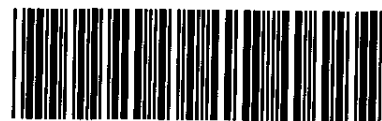


DLA Piper International LLP
Members' report and financial statements
for the year ended 30 April 2022

Registered number: OC305357

THURSDAY



ABW1QZJ4

A15

26/01/2023

#157

COMPANIES HOUSE

DLA Piper International LLP
Members' report and financial statements
for the year ended 30 April 2022

Contents

Members' report.....	1
Energy and carbon report	5
Independent auditor's report.....	9
Consolidated income statement	14
Consolidated statement of comprehensive income.....	15
Consolidated balance sheet	16
LLP balance sheet	18
Consolidated statements of changes in equity	19
Total members' interests.....	20
Consolidated cash flow statement	21
Statement of accounting policies	23
Notes to the financial statements.....	34

DLA Piper International LLP

Members' report for the year ended 30 April 2022

The Board presents its report on behalf of the members of DLA Piper International LLP ("the LLP") together with the audited consolidated financial statements of the LLP and its subsidiary undertakings ("the Group") for the year ended 30 April 2022.

Principal activities

The Group's principal activity is the provision of legal services.

Group structure

The consolidated financial statements comprise the financial statements of the LLP and the Group. The subsidiary undertakings of the LLP as at 30 April 2022 are set out in note 25 to the financial statements.

Business review and future developments

In a year of ongoing uncertainty, the Group has returned a strong performance. Revenue for the year ended 30 April 2022 was £1,240.3 million (2021: £1,164.5 million), a 6.5% increase on the prior year.

Wages and salaries increased by £19.3 million (5.5%) from £351.2 million to £370.5 million. Other external operating expenses increased by £43.4 million (17.0%) from £254.7 million to £298.1 million. As restrictions relating to the COVID-19 pandemic are lifted, spending is returning to more normal levels.

The profit available for discretionary division among members decreased by £20.3 million (4.8%) from £419.3 million to £399.0 million. As a result of ongoing geopolitical tensions, the group no longer operates in Russia, and disposed of a subsidiary which provided legal services to clients in Russia, subsequent to the year end, on 31 May 2022. Further details can be found in note 28.

Finance costs increased by £0.5 million (3.2%) from £15.4 million to £15.9 million. This year's finance costs include a £1.1 million charge in relation to the unwinding of the discount applied to our license fee liabilities. Underlying finance costs have reduced as a result of reduced average borrowing during year.

The Group balance sheet remains strong, with an increase in net assets of £9.6 million (1.8%) from £527.6 million to £537.2 million.

The Group has extensive credit facilities. Significant headroom existed on these facilities at the date of signing the financial statements.

Subsequent events

There are no undisclosed significant events affecting the Group since the year end, up to the date of approval of these financial statements, other than those as disclosed in note 31.

Auditor

Deloitte LLP have indicated their willingness to be reappointed for another term and expect to continue as auditor, subject to approval from the Board.

DLA Piper International LLP

Members' report (continued)

Designated members and the Board of DLA Piper International ("the Board")

The designated members (as defined in the Limited Liability Partnerships Act 2000) of the LLP, during the year and up to the date of signing the financial statements were:

- Kevin Chan
- Philippe Danesi (resigned 30 November 2021)
- Andrew Darwin (resigned 30 April 2022)
- Marta Frackowiak (appointed 1 June 2021)
- Bruno Giuffrè
- Jonathan Hayes (appointed as Board Chair 1 May 2022)
- Steffen Kaufmann (appointed 1 January 2022, resigned 31 May 2022)
- Simon Levine
- Suzannah Newbould
- Samantha O'Brien
- Jonathan Watkins
- Colin Wilson

The Board consisted of the designated members listed above, Paul Edwards (Chief Financial Officer resigned 15 June 2021), Amber Wilkinson (Chief Financial Officer appointed 15 June 2021), Lou Pagnutti (Non-executive Board member) and Ana Garcia Fau (Non-executive Board member and Audit Committee Chair).

A list of members' names is available from Companies House.

Financing and the subscription and repayment of members' capital

The Group is financed through a combination of members' capital, undistributed profits and borrowing facilities provided by a number of banks.

The total amount of members' capital contributions is proposed to members by the Board, having regard to the requirements of the Group. Individual members' capital contributions are set by reference to equity profit share proportion, or in the case of non-equity members, comprise either a fixed amount or a percentage of profit share, and are repayable, at par, following the member's retirement.

Members' capital is classified as a liability as it is repayable to members upon departure.

The Board is satisfied that current bank facilities are at levels sufficient to provide significant headroom above the expected peak cash requirements of the Group for at least the next twelve months from the date of signing these financial statements, and the accounts are therefore prepared on a going concern basis. Details of this are disclosed in the accounting policy on page 23.

Members' profit shares

Members are remunerated solely out of the profits of the Group and are personally responsible for funding pensions and other benefits. Profit sharing ratios are agreed by equity members based on proposals from the Board.

DLA Piper International LLP

Members' report (continued)

Profit allocation and members' drawings

Under the members agreement, the final division and allocation of profits to those who are members during the financial year occurs following the finalisation of the annual financial statements. During the year, members receive monthly drawings which represent payments on account of current year profits and are reclaimable from members until profits have been allocated. In addition, members receive distributions, relating to profits divided in prior years. The timing and amount of the profit distributions is decided by the Board, taking into account, inter-alia, the Group's cash requirements for operating and investing activities. Unallocated amounts are shown in "Members' other interests" (note 22).

Statement of members' responsibilities

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

The Limited Liability Partnerships (Accounts & Audit) (Application of Companies Act 2006) Regulations 2008 require the members to prepare financial statements for each financial year. Under that law the members have elected to prepare the financial statements in accordance with International Accounting Standards in conformity with the requirements of the Companies Act 2006. The financial statements are also required by law to be prepared in accordance with the Companies Act 2006, as applicable to limited liability partnerships.

International Accounting Standard 1 requires that financial statements present fairly for each financial year the firm's financial position, financial performance and cash flows. This requires the faithful representation of the effects of transactions, other events and conditions in accordance with the definitions and recognition criteria for assets, liabilities, income and expenses set out in the International Accounting Standards Board's 'Framework for the preparation and presentation of financial statements'. In virtually all circumstances, a fair presentation will be achieved by compliance with all applicable International Financial Reporting Standards (IFRSs). However, members are also required to:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information; and
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the firm's financial position and financial performance.

The members are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the firm and enable them to ensure that the financial statements comply with the Companies Act 2006, as applicable to limited liability partnerships. They are also responsible for safeguarding the assets of the firm and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

DLA Piper International LLP

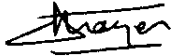
Members' report (continued)

Disclosure of information to the auditor

So far as each member of the Board is aware, there is no relevant audit information of which the LLP's auditor is unaware. Relevant information is defined as information needed by the LLP's auditor in connection with preparing their report.

Each member of the Board has taken all the steps (such as making enquiries of other members of the Board and the auditor and any other steps required by their duty to exercise due care, skill and diligence) that he/she ought to have taken in his/her duty as a member in order to make himself/herself aware of any relevant audit information and to establish that the LLP's auditor is aware of that information.

This report has been agreed by all the members and is signed on their behalf by:



Jon Hayes
Senior Partner
17 November 2022

DLA Piper International LLP

Energy and carbon report

Introduction

As a leading international law firm, DLA Piper is fully committed to reducing both energy use and carbon emissions across the Group and Brand Integrated Firms. Procurement of goods and services as well as business travel are the most significant contributors to our environmental footprint and these are addressed in our ambitious sustainability targets and commitments. To implement the carbon reduction strategy, an International Energy and Climate Change (IECC) committee works closely with key internal stakeholders across the international offices and reports directly to the Executive.

This statement has been prepared in accordance with our regulatory obligation to report greenhouse gas (GHG) emissions pursuant to the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 which implement the UK government's policy on Streamlined Energy and Carbon Reporting.

GHG emissions and energy usage

During the year ended 30 April 2022, our total gross GHG emissions (location-based) totalled 71,091 tCO₂e. This comprised:

GHG emissions for the period 1 May 2021 – 30 April 2022, tCO₂e

		2022			2021		
		UK	Offshore	Total	UK	Offshore	Total
Scope 1 emissions							
Emissions from stationary combustion		943	466	1,409	1,137	285	1,422
Emissions from mobile combustion		-	95	95	-	93	93
Fugitive emissions		7	12	19	10	43	53
Total Scope 1 emissions	A	950	573	1,523	1,147	421	1,568
Scope 2 emissions							
Location based electricity	B	1,338	2,540	3,878	1,406	3,465	4,871
Market based electricity	C	-	1,824	1,824	-	3,114	3,114
Total Scope 1+2 (location based emissions)		2,288	3,113	5,401	2,553	3,886	6,439
Total Scope 1+2 (market based emissions)		950	2,397	3,347	1,147	3,535	4,682
Scope 3 emissions							
Procurement							
Water supply		4	6	10	12	15	27
Capital goods		2,817	6,519	9,336	3,830	8,735	12,565
Other suppliers		14,777	34,190	48,967	19,246	43,891	63,137
FERA emissions		1,076	1,174	2,250	674	800	1,474
Emissions from waste		15	48	63	34	92	126
Emissions from business travel		805	1,863	2,668	11	244	255
Emissions from employee commuting (estimated)		372	1,779	2,151	1,722	3,642	5,364
Emissions from homeworking		1	2	3	1	2	3
Emissions from upstream transportation (couriers)		26	216	242	7	219	226
		19,893	45,797	65,690	25,537	57,640	83,177
Total Scope 3 emissions	D			65,690			83,177
Total gross emissions (location based)	A+B+D			71,091			89,616
Total gross emissions (market based)	A+C+D			69,037			87,859

Note: Emissions attributed to various supplies within Purchased Good & Services category and the use of couriers within Upstream transportation category are aggregated and included as totals only. Offshore includes all DLA Piper international offices in EMEA and Asia Pacific regions, and Brand Integrated Firms (The Nordics, Portugal and New Zealand).

DLA Piper International LLP

Energy and carbon report (continued)

Overall, our total gross (location-based) emissions have decreased by approximately 21% in the reporting year. This was due to increased energy efficiency in our offices, as well reductions in procurement.

During the reporting period, our total energy consumption totalled 23,373 MWh, of which approximately 49% was consumed in the UK. The split between fuels and electricity consumption is displayed below.

Energy consumption for the period 1 May 2021 – 30 April 2022, MWh

	2022			2021		
	UK	Offshore	Total	UK	Offshore	Total
Total electricity	6,300	7,253	13,553	6,031	8,967	14,998
Fuels, of which:						
- Natural gas	5,095	2,519	7,614	6,158	1,545	7,703
- Petrol (mobile)	-	229	229	-	258	258
- Petrol (stationary)	-	-	-	-	-	-
- Diesel (mobile)	-	177	177	-	139	139
- Diesel (stationary)	1	-	1	1	-	1
Total fuels	5,096	2,925	8,021	6,159	1,942	8,101
Self-generated electricity	-	5	5	-	-	-
District heating	-	1,794	1,794	-	-	-
Total energy consumption	11,396	11,977	23,373	12,190	10,909	23,099

Emission intensity for the period 1 May 2021 – 30 April 2022, tCO2e per employee

	2022			2021		
	UK	Offshore	Total	UK	Offshore	Total
Number of full time employees	2,317	5,361	7,678	2,257	5,147	7,404
Emission intensity (location based)	9.6	9.1	9.3	12.4	12.0	12.1
Emission intensity (market based)	9.0	9.0	9.0	11.8	11.9	11.9

Our approach to carbon reduction

DLA Piper International LLP has made a formal commitment to become a Net Zero business law firm by FY2040.

Our near-term science-based target to reduce absolute scope 1, 2 and 3 GHG emissions by 50% by FY2030 from FY2019 (the base year) has been validated by the Science Based Targets initiative (SBTi).

Our long-term target will be aligned with the SBTi Net Zero Standard and will consist of the following: to reduce absolute scope 1, 2 and 3 GHG emissions by 90% by FY2040 from FY2019 (the base year) and to neutralise the remaining, residual emissions at the Net Zero target year, 2040, through carbon removal. We have submitted our net zero commitment to the SBTi in July 2022.

DLA Piper International LLP

Energy and carbon report (continued)

Our Board holds ultimate responsibility for our environmental performance. The role of Managing Director, Sustainability & Resilience, which sits on the Executive Committee, is responsible for coordinating and intensifying our actions across Environmental, Social and Governance (ESG), Sustainability and Responsible Business. The Managing Director is supported by various committees and working groups that drive forward our sustainability strategy and execute action plans.

