DLA Piper UK LLP

Members' report and financial statements for the year ended 30 April 2024

Registered number: OC307847

FRIDAY
ADUVTJ1V
A15 24/01/2025 #103
COMPANIES HOUSE

DLA Piper UK LLP

Members' report and financial statements

for the year ended 30 April 2024

Contents

DLA Piper UK LLP

Members' report
for the year ended 30 April 2024

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 2024.

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 2024 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 2024 was £718.3 million (2023: £677.7 million), a 6.0% increase on the prior year, driven by increased average billing rates and fee earner headcount.

Wages and salaries increased by £21.6 million (8.2%) from £263.8 million to £285.4 million. Other external charges increased by £20.5 million (12.7%) from £160.9 million to £181.4 million. The increase in costs were primarily driven by an increase in headcount along with inflation which drove up many of the costs incurred in running the LLP's operations.

The profit available for discretionary division among members increased by £1.9 million (1.0%) from £197.6 million to £199.5 million. Finance costs increased to £26.3 million (2023: £11.4 million).

The LLP balance sheet remains strong, with a decrease in net assets of £25.0 million (9.9%) from £253.7 million to £228.7 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.

DLA Piper UK LLP

Members' report (continued)

Subsequent events
On 29th October 2024, DLA Piper UK LLP acquired 100% of the shares in DLA Piper Business Advisory Pty Limited for £10.8 million. Subsequently, on 1st November 2024, the business operations were integrated into DLA Piper Australia National Partnership, with the corresponding investment in DLA Piper UK LLP being derecognised.

On 1st November 2024, DLA Piper UK LLP acquired the trade of DLA Piper Business Advisory Limited for £1. An outstanding intercompany loan of £5.1 million was transferred to the LLP.

On 21st October 2024, the Group disposed of 80% of its shareholding in Toko Holdings Limited. Following this, the UK agreed to take responsibility for the previous £11.7 million of intercompany debt owed by Toko Holdings to benefit the Group as a whole. The loan was transferred to DLA Piper UK LLP on 18th November 2024.

There are no other undisclosed significant events affecting the Group since the year end, up to the date of approval of these financial statements.

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.

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
- Kit Burden
- Jonathan Hayes
- Simon Levine (resigned 01 November 2024)
- 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 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 35.

Members' report (continued)

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" (note 18).

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 required by law to give a true and fair view of the state of affairs of the firm and of the profit or loss of the firm for that period. In preparing these financial statements, the members are required to:

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

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

The members are responsible for the maintenance and integrity of the corporate and financial information included on the firm's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

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

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:

Jon Hayes
Senior Partner
06 December 2024

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 2024.

This report has been prepared to meet the UK's mandatory Streamlined Energy and Carbon Reporting (SECR) requirements[1] and provides information on the Group's energy use and carbon emissions.

In addition, the report outlines the key aspects of how the Group manages its climate-related financial risks and opportunities. It is structured around the climate-related financial disclosures (CFD) requirements[2].

The energy and carbon report data is consolidated to include all Group offices according to operational control (the Group), as well as the Brand Integrated Firms (the firm).

Introduction

The global economy is transitioning to a de-carbonised future. How fast we act and how quickly we integrate this transition into our business model will play an important part in determining the firm's future growth. The net zero transition was identified as a material issue in the firm's double-materiality assessment in 2022 and sustainability risk, including climate, is being integrated into the firm's Enterprise and Risk Management (ERM) framework.

As a leading international law firm DLA Piper is fully committed to reducing both energy use and carbon emissions across the firm, in line with the commitment to halve emissions across scopes 1, 2 and 3 by 2030 and achieve net zero by 2040, against our baseline year, being the year ended 30 April 2020 (FY20).

Procurement of goods and services as well as business travel (scope 3) are the most significant contributors to the firm's direct environmental footprint and are addressed by the decarbonisation targets and measures in place, such as advocating climate action throughout our value chain, enhancing energy efficiency in our offices, transitioning to renewable electricity and adopting sustainable practices.

