DLA Piper UK LLP

Members' report and financial statements

for the year ended 30 April 2023

Registered number: OC307847

DLA Piper UK LLP

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for the year ended 30 April 2023

Contents

DLA Piper UK LLP

Members' report
for the year ended 30 April 2023

The Board presents its report on behalf of the members of DLA Piper UK LLP ("the LLP") together with the audited consolidated financial statements of the LLP for the year ended 30 April 2023.

Principal activities
The principal activity of the LLP is the provision of legal services.

Group structure
The financial statements comprise the financial statements of the LLP only. The LLP's subsidiary undertakings as at 30 April 2023 are set out in note 10 to the financial statements. During the year, the LLP had branches in the UK, Germany, Belgium and China. The results of the LLP and its subsidiary undertakings are included in the consolidated financial statements of DLA Piper International LLP, which is referred to in these financial statements as 'the Group'.

Business review and future developments
The LLP had another year of strong performance. Revenue for the year ended 30 April 2023 was £677.7 million (2022: £595.1 million), a 13.9% increase on the prior year, driven by increased average billing rates and fee earner headcount.

Wages and salaries increased by £36.7 million (16.2%) from £227.1 million to £263.8 million. Other external charges increased by £54.6 million (46.8%) from £116.6 million to £171.2 million. The increase in costs were driven by an increase in both headcount and travel costs which were previously affected by the COVID-19 pandemic. Coupled with this, inflation drove up many of the costs incurred in running the operations of the LLP.

The profit available for discretionary division among members decreased by £2.5 million (1.2%) from £200.1 million to £197.6 million. Finance costs increased to £11.4 million (2022: £10.4 million).

The LLP balance sheet remains strong, with an increase in net assets of £13.4 million (5.6%) from £240.2 million to 253.6 million.

Financing is made available to the LLP through a group subsidiary, DLA Piper Treasury Services Limited. The bank facilities available to the Group have provided and will continue to provide significant and prudent headroom to all subsidiaries of the Group.

Subsequent events
There are no undisclosed significant events affecting the LLP since the year end, up to the date of approval of these financial statements, other than those as disclosed in note 23.

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.

Members' report (continued)

Designated members and the Board of DLA Piper UK LLP ("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:

- Vinita Arora (appointed 1 October 2023)
- Kit Burden (appointed 1 January 2023)
- Jonathan Hayes (appointed 1 May 2022)
- Simon Levine
- Jonathan Watkins (resigned 31 December 2022)
- Colin Wilson (resigned 31 July 2023)

The Board consists of the designated members listed above.

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

Financing and the subscription and repayment of members' capital
The LLP is financed through a combination of members' capital, undistributed profits and financing made available through a group subsidiary, DLA Piper Treasury Services Limited.

The total amount of members' capital contributions is proposed to members by the Board of DLA Piper International LLP, having regard to the requirements of the Group. Individual members' capital contributions are set by reference to equity profit share proportion, 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 Group's bank facilities, refinanced in October 2023 for a period of three years with two optional one-year extensions, are at levels sufficient to provide prudent 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. Therefore, the accounts are prepared on a going concern basis. Details of this are disclosed in the accounting policy on page 24.

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 of DLA Piper International LLP.

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 and accordingly, is presented as profit available for discretionary division. 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" in note 18.

Members' report (continued)

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 LLP financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework"). 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 UK 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:

Simon Levine
Managing Partner
12 December 2023

DLA Piper UK LLP

Energy and carbon report

The Energy and carbon report for the Group has been included as additional information only, as the LLP is not required to provide such a report due to its inclusion in the DLA Piper International LLP Financial Statements for the year ended 30 April 2023.

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. The Group is committed to deliver its SBTi validated near term science-based target to halve emissions across scopes 1, 2 and 3 by 2030 and achieve net zero by 2040 against the baseline year of 2019. Procurement of goods and services as well as business travel are the most significant contributors to the Group's environmental footprint and these are addressed by the Group's ambitious sustainability targets and commitments.

This report has been prepared to meet the Streamlined Energy and Carbon Reporting requirements in accordance with the Group's regulatory obligation to report greenhouse gas (GHG) emissions pursuant to the Companies (Members' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018.

Effective for the first time this year, The Climate-related Financial Disclosure Regulations 2022 have been introduced in the UK to report on material climate-related matters and their impact on the Group. For the year ended 30 April 2023, the Group meets the relevant threshold of having more than 500 employees and a turnover of more than £500 million. The Group has therefore set out below the climate-related disclosures covering how climate change is addressed in corporate governance, the impacts on the strategy, how climate-related risks and opportunities are managed, and the performance metrics and targets applied in managing these issues.

Further details about the Group's strategy for reducing carbon footprint and net zero transition plan has been provided in the Sustainability Report 2022/23, available at https://www.dlapiper.com/en-gb/about-us/sustainability/sustainability-reporting/sustainability-report-22-23.

Governance
The Board holds ultimate responsibility for the Group's environmental performance. The role of Managing Director, Sustainability & Resilience, which sits on the Executive Committee, is responsible for coordinating and intensifying the Group's actions across Environmental, Social and Governance (ESG), Sustainability and Responsible Business. The Managing Director is supported by various committees that drive forward the Group's sustainability strategy and execute action plans. This includes the International Energy and Climate Change (IECC) committee that works closely with the key internal stakeholders across the international offices and reports directly to the Executive.

Action on climate change is the Group's 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. The Board reviews these policies as well as approving budgets in relation to investments required to address climate-related risks and opportunities.

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 the Group's progress against the ten principles and select Sustainable Development Goals (SDGs) via the Group's Sustainability Report.

Strategy
Our strategic response to climate change focusses on the transitional and physical risks and opportunities for our business. We assess climate risks and opportunities across different climate scenarios (current policy, delayed transition and Net Zero 2050) using short (2022-2028), medium (2029-2034), long-term (2035-2040) and very long-term (2041-2050) time horizons in looking at their potential impacts on our business. Our approach is informed by our climate scenario analysis and over the coming years, our 2040 Net Zero strategy.

As we are at the early stages of formulating the Group's net zero transition plan, all actions in the below 'response' column are planned for completion in the next 12-24 months, falling into the short term time horizon. These key risks and opportunities will evolve over time.