Action on climate change is our biggest environmental priority. We have several firm-wide policies around environmental sustainability, including Environmental Sustainability policy, Energy Management policy, Sustainable Procurement Policy, and Supplier Code of Conduct.

We are certified to ISO 14001:2015 standard globally, and to ISO 50001:2018 and Carbon Trust standards in the UK. We are signatories of the United Nations Global Compact (UNGC) and annually report our progress against the ten principles and select Sustainable Development Goals (SDGs) via our Sustainability Report.

As part of the Legal Renewables Initiative we have pledged to source all electricity for our UK premises from certified 100% renewable sources by 2025 and for all European offices by 2030.

In 2021 we introduced a new environmental data management system to gain a clearer understanding of our performance, allowing for automated data collection and strategic insights for reducing our environmental impacts within our direct operations and in our supply chain.

Further details about our strategy for reducing our carbon footprint and net zero transition plan has been provided in our Sustainability Report 2021/22, available at <https://www.dlapiper.com/en/uk/insights/publications/2022/11/sustainability-report-2022/>.

Energy efficiency actions

We have developed and implemented an energy efficiency programme for our UK and international offices. We have identified 15 offices as a priority and over the last three years launched the optimisation programme in 11 of them. The programme in each of the offices includes an energy audit of the office building, installation of smart sensors to monitor plant and space conditions, an ongoing managed service to ensure implementation of opportunities and continuous engagement with site teams to promote energy efficiency.

Part of this programme also included assistance with the office shutdown strategy in response to the various COVID-19 lockdowns in 2020 and 2021.

Key initiatives in the past three years included:

- Optimising scheduling for chillers and boilers to match occupancy levels across all participating offices.
- Implementing control changes on the central plant Building Management System (BMS) at the London office to improve energy efficiency.
- Introducing Passive Infrared Sensors (PIRs) and review of lighting control settings in response to the reduced occupancy.
- Increasing room temperature in our data centres across international offices from 18/19°C to 24°C, which reduced the energy required to cool them.
- Installation of LED lights.
- Moving the Birmingham office to a more energy efficient building.

DLA Piper International LLP

Energy and carbon report (continued)

The carbon emission reduction achieved by these schemes equates to approximately 800 tCO₂e, a 28% reduction against the 2019 baseline.

In the future we aim to implement further measures such as:

- Continue the energy optimisation programme within offices.
- Complete the construction of the Bindwell Lane solar power field, where DLA Piper co-finance the introduction of 13GWh of renewable electricity into the UK national grid.
- Consolidate the Leeds offices and move into a newly built energy efficient building in 2024, with no gas in the office this should achieve a 200 tCO₂e annual reduction.
- Reviewing options for using biofuels in emergency generators in our London and Leeds offices.

Reporting boundary and methodology

Our emissions have been verified by an external third party according to the ISO 14064-3 standard.

We quantify and report our organisational GHG emissions in alignment with the World Resources Institute's Greenhouse Gas Protocol Corporate Accounting and Reporting Standard and in alignment with the Scope 2 Guidance. The Scope 2 Guidance requires that we quantify and report Scope 2 emissions according to two different methodologies ("dual reporting"):

- (i) the location-based method, using average emissions factors for the country in which the reported operations take place; and
- (ii) the market-based method, which uses the actual emissions factors of the energy procured.

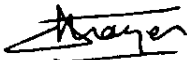
We consolidate our organisational boundary according to the operational control approach, which includes all our offices.

We have adopted a materiality threshold of 5% for GHG reporting purposes.

In some cases, where data is missing, values have been estimated using either extrapolation of available data or data from the previous year as a proxy, which is an acceptable methodology.

A list of members' names is available from Companies House.

This report has been signed on behalf of the members by:



Jon Hayes
Senior Partner
17 November 2022

DLA Piper International LLP

Independent auditor's report to the members of DLA Piper International LLP

Report on the audit of the financial statements

Opinion

In our opinion:

- the financial statements of DLA Piper International LLP (the 'parent limited liability partnership') and its subsidiaries (the 'Group') give a true and fair view of the state of the Group's and of the parent limited liability partnership's affairs as at 30 April 2022 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 and International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB);
- the parent limited liability partnership financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006 as applicable to limited liability partnerships.

We have audited the financial statements which comprise:

- the consolidated income statement;
- the consolidated statement of comprehensive income;
- the consolidated and parent LLP balance sheets;
- the consolidated statements of changes in equity and total members' interests;
- *the consolidated cash flow statement*;
- the statement of accounting policies; and
- the related notes 1 to 32.

The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law, and international accounting standards in conformity with the requirements of the Companies Act 2006 and IFRSs as issued by the IASB. The financial reporting framework that has been applied in the preparation of the parent LLP financial statements is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

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

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

DLA Piper International LLP

Independent auditor's report to the members of DLA Piper International LLP (continued)

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the Members' report, other than the financial statements and our auditor's report thereon. The members are responsible for the other information within the Members' report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of members

As explained more fully in the statement of members' responsibilities, the members are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the members are responsible for assessing the Group's and the parent LLP's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the members either intend to liquidate the Group or the parent LLP or to cease operations, or have no realistic alternative but to do so.

DLA Piper International LLP

Independent auditor's report to the members of DLA Piper International LLP (continued)

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Extent to which the audit was considered capable of detecting irregularities, including fraud

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

We considered the nature of the Group's industry and its control environment, and reviewed the Group's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management, about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory frameworks that the Group operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included the UK Companies Act, pensions legislation and tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the Group's ability to operate or to avoid a material penalty. These included the Solicitors Regulation Authority Standards and Regulations.

We discussed among the audit engagement team including relevant internal specialists such as IT specialists regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

DLA Piper International LLP

Independent auditor's report to the members of DLA Piper International LLP (continued)

As a result of performing the above, we identified the greatest potential for fraud in revenue recognition, in particular around the valuation of unbilled time at year end. Our specific procedures performed to address this risk are described below:

- We obtained an understanding of the relevant controls over the valuation of unbilled time;
- We reviewed the historical accuracy of management's valuation of unbilled time at year-end;
- We tested the mechanical accuracy of the model used to value unbilled time at year-end; and
- For a sample of matters, we challenged the valuation of unbilled time at year-end. This included validating the valuation applied by inspecting evidence including engagement letters, email correspondence and relevant bills issued post year-end.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- *performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;*
- enquiring of management and in-house legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance and correspondence with the Solicitors Regulatory Authority.

DLA Piper International LLP

Independent auditor's report to the members of DLA Piper International LLP (continued)

Report on other legal and regulatory requirements

Matters on which we are required to report by exception:

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

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

We have nothing to report in respect of these matters.

Use of our report

This report is made solely to the LLP's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 as applicable to limited liability partnerships. Our audit work has been undertaken so that we might state to the LLP's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the LLP and the LLP's members as a body, for our audit work, for this report, or for the opinions we have formed.



Peter Saunders (Senior statutory auditor)

For and on behalf of Deloitte LLP

Statutory Auditor

London, United Kingdom

17 November 2022

DLA Piper International LLP

Consolidated income statement for the year ended 30 April 2022

	Note	2022 £'m	2021 £'m
Revenue	2	1,240.3	1,164.5
Operating expenses			
Staff costs	3	(421.2)	(397.2)
Other external charges		(298.1)	(254.7)
Depreciation and amortisation		(81.7)	(81.5)
Other operating income		11.3	5.9
Operating profit	6	450.6	437.0
Impairment of subsidiary	28	(31.9)	-
Finance costs	5	(15.9)	(15.4)
Finance income	5	0.4	0.5
Profit on ordinary activities before taxation		403.2	422.1
Tax expense in corporate entities	7	(4.2)	(2.8)
Profit for the financial year available for discretionary division among members	22	399.0	419.3

All figures above relate to the principal activities of the Group.

All items dealt with in arriving at operating profit above relate to continuing operations.

DLA Piper International LLP

Consolidated statement of comprehensive income for the year ended 30 April 2022

	Note	2022 £'m	2021 £'m
Profit for the financial year available for discretionary division among members		399.0	419.3
Other comprehensive income:			
Items that will not be reclassified to the income statement:			
Exchange differences on translation of foreign operations	22	(1.3)	(6.1)
Total comprehensive income for the year		397.7	413.2

DLA Piper International LLP

Consolidated balance sheet as at 30 April 2022

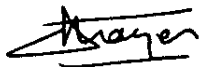
	Note	2022 £'m	2021 £'m
Non-current assets			
Intangible assets	8	72.1	27.8
Property, plant and equipment	9	87.6	94.2
Right-of-use assets	10	304.4	339.1
Investments	11	0.3	0.3
Trade and other receivables	12	-	1.3
Derivative financial instruments	14	3.4	-
Deferred tax asset	19	0.4	0.7
Total non-current assets		468.2	463.4
Current assets			
Trade and other receivables	12	513.0	504.7
Contract assets	13	142.4	129.5
Derivative financial instruments	14	0.1	-
Disposal asset held for sale	28	-	-
Current tax assets		0.8	0.6
Cash and cash equivalents		105.3	91.3
Total current assets		761.6	726.1
Total assets		1,229.8	1,189.5
Current liabilities			
Trade and other payables	15	224.1	222.0
Contract liabilities	16	13.7	13.3
Derivative financial instruments	14	0.1	0.3
Borrowings	17	13.0	-
Lease liabilities	18	46.7	43.6
Current tax liabilities		2.1	1.6
Provisions	21	22.3	8.6
Total current liabilities		322.0	289.4
Non-current liabilities			
Trade and other payables	15	35.0	6.3
Lease liabilities	18	323.7	355.3
Provisions	21	11.9	10.9
Total non-current liabilities		370.6	372.5
Total liabilities		692.6	661.9
Net assets attributable to members		537.2	527.6

DLA Piper International LLP

Consolidated balance sheet as at 30 April 2022 (continued)

	Note	2022 £'m	2021 £'m
Represented by:			
Loans and other debts due to members			
Members' capital classified as a liability	22	173.2	169.6
Other amounts	22	71.0	54.0
Total loans and other debts due to other members		244.2	223.6
Equity			
Members' other interests: other reserves classified as equity		293.9	303.6
Foreign currency translation reserve	22	(0.9)	0.4
Total equity	22	293.0	304.0
Total loans and equity	22	537.2	527.6

The financial statements on pages 14 to 70 were approved by the members of DLA Piper International LLP on 17 November 2022 and were signed on their behalf by:



Jon Hayes
Senior Partner



Simon Levine
Managing Partner

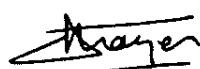
DLA Piper International LLP

LLP balance sheet as at 30 April 2022

	Note	2022 £'000	2021 £'000
Non-current assets			
Investments	11	9	9
Total non-current assets		9	9
Current assets			
Trade and other receivables	12	1	1
Total current assets		1	1
Total assets		10	10
Current liabilities			
Trade and other payables	15	9	9
Total current liabilities		9	9
Total liabilities		9	9
Net assets attributable to members		1	1
 Represented by:			
Loans and other debts due to members			
Members' capital classified as a liability	22	1	1
		1	1

As permitted by section 408 of the Companies Act 2006 no separate income statement is presented for the LLP. The LLP's result for the year was £nil (2021: £nil).

The financial statements on pages 14 to 70 were approved by the members of DLA Piper International LLP on 17 November 2022 and were signed on their behalf by:



Jon Hayes
Senior Partner



Simon Levine
Managing Partner

DLA Piper International LLP

Consolidated statement of changes in equity for the year ended 30 April 2022

Group	Note	Other reserves	Foreign currency translation reserve	Total
		£'m	£'m	£'m
At 1 May 2020		235.0	6.5	241.5
Profit for the year attributable to members		419.3	-	419.3
Other comprehensive (loss)		-	(6.1)	(6.1)
Total comprehensive income / (loss) for the year		419.3	(6.1)	413.2
Division of profit to members	22	(350.7)	-	(350.7)
At 30 April 2021 and 1 May 2021		303.6	0.4	304.0
Profit for the year attributable to members		399.0	-	399.0
Other comprehensive (loss)		-	(1.3)	(1.3)
Total comprehensive income / (loss) for the year		399.0	(1.3)	397.7
Division of profit to members	22	(408.7)	-	(408.7)
At 30 April 2022		293.9	(0.9)	293.0

No statement of changes in members' total interest has been presented for the LLP as there was no balance at the start or end of the year and no movement in the balance during the year.