As the Transition Plan Taskforce (TPT) Disclosure Framework highlights, we also need to consider what our climate related risks and opportunities are and the specific actions we will take in response, how we will contribute to an economy-wide transition and how this plays out in all the countries where we operate. This will not only include the decarbonisation of our operations, but also addresses how climate change will create physical and transition risks for our business. Capitalising on the plan to decarbonise operations, the firm will be using the TPT Framework to develop a firm-wide net zero transition plan.

Initial modelling of climate-related risks and opportunities for our business has allowed the firm to better understand where climate change can affect our financial stability through physical impacts (e.g. extreme weather events) and transition risks (e.g. regulatory changes, market shifts).

We have already begun work on operational decarbonisation focusing on workplace, procurement and business travel. The firm has now identified priority actions, developed specific targets and related metrics and has further embedded climate risk assessments into the regular risk reporting cycle to the Risk Committee. Additional information about the Group's strategy for reducing its carbon footprint and net zero transition planning can be found in our latest Sustainability Report[3].

---

[1] https://www.gov.uk/government/publications/environmental-reporting-guidelines-including-mandatory-greenhouse-gas-emissions-reporting-guidance

[2] https://www.gov.uk/government/publications/climate-related-financial-disclosures-for-companies-and-limited-liability-partnerships-llps

[3] https://www.dlapiper.com/en-gb/about-us/sustainability/sustainability-reporting

DLA Piper UK LLP

Governance

Environmental sustainability and our climate transition is a board-level topic at DLA Piper. The Board meets approximately ten times a year and is responsible for approving both the sustainability and Environmental, Social and Governance (ESG) strategy and policies and for reviewing the firm's sustainability performance, including against the science-based climate targets. The Board receives twice-yearly updates on the firm's progress against our net zero and near-term carbon reduction targets.

The Risk Committee is a standing committee of the Board. It sits four times a year and is responsible for overseeing the robustness and effectiveness of the firm's risk management and internal control framework on a broad range of risks, including climate change and other sustainability and ESG areas.

The International Executive Committee is responsible for the day-to-day management of the firm and receives twice-yearly progress reports against our net zero and near-term carbon reduction targets and receives regular reports on the firm's sustainability performance from the Managing Director, Sustainability and Resilience, and the Chief Operating Officer.

Key members of the Executive Committee with climate responsibilities include:

> The Managing Partner is ultimately responsible for DLA Piper's sustainability and ESG strategy, and is supported by the Managing Director, Sustainability and Resilience.
>
> The Managing Director, Sustainability & Resilience, is responsible for coordinating and intensifying the firm's actions across sustainability, including our sustainability business strategy and operational strategy.
>
> The Chief Operating Officer (COO) oversees the firm's operational decarbonisation and is the Executive sponsor of the International Energy and Climate Change Committee which meets quarterly.

The firm's Sustainability and ESG Steering Committee is the primary governance body overseeing sustainability and ESG. It reports to the Managing Director, Sustainability & Resilience and provides an advisory, facilitating and coordinating role to the Managing Partner and the Executive.

A range of other working groups and sub-committees support the Executive and the Board. These include:

> The International Energy and Climate Change Committee (IECC) meets at least quarterly and is responsible for setting internal strategic priorities for operational sustainability and leading the implementation of practical projects and initiatives to deliver our net zero and science-based targets. The IECC is focused on energy and carbon reduction delivered by key operational workstreams across procurement, travel, workplace and renewable electricity. The IECC reports to the COO.
>
> The Sustainable Procurement Working Group is a cross-functional group that typically meets quarterly and is charged with progressing DLA Piper's work in sustainable and responsible procurement. The group's objectives include integrating sustainability and ESG considerations into the firm's procurement management systems, as well as advancing action on energy efficiency, carbon reduction, biodiversity, human rights and Diversity Equity and Inclusion (DEI) in the supply chain. The group reports to the COO.

There are several relevant sustainability policies that support our energy management and climate action, including: Environmental Sustainability policy, Energy Management policy, Sustainable Procurement Policy, Supplier Code of Conduct and Thoughtful Travel Framework. We review these policies annually to ensure they're fit for purpose and reflect the firm's evolving approach to sustainability.

DLA Piper UK LLP

Our environmental and energy management framework is certified against the ISO 14001:2015 standard globally, and against ISO 50001:2018 and Carbon Trust standards in the UK.