Energy and carbon report (continued)

Energy and Carbon Commitments		
Risk Inability to meet energy and carbon performance commitments might result in reputational risk to brand value, decreased credibility, and increased marketing costs.	Impact DLA Piper's international offices (57 across 40 countries) do not yet consistently develop and implement local plans aligned with a strategic framework for achieving the firm's science-based performance targets. The Net Zero 2050 and Delayed Transition Scenarios present the highest risk as corporate climate performance, legislative requirements and stakeholder scrutiny all increase.	Response The Group has implemented a data management framework and supporting mechanism that enables reporting and third-party verification. It also captures scope 3 supplier specific GHG intensity factors and tracks progress against goals and commitments, at least semi-annually on an international level. To ensure consistency and ownership, international offices have been engaged to set local sustainability plans and office-specific targets. Time horizon: short term.
Attract and retain talent		
Risk Lack of proper integration of sustainability into the business may impact the Group's ability to attract and retain talent.	Impact Attraction and retention of talent is core to the provision of quality legal services and is increasingly influenced by carbon and sustainability drivers. For this reason, sustainability and ESG-based reputation are viewed by DLA Piper as critical alongside other retention and attraction measures that the Group promote. The likelihood of this risk is highest in the short-term because the war for talent has become fiercer in the post-pandemic world.	Response The Group monitors external recruitment trends and internal perceptions of its employees. ESG involvement and performance is being embedded into job descriptions and linked to annual performance review and remuneration. Time horizon: short term.
Climate policies		
Risk Internal and external climate policies such as carbon taxes & offsets could lead to increased costs throughout the supply chain.	Impact In 2019, the UK government published a Net Zero Strategy, setting out policies for decarbonising all sectors of the UK economy to meet the net zero target by 2050. Carbon taxation on the energy supply chain may increase procurement costs, further exacerbating the energy pricing risk bought about by geopolitical unrest and reliance on fossil fuels.	Response The Group is investing into technologies and processes to reduce its energy consumption such as optimisation of energy in buildings, automation to improve consistency in integrating sustainable procurement practices, reduction of business travel, procuring electricity from renewable electricity generators or sellers, a Power Purchase Agreement (PPA) and development of carbon accounting and carbon pricing mechanisms. Time horizon: short term.

DLA Piper UK LLP

Energy and carbon report (continued)

Low-carbon services		
Risk Inability to service demand for new low-carbon services or sustainability products due to a lack of innovation or collaboration with clients. Opportunity Increased climate regulations and litigations may create greater demand from clients (especially those highly exposed to carbon-intensive sectors) for legal services, therefore increasing fee earning potential.	Impact It is expected that the Group's clients will increasingly seek low-carbon legal services as they commit to climate action. Failing to develop and deliver low-carbon services and procurement risks competitive disadvantage, reputational damage and loss of revenue streams. Forging a reputation as a firm who adds to business resilience through offering services that enable transition to a lower-carbon economy could present a significant opportunity to DLA Piper.	Response The Group continuously invests in upskilling its lawyers in ESG. The Group's main focus is on how, as a global firm, it uses its expertise and influence to encourage and support its clients in their journey towards sustainability, climate change adaptation, opportunity positioning and future proofing. Over the next 12 months, the Group is developing a sustainable instruction for its clients. The Group's approach will allow clients to measure the embedded carbon intensity of each instruction and drive associated carbon reduction, thereby also supporting clients to reduce their scope 3 emissions. The approach will also allow for co-financing of climate resilience projects that will address climate adaptation challenges, deliver positive social impacts, and support transition towards a low-carbon economy. However, to scale up this opportunity, in the short-to-medium term, the Group will need to invest in automation for data gathering, analytics and reporting. The Group is developing a methodology for advised emissions, both internally and working collaboratively across the sector, eventually linking with client intake, sustainable instruction and other DLA Piper offerings. Time horizon: short term.
Green energy procurement		
Opportunity Reduce emissions footprint through procurement of green energy.	Impact The Group has a high electric renewable sourcing and has committed to achieve a fully renewable supply. On-site generation, PPA's and monitoring can help capitalise on this opportunity.	Response The Group entered into a Power Purchase Agreements (PPA) (the first by any law firm) with a third party renewable developer to generate additionality and to reduce exposure to grid consumption. The Group is also reviewing investment opportunities to micro-generate renewable energy at long-term office locations (e.g. roof solar panels). Time horizon: short term.

Energy and carbon report (continued)

Climate scenario analysis
The Group uses several risk models to determine which climate-related risks and opportunities could have a substantive financial or strategic impact. These risk models were applied throughout the entire value chain, and considered three climate scenarios, across four time-horizons:

- for physical risks the "Global Peril Diagnostic" and "Climate Diagnostic" models were used for current and future physical climate hazards, and "Property Quantified" and "Katrisk's SoloKat" models utilised to assess expected financial damages;
- for transition risks - the Network for Greening the Financial System (NGFS) framework for three scenarios: Orderly – Net Zero 2050 (1.5°C) [aligned to RCP 2.6], Disorderly – Delayed transition [aligned to RCP 4.5] and Hothouse world – Current policies [aligned to RCP 8.5].

The results of physical risk modelling indicated that:

- Over 70% of assets are exposed to winter storms, 47% of assets are exposed to tornado and 21% are exposed to flash floods (surface water runoff), 14% to river floods and 15% to costal floods.
- It is likely that the exposures to river floods will increase to 19% for the conservative RCP 8.5 climate scenario by 2040. For winter storms and tornados, it is more uncertain whether these hazards will increase in their frequency and/or severity in the wake of climate change.
- For several regions such as South Africa, Middle East, and Australia there is high exposure to chronic hazards like drought stress (17% of assets), moderate exposures to heat stress (heat waves and tropical nights; 26% of assets) and moderate exposure to precipitation (21% of assets).
- Under the conservative RCP 8.5 scenario, assets located in chronic heat stress zones are likely to remain moderate to high risk with exposure increase to 38% of assets. For precipitation, the exposure increases to 23% of assets and for the same scenario the exposure to the drought stress changes significantly to 46% of assets in comparison to 17% based on current climatic conditions.