DLA Piper International LLP

Total members' interests as at 30 April 2022

		Group		LLP	
	Note	2022	2021	2022	2021
		£'m	£'m	£'000	£'000
Loans and other debts due to members	22	244.2	223.6	1	1
Loans and other debts due from members (included in receivables)	12	(109.3)	(99.5)	-	-
Members' other interests: other reserves classified as equity	22	293.0	304.0	-	-
Total members' interests	22	427.9	428.1	1	1

DLA Piper International LLP

Consolidated cash flow statement for the year ended 30 April 2022

	Note	2022 £'m	2021 £'m
Cash flows from operating activities			
Profit before tax		403.2	422.1
Adjustments for:			
Non-cash adjustments	23	115.8	81.6
Net changes in working capital	23	(14.2)	(8.4)
Interest paid	5	15.9	15.4
Interest received	5	(0.4)	(0.5)
Tax paid		(3.8)	(2.0)
Net cash inflow from operating activities		516.5	508.2
Cash flows from investing activities			
Purchase of property, plant and equipment		(14.8)	(22.2)
Purchase of intangible assets		(31.8)	(13.9)
Purchase of investments		-	(0.2)
Proceeds from sale of property, plant and equipment and investments		1.0	3.9
Sale of subsidiary net of cash disposed of		(7.1)	-
Interest received		0.4	0.5
Net cash outflow from investing activities		(52.3)	(31.9)

DLA Piper International LLP

Consolidated cash flow statement for the year ended 30 April 2022 (continued)

	Note	2022 £'m	2021 £'m
Cash flows from financing activities			
Drawings and distributions to members	22	(377.9)	(309.1)
Distributions to former members		(30.2)	(14.0)
Retirement benefits to former members	21	-	(0.1)
Capital contributions by members	22	17.6	14.7
Capital repayments to members	22	(13.0)	(15.6)
Proceeds from borrowings		13.0	-
Repayment of borrowings		-	(51.8)
Repayment of capital element of lease liabilities		(42.9)	(37.2)
Interest paid in respect of lease liabilities		(13.9)	(13.9)
Receipts of lease incentives		-	3.4
Repayment of license fee liabilities		(1.8)	-
Other interest paid		(0.9)	(1.5)
Net cash outflow from financing activities		(450.0)	(425.1)
Net increase in cash and cash equivalents		14.2	51.2
Cash and cash equivalents at the beginning of the year		91.3	40.4
Effect of exchange rate changes on cash and cash equivalents		(0.2)	(0.3)
Cash and cash equivalents at the end of the year		105.3	91.3
Cash and cash equivalents comprise			
Cash at bank and in hand		105.3	91.3
Cash and cash equivalents at the end of the year		105.3	91.3

A net debt reconciliation has been included at note 30.

DLA Piper International LLP

Statement of accounting policies

General information

DLA Piper International LLP is a limited liability partnership incorporated in England and Wales under the Companies Act 2006, as applicable to limited liability partnerships. The registered office is at 160 Aldersgate Street, London, EC1A 4HT. The entity is a parent and the nature of the Group's operations and its principal activity is disclosed in the Members' report.

Basis of accounting

The principal accounting policies adopted in the presentation of these financial statements are summarised below. These policies have all been applied consistently throughout the current and preceding financial year, with the exception of any standards adopted in the current year.

The consolidated financial statements have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006, as applicable to limited liability partnerships.

The financial statements have been prepared under the assumption that the Group operates on a going concern basis and on the historical cost basis.

Going concern

The Board have reviewed Group cash flow forecasts and sensitivity analyses as part of the on-going management of the business. At all times, and for at least 12 months from the date of approval of these financial statements, the Board have been satisfied that the bank facilities available have provided and will continue to provide significant and prudent headroom to all subsidiaries of the Group. Financing is made available to subsidiaries of the Group through a Group subsidiary, DLA Piper Treasury Services Limited.

As a consequence, the members have a reasonable expectation that the Group has adequate resources to continue in operational existence for at least 12 months from the date of approval of these financial statements, and they continue to adopt the going concern basis of accounting in preparing the financial statements.

DLA Piper International LLP

Statement of accounting policies (continued)

New or amended Accounting Standards and Interpretations adopted and impact on financial statements

The following new standards or interpretations are mandatory for the first time for the financial year ended 30 April 2022:

- Interest Rate Benchmark Reform – Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)
- COVID-19-Related Rent Concessions (Amendment to IFRS 16)

Adoption of these new standards and interpretations had no material impact on the Group's financial position or related performance.

New standards, interpretations and amendments not yet effective

At the date of authorisation of these financial statements, the following Standards and Interpretations which have not been applied in these financial statements were in issue but not yet effective.

Description	Effective date	Date of application
Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37)	1 January 2022	1 May 2022
Annual improvements to IFRS Standards 2018 – 2020	1 January 2022	1 May 2022
Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16)	1 January 2022	1 May 2022
Reference to the Conceptual Framework (Amendments to IFRS 3)	1 January 2022	1 May 2022
IFRS 17 Insurance Contracts	1 January 2023	1 May 2023
Amendments to IFRS 17 Insurance Contracts	1 January 2023	1 May 2023
Classification of Liability of Current or Non-current (Amendments to IAS 1)	1 January 2023	1 May 2023
Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)	1 January 2023	1 May 2023
Definition of Accounting Estimate (Amendments to IAS 8)	1 January 2023	1 May 2023
Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction – Amendments to IAS 12 Income Taxes	1 January 2023	1 May 2023

The members do not expect that the adoption of the Standards listed above will have a material impact on the financial statements of the Group in future periods. Beyond the information above, it is not practicable to provide a reasonable estimate of the effect of these standards until a detailed review has been completed.

DLA Piper International LLP

Statement of accounting policies (continued)

New standards, interpretations and amendments not yet effective or applicable

At the date of authorisation of these financial statements, the following Standards and Interpretations which have not been applied in these financial statements were in issue but not yet effective and were not applicable.

Description	Effective date	Date of application
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)	Optional	Not applicable

Consolidation

The financial statements consolidate the results and financial position of the Group. Businesses acquired or disposed of during the year are accounted for using acquisition accounting principles from or up to the date control passed. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group. Intra-group balances and transactions, excluding recharges that are pass-through in nature, are eliminated in the consolidated financial statements.

Revenue from contracts with clients

Revenue represents amounts chargeable to clients for professional services provided during the year, excluding third party invoiced disbursements where the Group is acting as an agent.

Revenue is recognised at an amount that reflects the consideration to which the Group is expected to be entitled in exchange for providing legal services to clients. For each contract with a client, the Group: identifies the contract with a client; identifies the performance obligation in the contract; determines the transaction price which takes into account estimates of variable consideration; allocates the transaction price to the performance obligation; and recognises revenue as the performance obligation is satisfied in a manner that depicts the transfer of the benefits of the services promised to the client.

The Group recognises revenue over time as its performance does not create an asset with an alternative use. The Group has a right to payment for work completed to date and the agreed transaction price is typically based on hourly rates.

Revenue in respect of partially completed contracts with variable consideration is only recognised to the extent it is highly probable that a significant reversal will not occur. This measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved.

DLA Piper International LLP

Statement of accounting policies (continued)

Intangible fixed assets

Goodwill arising on the acquisition of subsidiary undertakings and businesses, representing the difference between the fair value of the consideration given (either by way of cash or recognition of members' capital and current accounts) and associated costs and the fair value of the identifiable assets and liabilities acquired, is capitalised.

Computer software comprises purchased software licences and costs directly associated with the development of software for internal use, which will generate future economic benefit. Computer software is measured at cost less accumulated amortisation and accumulated impairment losses.

Goodwill is tested for impairment at each balance sheet date. Other intangible assets are amortised from the date they are available for use, on a straight-line basis over the following estimated economic lives:

Computer software	3 to 5 years
-------------------	--------------

Software license fees

In accordance with IAS 38, where it is determined that a cloud computing arrangement includes an intangible asset, separately acquired intangible rights (software license fees) are recognised as an asset if the cloud computing arrangement is to be paid for over time.

The software license fee asset is initially recognised at the present value of the license obligation, and subsequently recognised at the initial valuation less accumulated amortisation and accumulated impairment losses. Software license fee assets are amortised from the date that the license is available for use, on a straight-line basis over the life of the license. The software license fee assets held at the reporting date had license periods of:

Software license fees	6 to 10 years
-----------------------	---------------

Crypto assets

Crypto assets can be classified into three broad categories based on their characteristics: cryptocurrencies, asset-backed tokens and utility tokens. At the reporting date, the group held crypto assets classified as asset-backed tokens and utility tokens.

An asset-backed token is a digital token based on blockchain technology that signifies and derives its value from something that does not exist on the blockchain but instead is a representation of ownership of a physical asset.

Asset-backed tokens held at the reporting date were accounted for as a financial asset at fair value through profit or loss in accordance with IFRS 9. Fair value is remeasured at each reporting date using the spot rate available through an independent trading platform.

DLA Piper International LLP

Statement of accounting policies (continued)

Crypto assets (continued)

Utility tokens are digital tokens based on blockchain technology that provide users with access to a product or service and they derive their value from that right. They can also be traded and sold for Fiat currency. Utility tokens give holders no ownership in a company's platform or assets and, although they might be traded between holders, they are not primarily used as a medium of exchange.

Utility tokens held at the reporting date were accounted for as an intangible asset under the revaluation model in accordance with IAS 38. Fair value is remeasured at each reporting date using the spot rate available through an independent trading platform. Movements in fair value are recognised in profit or loss, or other comprehensive income, in accordance with IAS 38.

Utility tokens are considered to have indefinite useful lives and as such are not amortised.

Crypto asset grants

All crypto assets held at the reporting date were received from non-government entities; the agreements with those entities do not meet the criteria under IFRS 15 to be recognised as revenue, as no goods or services are to be provided to those entities. Current accounting standards do not directly address non-exchange transactions.

As per IAS 8, in the absence of an IFRS that specifically applies to a transaction, management shall use its judgement in developing and applying an accounting policy that results in information that is relevant and reliable. Although the transactions are not with any form of government, management have determined that IAS 20 Accounting for Government Grants and Disclosure of Government Assistance, is the standard that is most closely aligned with the crypto asset transactions. Accordingly, the guidance available in IAS 20 has been applied to the crypto asset transactions i.e. the crypto asset grants.

The crypto asset grants received provide economic benefit to the Group and the primary condition of the grants is that the Group develop a specified intangible asset.

Crypto asset grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to the grant and that the grant will be received. The grants received are presented in the balance sheet as deferred income and are recognised in profit or loss on a systematic basis over the useful life of the intangible asset.

The Group presents grants recognised in the income statement separately as other income.

DLA Piper International LLP

Statement of accounting policies (continued)

Power Purchase Agreement (PPA)

In January 2022 the group entered into a Power Purchase Agreement (PPA) with a third-party energy supplier. The group has agreed to acquire Renewable Energy Guarantees of Origin (REGO) certificates at a fixed price, with an embedded electricity derivative.

The contract was entered into, and continues to be held for, the acquisition of REGO certificates in accordance with our own usage requirements. The cost to acquire the REGO certificates will therefore be recognised in profit or loss in accordance with the energy output of the underlying asset.

Hedge accounting has not been applied to the embedded electricity derivative; it has been recognised at fair value through profit or loss in accordance with IFRS 9.

Further details regarding the group's exposure to risk is included in note 29, and information regarding the methods and assumptions used to determine fair value is included in note 14.

Property, plant and equipment

Property, plant and equipment are stated at historic purchase cost, including incidental costs of acquisition, less accumulated depreciation. Depreciation is calculated so as to write off the cost of property, plant and equipment, less their estimated residual values, on a straight-line basis over the following estimated economic lives:

Leasehold property improvements	Leasehold term
Fittings, furnishings & equipment:	
Office fittings and furnishings	6 to 7 years
Office equipment	3 to 5 years
Computer equipment	3 to 5 years
Motor vehicles	3 years

Assets not yet available for use are not depreciated.

Repairs and maintenance costs are charged to the income statement as incurred.

Impairment of non-financial assets

Assets that are subject to depreciation or amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Non-financial assets, other than goodwill, that have suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

Investments

Investments are included at cost less any provision for impairment and are considered to be impaired when their carrying value is greater than their estimated recoverable amount.

DLA Piper International LLP

Statement of accounting policies (continued)

Leases

The Group as lessee

The Group assesses whether a contract is or contains a lease at inception of a contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease agreements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the incremental borrowing rate. An incremental borrowing rate is estimated for each property by adding a risk premium to a risk-free rate. The risk premium is calculated using the average office rental yield in the region less a long-term risk-free rate, based on the 15-year government bond data for the region. The risk-free rate is determined from government bond rates, with the duration of the bonds being the weighted average remaining lease term, from commencement of the lease or 1 May 2019 for leases that existed at that date. Credit and country risks are also considered.

The lease liability is presented as a separate line in the consolidated balance sheet.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- the lease payments change due to changes in an index or rate, in which cases the lease liability is measured by discounting the revised lease payments using the initial discount rate; or
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs, less any lease incentives receivable. They are subsequently measured at cost less accumulated depreciation.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37. The costs are included in the related right-of-use asset.