Strategy

The firm's strategic response to climate change focusses on transitional and physical risks and opportunities for our business. We have assessed 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 still at the early stages of formulating the firm's climate transition plan, most actions in the 'response' and 'next steps' columns form part of the operational decarbonisation plan to achieve our near-term 2030 science-based target. Procuring goods and services and business travel (scope 3) account for most of our operational emissions and over the past year our activity included the following:

Procurement – further strengthening our procurement governance with a review and update of our Supplier Code of Conduct and Sustainable Procurement Policy and clearly defining criteria for taking on new suppliers, surveying key suppliers on their climate action plans supported by a new engagement strategy.

Travel – under the Thoughtful Travel framework refined country-level travel carbon budgets with a focus on technology to deploy these, consolidation of travel policies into a single international policy and piloting the carbon costing of events.

Workplace - continued optimisation of energy efficiency in our offices informed by a rolling programme of smart office audits, a cloud-first approach to reducing the impact of our IT, further progress against our renewable electricity target and introduction of Future Workplace guidelines to minimise the footprint of our office across the design, kit-out and refurbishment life cycle.

Further information on the firm's response to these climate-related risks and opportunities is provided in the tables below. Our strategy will continue to evolve as we develop the firm-wide climate transition plan.

Note, in respect of the financial impacts section of the below tables the following key applies:

£ = 0-10 million

££ = 10-50 million

£££ = 50 million +

DLA Piper UK LLP

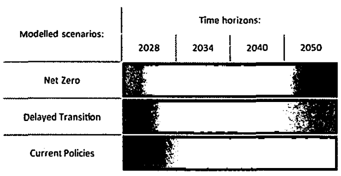
Energy and Carbon Commitments

Risk:

The lack of credible progress across all the offices where we operate against our energy and carbon reduction plans and insufficient operational progress against our net zero transition might result in reputational risk and decreased credibility with clients (who increasingly expect credible progress on our carbon reduction and net zero transition) and with employees and stakeholders.

Scenario analysis:

The Net Zero and Delayed Transition scenarios present the highest risk as corporate climate performance, legislative requirements and stakeholder scrutiny all likely to increase. The Net Zero scenario will provide the most favourable conditions to succeed in reductions due to legislation and value chain reductions.



Financial impacts:

+ CAPEX: investment in low-carbon technologies, processes and services to meet commitments.

+ OPEX: expenditure to monitor climate-goals. Increased marketing costs if commitments are not met. Increased engagement costs to enable carbon savings from business travel.

- Revenue: clients move to competitors with perceived better climate performance.

Overall maximum anticipated financial impact: ££

Geographical impact:

All DLA Piper international offices.

Response:

We have in place an online environmental reporting platform and have implemented a robust performance monitoring framework and supporting processes for setting actions, reviewing progress and verifying data. Progress against targets is regularly monitored and reported to the Board/Exec at least twice a year.

We have improved the use of supplier-specific GHG intensity factors and encourage our key suppliers to set their own climate targets.

Energy optimisation programme is being implemented in 14 offices - these represent over 60% of the total energy consumption in the FY20 baseline year.

We have engaged with our critical suppliers and explored possibilities to set country-/team-specific carbon budgets for business travel.

International offices have developed local sustainability plans, overseen by local operational environmental leads, that translate firm-wide strategy into office-specific targets.

The eMission 2030 network of 200 champions supports decarbonisation through local initiatives to drive office-level engagement and action.

We have undertaken training on carbon literacy and on the relevance of the sustainability transition to our people's roles.

We are publishing regional performance highlights as part of our annual Sustainability Report.

Next steps:

Build on previous training with a firm-wide training programme including climate literacy education.

We will continue to strengthen energy and carbon target setting by functional departments (e.g. procurement, facilities, IT) and legal entities/offices.

Relevant targets:

Reduce our Scope 1 and 2 carbon emissions by 50% by 2030, against FY20 baseline. Reduce Scope 3 emissions by 50% by 2030, against FY20 baseline.

Reach net zero by 2040 by reducing our carbon emissions by 90% from a FY20 baseline year across all three scopes and for the remaining 10% compensate (offset) these by 2040.

