
	878.2	879.8

Liabilities	2019 £m	2018 £m
Trade payables	44.0	43.5
Employment and sales taxes	35.7	38.0
Other payables	16.6	26.3
Partners' subordinated loans	56.4	57.1
Other amounts due to partners remunerated as employees or consultants	135.4	107.1
Accruals	113.1	110.1
Partners' capital	137.8	133.9
Provision for onerous leases and dilapidations	67.8	68.9
Provision for early retirement of partners/former partners	35.1	36.8
Provision for annuities	16.0	16.9
	657.9	638.6

The carrying amounts of financial liabilities are denominated in the following currencies:

	2019 £m	2018 £m
Euro	60.1	78.9
Sterling	509.3	479.7
U.S. Dollar (or currencies linked to U.S. Dollar)	63.4	56.9
Other currencies	25.1	23.1
	657.9	638.6

Liquidity risk

In terms of ability to meet obligations, whether trade creditors, other payables or accruals, the Group carefully monitors its cash flow against its projections. It has a policy of setting its capital and drawings policy to enable the Group's cash funds to be sufficient to meet the Group's obligations. The Group also maintains borrowing facilities to cover any unforeseen cash demands.

Foreign currency risk

The presentational currency of the Group is Sterling. However, with offices in many different countries, the Group's operations are conducted in many different currencies. In addition, the Group is willing, at a client's request, to invoice in a currency other than the functional currency of the location from which the bill is sent.

The principal currencies, other than Sterling, to which the Group is exposed are the Euro and the U.S. Dollar, along with other currencies that are linked to the U.S. Dollar.

The effect of foreign currency fluctuations having a material impact on each entity's results is mitigated by the income and costs incurred by that entity being principally in the functional currency of the location. The Group does not hedge or enter into forward derivative transactions because of the cost of these instruments. However, it does retain currency cash balances which it monitors closely to ensure that the balances in each currency match the currency of the expected future payments.

If the Euro and U.S. Dollar (including currencies linked to the U.S. Dollar) had weakened against all other currencies, the impact on profit before tax and net assets as a result of retranslating financial assets and liabilities would have been as set out below:

	2019		2018	
	Profit £m	Net assets £m	Profit £m	Net assets £m
Euro 5% weaker	8.5	(0.2)	9.0	(0.4)
U.S. Dollar (including linked currencies) 5% weaker	(1.2)	(7.1)	(2.2)	(8.0)

The above analysis includes the impact on profit before tax resulting from retranslating intercompany balances that are eliminated within the consolidated balance sheet and which are therefore not included within the above table of Group financial assets and liabilities.

The effect of foreign currency fluctuations on the conversion of the entities' results into Sterling is borne by the partners as the profit for the year is determined in Sterling.

Partners based outside London receive their profit shares in Sterling, converted at their request into local currency with an internal protection mechanism equivalent to a collar.

Awards and accolades

Global

Chambers and Partners directories, 2019
A&O ranked 593 times across all directories

Chambers and Partners directories, 2019
Our lawyers were ranked 1,030 times across all directories

Chambers Global, 2019
Ranked in 252 practice areas

Chambers Global, 2019
421 individual lawyers ranked

The Times, 2019
Best Law Firm, Banking and Finance

Global Competition Review, 2019
Global Elite – ranked 3rd out of the top 25 global law firms for competition

IJ Global, 2019
Global Legal Adviser of the Year 2018

Project Finance International, 2018
Global Law Firm of the Year

Global Transport Finance, 2019
Transport Finance Law Firm of the Year 2018

Asia Pacific

FT Innovative Lawyers Awards 2019 Asia Pacific
Highly commended: Rule of law and access to justice

ALB Hong Kong Law Awards, 2018
Corporate Citizenship Law Firm of the Year

IJ Global, 2019
Asia Pacific Law Firm of the Year 2018

The Asset Triple A Islamic Finance Awards 2018, 2019
Best Islamic Law Firm

GlobalCapital Global Derivative Awards, 2018
Asia Pacific Law Firm of the Year – Transaction

IFLR Asia Pacific Awards, 2019
M&A Law Firm of the Year
Restructuring Deal of the Year
Project Finance Law Firm of the Year

ALB SE Asia Law Awards, 2018
International Deal Firm of the Year 2018

FinanceAsia Achievement Awards, 2018
Best M&A Deal
Best IPO

GlobalCapital Awards, 2019
Overall Best Securitization Law Firm of the Year

The Australasian Law Awards, 2019
Equity Market Deal of the Year

Europe

FT Innovative Lawyers Awards Europe, 2018
Most Innovative Law Firm
Commended: Business of Law – Managing & Developing Talent
Highly commended: Business of Law – New business & service delivery models
Standout: Business of Law – New products & services
Standout: Business of Law – Strategy & changing behaviours
Highly commended: Business of Law – Technology
Standout: Legal expertise – Accessing new markets & capital
Standout: Legal expertise – Dispute resolution
Commended: Legal expertise – Creating a new standout
Highly commended: Rule of law and access to justice

Legalcommunity Finance Awards, 2019 (Italy)
Banking Law Firm of the Year 2019

IFLR Europe Awards, 2019
Project Finance Law firm of the Year 2018
Czech Law Firm of the Year

European Pensions law firm of the year awards, 2018
Pensions law firm of the year

Mergermarket Awards, 2018
European Mid-Market M&A advisor of the Year

British Legal Awards, 2018
Competition Team of the Year

GlobalCapital European Securitization Awards, 2019
Law firm of the Year
CMBS Law Firm of the Year
RMBS Law Firm of the Year

Middle East and Africa

IJ Global, 2019
Middle East Law Firm of the Year 2018

IFLR Middle East Awards, 2018
M&A Deal of the Year
Equity Team of the Year and Deal of the Year
Domestic Deal of the Year
Debt and Equity-Linked Deal of the Year

North, Central and South America

IJ Global, US, 2019
Global Law Firm of the Year
World's Foremost Law Firm for Finance

GlobalCapital Americas Derivatives Awards, 2019
Americas Law Firm of the Year

IJ Global, LatAm, 2018
Latin American Water Deal of the Year
and Oil & Gas Deal of the Year

Diversity

Euromoney LMG Women in Business Law Awards, 2018
Best International Firm for Work-Life Balance

Stonewall
Global Employers 2018

The Times
Top 50 Employers for Women 2019


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