The right-of-use assets are presented as a separate line in the consolidated balance sheet.

Right-of-use assets are depreciated from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset and the end of the lease term.

DLA Piper International LLP

Statement of accounting policies (continued)

The Group as lessee (continued)

The Group has elected to use the practical expedient which permits a lessee to not separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement.

The Group as lessor

The Group enters into lease agreements as a lessor with respect to some of its leased properties. As an intermediate lessor, the Group accounts for the head lease and the sublease as two separate contracts. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease.

Financial instruments

The Group classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual agreement.

The Group monitors its exposure and uses forward foreign exchange contracts when it deems it appropriate and where it is commercially viable to hedge its exposure to currency risk.

Financial instruments are recognised on the balance sheet at fair value when the Group becomes a party to the contractual provisions of the instrument, with movements reflected in the income statement. The Group does not use hedge accounting for its forward foreign currency contracts and does not use forward foreign currency contracts for speculative purposes.

Trade and other receivables

Trade receivables are recognised at fair value less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The Group has applied the simplified approach to measuring expected credit losses using a lifetime expected credit loss provision for trade receivables. To measure expected credit losses on a collective basis, trade receivables and contract assets are grouped based on ageing of the outstanding debts. The expected loss rates are based on the Group's historical credit losses experience over the two-year period prior to the year end. The loss allowance also reflects current and forward-looking economic factors affecting clients.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

Contract assets

Contract assets are recognised when the Group has satisfied the performance obligations in the contract and either has not recognised a receivable to reflect its unconditional right to consideration or the consideration is not due. Contract assets are treated as financial assets for impairment purposes.

DLA Piper International LLP

Statement of accounting policies (continued)

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and bank overdrafts. These balances are assessed to have low credit risk at the reporting date as they are held with reputable international banking institutions, therefore no impairment has been applied.

Trade and other payables

Trade and other payables are initially recognised at fair value and held at amortised cost.

Contract liabilities

Contract liabilities are recognised when a client pays consideration, or when the Group recognises a receivable to reflect its unconditional right to consideration (whichever is earlier), before the Group has provided the legal services to the client. The liability is the Group's obligation to provide legal services to a client from which it has received consideration.

Borrowings

Interest-bearing bank loans and overdrafts are recorded at the value of proceeds on initial recognition. Interest is included in finance costs and is determined using the effective interest rate method.

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. 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 an expense.

Professional indemnity claims

The Group may be involved in disputes in the ordinary course of business, which may give rise to claims. The Group maintains a captive insurance cell which is consolidated within the Group financial statements. A liability is provided in the financial statements on a prudent basis for all known claims where costs are likely to be incurred, and represents an assessment of the cost of defending and concluding claims. To the extent that claims are covered by professional indemnity insurance, an equivalent insurance recoverable is recognised within receivables.

No separate disclosure is made of the cost and nature of claims covered by insurance, as to do so could seriously prejudice the position of the Group. No amounts are included in liabilities in respect of claims where the liability is possible but not considered likely, or in respect of claims incurred but not reported.

Pension costs and other post-retirement benefits

The Group accounts for pension costs in accordance with IAS 19 "Employee Benefits". Staff pension costs relating to the Group's defined contribution schemes are charged to the income statement when they become payable.

Provision is made for commitments in respect of annuities payable to retired members. The provision is calculated as the present value of commitments in respect of the annuities based on an actuarial valuation and is valued under the principles of IAS 19.

DLA Piper International LLP

Statement of accounting policies (continued)

Foreign currencies

Transactional currency

Transactions in foreign currencies are recorded in local reporting currency at the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into reporting currency using the rates of exchange at the balance sheet date. All exchange gains and losses on translation are included in the income statement. Non-monetary items are recorded at the historic rate and are not subsequently retranslated.

Consolidation of subsidiaries

Profits and losses of subsidiaries which have currencies of operation other than Sterling are translated into Sterling at average rates of exchange. The balance sheets of subsidiaries which have currencies of operation other than Sterling are translated using the rates of exchange ruling at the balance sheet date.

Exchange differences arising from the retranslation of the opening net assets of subsidiaries which have currencies of operation other than Sterling are taken to the translation reserve together with the differences arising when the income statements are retranslated to Sterling from average rates to rates ruling at the balance sheet date.

Drawings and capital

Drawings and movements in capital denominated in foreign currency are initially recorded in Sterling within Members' interests at average rates of exchange. The exchange difference arising when these are retranslated to Sterling at rates ruling at the balance sheet date are included in Members' interests within net exchange adjustments.

Allocation of profits, drawings and distributions

During the year the Board sets the level of interim profit allocations and members' monthly drawings after considering the Group's working capital needs. Individual member profit allocations are calculated using a currency points-based system.

To the extent that divided profits exceed drawings and distributions, then the excess profit is included in the balance sheet under "Loans and other debts due to members". Where drawings and distributions exceed the divided profits then the excess is included in "Trade and other receivables". Undivided profits, together with any other differences between allocated and accounting profits, are included in other reserves within "Members' other interests".

Translation reserve

The translation reserve comprises all foreign exchange translation differences arising on consolidation of the results and financial position of subsidiaries and overseas branches which do not report in Sterling.

Other reserves

Other reserves comprise principally unallocated profits arising in the current and previous periods available for distribution in the future. This is treated as equity within the Group.

DLA Piper International LLP

Statement of accounting policies (continued)

Deferred taxation

Deferred tax is provided on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

Taxation

Income tax and capital gains tax (and their non-UK equivalents) payable on the profits of the Group are solely the personal liability of the individual members and consequently are not included within these financial statements.

The corporate subsidiary companies included in these consolidated financial statements are subject to tax based on their profit or loss for the financial year and the tax regulations existing in the UK or the respective country that each corporate subsidiary company resides. This corporate tax is recognised in profit or loss and is calculated by reference to the tax rates and laws effective in the relevant countries during the financial period.

DLA Piper International LLP

Notes to the financial statements for the year ended 30 April 2022

1 Critical accounting judgements and estimates

In the application of the Group's accounting policies, management are required to make judgements (other than those involving estimations) that may have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

Critical accounting judgements

In the course of preparing the financial statements, no judgements have been made in the process of applying the Group's accounting policies, other than those involving estimations (see Key sources of estimation uncertainty, as detailed below), that have had a significant effect on the amounts recognised in the financial statements.

Key sources of estimation uncertainty

Contract assets

There is uncertainty regarding the amount which will ultimately be recovered from clients in respect of work that has been performed but not billed at the year end. The fair value of contract assets is estimated on the basis of recorded time at the year end and expected recovery rates. It is reasonably possible, based on existing knowledge, that outcomes within the next financial year that are different from assumptions could require a material adjustment to the carrying amount of the affected balances.

A 1% variance in the recovery rate applied to work in progress at year end would result in a change in the fair value of contract assets at year-end of £2.3 million.

Calculation of expected credit loss allowance

The calculation of the expected credit loss allowance incorporates estimates of the likelihood of default over a given time horizon based on the analysis of historical data trends, the application of assumptions and consideration of current and expected future economic conditions.

Sensitivity analysis of the loss rates applied is disclosed in note 29.

Dilapidation provisions

For the purposes of determining the dilapidation provision, estimates are made on the basis of advice from Chartered Surveyors and previous experience of similar dilapidation obligations.

DLA Piper International LLP

Notes to the financial statements

2 Revenue

Revenue has been disaggregated into geographical regions as this information is regularly reviewed by management in order to evaluate financial performance:

Geographical regions	2022	2021
	£'m	£'m
United Kingdom	449.6	391.4
Europe	500.5	494.8
Middle East & Africa	55.5	51.9
Asia	122.4	120.6
Australia	112.3	105.8
Total group revenue	1,240.3	1,164.5

As revenue is billed primarily on the basis of agreed hourly rates, the Group has the right to invoice the client the amount that corresponds directly with the value of work performed to date. Consequently, the Group elects to apply the practical expedient to not disclose information about the aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied at the year end.

The LLP did not generate any revenue in the current or prior year.

DLA Piper International LLP

Notes to the financial statements

3 Staff costs

Group	2022	2021
	£'m	£'m
Salaries	370.5	351.2
Social security costs	34.8	31.0
Other pension costs (note 24)	15.9	15.0
Total staff costs	421.2	397.2

The average monthly number of employees and self-employed practitioners (excluding members) during the year was:

Group	2022	2021
	Number	Number
Fee earners	2,216	2,200
Trainees	367	379
Support staff	2,873	2,881
Total	5,456	5,460

There were no employees or related costs in the LLP in the current or prior year.

4 Members

The average monthly number of members during the year was 701 (2021: 717).

DLA Piper International LLP

Notes to the financial statements

5 Finance costs and finance income

Group	2022 £'m	2021 £'m
Finance costs		
Interest payable and similar charges:		
- on bank loans and overdrafts	0.9	1.5
- on lease liabilities	13.9	13.9
- unwinding of discount on license fee liability	1.1	-
Total finance costs	15.9	15.4
Finance income		
Bank interest receivable	(0.4)	(0.5)
Total finance income	(0.4)	(0.5)

The LLP did not incur any finance costs, or generate any finance income, in the current or prior year.

DLA Piper International LLP

Notes to the financial statements

6 Operating profit

Group	Note	2022 £'m	2021 £'m
Operating profit is stated after charging/(crediting):			
Amortisation of intangible assets charged to operating expenses	8	13.7	9.5
Impairment of goodwill charged to operating expenses	8	0.1	-
Depreciation of property, plant and equipment:			
- owned assets	9	18.9	19.2
- right-of-use assets	10	49.1	52.8
Loss on disposal of property, plant and equipment		0.1	0.1
Net foreign exchange (gain)/loss		(0.4)	1.3
Expenses relating to short-term leases		0.2	0.4
Expenses relating to leases of low value assets		0.3	0.3
Lease income from land and buildings		(1.7)	(1.8)
Total fees payable to the auditor and its associates	6	1.3	1.2

DLA Piper International LLP

Notes to the financial statements

6 Operating profit (continued)

The fees payable to the auditor and its associates were as follows:

Group	2022	2021
	£'m	£'m
Audit fees		
Audit of the parent and consolidated financial statements	0.2	0.2
Audit of associated entity financial statements	0.6	0.5
Total audit fees	0.8	0.7
Non-audit fees		
Tax compliance services	0.1	0.1
Tax advisory services	0.2	0.2
All other assurance services	0.1	0.1
All other non-audit services	0.1	0.1
Total non-audit fees	0.5	0.5
Total fees payable to the auditor and its associates	1.3	1.2

DLA Piper International LLP

Notes to the financial statements

7 Tax expense in corporate entities

The financial statements do not incorporate any charge or liability for taxation on the results of the limited liability partnerships or partnerships within the Group, where the relevant income tax and capital gains tax (or non-UK equivalents) are the responsibility of the individual members.

The tax charge included within these financial statements, which arises in the corporate entities within the Group, is:

	Note	2022 £'m	2021 £'m
Current tax			
Corporation tax charge based on profits for the:			
- current year		3.9	3.2
- prior year		-	0.2
Total current tax expense		3.9	3.4
Deferred tax			
	19		
- origination and reversal of timing differences		(0.4)	(0.5)
- adjustment to prior year		0.7	(0.1)
Total deferred tax expense/(credit)		0.3	(0.6)
Tax expense		4.2	2.8

DLA Piper International LLP

Notes to the financial statements

7 Tax expense in corporate entities (continued)

The current tax charge assessed for the year is higher (2021: lower) than the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%). The reasons are explained below:

	2022	2021
	£'m	£'m
Profit on ordinary activities before taxation	403.2	422.1
Less: Profit on ordinary activities subject to personal taxation	(421.3)	(406.5)
(Loss)/profit on ordinary activities of corporate entities before tax	(18.1)	15.6
Tax at UK standard rate of 19.00% (2021: 19.00%)	(3.4)	3.0
Non-taxable income less expenses not deductible for tax purposes	1.5	(3.6)
Short term timing differences on which no deferred tax is recognised	4.9	3.7
Tax losses	1.2	(0.1)
Different tax rates in foreign jurisdictions	(0.1)	0.1
Adjustment in respect of prior year	0.7	0.1
Other taxes	(0.6)	(0.4)
Total tax charge	4.2	2.8

Factors that may affect future UK tax charges

The current UK main corporation tax rate is 19%, which has been effective since 1 April 2017. In March 2021, the Government confirmed the UK main corporation tax rate would remain at 19% for the year commencing 1 April 2022 and increase to 25% for the year commencing 1 April 2023. The Finance Act 2021, which substantially enacted this change, received Royal Assent in June 2021.