Metrics:

Annual tCO2e emissions across three scopes, covering all relevant GHG Protocol categories.

Carbon intensity indicators: per unit of revenue, per office space and per employee.

All offices reporting energy and carbon performance in line with credible certification standards.

Energy and carbon performance and progress against commitments are monitored at local and strategic levels.

DLA Piper UK LLP

Attract and Retain Talent

Risk:

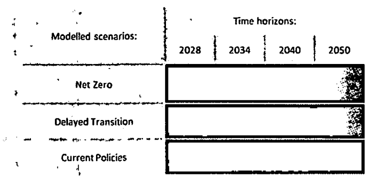
For many, recruitment and retention can be influenced by climate and sustainability drivers. This is both a risk and an opportunity.

Scenario analysis:

Under the Current Policies Scenario, the likelihood of this risk is highest in the short-term because the war for talent has become fiercer in the post-pandemic world. Additionally, sustainability has become a key driver of company reputation for many candidates and existing employees.

The Net Zero and Delayed Transition scenarios present the highest risk overall as efforts to limit global warming and legislation around non-conformance to climate commitments increase.

This risk is strongly linked to the low-carbon services risk and opportunity.



Financial impacts:

+ OPEX: higher expenses in recruitment, talent development and management due to lack of retention.

- OPEX: loss of investment on training and development of employees that leave the organisation.

- Profit: loss in productivity and efficiency due to talent turnover could decrease profits.

Overall maximum anticipated financial impact: ££

Geographical impact:

Majority of DLA Piper international offices to varying degrees.

Response:

We have improved our internal sustainability reporting as well as our external reporting, public disclosures and third-party sustainability and ESG ratings.

We have developed internal campaigns to engage our people, raise their awareness about the firm's sustainability strategy and commitments, and to encourage their involvement in the development and delivery of the firm's environmental sustainability strategy.

We actively monitor workforce trends and conduct surveys to understand employee expectations in terms of sustainability. These include exit surveys.

Further develop and implement upskilling of lawyers in climate and wider sustainability areas in response to our client's needs in support of their climate and wider sustainability transition.

Next steps:

Further steps will be considered as part of our engagement with the Climate Transition Plan process.

Relevant targets:

Targets will be considered as part of our engagement with the Climate Transition Plan process.

Metrics:

People metrics such as retention/hires etc.

Engagement with Sustainability Career Development Programme.

Improved environmental rating on external platforms (e.g. CDP A- or A).

DLA Piper UK LLP

Low-carbon services

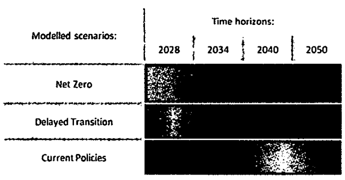
Risk:

DLA Piper's clients are increasingly committing to net zero targets and are transitioning to a low carbon future which will require low-carbon legal services. Failure to decarbonise our operations and any inability to meet client's demand for low carbon / sustainable services may result in reputational damage, loss of market and competitive disadvantage.

Scenario analysis:

DLA Piper works with a range of clients ranging from multinational, Global 100 and Fortune 500. These companies are increasingly setting Science Based Targets and net-zero commitments, this will result in DLA's clients increasingly seek low-carbon services to decarbonise their value chain.

In a Net Zero scenario the impact and risk is highest due to transition to a low-carbon economy will occur soon and stringently. In a Delayed Transition the impact of the risk dramatically increases in the midterm as efforts to keep global warming below 2°C picks up. For a Current Policies scenario, the risk remains low across all time horizons as there will be no increase in clients' expectations for low-carbon services.



Financial impacts:

+ CAPEX: Significant investment in technology, equipment and assets with lower carbon footprint to achieve SBT by 2030.

+ OPEX: increased expenditure with additional reporting to ensure low-carbon services, low-carbon certifications, verifications or offsets.

- Revenue: decrease in demand of legal services due to not meeting low-carbon criteria. Reputational damage could lead to loss in revenue.

Overall maximum anticipated financial impact: ££

Geographical impact:

All DLA Piper international offices.

Response:

The firm has made a public net-zero commitment aligned with the Paris Agreement goal to limit the global temperature increase to 1.5 °C and set near-/long-term SBTi approved targets.