The modelling for transition showed that:

- Key transition risks and opportunities were identified and taken through to high level scenario analysis.
- The most impactful transition risks under the "Hothouse - Current Policies" scenario was DLA Piper's ability to attract and retain talent, energy price instability impacting DLA Piper operations and lack of business resilience due to slow or ineffective implementation of sustainability strategies.
- Under the "Disorderly - Delayed Transition" scenario the highest impact risks were climate policies and demand from clients for low-carbon services.
- In the "Net Zero 2050" scenario, the most impactful risks were DLA Piper's ability to fulfil its GHG commitments and demand for low-carbon services.

Risk management
At DLA Piper, we have adopted a "three lines of defence" governance model and apply the Enterprise-Wide Risk Management (ERM) approach. The Group's climate-related risk management is integrated into the multi-disciplinary company-wide risk management process, which covers all risks, all jurisdictions, all practice groups and sectors and all DLA Piper premises. As such, climate-related risks within DLA Piper are managed consistently with other business risks.

The frequency of risks/opportunities review is typically on an annual basis, however, we continue to refine climate-related strategic and financial impacts as well as mitigation measures and will monitor progress at least quarterly.

To make sure that the greatest risks are tackled first, all risks were ranked using the risk matrix, where impacts are analysed across eight parameters (e.g. strategic, people, operational, financial, etc) and their likelihood to occur. The opportunities were ranked based on their materiality and cost-benefit (or return on investment) assessment.

Energy and carbon report (continued)

The level of response is determined by the rating of the risks or opportunities and their time horizons:

- low risks and opportunities are typically dealt with at the office level;
- medium to high risks and opportunities are monitored by the Executive and the Risk Committee;
- higher risks with shorter time horizon are prioritised.

Metrics and targets

The Group's science-based targets have been set by the Board and validated by the Science-based Targets initiative (SBTi).

Near-term, the Group has a target to halve its emissions across all scopes by 2030 from the 2019 baseline year which was validated in September 2021. The Group's longer-term target to become a Net Zero firm by 2040 was validated by the SBTi in June 2023.

As we finalise the Group's net zero transition plan, performance monitoring and reporting will evolve to incorporate management of climate related risks and implementation of opportunities. During this reporting period the Group's main focus was on monitoring performance against science-based targets using a number of operational KPIs, for example:

- We use the Group's energy optimisation programme to achieve 20% reduction in energy use (scope 2) by 2030 from a baseline use of 17,720,057 kWh across the UK and international offices (current use 13,922,261 kWh);
- We aim to buy electricity from suppliers/generators of 100% renewable electricity (scope 2) by 2030 in all UK / European offices and top ten non-EU offices. Baseline use in this respect is 9,945,185 kWh (56% of total electricity consumed), current use is 9,016,479 kWh (65% of total electricity consumed);
- We aim to eliminate use of natural gas (scope 1) in our offices by 2030. Baseline use in this respect is 5,135,221 kWh, current use 6,307,396 kWh.

Energy and carbon report (continued)

GHG emissions and energy usage

During the year ended 30 April 2023, the Group's total gross GHG emissions (location-based) totalled 75,079 tCO2e. This comprised:

GHG emissions for the period 1st May 2022 - 30th April 2023, tCO_2e

		2023			2022		
		UK	Offshore	Total	UK	Offshore	Total
Scope 1 emissions							
Emissions from stationary combustion		878	300	1,178	943	466	1,409
Emissions from mobile combustion		-	77	77	-	95	95
Fugitive emissions		8	141	149	7	12	19
Total Scope 1 emissions	*A*	**886**	**518**	**1,404**	**950**	**573**	**1,523**
Scope 2 emissions							
Location based electricity	*B*	1,171	2,435	3,606	1,338	2,540	3,878
Market based electricity	*C*	6	2,321	2,327	-	1,824	1,824
Total Scope 1+2 (location based emissions)		**2,057**	**2,953**	**5,010**	**2,288**	**3,113**	**5,401**
Total Scope 1+2 (market based emissions)		**892**	**2,839**	**3,731**	**950**	**2,397**	**3,347**
Scope 3 emissions							
Procurement							
Water supply		3	7	10	4	6	10
Capital goods		5,050	4,195	9,245	2,817	6,519	9,336
Other suppliers		28,544	12,739	41,283	14,777	34,190	48,967
FERA emissions		841	967	1,808	1,076	1,174	2,250
Emissions from waste		33	120	153	15	48	63
Emissions from business travel		3,557	8,105	11,662	805	1,863	2,668
Emissions from employee commuting (estimated)		661	2,283	2,944	372	1,779	2,151
Emissions from homeworking		1,022	1,595	2,617	1,220	2,130	3,350
Emissions from upstream transportation (couriers)		105	242	347	26	216	242
		39,816	**30,253**	**70,069**	**21,111**	**47,925**	**69,036**
Total Scope 3 emissions	*D*			**70,069**			**69,036**
Total gross emissions (location based)	*A+B+D*			**75,079**			**74,437**
Total gross emissions (market based)	*A+C+D*			**73,800**			**72,383**

Note: *UK includes all offices in England and Scotland. Offshore includes all DLA Piper international LLP offices in EMEA and Asia Pacific regions, as well as Brand Integrated Firms (The Nordics, Portugal and New Zealand).*

Overall, the Group's total gross (location-based) emissions have increased by approximately 1% against the previous year. However, overall since the Group's baseline year (2019/20), emissions have decreased by 41%. As such, the Group is on track to meet its target of halving its emissions across all scopes by 2030.

The most significant increase was in business travel, where the Group's emissions increased from just under 3,000 tCOe2 to just under 12,000 tCO2e, due to a resurgence of more normal business travel patterns post-pandemic. When compared to the Group's baseline year, travel emissions are still only at 54% of what they were in 2019/20. We are taking active measures to reduce emissions from business travel in the coming years, including implementing country-level travel carbon budgets.

During the reporting period, the Group's total energy consumption totalled 21,928 MWh, of which approximately 49% was consumed in the UK. The split between fuels and electricity consumption is displayed below.