DLA Piper International LLP

Notes to the financial statements

8 Intangible assets

Group	Goodwill	Computer software	Licenses	Crypto assets	Assets under development	Total
	£'m	£'m	£'m	£'m	£'m	£'m
Cost						
At 1 May 2020	6.5	62.3	-	-	-	68.8
Additions	-	13.9	-	-	-	13.9
At 30 April 2021	6.5	76.2	-	-	-	82.7
Additions	0.1	8.6	29.0	2.5	20.6	60.8
Disposals	(6.5)	(11.1)	-	-	-	(17.6)
Reclassifications	-	(3.1)	-	-	-	(3.1)
Exchange adjustments	-	0.2	-	0.2	0.1	0.5
At 30 April 2022	0.1	70.8	29.0	2.7	20.7	123.3
Accumulated amortisation and impairments						
At 1 May 2020	6.5	38.9	-	-	-	45.4
Amortisation charge for the year	-	9.5	-	-	-	9.5
At 30 April 2021	6.5	48.4	-	-	-	54.9
Amortisation charge for the year	-	10.8	2.9	-	-	13.7
Impairment of goodwill	0.1	-	-	-	-	0.1
Disposals	(6.5)	(11.1)	-	-	-	(17.6)
Exchange adjustments	-	0.1	-	-	-	0.1
At 30 April 2022	0.1	48.2	2.9	-	-	51.2
Net book value						
At 30 April 2022	-	22.6	26.1	2.7	20.7	72.1
At 30 April 2021	-	27.8	-	-	-	27.8

Included within assets under development is expenditure on the Group's new finance and HR systems, with a carrying value of £19.0 million (2021: £nil). Assets under development are not amortised.

The LLP did not hold any intangible assets in the current or prior year.

DLA Piper International LLP

Notes to the financial statements

9 Property, plant and equipment

Group	Leasehold property improvements £'m	Fittings, furnishings and equipment £'m	Computer equipment £'m	Motor vehicles £'m	Total £'m
Cost					
At 1 May 2020	117.7	38.2	55.7	0.2	211.8
Additions	15.1	2.1	4.9	0.1	22.2
Disposals	(12.5)	(0.8)	(3.1)	-	(16.4)
Exchange adjustments	(0.4)	(0.5)	(0.7)	-	(1.6)
At 30 April 2021	119.9	39.0	56.8	0.3	216.0
Additions	6.6	2.7	5.4	0.1	14.8
Disposals	(11.3)	(9.3)	(9.9)	-	(30.5)
Reclassifications	(1.6)	(0.4)	0.4	-	(1.6)
Exchange adjustments	-	-	0.1	-	0.1
At 30 April 2022	113.6	32.0	52.8	0.4	198.8
Accumulated depreciation					
At 1 May 2020	55.4	24.0	36.9	-	116.3
Charge for the year	7.1	3.6	8.4	0.1	19.2
Disposals	(9.8)	(0.3)	(2.2)	(0.1)	(12.4)
Exchange adjustments	(0.4)	(0.4)	(0.5)	-	(1.3)
At 30 April 2021	52.3	26.9	42.6	-	121.8
Charge for the year	7.5	3.5	7.8	0.1	18.9
Disposals	(10.4)	(8.6)	(9.5)	-	(28.5)
Reclassifications	(1.0)	(0.1)	0.1	-	(1.0)
Exchange adjustments	-	(0.3)	0.3	-	-
At 30 April 2022	48.4	21.4	41.3	0.1	111.2
Net book value					
At 30 April 2022	65.2	10.6	11.5	0.3	87.6
At 30 April 2021	67.6	12.1	14.2	0.3	94.2

As at 30 April 2022, the net carrying amount of motor vehicles held under leases was £0.3 million (2021: £0.3 million).

Group capital commitments contracted but not provided for at 30 April 2022 amounted to £16.6 million (2021: £nil).

The LLP did not hold any property, plant and equipment in the current or prior year.

DLA Piper International LLP

Notes to the financial statements

10 Right-of-use assets

Group	Total £'m
Cost	
At 1 May 2020	413.4
Additions	30.4
Disposals	(2.6)
Exchange adjustments	(5.3)
At 30 April 2021	435.9
Additions	20.1
Disposals	(14.8)
Reclassifications	1.6
Exchange adjustments	1.1
At 30 April 2022	443.9
Accumulated depreciation	
At 1 May 2020	47.8
Charge for the year	52.8
Disposals	(2.6)
Exchange adjustments	(1.2)
At 30 April 2021	96.8
Charge for the year	49.1
Disposals	(8.8)
Reclassifications	1.0
Exchange adjustments	1.4
At 30 April 2022	139.5
Net book value	
At 30 April 2022	304.4
At 30 April 2021	339.1

All right-of-use assets relate to properties.

The maturity analysis of lease liabilities is presented in note 18.

The LLP did not hold any right-of-use assets in the current or prior year.

DLA Piper International LLP

Notes to the financial statements

11 Investments

Shares in Group undertakings	Group £'m	LLP £'000
Cost at 1 May 2020, 30 April 2021 and 30 April 2022	-	9

Other investments	Group £'m	LLP £'000
Cost at 1 May 2020	0.1	-
Additions	0.2	-
At 30 April 2021	0.3	-
Additions	-	-
Cost and net book value of other investments at 30 April 2022	0.3	-

Total investments	Group £'m	LLP £'000
As at 30 April 2022	0.3	9
As at 30 April 2021	0.3	9

Investments in Group undertakings are stated at cost. The members consider the value of the investments to be supported by their underlying net assets.

A list of the subsidiary undertakings is given in note 25.

DLA Piper International LLP

Notes to the financial statements

12 Trade and other receivables

Group	2022	2021
	£'m	£'m
Trade receivables	356.2	337.4
Other receivables	13.5	32.5
Taxation and social security	1.7	1.8
Loans and other debts due from members (note 22)	109.3	99.5
Prepayments	32.3	34.8
Total trade and other receivables	513.0	506.0

Group	2022	2021
	£'m	£'m
Included in current assets	513.0	504.7
Included in non-current assets	-	1.3
Total trade and other receivables	513.0	506.0

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

Analysis of financial assets and associated risks is provided in note 29.

Amounts owed by members are repayable on demand, unsecured, and incur no interest.

The LLP has receivables of £1,000 relating to amounts owed by Group undertakings (2021: £1,000).

Movement in the allowance for credit loss provision	2022	2021
	£'m	£'m
Opening loss allowance	32.9	37.3
Settled in the year	(13.5)	(15.8)
Direct write offs	(9.2)	(13.4)
Movement in provision on invoices outstanding at start of the year	5.6	7.2
New provision arising on invoices raised during the year	18.1	17.6
At 30 April 2022	33.9	32.9

DLA Piper International LLP

Notes to the financial statements

12 Trade and other receivables (continued)

Allowance for expected credit losses

The Group has recognised an expected credit loss of £14.5 million (2021: £7.0 million) in the income statement which incorporates write-offs incurred during the year and the movement on the expected credit loss provision. The ageing of the receivables and allowance for expected credit losses provided for are as follows:

Ageing	Expected credit loss rate		Carrying amount		Allowance for expected credit loss	
	2022 %	2021 %	2022 £'m	2021 £'m	2022 £'m	2021 £'m
Less than 1 month	2.0	2.0	176.8	159.0	3.6	3.2
1 – 3 months	2.9	3.0	90.9	85.6	2.6	2.6
3 – 6 months	8.1	10.9	49.1	43.2	4.0	4.7
6 – 9 months	22.2	22.5	13.5	12.0	3.0	2.7
9 – 12 months	35.2	32.8	5.4	6.7	1.9	2.2
12 – 18 months	66.7	53.4	9.9	11.8	6.6	6.3
18 – 24 months	68.0	56.8	5.0	4.4	3.4	2.5
2 – 3 years	76.5	70.6	5.1	5.1	3.9	3.6
Over 3 years	89.1	87.9	5.5	5.8	4.9	5.1
Total			361.2	333.6	33.9	32.9

The carrying amount in the calculation of the credit loss provision excludes VAT and other taxation.

13 Contract assets

Group	2022 £'m	2021 £'m
Contract assets	142.4	129.5
Revenue recognised in the period from performance obligations satisfied in previous periods	17.7	15.5

The contract assets value represents the conditional right to consideration for completed performance obligations on a contract-by-contract basis. Amounts are billed in accordance with agreed contractual terms, either at periodic intervals or upon achievement of contractual milestones. Accounts receivable are recognised when the right to consideration becomes unconditional.

Changes in the contract assets balance during the year were not materially impacted by any specific factors. The LLP did not have any contract assets in the current or prior year.

DLA Piper International LLP

Notes to the financial statements

13 Contract assets (continued)

A more accurate method of calculating the revenue recognised in the period from performance obligations satisfied in previous periods has been adopted in the current year. The 2021 comparative in the above table has been updated to reflect this.

14 Derivative financial instruments

Financial assets and financial liabilities measured at fair value in the balance sheet are grouped into three levels of a fair value hierarchy. The three levels are defined based on the hierarchy of significant inputs to the measurement, as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly
- Level 3: unobservable inputs for the asset or liability.

The Group's financial assets or liabilities measured at fair value are crypto assets, a PPA Electricity derivative, and foreign currency forward contracts to buy and sell foreign currency against Sterling to mitigate exchange rate exposure.

Crypto assets

The crypto assets held by the Group are classified as level 1 as they are traded in active markets. These have been fair valued using the spot rate available through an independent trading platform.

The crypto assets held have been received as payment of grants. The fair value of the crypto assets held as at 30 April 2022 is an intangible asset of £2.7m (note 8) and a financial asset of £0.1m.

PPA Electricity derivative

The PPA Electricity derivative held by the group is part of economic hedge arrangements against future electricity prices, but has not been formally designated. The derivative is classified as level 2 as an identical derivative is not traded in an active market. The derivative has been fair valued using observable inflation and energy price forecasts.

The fair value of the PPA Electricity derivative held as at 30 April 2022 is an asset of £3.4 million (2021: £nil).

Foreign currency forward contracts

The foreign currency forward contracts are classified as level 2 as they are not traded in active markets. These have been fair valued using observable forward exchange rates and interest rates corresponding to the maturity of the contract. The forward exchange contracts are considered by management to be part of economic hedge arrangements but have not been formally designated.

At 30 April 2022, DLA Piper UK LLP, a subsidiary undertaking, had the following open foreign exchange contracts:

- Sell EUR 40.950 million against GBP on 3 May 2022 at a fixed rate of 1.191174
- Sell USD 46.500 million against GBP on 3 May 2022 at a fixed rate of 1.256170

DLA Piper International LLP

Notes to the financial statements

Foreign currency forward contracts (continued)

At 30 April 2022, DLA Piper Treasury Services Limited, a subsidiary undertaking, had the following open foreign exchange contracts:

- Buy HKD 68.750 million against GBP on 4 May 2022 at a fixed rate of 9.859430
- Buy AUD 29.275 million against GBP on 4 May 2022 at a fixed rate of 1.759892
- Sell JPY 16.250 million against GBP on 13 May 2022 at a fixed rate of 160.956900
- Buy SGD 0.800 million against GBP on 4 May 2022 at a fixed rate of 1.734149
- Sell USD 23.218 million against GBP on 3 May 2022 at a fixed rate of 1.256170

The contracts have been taken out to hedge specific assets and liabilities that are expected to be paid or received in foreign currency, in-line with the Group's risk management policy as detailed in note 29. The fair value of the foreign currency forward contracts as at 30 April 2022 is an asset of £nil and a liability of £0.1 million (2021: asset of £nil and a liability of £0.3 million).

15 Trade and other payables

Group	2022	2021
	£'m	£'m
Trade payables	55.7	54.3
Other taxation and social security	32.4	28.7
Other payables	35.8	41.5
Amounts owed to former members	17.1	21.9
Accruals and deferred income	90.9	81.9
License fees	27.2	-
Total trade and other payables	259.1	228.3

Group	2022	2021
	£'m	£'m
Included in current liabilities	224.1	222.0
Included in non-current liabilities	35.0	6.3
Total trade and other payables	259.1	228.3

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

Analysis of financial liabilities and associated risks is provided in note 29.

Amounts owed to former members are unsecured and are repayable based on the individually agreed terms with the former members. Interest is payable subject to the interest regulations included within the members' agreement.

The LLP has current other payables of £9,000 (2021: £9,000).

DLA Piper International LLP

Notes to the financial statements

16 Contract liabilities

Contract liabilities represent payments received in advance of the performance obligation within the contracts. The associated revenue is recognised when the performance obligation is completed. Changes in the contract liabilities balance during the year were not materially impacted by any specific factors.