We have developed a strategy to decarbonise our own operations. This strategy focuses on the key areas of operations:

- Workplace - mostly focusing on energy optimisation of the existing offices and carbon/energy efficiency of the new offices and fit out projects. Energy optimisation programme currently covers 14 offices - these represent over 60% of the total energy use.
- Procurement - we have engaged with our critical suppliers, improved the use of supplier-specific GHG intensity factors and encourage our key suppliers to set their own climate targets.
- Business travel - we have introduced a Thoughtful Travel policy, promoted sustainable alternatives to travel and explored possibilities to set country-/team-specific carbon budgets.

We have developed a sustainable instruction offering for our clients allowing both parties to monitor the operational carbon intensity of each instruction and drive associated carbon reductions, thereby also supporting clients to reduce their scope 3 emissions. This approach also allows for co-financing of climate resilience projects that will address climate adaptation challenges, deliver positive social impacts and potentially support transition towards a low-carbon economy.

Next steps:

The firm is developing a methodology for advised emissions, both internally and working collaboratively across the sector.

We also plan to build on previous training with a firm-wide training programme including climate literacy education.

We will continue to strengthen energy and carbon target setting by functional departments (e.g. procurement, facilities, IT) and legal entities/offices.

Relevant targets:

Reduce our Scope 1 and 2 carbon emissions by 50% by 2030, against FY20 baseline. Reduce Scope 3 emissions by 50% by 2030, against FY20 baseline.

Reach net zero by 2040 by reducing our carbon emissions by 90% from a FY20 baseline year across all three scopes and for the remaining 10% compensate (offset) these by 2040.

Metrics:

Annual tCO_2e emissions across three scopes, covering all relevant GHG Protocol categories.

Carbon intensity indicators: per unit of revenue, per office space and per employee.

DLA Piper UK LLP

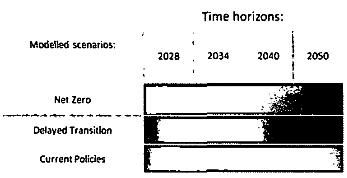
Climate Policies

Risk:

Countries are committing to reduce their emissions and setting Net Zero targets. National climate policies either already in place or being introduced to regulate companies' carbon emissions. Emission taxes and trading schemes help give emissions a financial value. These developments could lead to increased costs for DLA Piper due to increased taxation or compensation for carbon emissions.

Scenario analysis:

Currently the UK government sets a total carbon price which is designed to incentivise investment in low-carbon power generation. While this doesn't directly impact DLA Piper, carbon taxation on the energy supply chain may indirectly increase procurement costs, further exacerbating the energy pricing risk brought about by geopolitical unrest and reliance on fossil fuels. In a Current Policies scenario, the risk remains low over the time horizons as no additional financial pressure will be applied. The likelihood and impact of this risk is greatest in the Delayed Transition and Net Zero scenario.



Scenario analysis (continued):

The impact of the risk will be low in the short term, but if the rise in costs is not monitored and mitigated by decrease in demand, the impact is likely to grow over time. This risk is relatively likely in all scenarios as global policies are already moving towards carbon taxation and offsetting.

Financial impacts:

+ CAPEX: Replacement of assets to decrease carbon intensity. Potential cost increase of assets with low carbon footprint over time due competition.

+ OPEX: Increase in expenses due to taxes and offsets. Cost to adjust operational condition to avoid restriction and meet policies. Emissions tracing costs.

- Revenue: Loss of revenue due to potential operational restrictions. Potential loss of market if carbon cost is passed on to clients.

Overall maximum anticipated financial impact: £

Geographical impact:

Could affect UK and European offices quicker due to existing policies already.

Response:

The firm has made a public net-zero commitment aligned with the Paris Agreement goal to limit the global temperature increase to 1.5 °C and set near-/long-term SBTi approved targets.

In the UK we already purchase electricity for our offices from REGO backed supplies and have made a commitment to switch to 100% renewable sources of electricity in the UK by 2025 and all other offices by 2030. As part of our strategy, we have signed a corporate Power Purchase Agreement for 13MWh of electricity from the UK solar farm - this is planned to become operational in 2024.