Energy and carbon report (continued)

Energy consumption for the period 1 May 2022 – 30 April 2023, MWh

	2023			2022		
	UK	Offshore	Total	UK	Offshore	Total
Total electricity	6,055	7,806	13,861	6,300	7,253	13,553
Fuels, of which:						
- Natural gas	4,754	1,622	6,376	5,095	2,519	7,614
- Petrol (mobile)	-	293	293	-	229	229
- Petrol (stationary)	-	-	-	-	-	-
- Diesel (mobile)	-	40	40	-	177	177
- Diesel (stationary)	1	2	3	1	-	1
Total fuels	4,755	1,957	6,712	5,096	2,925	8,021
Self-generated electricity	-	-	-	-	5	5
District heating	-	1,355	1,355	-	1,794	1,794
Total energy consumption	10,810	11,118	21,928	11,396	11,977	23,373

Energy efficient actions

We have developed and implemented an energy efficiency programme for the Group's UK and international offices. This includes smart energy audits, installation of smart sensors to monitor plant and space conditions, ongoing technical support to ensure implementation of opportunities and monthly engagement with site teams to ensure continued focus on energy efficiency.

Key initiatives, either implemented or ongoing, currently include the following:
- Developing a guidance booklet on energy optimisation good practice for all international offices.
- Set up an online data management tool to improve energy use monitoring and reporting.
- Increased temperature across all data centres internationally from 21°C to 24°C, which reduces the energy required to cool them.
- Commence optimisation of the London building management system (BMS) in FY24.
- Moved the Birmingham office into a more energy efficient building.
- Following the move to our new Leeds office in 2024 the gas consumption across the entire portfolio of international offices will have reduced by a total of 15%.
- In FY23, the Group's UK offices have been re-certified against the ISO 50001 standard and have been awarded Advancing category by the Carbon Trust against their new Route to Net Zero standard.
- The Board and Executive approved the firm's virtual Corporate Purchase Power Agreement for renewable electricity supply from a solar farm in the UK.
- Investment into a supplier engagement platform that will support sustainable procurement practices and the Group's value chain carbon management was approved.

Overall, since the 2019 baseline year we have:
- reduced the total electricity use by 22%, helped by offices included in the energy efficiency programme.
- reduced the total gas use by 9%, mostly due to savings from office moves.
- improved energy efficiency by 47% per person across international offices.

Energy and carbon report (continued)

Emission intensity for the period 1 May 2022 – 30 April 2023, tCO2e per employee

Emission intensity for the period 1 May 2022 – 30 April 2023, tCO2e per full time employee

	2023			2022		
	UK	Offshore	Total	UK	Offshore	Total
Number of full time employees	2,394	5,714	8,108	2,317	5,361	7,678
Emission intensity (location based)	17.5	5.8	9.3	9.6	9.1	9.3
Emission intensity (market based)	17.0	5.8	9.1	9.0	9.0	9.0

The carbon intensity increase in the UK is due to the change in procurement reporting. As we are now able to split the emissions associated with procurement by country, it became clear that the UK gets assigned the largest share of purchasing due to its central role for the rest of DLA Piper International LLP.

Reporting boundary and methodology

The Group's emissions have been verified by an external third party according to the ISO 14064-3 standard.

We quantify and report the Group's 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 the Group's organisational boundary according to the operational control approach, which includes all Group offices.

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

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

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

Simon Levine
Managing Partner
12 December 2023

DLA Piper UK LLP

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

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of DLA Piper UK LLP (the 'Limited Liability Partnership'):

- give a true and fair view of the state of the Limited Liability Partnership's affairs as at 30 April 2023 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- 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 income statement;
- the statement of comprehensive income;
- the limited liability partnership balance sheets;
- the limited liability partnership statements of changes in equity;
- the statement of accounting policies; and
- the related notes 1 to 24.

The financial reporting framework that has been applied in the preparation of the 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 Limited Liability Partnership in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern
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 limited liability partnership'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.

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

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 Limited Liability Partnership's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the members either intend to liquidate the limited liability partnership or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

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

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 Limited Liability Partnership's industry and its control environment, and reviewed the Limited Liability Partnership's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management, partnership's General Counsel and the Audit Committee about their own identification and assessment of the risks of irregularities

We obtained an understanding of the legal and regulatory frameworks that the Limited Liability Partnership 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 partnership'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.

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, and 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 timesheets, rate cards(to tests the standard chargeable rates for each location) 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.

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

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.

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 Limited Liability Partnership, or returns adequate for our audit have not been received from branches not visited by us; or
- the Limited Liability Partnership financial statements are not in agreement with the accounting records and returns; 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 Limited Liability Partnership'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 Limited Liability Partnership's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Limited Liability Partnership and the Limited Liability Partnership's members as a body, for our audit work, for this report, or for the opinions we have formed.

Jeremy Black (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
London, United Kingdom
12 December 2023

DLA Piper UK LLP

Income statement
for the year ended 30 April 2023

	Note	2023	2022
		£'m	£'m
Revenue	2	**677.7**	595.1
Operating expenses			
Staff costs	3	**(263.8)**	(227.1)
Other external charges		**(171.2)**	(116.6)
Depreciation and amortisation	6	**(48.8)**	(46.7)
Other operating income		**12.5**	5.4
Operating profit	6	**206.4**	210.1
Finance costs	5	**(11.4)**	(10.4)
Finance income	5	**2.6**	0.4
Profit for the financial year available for discretionary division among members	18	**197.6**	200.1

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

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

DLA Piper UK LLP

Statement of comprehensive income for the year ended 30 April 2023

	Note	**2023**	2022
		£'m	£'m
Profit for the financial year available for discretionary division among members		**197.6**	200.1
Other comprehensive income:			
Items that will not be reclassified to the income statement:			
Exchange differences on translation of foreign operations	18	**(3.0)**	(0.5)
Total comprehensive income for the year		**194.6**	199.6

DLA Piper UK LLP

Balance sheet
as at 30 April 2023

	Note	2023 £'m	2022 £'m
Non-current assets			
Intangible assets	7	**90.2**	68.0
Property, plant and equipment	8	**52.0**	55.9
Right-of-use assets	9	**176.9**	188.0
Investments	10	**1.7**	1.7
Derivative financial instruments	20	**3.2**	3.4
Total non-current assets		**324.0**	317.0
Current assets			
Trade and other receivables	11	**429.3**	332.0
Contract assets	12	**88.0**	71.1
Derivative financial instruments	20	**0.3**	0.1
Cash and cash equivalents		**7.9**	17.5
Total current assets		**525.5**	420.7
Total assets		**849.5**	737.7
Current liabilities			
Trade and other payables	13	**322.3**	225.6
Contract liabilities	14	**12.1**	7.4
Borrowings	15	**4.2**	-
Lease liabilities	16	**21.7**	20.0
Provisions	17	**8.0**	1.3
Total current liabilities		**368.3**	254.3
Non-current liabilities			
Trade and other payables	13	**21.4**	24.5
Lease liabilities	16	**197.4**	209.7
Provisions	17	**8.7**	9.0
Total non-current liabilities		**227.5**	243.2
Total liabilities		**595.8**	497.5
Net assets attributable to members		**253.7**	240.2