Group	2022	2021
	£'m	£'m
Contract liabilities	13.7	13.3
Revenue recognised in the period from amounts included in contract liabilities at the beginning of the period	13.3	12.3

The LLP did not have any contract liabilities in the current or prior year.

17 Borrowings

Group	2022	2021
	£'m	£'m
Bank loans	13.0	-
Total borrowings	13.0	-

Group	2022	2021
	£'m	£'m
Included in current liabilities	13.0	-
Total borrowings	13.0	-

The bank loans have been taken out in order to fund the implementation cost of the Group's new finance and HR systems.

Bank overdrafts are repayable on demand and are unsecured. Bank loans are unsecured.

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

Analysis of borrowings and associated risks is provided in note 29.

There are no borrowings in the LLP in the current or prior year.

DLA Piper International LLP

Notes to the financial statements

18 Lease liabilities

Group	2022	2021
	£'m	£'m
Included in current liabilities	46.7	43.6
Included in non-current liabilities	323.7	355.3
Total lease liabilities	370.4	398.9

Maturity analysis	2022	2021
	£'m	£'m
In one year or less	60.1	56.7
In more than one year, but not more than two years	56.8	58.1
In more than two years, but not more than five years	137.0	147.5
<i>In more than five years</i>	197.0	220.0
Total lease liabilities	450.9	482.3

The amounts included in the above maturity analysis are the contractual undiscounted cash flows and differ from the amount included in the balance sheet because this is based on discounted cash flows.

The LLP did not have any lease liabilities in the current or prior year.

DLA Piper International LLP

Notes to the financial statements

19 Deferred tax

The movements on the Group's deferred tax asset during the year are as follows:

	Group £'m
At 1 May 2020	0.1
Charged to income statement	0.6
At 30 April 2021	0.7
Credited to income statement	(0.3)
At 30 April 2022	0.4

The Group's deferred tax asset position may be analysed as follows:

Group	2022 £'m	2021 £'m
Other timing differences	0.4	0.7
Total deferred tax asset	0.4	0.7

Deferred tax assets are recognised to the extent that it is probable that a future taxable profit will be available against which the temporary differences can be utilised, and comprises temporary differences between capital allowances and depreciation, losses and other short term timing differences.

Deferred tax is measured at the tax rates that are enacted or substantively enacted at the reporting date and expected to apply in the period in which the temporary differences reverse.

Deferred tax is measured using the tax rate applicable in the country of the entity to which it relates.

There was no deferred tax arising in the LLP for the year to 30 April 2022 (2021: £nil).

DLA Piper International LLP

Notes to the financial statements

20 Lease commitments

Leases of low value assets

Future minimum payments for leases of low value assets are as follows:	2022	2021
	£'m	£'m
Other – Group		
Within one year	0.1	0.2
Between one and five years	0.2	0.3
Total	0.3	0.5

Future minimum receipts under leases are as follows:	2022	2021
	£'m	£'m
Land and buildings – Group		
Within one year	1.5	1.2
Between one and five years	3.4	2.1
After five years	0.2	0.3
Total	5.1	3.6

The LLP has no lease commitments at the balance sheet date (2021: £nil).

DLA Piper International LLP

Notes to the financial statements

21 Provisions

Group	Annuities £'m	Restructuring £'m	Dilapidations £'m	Other £'m	Total £'m
At 1 May 2020	1.9	-	15.6	-	17.5
Utilised during the year	(0.1)	-	-	-	(0.1)
Additional provisions	-	1.5	0.8	-	2.3
Exchange adjustments	-	-	(0.2)	-	(0.2)
At 30 April 2021	1.8	1.5	16.2	-	19.5
Utilised during the year	-	(1.5)	(0.1)	-	(1.6)
Additional provisions	-	15.6	0.3	0.2	16.1
Exchange adjustments	-	-	0.2	-	0.2
At 30 April 2022	1.8	15.6	16.6	0.2	34.2

Group	2022 £'m	2021 £'m
Included in current liabilities	22.3	8.6
Included in non-current liabilities	11.9	10.9
Total provisions for liabilities	34.2	19.5

The LLP did not have any provisions in the current or prior year.

DLA Piper International LLP

Notes to the financial statements

21 Provisions (continued)

Annuities

The provision for annuities was based upon the valuation principles from IAS 19 "Employee Benefits". The IAS 19 calculations were performed by an actuary as at 30 April 2013 and were based on the capital value of the annuities in payment as at this date, calculated by discounting the future annuity payments. Expected undiscounted annual payments are £69,000 (2021: £67,000) relating to lifetime annuities.

The major assumptions used by the actuary as at 30 April 2013 were:

Discount rate	3.1%
Price inflation assumption	2.9%

The Board consider it appropriate to obtain an updated calculation when there have been material changes. No calculation has been obtained for the year ended 30 April 2022 as the scheme is closed. The number of annuities in payment has remained at three, and the total annual gross annuity has reduced from £103,000 to £83,000 since April 2013 so the difference between an updated calculation and the provision of £1.8 million would not be material.

Restructuring provision

During the previous financial year the Group agreed to restructure DLA Piper Ukraine LLC. A provision for the loss on disposal was estimated from the sale agreement and completion statement.

On 1 June 2021 the Group disposed of its investment in DLA Piper Ukraine LLC to a third party and the £1.5 million provision was fully utilised.

During the current financial year the Group agreed to dispose of its investment in DLA Piper Rus Limited. A provision for the loss on disposal was calculated based upon the sale agreement, the completion statement and an assessment of the fair values of assets and liabilities at the date of disposal. Further details regarding the disposal are included in note 28.

Dilapidations

A provision for dilapidations is recognised in respect of property leases which contain a requirement for premises to be returned to their original state on conclusion of the lease term. For the purposes of determining the dilapidation provision, estimates are made on the basis of advice from Chartered Surveyors and previous experience of similar dilapidation obligations. The leases to which the provision relates all expire by 2038.

DLA Piper International LLP

Notes to the financial statements

22 Members' interests

	Loans and other debts due to/(from) members				
	Members' capital (classified as liability)	Other amounts	Total	Other reserves (classified as equity)	Total
	£'m	£'m	£'m	£'m	£'m
Members' interests at 1 May 2020	171.2	(64.9)	106.3	241.5	347.8
Profit for the financial year ended 30 April 2021 available for discretionary division among members	-	-	-	419.3	419.3
Members' interests after profit for the year	171.2	(64.9)	106.3	660.8	767.1
Divided profit	-	350.7	350.7	(350.7)	-
Capital introduced	14.7	-	14.7	-	14.7
Capital repaid	(15.6)	-	(15.6)	-	(15.6)
Capital not paid up	2.6	(2.6)	-	-	-
Transfer of former members' funds to current liabilities	(1.2)	(20.7)	(21.9)	-	(21.9)
Drawings and distributions	-	(309.1)	(309.1)	-	(309.1)
Net exchange adjustments	(2.1)	1.1	(1.0)	(6.1)	(7.1)
Members' interests at 30 April 2021	169.6	(45.5)	124.1	304.0	428.1
Loans and other debts due from members (note 12)	-	99.5	99.5	-	99.5
Members' interests at 30 April 2021 excluding loans and other debts due from members	169.6	54.0	223.6	304.0	527.6

DLA Piper International LLP

Notes to the financial statements

22 Members' interests (continued)

	Loans and other debts due to/(from) members			Other reserves (classified as equity)	Total
	Members' capital (classified as liability)	Other amounts	Total		
	£'m	£'m	£'m		
Members' interests at 1 May 2021	169.6	(45.5)	124.1	304.0	428.1
Profit for the financial year ended 30 April 2022 available for discretionary division among members	-	-	-	399.0	399.0
Members' interests after profit for the year	169.6	(45.5)	124.1	703.0	827.1
Divided profit	-	408.7	408.7	(408.7)	-
Capital introduced	17.6	-	17.6	-	17.6
Capital repaid	(13.0)	-	(13.0)	-	(13.0)
Transfer of former members' funds to current liabilities	(1.6)	(23.8)	(25.4)	-	(25.4)
Drawings and distributions	-	(377.9)	(377.9)	-	(377.9)
Net exchange adjustments	0.6	0.2	0.8	(1.3)	(0.5)
Members' interests at 30 April 2022	173.2	(38.3)	134.9	293.0	427.9
Loans and other debts due from members (note 12)	-	109.3	109.3	-	109.3
Members' interests at 30 April 2022 excluding loans and other debts due from members	173.2	71.0	244.2	293.0	537.2

'Other amounts' included within loans and other debts due to/(from) members represent allocated profits not yet paid to members and are due within one year. The basis on which profits are allocated and divided is described in the statement of accounting policies on page 32.

In the event of a winding up, loans and other debts due to members rank after bank loans and overdrafts, but rank equally with other unsecured creditors; members' other interests (other reserves) rank after unsecured creditors and no additional protection is afforded to creditors. Members' capital contributions are determined by the Board having regard, inter alia, to the working capital needs of the Group. Individual members' capital contributions are set by reference to profit share proportions and are not repayable until the member retires.

DLA Piper International LLP

Notes to the financial statements

22 Members' interests (continued)

The LLP has members' interests of £1,000 (2021: £1,000) and this wholly related to members' capital classified as a liability. The LLP did not trade during the current or prior year and, on that basis, a Members' interests note has not been presented.

23 Non-cash adjustments and change in working capital

The following non-cash flow adjustments and adjustments for changes in working capital have been made to profit before tax to arrive at operating cash flow:

	Note	2022 £'m	2021 £'m
Non-cash adjustments			
Depreciation on property, plant and equipment	9	18.9	19.2
Depreciation on right-of-use assets	10	49.1	52.8
Amortisation of intangible assets	8	13.7	9.5
Impairment of goodwill	8	0.1	-
Reclassification of intangible fixed assets	8	3.1	-
Loss on disposal of subsidiary	28	31.9	-
Loss on disposal of tangible fixed assets	6	0.1	0.1
Unwinding of discount on license fee liability	5	(1.1)	-
Total non-cash adjustments		115.8	81.6
Net changes in working capital			
(Increase)/decrease in trade and other receivables		(20.2)	3.8
(Increase)/decrease in contract assets		(15.8)	0.1
Decrease/(increase) in deferred tax asset		0.3	(0.6)
(Increase)/decrease in derivative financial assets		(3.7)	1.2
Increase/(decrease) in trade and other payables		25.4	(10.3)
Increase in contract liabilities		0.9	1.0
(Decrease)/increase in provisions less unwinding of discount		(0.9)	2.1
Exchange adjustments		(0.2)	(5.7)
Total changes in working capital		(14.2)	(8.4)

DLA Piper International LLP

Notes to the financial statements

24 Pension costs

The Group has established a number of defined contribution pension schemes across most of its offices, which receive contributions from Group entities. The Group's legal or constructive obligation for these plans is limited to the contributions. The assets of the schemes are held separately from those of the Group.

The total pension cost for the Group was £15.9 million (2021: £15.0 million) and no amounts were outstanding at the balance sheet date (2021: £nil).

The LLP did not incur any pension costs in the current or prior year.

25 Interests in other entities

The financial statements consolidate the results and financial position of the Group, including the subsidiary undertakings listed below.

Limited liability partnerships

- DLA Piper UK LLP (provision of legal services and operates in England, Belgium, Germany and China)
- DLA Piper Scotland LLP (provision of legal services and operates in Scotland)
- DLA Piper Middle East LLP (provision of legal services and operates in United Arab Emirates, Qatar and Bahrain)
- DLA Piper Asia LLP (investment holding in Hong Kong, Poland, Thailand and Japan)
- DLA Piper Oman LLP (provision of legal services and operates in Oman)
- DLA Piper Prague LLP (provision of legal services and operates in Czech Republic)
- DLA Piper Services LLP (provision of management services to the Group and operates in the United Kingdom)
- DLA Piper Europe LLP (investment holding in Hungary and Romania)
- DLA Piper France LLP (provision of legal services and operates in France)
- DLA Piper (ADME) LLP (provision of legal services and operates in the Abu Dhabi Global Market)
- DLA Piper Ireland LLP (provision of legal services and operates in Ireland. Authorised to operate as an LLP with effect from 6 September 2021)
- Aldersgate TopCo LLP (investment holding in UK, Hong Kong and Australia)
- DLA Piper Giziński Kycia Sp.k. (provision of legal services and operates in Poland. Authorised to operate as a Limited Liability Partnership with effect from 9 March 2022)

All of the above are limited liability partnerships registered in England and Wales, with the exception of DLA Piper Scotland LLP which is registered in Scotland, DLA Piper Ireland LLP which is registered in Ireland authorised to operate as a limited liability partnership, DLA Piper Giziński Kycia Sp.k. which is registered in Poland, and DLA Piper (ADME) LLP which is registered in the Abu Dhabi Global Market.