We have developed a strategy to decarbonise our own operations.

Next steps:

We plan to develop:

- an internal carbon price to capture the external cost of carbon emission and prepare for upcoming climate policies;
- a carbon offset strategy and programme for unavoidable (10% aligned to SBTi) emissions.

Targets will be considered as part of our engagement with the Climate Transition Plan process.

Relevant targets:

Reduce our Scope 1 and 2 carbon emissions by 50% by 2030, against FY20 baseline. Reduce Scope 3 emissions by 50% by 2030, against FY20 baseline.

Reach net zero by 2040 by reducing our carbon emissions by 90% from a FY20 baseline year across all three scopes and for the remaining 10% compensate (offset) these by 2040.

Achieve 100% renewable electricity by 2025 in the UK and 2030 in Europe and top 10 non-European offices.

Reduce emissions associated with procured goods and services by 75% by 2030.

Metrics:

Annual tCO2e emissions across three scopes, covering all relevant GHG Protocol categories by country.

% of sites using renewable energy for electricity consumption (Certified).

Electricity use (MWh), total energy use (MWh), air travel emissions (tCO2e), land travel emissions (tCO2e), business travel emissions per country (tCO2e).

DLA Piper UK LLP

Reputation

Risk:

Changing stakeholder sentiment and expectations may result in reputational damage and related financial risk from working with some carbon-intensive clients or sectors and/or with clients and sectors that are perceived as not credibly transitioning or are negatively associated with climate change.

Opportunity:

Reputational benefit and improved position in marketplace if the firm is recognised as providing services that are perceived to be consistent with supporting clients in their transition.

Scenario analysis:

In the Net Zero 2050 and Delayed Transition Scenarios, increased pressure from legislation consistent with limiting the impacts of climate change, and stakeholder interest in enabling a green transition leads to an increase in this risk's trajectory.

Modelled scenarios:	Time horizons: 2028	2034	2040	2050
Net Zero				
Delayed Transition				
Current Policies				

Financial impacts:

+OPEX: Increased marketing expenditure to attract new clients; often more costly than retaining existing ones.

-/+ Revenue: Potential impact on client base and associated revenue depending on clients' perception of the work of the firm in relation to supporting global transition of its clients. Potential positive impact on client base and associated revenue if client perception is that the work of the firm supports them in their transition.

Overall maximum anticipated financial impact: ££

Geographical impact:

Potentially firm-wide impact, affecting all jurisdictions and geographies.

Response:

We have a robust client acceptance and management processes.

Next steps:

Further steps will be considered as part of our engagement with the Climate Transition Plan process.

Relevant targets:

Targets will be considered as part of our engagement with the Climate Transition Plan process.

Metrics:

Metrics will be considered as part of our engagement with the Climate Transition Plan process.

DLA Piper UK LLP

Energy Prices

Risk:

Energy is essential for the operation of DLA Piper's offices, with consumption mostly in UK and Europe. The price of electricity and fuels is likely to increase due to climate projections. Increasing energy prices increases the operating costs of DLA Piper.

Scenario analysis:

For both a Net Zero Scenario and a Delayed Transition the medium term will have the greatest impact with prices rising ~100% in the UK and Europe according to the International Institute for Applied Systems Analysis. Energy prices in these scenarios will stabilise in the longer term at around ~25%. For Current Policies the price will grow slowly in the short- to mid-term. In the long term the likelihood of risk is expected to grow due to supply and demand becoming more severely affected by volatile weather changes and decreasing fossil fuel availability. This risk could also affect other risks such as the ability to implement energy or carbon savings affecting overall targets.

Modelled scenarios:	Time horizons: 2028	2034	2040	2050
Net Zero	[redacted]			
Delayed Transition	[redacted]			
Current Policies	[redacted]			

Financial impacts:

+ CAPEX: Investment in new equipment which is less energy intensive.

+ OPEX: Increased operating cost and physical risk. Increased taxes and regulation to curb the use of fossil fuels. More investment into renewable energy and energy reduction initiatives.

- Profit: Higher expenses due to increase in energy prices might lead to reduction in profit.

Overall maximum anticipated financial impact: £

Geographical impact:

Could affect UK and European offices greater due to regional reliance on foreign oil and gas.