Balance sheet
as at 30 April 2023 (continued)

	Note	2023	2022
		£'m	£'m
Represented by:			
Loans and other debts due to members			
Members' capital classified as a liability	18	**84.8**	78.0
Other amounts	18	**39.6**	25.5
Total loans and other debts due to other members		**124.4**	103.5
Equity			
Members' other interests: other reserves classified as equity		**131.1**	135.5
Foreign currency translation reserve	18	**(1.8)**	1.2
Total equity		**129.3**	136.7
Total loans and equity	18	**253.7**	240.2

The financial statements on pages 17 to 48 were approved by the members of DLA Piper UK LLP on 12 December 2023 and were signed on their behalf by:

Simon Levine
Managing Partner

Jon Hayes
Senior Partner

DLA Piper UK LLP

Statement of changes in equity for the year ended 30 April 2023

	Note	Other reserves	Foreign currency translation reserve	Total
		£'m	£'m	£'m
At 1 May 2021		**117.1**	**1.7**	**118.8**
Profit for the year attributable to members		200.1	-	200.1
Other comprehensive loss		-	(0.5)	(0.5)
Total comprehensive income for the year		200.1	(0.5)	199.6
Division of profit to members	18	(181.7)	-	(181.7)
At 30 April 2022 and 1 May 2022		**135.5**	**1.2**	**136.7**
Profit for the year attributable to members		197.6	-	197.6
Other comprehensive income		-	(3.0)	(3.0)
Total comprehensive income / (loss) for the year		197.6	(3.0)	194.6
Dividends		1.5	-	1.5
Division of profit to members	18	(203.5)	-	(203.5)
At 30 April 2023		**131.1**	**(1.8)**	**129.3**

DLA Piper UK LLP

Total members' interests as at 30 April 2023

	Note	**2023**	2022
		£'m	£'m
Loans and other debts due to members	18	**124.4**	103.5
Loans and other debts due from members (included in receivables)	11	**(0.4)**	(1.6)
Members' other interests: other reserves classified as equity	18	**129.3**	136.7
Total members' interests	18	**253.3**	238.6

DLA Piper UK LLP

Statement of accounting policies

General information
DLA Piper UK 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 nature of the LLP'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 LLP meets the definition of a qualifying entity under Financial Reporting Standard 100 issued by the Financial Reporting Council. Accordingly, the financial statements have been prepared in accordance with reporting under Financial Reporting Standard 101 'Reduced Disclosure Framework' (FRS 101), on the going concern basis, under the historical cost convention.

In preparing these financial statements, as permitted by FRS 101, the LLP has taken advantage of the disclosure exemptions available under that standard in relation to the following:

- The requirements of IAS 7 to produce a cash flow statement and related notes;
- The requirements of IAS 8 to present information regarding new or revised standards that have not been adopted;
- All disclosure requirements of IFRS 7 except for those required by law. This includes presenting information regarding the allowances for expected credit losses, reconciliations, credit risk and hedge accounting;
- All disclosure requirements of IFRS 13 except for those required by law;
- The requirements of IAS 24 to disclose related party transactions entered into between two or more members of the group, provided that any subsidiary party is wholly owned by such a member;
- The requirements of IAS 24 to disclose the compensation for key management personnel and amounts incurred by an entity for the provision of key management personnel services that are provided by a separate management entity;
- The requirements of IAS 1 to present comparatives for movements on share capital, PPE and intangible assets;
- Other requirements of IAS 1, including; making an explicit and unreserved statement of compliance with IFRS standards; the requirement to present comparative information for narrative disclosures; the capital management disclosure requirements of IAS 1;
- The requirements of IFRS 15 to disclose information regarding disaggregation of revenue recognised from contracts with customers, contract asset and liability reconciliations and unsatisfied performance obligations;
- The requirements of IFRS 16 to present certain information regarding leases for which the entity is a lessee or a lessor.

Where required, equivalent disclosures are given in the Group financial statements of DLA Piper International LLP, which are available to the public as detailed in note 24.

Going concern
The Board of DLA Piper International LLP has reviewed Group cash flow forecasts and sensitivity analyses as part of the on-going management of the business. The members consider that the performance of the LLP is intrinsically linked to the performance of the Group. At all times, and for the foreseeable future, the Board have been satisfied that the bank facilities available to the Group have provided and will continue to provide significant and prudent headroom to all subsidiaries of the Group. The Board is satisfied that Group's bank facilities refinanced in October 2023 for a period of three years (with two optional one-year extensions) are at levels sufficient to provide prudent 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. Financing is made available to subsidiaries of the Group through a group subsidiary, DLA Piper Treasury Services Limited.

DLA Piper International LLP has provided a letter of support to the LLP, confirming that the Group will continue to provide financial support as may be required to enable the LLP to meet its liabilities as and when they fall due, and to enable the LLP to continue as a going concern for at least 12 months from the date of approval of these financial statements.

As a consequence, the members have, at the time of approving the financial statements, a reasonable expectation that the LLP has adequate resources to continue in operational existence for the foreseeable future. Therefore, it continues to adopt the going concern basis of accounting in preparing the financial statements.

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 2023:

- Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37)
- Annual improvements to IFRS Standards 2018 – 2020
- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16)
- Reference to the Conceptual Framework (Amendments to IFRS 3)

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

Consolidation
These financial statements contain information about the LLP as an individual limited liability partnership and do not contain consolidated financial information as the parent of a group. During the year, the LLP had branches in the UK, Germany, Belgium and China. The LLP is exempt from the requirement to prepare consolidated financial statements under Section 400 of the Companies Act 2006, as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its parent, DLA Piper International LLP, a limited liability partnership registered in England and Wales.