Partnerships (unlimited liability partnerships)

- DLA Piper Posztl, Nemescsói, Györfi-Tóth and Partners (operates in Hungary)
- DLA Piper Studio Legale Tributario Associato (operates in Italy)
- DLA Piper Hong Kong (operates in Hong Kong)
- DLA Piper Tokyo Partnership (operates in Japan)
- DLA Piper Dinu SCA (operates in Romania)
- DLA Piper Australia Queensland Partnership (operates in Australia)
- DLA Piper Australia National Partnership (operates in Australia)

The principal activity of the above partnerships is the provision of legal services.

DLA Piper International LLP

Notes to the financial statements

25 Interests in other entities (continued)

Company	Principal activity	Country of incorporation
Fountain Trustee Limited	Providing independent pension trustee services	England and Wales
Clarson Services Limited	Provision of secretarial services	Hong Kong
Mallory Insurance Services PCC Limited	Underwriting of insurance	Guernsey
DLA Piper Spain S.L.U.	Provision of legal services	Spain
DLA Piper Holdings (Thailand) Limited	Holding company	Thailand
DLA Piper (Thailand) Limited	Provision of legal services	Thailand
DLA Piper Weiss-Tessbach Rechtsanwälte Organizačná Zložka	Provision of legal services	Slovakia
DLA Piper Weiss-Tessbach Rechtsanwälte GmbH	Provision of legal services	Austria
DLA Piper Italy Services SRL	Provision of management services to DLA Piper Studio Legale Tributario Associato	Italy
DLA Piper Singapore Pte. Ltd.	Provision of legal services	Singapore
DLA Piper Hong Kong Management Services Limited ¹	Provision of services to DLA Piper Hong Kong	Hong Kong
Toko Limited	Asset Tokenisation services	Hong Kong
DLA Piper Rus Limited ³	Provision of legal services	England and Wales
DLA Piper Nederland N.V. ²	Provision of legal services	Netherlands
Stichting Financiering DLA Piper Nederland	Provision of management services to DLA Piper Nederland N.V.	Netherlands
Stichting Beheer Derdengelden Advocatuur DLA Piper Nederland N.V.	Provision of management services to DLA Piper Nederland N.V.	Netherlands
Stichting Prioriteit DLA Piper Nederland (Netherlands)	Provision of management services to DLA Piper Nederland N.V.	Netherlands
DLA Piper Japan Services KK	Provision of assets and services to DLA Piper Tokyo Partnership	Japan
DLA Piper Hungary Services Kft	Provision of management services to DLA Piper Posztl, Nemescsói, Gyórfi-Tóth and Partners	Hungary
DLA Piper Tax Consulting and Development Services Kft	Provision of accounting, bookkeeping, auditing and tax consultancy services	Hungary
DLA Piper Services Bucharest SRL	Provision of management services to DLA Piper Dinu SCA	Romania
DLA Piper Tax SRL	Provision of independent tax advisory services	Romania
PF Lawyers Pty Limited as trustee of the Australian Service Trust	Provision of management services to DLA Piper Australia Partnerships	Australia
DLA Piper Luxembourg SARL	Provision of legal services	Luxembourg
DLA Piper Treasury Services Limited	Provision of treasury services	England and Wales
DLA Piper Casablanca SARL	Provision of legal services	Morocco
DLA Piper Advisory Services Proprietary Limited	Provision of general services	South Africa
DLA Piper GSC Poland sp. Z.o.o.	Provision of services to the Group	Poland
DLA Piper International Nominees Limited	Holding company	England and Wales
Noble Street Limited (Dissolved on 22 June 2021)	Provision of media advisory services	England and Wales
DLA Piper Legal Delivery Centre Limited	Outsourced processing services	England and Wales
DLA Piper Ireland Services Limited	Provision of services to DLA Piper Ireland	Ireland
DLA Piper Business Advisory Kft	Provision of business advisory services	Hungary
DLA Piper Investments Limited	Investment holding company	England and Wales
DLA Piper UK Nominees Limited	Holding company	England and Wales
Aldersgate Holding Company Limited	Investment holding company	England and Wales
Aldersgate Funding Limited	Provision of litigation funding solutions	England and Wales
Aiscension.AI Limited	Provision of artificial intelligence services	England and Wales
Aldersgate DLS Limited	Provision of financial consultancy services	England and Wales
DLA Piper Business Advisory Pty Limited (formerly DLAPC Pty Ltd)	Provision of consultancy services	Australia
DLA Piper Business Advisory Limited (formerly Aldersgate DLS (Reg) Limited)	Provision of consultancy services	England and Wales

¹ Controlled under contractual arrangements.

² Controlled by way of a priority share.

³ Disposed of on 31 May 2022 and name subsequently changed to Dénou Legal Services International Limited. See Note 28.

DLA Piper International LLP

Notes to the financial statements

25 Interests in other entities (continued)

DLA Piper International LLP, or one of its subsidiary undertakings, holds 100% of the beneficial interest in the equity shares in all company shareholdings.

All subsidiary undertakings have a year end of 30 April other than the following:

- DLA Piper Studio Legale Tributario Associato
- DLA Piper Posztl, Nemescsói, Györfi-Tóth and Partners
- DLA Piper Giziński Kycia sp.k.
- DLA Piper Dinu SCA
- DLA Piper Japan Services KK
- DLA Piper Services Bucharest SRL
- DLA Piper Tax Consulting KFT
- DLA Piper Tax SRL
- DLA Piper Tokyo Partnership

These entities have a year end of 31 December; however, their results and balance sheets to 30 April are prepared for consolidation purposes.

DLA Piper International LLP, or one of its subsidiary undertakings, also holds 100% of the beneficial interest in the equity shares in the following non-trading subsidiaries (incorporated in England and Wales unless stated):

- A.S.B. Nominees Limited
- DLA Piper Excepted Scheme Trustee Limited
- DLA Piper Hong Kong Services Limited
- DLA Piper Limited
- DLA Piper UK Nominees Limited
- DLA Piper UK Pension Scheme Trustee Limited
- DLA Limited (formerly DLA Piper UK Properties Limited, name changed on 4 October 2022)
- DLA Piper UK Secretarial Services Limited
- Crowbird Trustees Limited
- Pollen Company Secretary Limited
- Quill Form Limited
- Quill Serve Limited
- Secretar Securities Limited
- Stichting Prioriteit DLA Piper Nederland (Netherlands)

The registered offices of all subsidiaries are presented on pages 71 to 73.

DLA Piper International LLP

Notes to the financial statements

25 Interests in other entities (continued)

The following subsidiaries, all of which are incorporated in England and Wales with the exception of DLA Piper Scotland LLP which is registered in Scotland, are exempt from the requirements of the Companies Act 2006 relating to the audit of individual accounts by virtue of section 479A of that Act:

Name of subsidiary	Registered number
DLA Piper UK Nominees Limited	02577952
DLA Piper International Nominees Limited	04847725
DLA Piper Investments Limited	11623760
DLA Piper Legal Delivery Centre Limited	04057306
DLA Piper Rus Limited	05234777
Fountain Trustee Limited	02588074
Aiscension.AI Limited (formerly Beacon.AI Limited)	12252658
Aldersgate Holding Company Limited	12215272
Aldersgate DLS Limited	12372164
Aldersgate TopCo LLP	OC431833
DLA Piper Scotland LLP	SO300365
DLA Piper Middle East LLP	OC314942
DLA Piper Asia LLP	OC307601
DLA Piper Prague LLP	OC341606
DLA Piper Services LLP	OC305358
DLA Piper Europe LLP	OC325978
DLA Piper France LLP	OC385239

All directors/members of the above subsidiaries have issued written notice that all directors/members agree to the audit exemption in respect of the year ended 30 April 2022. DLA Piper International LLP guarantees the subsidiaries listed above, under section 479C of the Companies Act 2006 in respect of the year ended 30 April 2022.

DLA Piper International LLP

Notes to the financial statements

26 Contingent liabilities

In the normal course of business, the Group may receive claims for alleged negligence. Professional indemnity cover is maintained in respect of professional negligence through both the commercial market and the firm's wholly-owned captive insurance company. The Group's policy with regard to claims is described in the statement of accounting policies.

The Group and LLP had no contingent liabilities as at 30 April 2022 (30 April 2021: £nil).

27 Related party transactions

Key management personnel

Key management personnel comprise the senior partner and managing partner, other members of the executive committee, the international practice group heads and the country managing partners. The majority of key management positions maintain significant client responsibilities. The share of profit and salaries awarded to these key management personnel for the year ended 30 April 2022 amounted to £57.6 million (2021: £52.6 million).

LLP related party transactions

There were no transactions between the parent and its subsidiary undertakings, nor any other of the parent's related parties.

28 Disposal asset held for sale

Background

On 14 March 2022 the Group publicly announced its intention to exit from its operations in Russia. Binding Heads of Terms were signed on 30 March 2022 to sell DLA Piper Rus Ltd ('the subsidiary'). The Transfer of Shares Agreement was signed on 27 May 2022 with an effective date of 31 May 2022.

The existence of the binding Heads of Terms, coupled with the public announcement, demonstrate that as at 30 April 2022 there was a constructive obligation to dispose of the subsidiary. The assets and liabilities of the subsidiary have therefore been recognised as a disposal asset held for sale as at 30 April 2022 and the loss on disposal of the subsidiary has been provided for as at the year end.

Details of the sale of the subsidiary

No income or expense in relation to the subsidiary has been recognised in other comprehensive income during the year. The prior year balance sheet has not been re-presented to reflect the current year classification of the assets and liabilities of the subsidiary as a disposal asset held for sale. The assets and liabilities of the disposal asset held for sale have not been offset in order to present as a single amount.

DLA Piper International LLP

Notes to the financial statements

28 Disposal asset held for sale (continued)

The loss on the classification as a disposal asset held for sale and the loss on the sale of the subsidiary have been recognised within other operating expenses, and are calculated as follows:

	£'m
Carrying value of net assets of disposal asset as at 30 April 2022	2.9
Fair value of net assets of disposal asset	-
Loss on classification as disposal asset held for sale	(2.9)
Net costs of disposal incurred or due to be incurred due to constructive obligation	(29.0)
Total loss on disposal of subsidiary	(31.9)

29 Financial instruments and financial risk management objectives and policies

Financial instruments comprise trade and other receivables, amounts due from members, cash and cash equivalents, derivative financial instruments, equity investments, borrowings, finance leases, trade and other payables, amounts owed to former members and property provisions. Financial instruments result in the Group being exposed to liquidity, credit, interest rate and foreign currency risks.

The carrying amount of financial instruments are as follows:

		Group		LLP	
	Note	2022 £'m	2021 £'m	2022 £'00	2021 £'000
Financial assets held at amortised cost					
Trade receivables	12	356.2	337.4	-	-
Contract assets	13	142.4	129.5	-	-
Other receivables	12	13.5	32.5	1	1
Loans and other debts due from members	12	109.3	99.5	-	-
Cash and cash equivalents		105.3	91.3	-	-
Investments	11	0.3	0.3	-	-
Total financial assets held at amortised cost		865.1	690.5	1	1

DLA Piper International LLP

Notes to the financial statements

29 Financial instruments and financial risk management objectives and policies (continued)

	Note	Group		LLP	
		2022 £'m	2021 £'m	2022 £'000	2021 £'000
Financial assets held at fair value through profit or loss					
PPA Electricity derivative	14	3.4	-	-	-
Crypto assets	14	0.1	-	-	-
Total financial assets held at fair value through profit or loss		3.5	-	-	-

	Note	Group		LLP	
		2022 £'m	2021 £'m	2022 £'m	2021 £'m
Financial liabilities held at amortised cost					
Borrowings	17	13.0	-	-	-
Lease liabilities	18	370.4	398.9	-	-
License fee liabilities	15	27.2	-	-	-
Trade payables	15	55.7	54.3	-	-
Other payables	15	35.8	41.5	9	9
Contract liabilities	16	13.7	13.3	-	-
Amounts owed to former members	15	17.1	21.9	-	-
Total financial liabilities held at amortised cost		532.9	529.9	9	9

DLA Piper International LLP

Notes to the financial statements

29 Financial instruments and financial risk management objectives and policies (continued)

	Note	Group		LLP	
		2022 £'m	2021 £'m	2022 £'00	2021 £'000
Financial liabilities held at fair value through profit or loss					
Derivative financial instruments	14	0.1	0.3	-	-
Total financial liabilities held at fair value through profit or loss		0.1	0.3	-	-

Credit risk and sensitivity analysis

In order to minimise credit risk, the Group has adopted a policy of only dealing with creditworthy clients by performing credit checks and establishing credit limits for new clients. The status of debt collections is monitored monthly by the credit control team, ensuring Group targets are effectively supported.