Response:

We are working towards sourcing 100% of electricity for our offices from renewable sources - in the UK by 2025 and all other offices by 2030. As part of our strategy, we have signed a corporate Power Purchase Agreement for 13MWh of electricity from the UK solar farm - this is planned to become operational in 2024.

We have put in place an energy optimisation strategy which will allow us to reduce our total energy consumption by at least 20% by 2030.

We are monitoring energy consumption and occupancy across all DLA Piper's offices, identify hot spots and promote successful energy optimisation initiatives across all offices.

We are working with landlords to introduce half-hourly (HH) meters in our key offices.

Our strategy to eliminate use/dependency on conventional fuels (eg natural gas, diesel) includes moving into all-electric office buildings (eg Sheffield in early 2024, Leeds in late 2024/early 2025).

Next steps:

We plan to pilot on-site generation in our largest office to reduce the impact of energy dependence on external factors and exposure to pricing volatility.

Further steps will be considered as part of our engagement with the Climate Transition Plan process.

Relevant targets:

Reduce electricity consumption across the building portfolio by 20% by 2030.

Achieve 100% renewable electricity by 2025 in the UK and 2030 in Europe and top 10 non-European offices.

Remove diesel and gas consumption from the building portfolio and replace with greener options.

Metrics:

Total Electricity (MWh).

Energy efficiency metric (Total energy consumption kWh/total m2).

Total amount of diesel and gas consumed (litres).

DLA Piper UK LLP

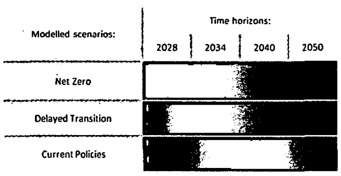
Business Resilience

Risk:

DLA Piper is an international firm with operations around the world. This means that our offices, supply chain and clients will be impacted by climate change in different ways and to different extents, depending on region.

Scenario analysis:

The outcome of this risk is challenging to plot due to it being heavily impacted by all other risks, and climate change outcomes. For this reason, average scores of the transitional risks have been taken to plot this risk under all scenarios.



Financial impacts:

+ CAPEX: Infrastructure adaptation to potential impacts of climate change or divestment. Equipment to ensure operational teams can track KPIs and performance (e.g. metering).

+ OPEX: Increase in expenses for maintenance and repair.

- Revenue: Potential loss of revenue due to business disruption.

Overall maximum anticipated financial impact: £

Geographical impact:

All DLA Piper international offices.

Response:

Our decarbonisation strategy contributes to building business resilience and focuses on strengthening the governance, data, engagement, performance, reporting and development of the firm-wide transition plan.

Our strategy for mitigating physical climate risks is discussed below.

Next steps:

Further steps will be considered as part of our engagement with the Climate Transition Plan process.

Relevant targets:

Targets will be considered as part of our engagement with the Climate Transition Plan process.

Metrics:

Metrics will be considered as part of our engagement with the Climate Transition Plan process.

DLA Piper UK LLP

Physical risks

Risk:

Business operations, property assets and human capital of DLA Piper (and their clients) may be significantly affected by the frequency and severity of both extreme weather events (acute) and long-term changes in weather patterns (chronic).

This can result in financial losses, customer dissatisfaction and pose a health and safety risk to current employees.

Scenario analysis:

The hazard exposure assessment indicates that over 70% of the total sums insured is exposed to winter storm. 47% of the total sum insured is exposed to tornado and 21% of the total sums insured for these physical assets is exposed to flash floods (surface water runoff), 14% to river floods and 15% to coastal floods.

It is likely that the exposures to river floods will increase to 19% of total insured value under 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.

Scenario analysis (continued):

For several regions such as the South Africa, Middle East, and Australia high exposure to chronic hazards like drought stress (17% of assets) and 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 with 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.

Financial impacts:

+CAPEX: Costs of improving resilience, eg water management, flood protection, engineering services investments.

+OPEX: Increasing costs due to use of air conditioning in higher temperatures, repairs from floods and other extreme weather events, provision of medical services.

-Profit: potential impact on revenue generation from loss of office space.