Statement of accounting policies (continued)

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 LLP is acting as an agent.

Revenue is recognised at an amount that reflects the consideration to which the LLP is expected to be entitled in exchange for providing legal services to clients. For each contract with a client, the LLP: 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 LLP recognises revenue over time as its performance does not create an asset with an alternative use and the LLP has a right to payment for work completed to date.

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.

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 7 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

Statement of accounting policies (continued)

Power Purchase Agreement (PPA)
In January 2022 the LLP entered into a Power Purchase Agreement (PPA) with a third-party energy supplier. The LLP 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 the LLP's 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 information regarding the methods and assumptions used to determine fair value is included in note 20.

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	5 to 8 years
Office equipment	3 to 5 years
Computer equipment	2 to 5 years
Artworks	5 to 8 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.

Statement of accounting policies (continued)

Leases

The LLP as lessee

The LLP assesses whether a contract is or contains a lease at inception of a contract. The LLP 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 LLP 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 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 LLP 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 LLP 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 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.

Statement of accounting policies (continued)

The LLP as lessee (continued)
The LLP 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 LLP as lessor
The LLP enters into lease agreements as a lessor with respect to some of its leased properties. As an intermediate lessor, the LLP 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 LLP 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 LLP 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 LLP becomes a party to the contractual provisions of the instrument, with movements reflected in the income statement. The LLP 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 LLP 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 LLP'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 LLP 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.

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 LLP recognises a receivable to reflect its unconditional right to consideration (whichever is earlier), before the LLP has provided the legal services to the client. The liability is the LLP's obligation to provide legal services to a client from which it has received consideration.

Provisions
Provisions are recognised when the LLP has a present obligation as a result of a past event, and it is probable that the LLP 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
In the normal course of business, the LLP may receive claims for alleged negligence. Professional indemnity cover is maintained in respect of professional negligence through both the commercial market and DLA Piper International LLP's wholly-owned captive insurance company. A gross provision 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 LLP. 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 LLP accounts for pension costs in accordance with IAS 19 "Employee Benefits". Staff pension costs relating to the LLP'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.

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 branches
Profits and losses of branches which have currencies of operation other than Sterling are translated into Sterling at average rates of exchange. The balance sheets of branches 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 branches 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
The Board of the parent undertaking, DLA Piper International LLP, sets the level of members' monthly drawings and final profit distributions after considering the Group's working capital needs. Interim profit allocations are made during the year. The final allocation of profits is made once the annual financial statements of DLA Piper International LLP are approved.

To the extent that profit allocations exceed drawings then the excess profit is included in the balance sheet under "Loans and other debts due to members". Where drawings exceed the allocated profits then the excess is included in "Trade and other receivables". Unallocated 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 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 LLP.

Statement of accounting policies (continued)

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

Notes to the financial statements for the year ended 30 April 2023

1 Critical accounting judgements and estimates

In the application of the LLP'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 LLP'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 £1.2 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.

If the expected credit loss rates were increased by 1%, the total loss allowance on receivables would have been £2.3 million higher.

Notes to the financial statements

2 Revenue

Revenue relates wholly to the principal activity of the LLP and originates in the UK, Europe and Asia.

Geographical regions

	2023	2022
	£'m	£'m
United Kingdom	**489.5**	427.8
Europe (excluding UK)	**155.8**	138.9
Asia	**32.4**	28.4
Total revenue	**677.7**	595.1

3 Staff costs

	2023	2022
	£'m	£'m
Salaries	**226.4**	195.0
Social security costs	**27.8**	23.5
Other pension costs (note 19)	**9.6**	8.6
Total staff costs	**263.8**	227.1

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

	2023	2022
	Number	Number
Fee earners	**964**	925
Trainees	**147**	148
Support staff	**1,405**	1,355
Total	**2,516**	2,428

DLA Piper UK LLP

Notes to the financial statements

4 Members

The average monthly number of members during the year was 292 (2022: 277).

The profit attributable to the member with the largest entitlement to profit is £3.0 million (2022: £2.8 million).

5 Finance costs and finance income

	2023 £'m	2022 £'m
Finance costs		
Interest payable and similar charges:		
- to group undertakings	**2.4**	0.9
- on overdrafts	**0.1**	0.2
- unwinding of discount on license fee liability	**1.1**	1.1
- on lease liabilities	**7.8**	8.2
Total finance costs	**11.4**	10.4
Finance income		
- other interest receivable	**(1.2)**	(0.2)
- from group undertakings	**(1.4)**	(0.2)
Total finance income	**(2.6)**	(0.4)

Interest payable on client funds for the current and prior year has been included within other external charges.

Notes to the financial statements

6 Operating profit

	Note	2023 £'m	2022 £'m
Operating profit is stated after charging/(crediting):			
Amortisation of intangible assets charged to operating expenses	**7**	**18.2**	13.8
Depreciation of property, plant and equipment:			
- owned assets	**8**	**9.7**	10.6
- right-of-use assets	**9**	**20.9**	22.3
Loss on disposal of property, plant and equipment		**-**	0.1
Net foreign exchange loss/(gain)		**2.5**	(3.2)
Expenses relating to leases of low value assets		**0.1**	0.1
Operating sublease charge/(income)		**0.1**	(0.4)
Fees payable to the auditor and its associates were as follows:			
- Audit of the LLP's financial statements		**0.1**	0.2

The LLP is exempt from disclosing amounts receivable by the LLP's auditor in respect of other (non-audit) services, as that information is provided in the group financial statements of DLA Piper International LLP, which are prepared in accordance with the Companies Act 2006 as applicable to limited liability partnerships. Details regarding the group financial statements are available in note 24.