Trade receivables comprise a large range of clients covering a diverse geographical area. The Group does not have significant credit risk exposure to any single counterparty or group of counterparties having similar characteristics.

The Group has applied the simplified approach in IFRS 9 to measure the lifetime expected credit loss. An additional review of outstanding invoices as at 30 April 2022 was carried out to address current economic uncertainty. Note 12 discloses the credit risk profile of trade receivables.

If the expected credit loss rates were increased by 1%, the total loss allowance on receivables would have been £3.6 million higher.

Interest rate risk and sensitivity analysis

The Group's policy is to minimise interest rate cash flow risk exposures on long-term financing. Longer-term borrowings are usually at fixed rates and overdrafts are at variable rates.

Bank borrowings at 30 April are as follows:

	2022 £'m	2021 £'m
£6.5m at an interest rate of SONIA + 1.40%, repayable 22 July 2022	6.5	-
£6.5m at an interest rate of SONIA + 1.30%, repayable 22 October 2022	6.5	-
Total bank borrowings	13.0	-

DLA Piper International LLP

Notes to the financial statements

29 Financial instruments and financial risk management objectives and policies (continued)

Cash and cash deposits of £105.3 million (2021: £91.3 million) and overdrafts of £nil (2021: £nil) are also exposed to interest rates. Interest is earned and paid predominantly at variable interest rates linked to local bank base rates.

The Group minimises interest rate cash flow risk exposures on cash and overdrafts by utilising a central Group overdraft facility and ensuring that wherever possible any cash available in the Group is utilised to clear down the Group overdraft facility.

The sensitivity analyses below have been determined based on the exposure to interest rates for non-derivative financial instruments at the balance sheet date and assuming the liability outstanding at the balance sheet date was outstanding for the whole year. If interest rates were 1% higher and all other variables were held constant, the Group's profit and net assets for the year ended 30 April 2022 would have decreased by £0.1 million.

Liquidity risk and sensitivity analysis

Liquidity risk is the risk that the Group might be unable to meet its obligations.

The Group is financed through a combination of members' capital, undistributed profits and borrowing facilities provided by a number of banks.

The total amount of members' capital contributions is proposed to members by the Board, having regard to the requirements of the Group. Individual members' capital contributions are set by reference to equity profit share proportion, or in the case of non-equity members, comprise either a fixed amount or a percentage of profit share, and are repayable, at par, following the member's retirement.

The Group has in place facilities to cover short-term working capital requirements and has a policy of active management and targeting trade receivables and amounts due to be billed to clients, to minimise the level of short-term borrowings. All short-term borrowings are arranged through DLA Piper Treasury Services Limited, a subsidiary undertaking of the LLP.

As at 30 April 2022 the Group had access to total bank facilities of £216.0 million (2021: £171.0 million), which includes £48.4 million (2021: £48.3 million) of overdraft facilities that may be terminated by the bank without notice. At the balance sheet date the Group utilised £13.0 million (2021: £nil) of the total bank facilities.

Under the terms of the major facilities, the group is required to comply with covenants including the following: the number of full equity members is not less than 500, the amount of Members' capital is greater than £100 million, total net borrowings is not greater than 100% of Members' interests. The group has complied with these and all other covenants throughout the reporting period.

DLA Piper International LLP

Notes to the financial statements

29 Financial instruments and financial risk management objectives and policies (continued)

As at 30 April 2022, the contractual maturity of financial liabilities (including interest payments where applicable) was as follows:

	2022 £'m	2021 £'m
Maturity of financial liabilities		
In one year or less, or on demand	198.8	187.3
In more than one year, but not more than two years	61.1	58.5
In more than two years, but not more than five years	149.1	147.5
In more than five years	209.7	220.0
Total	618.7	613.3

The above amounts reflect the contractual undiscounted cash flows, which may differ from the carrying values of the liabilities at the reporting date.

Foreign currency risk and sensitivity analysis

The presentational currency of the Group is Sterling. However, with offices in many different countries, the Group's operations are conducted in various currencies. The principal currencies, other than Sterling, to which the Group's financial assets and liabilities are exposed are the Euro, the US Dollar and the Australian Dollar.

To mitigate the Group's exposure to foreign currency risk, non-Sterling cash flows are monitored and forward exchange contracts are entered into in accordance with the Group's risk management policies. Where the amounts to be paid and received in a specific currency are expected to largely offset one another, no further hedging activity is undertaken. Forward exchange contracts are mainly entered into for significant foreign currency exposures that are not expected to be offset by other same-currency transactions.

DLA Piper International LLP

Notes to the financial statements

29 Financial instruments and financial risk management objectives and policies (continued)

Foreign currency denominated financial assets and liabilities which expose the Group to financial statement currency risk are as follows:

	2022	2021
	£'m	£'m
Financial assets		
Euros	235.5	239.3
US Dollar	140.2	133.6
Australian Dollar	31.1	28.2
Other	50.4	49.1
	457.2	450.2
Financial liabilities		
Euros	152.2	130.1
US Dollar	0.2	8.6
Australian Dollar	45.6	37.9
Other	81.0	64.3
	279.0	240.9

If the Euro, Australian Dollar and US Dollar had weakened against all other currencies, the impact on the profit before tax and net assets as a result of retranslating financial assets and liabilities would have been as follows:

	Profit		Net assets	
	2022	2021	2022	2021
	£'m	£'m	£'m	£'m
Euro 5% weaker	(0.8)	(1.0)	(5.6)	(7.3)
US Dollar 5% weaker	(6.2)	(5.0)	(6.2)	(6.0)
Australian Dollar 5% weaker	-	-	0.6	0.4

DLA Piper International LLP

Notes to the financial statements

30 Net debt reconciliation

	Borrowings	Lease liabilities	Members' capital classified as a liability	Other amounts owed to members	Cash and overdraft	Total
Net debt	£'m	£'m	£'m	£'m	£'m	£'m
At 1 May 2020	(51.8)	(405.6)	(171.2)	50.9	40.4	(537.3)
Financing cash flows	53.3	47.7	0.9	323.2	51.2	476.3
Non-cash	(1.5)	(41.0)	0.7	(350.5)	(0.3)	(392.6)
At 30 April 2021	-	(398.9)	(169.6)	23.6	91.3	(453.6)
Financing cash flows	(12.1)	56.8	(4.6)	408.1	14.2	462.4
Non-cash	(0.9)	(28.3)	1.0	(271.1)	(0.2)	(299.5)
At 30 April 2022	(13.0)	(370.4)	(173.2)	160.6	105.3	(290.7)

31 Subsequent events

On 31 May 2022 the Group disposed of its investment in DLA Piper Rus Limited. See Note 28 for further details.

Despite ongoing macroeconomic conditions such as the war in Ukraine, the energy price crisis and high levels of inflation, there has been no significant impact on the group up to the date of approval of these financial statements. The members continue to monitor the potential impact on the Group.

32 Ultimate controlling parties

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

DLA Piper International LLP

Registered Office Listing

United Kingdom

- DLA Piper UK LLP	160 Aldersgate Street
- DLA Piper Asia LLP	London
- DLA Piper Europe LLP	EC1A 4HT
- DLA Piper Excepted Scheme Trustee Limited	
- DLA Piper France LLP	
- DLA Piper International Nominees Limited	
- DLA Piper Investments Limited	
- DLA Piper Legal Delivery Centre Limited	
- DLA Piper Limited	
- DLA Piper Middle East LLP	
- DLA Piper Oman LLP	
- DLA Piper Prague LLP	
- DLA Piper Services LLP	
- DLA Piper Treasury Services Limited	
- DLA Piper UK Nominees Limited	
- DLA Piper UK Pension Scheme Trustee Limited	
- DLA Limited (formerly DLA Piper UK Properties Limited)	
- DLA Piper UK Secretarial Services Limited	
- Aldersgate DLS Limited	
- DLA Piper Business Advisory Limited (formerly Aldersgate DLS (Reg) Limited)	
- Aldersgate Holding Company Limited	
- Aldersgate Topco LLP	
- A.S.B. Nominees Limited	
- Aiscension.AI Limited	
- Fountain Trustee Limited	
- Noble Street Limited (dissolved on 22 June 2021)	
- Pollen Company Secretary Limited	
- DLA Piper Scotland LLP	Collins House
- Crawbird Trustee Limited	Rutland Square
- Quill Form Limited	Edinburgh
- Quill Serve Limited	EH1 2AA
- Secretar Securities Limited	
- Aldersgate Funding Limited	200 Aldersgate Street
	London
	EC1A 4HB
- DLA Piper Rus Limited – disposed of on 31 May 2022 and name changed to Dénuo Legal Services International Limited)	C/O Tmf Group
	8 th Floor
	20 Farringdon Street
	London
	EC4A 4AB

Australia

- DLA Piper Australia National Partnership	Level 22
	No.1 Martin Place
	Sydney
	NSW 2000
- DLA Piper Australia Queensland Partnership	Level 9
- DLA Piper Business Advisory Pty Limited (formerly DLAPC Pty Ltd)	480 Queen Street
	Brisbane
	QLD 4000
- PF Lawyers Pty Limited as trustee of the Australian Service Trust	Level 22
	No.1 Martin Place
	Sydney
	NSW 2000

DLA Piper International LLP

Austria

- DLA Piper Weiss-Tessbach Rechtsanwälte GmbH

Schottenring 14
A-1010
Vienna

Guernsey

- Mallory Insurance PCC Limited

Office Heritage Hall
P.O. Box 230
Le Marchant Street
St. Peter Port
Channel Islands
GY1 4JH

Hong Kong

- DLA Piper Hong Kong
- Clarson Services Limited
- DLA Piper Hong Kong Services Limited
- DLA Piper Hong Kong Management Services Limited
- Toko Limited

25th Floor
Three Exchange Square
8 Connaught Place
Central, Hong Kong

Hungary

- DLA Piper Posztl, Nemescsói, Györfi-Tóth and Partners
- DLA Piper Hungary Services Kft
- DLA Piper Tax Consulting Kft
- DLA Piper Business Advisory Kft

Momentum Office Building
Csörsz u. 49-51.
Budapest
H-1124

Ireland

- DLA Piper Ireland LLP
- DLA Piper Ireland Services Ltd

40 Molesworth Street
Dublin 2
Ireland
D02 YV57

Italy

- DLA Piper Studio Legale Tributario Associato
- DLA Piper Italy Services SRL

Via della Posta 7
20123
Milan

Japan

- DLA Piper Tokyo Partnership
- DLA Piper Japan Services KK

Meiji Seimei Kan 7F
2-1-1 Marunouchi Chiyoda-ku
Tokyo
100-0005

Luxembourg

- DLA Piper Luxembourg SARL

37A, Avenue John F. Kennedy
L-1855
Luxembourg

Morocco

- DLA Piper Casablanca SARL

Casa Marina Business Center Tour
Crystal 3
2ème étage
Boulevard des Almohades
Casablanca
20000

DLA Piper International LLP

Netherlands

- DLA Piper Nederland N.V.
- Stichting Financiering DLA Piper Nederland
- Stichting Beheer Derdengelden Advocatuur DLA Piper Nederland N.V.
- Stichting Prioriteit DLA Piper Nederland (Netherlands)

Amstelveenseweg 638
Amsterdam
1081 JJ

Poland

- DLA Piper Giziński Kycia Sp.k.
- DLA Piper GSC Poland sp. z.o.o.

I. L. Pereca 1
Warsaw
00-849

Romania

- DLA Piper Dinu SCA
- DLA Piper Services Bucharest SRL
- DLA Piper Tax SRL

Metropolis Center
89-97 Grigore Alexandrescu Str.
East Wing, 1st Floor
Sector 1, 010624
Bucharest

Singapore

- DLA Piper Singapore Pte. Ltd.

80 Raffles Place
UOB Plaza 1, #48-01
Singapore
048624

Slovakia

- DLA Piper Weiss-Tessbach Rechtsanwälte Organizačná Zložka

Karadžičova 2 SK-811 09
Bratislava

South Africa

- DLA Piper Advisory Services Proprietary Limited

6th Floor
61 Katherine Street
Sandton 2196
Johannesburg

Spain

- DLA Piper Spain S.L.U.

Paseo de la Castellana
35 -2º 28046
Madrid

Thailand

- DLA Piper Holdings (Thailand) Limited
- DLA Piper (Thailand) Limited

47th Floor, Unit 4707
Empire Tower
1 South Sathorn Road
Yannawa, Sathorn
Bangkok
10120

United Arab Emirates

- DLA Piper (ADME) LLP

Al Khatem Tower
14-105, 14, WeWork/Hub71
Global Market Square
Al Maryah Island
Abu Dhabi,
United Arab Emirates