Notes to the financial statements

7 Intangible assets

	Goodwill	Computer software	Licenses	Assets under development	Total
	£'m	£'m	£'m	£'m	£'m
Cost					
At 30 April 2021	0.7	75.8	-	-	76.5
Additions	-	6.0	29.0	19.0	54.0
Disposals	(0.7)	(11.1)	-	-	(11.8)
At 30 April 2022	**-**	**70.7**	**29.0**	**19.0**	**118.7**
Additions	-	40.4	-	-	40.4
Reclassifications	-	17.1	-	(17.1)	-
Disposals	-	(24.2)	-	-	(24.2)
At 30 April 2023	**-**	**104.0**	**29.0**	**1.9**	**134.9**
Accumulated amortisation and impairments					
At 30 April 2021	0.7	48.0	-	-	48.7
Amortisation charge for the year	-	10.9	2.9	-	13.8
Disposals	(0.7)	(11.1)	-	-	(11.8)
At 30 April 2022	**-**	**47.8**	**2.9**	**-**	**50.7**
Amortisation charge for the year	-	15.0	3.2	-	18.2
Disposals	-	(24.2)	-	-	(24.2)
At 30 April 2023	**-**	**38.6**	**6.1**	**-**	**44.7**
Net book value					
At 30 April 2023	**-**	**65.4**	**22.9**	**1.9**	**90.2**
At 30 April 2022	-	22.9	26.1	19.0	68.0

Included within assets under development is expenditure on the LLP's new finance and HR systems, with a carrying value of £1.9 million (2022: £19.0 million). Assets under development are not amortised.

Notes to the financial statements

8 Property, plant and equipment

	Leasehold property improvements £'m	Fittings, furnishings and equipment £'m	Computer equipment £'m	Total £'m
Cost				
At 1 May 2022	57.6	20.9	33.2	111.7
Additions	1.9	0.2	3.9	6.0
Disposals	(4.6)	(4.2)	(16.9)	(25.7)
Exchange adjustments	0.2	0.2	0.2	0.6
At 30 April 2023	**55.1**	**17.1**	**20.4**	**92.6**
Accumulated depreciation				
At 1 May 2022	16.1	13.0	26.7	55.8
Charge for the year	3.5	2.2	4.0	9.7
Disposals	(4.6)	(4.1)	(16.4)	(25.1)
Exchange adjustments	-	0.1	0.1	0.2
At 30 April 2023	**15.0**	**11.2**	**14.4**	**40.6**
Net book value				
At 30 April 2023	**40.1**	**5.9**	**6.0**	**52.0**
At 30 April 2022	41.5	7.9	6.5	55.9

Capital commitments contracted but not provided for at 30 April 2023 amounted to £nil (2022: £16.6 million).

Notes to the financial statements

9 Right-of-use assets

	Total £'m
Cost	
At 1 May 2021	252.6
Additions	3.0
Disposals	(2.3)
Exchange adjustments	(1.5)
At 30 April 2022	251.8
Additions	8.1
Disposals	(0.4)
Exchange adjustments	2.1
At 30 April 2023	**261.6**
Accumulated depreciation	
At 1 May 2021	42.3
Charge for the year	22.3
Disposals	(0.8)
At 30 April 2022	63.8
Charge for the year	20.9
Disposals	(0.4)
Exchange adjustments	0.4
At 30 April 2023	**84.7**
Net book value	
At 30 April 2023	**176.9**
At 30 April 2022	188.0

All right-of-use assets relate to properties.

The maturity analysis of lease liabilities is presented in note 16.

Notes to the financial statements

10 Investments

Shares in subsidiary undertakings

	£'m
Cost and Net book value at 1 May 2022 and 30 April 2023	**1.7**

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

In accordance with the LLP's accounting policies, the financial statements do not consolidate the financial statements of trading subsidiary undertakings. Details of the subsidiary undertakings are as follows:

Company	Principal activity	Description of shares held
Fountain Trustee Limited	Providing independent pension trustee services	Ordinary £1 shares
Mallory Insurance Services PCC Limited	Insurance	Ordinary £1 shares

Fountain Trustee Limited is incorporated in England and Wales and its registered address is 160 Aldersgate Street, London, EC1A 4HT. Mallory Insurance Services PCC Limited is incorporated in Guernsey and its registered address is Office Heritage Hall, Le Marchant Street, St. Peter Port, Guernsey, GY1 4JH. Both have a year end of 30 April and all holdings are 100% of the beneficial interest in the equity shares.

There are no dormant subsidiary undertakings.

Notes to the financial statements

11 Trade and other receivables

	2023 £'m	2022 £'m
Trade receivables	**242.6**	180.5
Amounts owed by group undertakings	**150.9**	118.1
Other receivables	**6.4**	7.7
Insurance reimbursement asset (note 17)	**7.1**	0.9
Other tax and social security	**1.1**	0.8
Loans and other debts due from members (note	**0.4**	1.6
Prepayments	**20.8**	22.4
Total trade and other receivables	**429.3**	332.0

Trade receivables are stated after a loss allowance of £18.5 million (2022: £15.0 million).

Amounts owed by group undertakings are unsecured and repayable on demand. Of these amounts, £48.1 million (2022: £54.4 million) incurred interest at a fixed rate between 1.5% and 5.7% (2022: 1.0% and 4.5%) and £102.8 million (2022: £63.7 million) did not incur interest.

12 Contract assets

	2023 £'m	2022 £'m
Contract assets	**88.0**	71.1
Revenue recognised in the period from performance obligations satisfied in previous periods	**0.3**	7.4

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.

Notes to the financial statements

13 Trade and other payables

	2023	2022
	£'m	£'m
Trade payables	**39.3**	34.4
Amounts owed to group undertakings	**173.8**	89.8
Other taxation and social security	**17.9**	17.3
Other payables	**27.6**	30.2
Amounts owed to former members	**0.7**	-
Accruals	**60.0**	51.2
Licence fees	**24.4**	27.2
Total trade and other payables	**343.7**	250.1

	2023	2022
	£'m	£'m
Included in current liabilities	**322.3**	225.6
Included in non-current liabilities	**21.4**	24.5
Total trade and other payables	**343.7**	250.1

Amounts owed to group undertakings are unsecured and repayable on demand. Of these amounts, £139.3 million (2022: £82.9 million) incurred interest at a rate between 1.5% and 5.7% (2022: 1.0% and 4.5%) and £34.5 million (2022: £6.9 million) did not incur interest.

14 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.

	2023	2022
	£'m	£'m
Contract liabilities	**12.1**	7.4
Revenue recognised in the period from amounts included in contract liabilities at the beginning of the period	**7.4**	7.8

Notes to the financial statements

15 Borrowings

	2023	2022
	£'m	£'m
Overdraft	**4.2**	-
Total borrowings	**4.2**	-

	2023	2022
	£'m	£'m
Included in current liabilities	**4.2**	-
Total borrowings	**4.2**	-

Bank overdrafts are repayable on demand and are unsecured.

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

Notes to the financial statements

16 Lease liabilities

	2023 £'m	2022 £'m
Included in current liabilities	**21.7**	20.0
Included in non-current liabilities	**197.4**	209.7
Total lease liabilities	**219.1**	229.7

Maturity analysis	2023 £'m	2022 £'m
In one year or less	**28.8**	27.5
In more than one year, but not more than two years	**26.6**	26.8
In more than two years, but not more than five years	**69.5**	69.9
In more than five years	**143.4**	161.1
Total lease liabilities	**268.3**	285.3

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 total cash outflow for leases in 2023 was £28.4m (2022: £27.0m).

There are no leases not yet commenced to which the company is committed.

DLA Piper UK LLP

Notes to the financial statements

17 Provisions

	Annuities £'m	Dilapidations £'m	Claims £'m	Total £'m
At 1 May 2022	**1.8**	**8.5**	**-**	**10.3**
Reclassified from other liabilities	-	-	0.9	0.9
Utilised during the year	(0.1)	(0.6)	(0.1)	(0.8)
Additional provisions	-	-	6.3	6.3
At 30 April 2023	**1.7**	**7.9**	**7.1**	**16.7**

	2023 £'m	2022 £'m
Included in current liabilities	**8.0**	1.3
Included in non-current liabilities	**8.7**	9.0
Total provisions for liabilities	**16.7**	10.3

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 £70,000 (2022: £69,000) 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 2023 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 £1.7 million would not be material.

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.

Notes to the financial statements

17 Provisions (continued)

Claims

The claims provision accounts for the anticipated expenses that may arise from professional indemnity claims filed against the Group for previous services provided. When it is deemed probable that there will be a cash outflow for a particular claim, it is recorded as a provision with any applicable insurance reimbursements being recognised as trade and other receivables (note 11).

18 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 2021	**75.1**	**9.9**	**85.0**	**118.8**	**203.8**
Profit for the financial year ended 30 April 2022 available for discretionary division among members	-	-	-	200.1	**200.1**
Members' interests after profit for the year	**75.1**	**9.9**	**85.0**	**318.9**	**403.9**
Divided profit	-	181.7	**181.7**	(181.7)	-
Capital introduced	8.8	-	**8.8**	-	**8.8**
Capital repaid	(5.3)	-	**(5.3)**	-	**(5.3)**
Transfer of former members' funds to current liabilities	-	(2.5)	**(2.5)**	-	**(2.5)**
Drawings and distributions	-	(164.8)	**(164.8)**	-	**(164.8)**
Net exchange adjustments	(0.6)	(0.4)	**(1.0)**	(0.5)	**(1.5)**
Members' interests at 30 April 2022	**78.0**	**23.9**	**101.9**	**136.7**	**238.6**
Loans and other debts due from members (note 11)	-	1.6	1.6	-	1.6
Members' interests at 30 April 2022 excluding loans and other debts due from members	78.0	25.5	**103.5**	136.7	**240.2**

Notes to the financial statements

18 Members' interests (continued)

	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 2022	**78.0**	**23.9**	**101.9**	**136.7**	**238.6**
Profit for the financial year ended 30 April 2023 available for discretionary division among members	-	-	-	197.6	**197.6**
Dividends	-	-	-	1.5	**1.5**
Members' interests after profit for the year	**78.0**	**23.9**	**101.9**	**335.8**	**437.7**
Divided profit	-	203.5	**203.5**	(203.5)	-
Capital introduced	13.9	-	**13.9**	-	**13.9**
Capital repaid	(7.8)	-	**(7.8)**	-	**(7.8)**
Transfer of former members' funds to current liabilities	-	(3.3)	**(3.3)**	-	**(3.3)**
Drawings and distributions	-	(185.4)	**(185.4)**	-	**(185.4)**
Net exchange adjustments	0.7	0.5	**1.2**	(3.0)	**(1.8)**
Members' interests at 30 April 2023	**84.8**	**39.2**	**124.0**	**129.3**	**253.3**
Loans and other debts due from members (note 11)	-	0.4	0.4	-	0.4
Members' interests at 30 April 2023 excluding loans and other debts due from members	84.8	39.6	**124.4**	129.3	**253.7**

'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 30.

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.

Notes to the financial statements

19 Pension costs

The LLP operates a number of defined contribution schemes across most of its branches, which receive contributions from the branches. The LLP'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 LLP.

The total pension cost for the year was £9.6 million (2022: £8.6 million) and no amounts were outstanding at the balance sheet date (2022: £nil).

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

PPA Electricity derivative
The PPA Electricity derivative held by the LLP 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 2023 is an asset of £3.2 million (2022: £3.4 million).

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 2023, the LLP had the following open foreign exchange contracts:

- Sell EUR 100.650 million against GBP on 2 May 2023 at a fixed rate of 1.135745
- Sell USD 10.700 million against GBP on 2 May 2023 at a fixed rate of 1.247095

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 LLP's risk management policy. The fair value of the foreign currency forward contracts as at 30 April 2023 is a current asset of £0.3 million (2022: current asset of £0.1 million).

21 Contingent liabilities

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

At 30 April 2023, the LLP had contingent liabilities of £0.2m (30 April 2022: £nil). This relates to a guarantee offered in support of a property lease for a subsidiary within the Group.

22 Related party transactions

The LLP has taken advantage of the exemption allowed by FRS 101, to not disclose transactions with entities that are part of the DLA Piper International LLP Group on the grounds that it is a wholly owned subsidiary.

23 Subsequent events

There are no post balance sheet events.

24 Controlling parties

DLA Piper UK LLP is incorporated in England and Wales and its principal place of business is in England. Its registered office is 160 Aldersgate Street, London, EC1A 4HT.

The immediate and ultimate parent undertaking and ultimate controlling party is DLA Piper International LLP, a limited liability partnership registered in England and Wales. This is the only entity preparing group financial statements, which includes the LLP.

The consolidated financial statements of DLA Piper International LLP are available to the public and may be obtained from DLA Piper International LLP, 160 Aldersgate Street, London, EC1A 4HT.