Overall maximum anticipated financial impact: £

Response:

DLA Piper maintains insurance both for property damage and business interruption.

Exposure to physical risks is assessed during the due diligence process and every three years in operation. Relocation to a less exposed location is part of the risk reduction strategy.

Geographical impact:

Seven locations in Europe and Asia are exposed to high risks of river floods and 8 to coastal floods. One location is exposed to high risk of an earthquake.

Next steps:

Further steps will be considered as part of our engagement with the Climate Transition Plan process.

Relevant targets:

All offices and key third-party locations to be put through the natural catastrophe (NatCat)/climate impact modelling.

All offices with risk rating ≥4 have a plan for minimising the risks and regularly practise emergency preparedness and response.

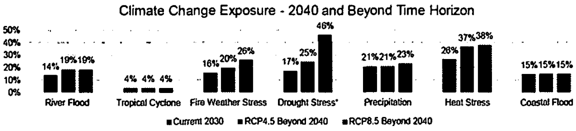
Metrics:

% offices covered by NatCat/climate impact modelling.

% offices with risk minimisation plan.

% completeness for emergency drills to practice emergency response.

Climate Change Exposure - 2040 and Beyond Time Horizon



*Representative concentration pathway (RCP) 8.5 is a pathway where greenhouse gas emissions continue to grow unmitigated (in excess of 8.5 watt per square meter), leading to a best estimate global average temperature rise of 4.3°C by 2100.

DLA Piper UK LLP

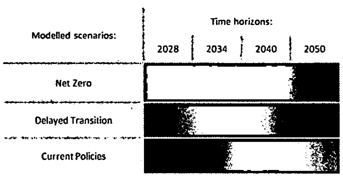
Demand for Legal Services

Opportunity:

Increased climate regulations and litigations and transactional requirements will likely create greater demand from clients (especially those highly exposed to carbon-intensive sectors) for legal services as they transition to a lower carbon economy. New businesses or sectors will emerge, and this provides an opportunity for the firm.

Scenario analysis:

The Current Policies scenario presents the lowest opportunity for DLA Piper in the short- to medium-term, number of litigations will likely increase but will be limited. The Net Zero scenario will see an immediate and significant transformation with businesses expected to align with the Paris Agreement goal to limit the global temperature increase to 1.5 °C. Demand for services will correspond. Delayed Transition presents a low opportunity in the short-term, however, from 2030 the governments are expected to introduce stricter climate regulation, which may lead to a significant surge in demand for legal services.



Financial impacts:

+Revenue: Increased revenue streams from law practices that experience higher demand due to actions to mitigate or adapt to climate change and/or comply with new regulations and standards.

Overall maximum anticipated financial impact: ££

Geographical impact:

Varies across geographies, with developments in first-mover jurisdictions of the UK and Europe driving demand in various regions. Continued divergence of approach is likely to drive demand more widely.

Response:

Ongoing monitoring and alignment with current and potential clients with their current and emerging transition needs informed by existing relationships and horizon scanning, supported by our external sustainability thought leadership and profile alongside continued upskilling of our people.

We continue to upskill lawyers on climate and wider sustainability areas in response to our client's needs and in support of their own climate transition.

Next steps:

Further steps will be considered as part of our engagement with the Climate Transition Plan process.

Relevant targets:

Targets will be considered as part of our engagement with the Climate Transition Plan process.

Metrics:

Metrics will be considered as part of our engagement with the Climate Transition Plan process.

DLA Piper UK LLP

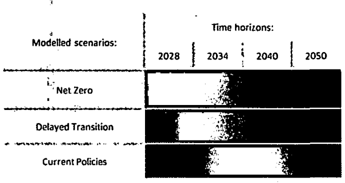
Green Energy

Opportunity:

Opportunity to reduce emissions footprint through procurement of green energy.

Scenario analysis:

The likelihood of the opportunity occurring is highest under Delayed Transition scenario, followed by the Net Zero 2050 due to energy policies demands and infrastructure developments. Finally, in the Current Policies scenario, the likelihood of green energy presenting an opportunity decreases over time due to a lack of investment in change.



Financial impacts:

+CAPEX: Renewable energy systems for self-generation on site or off site. Electric equipment to be able to operate with different energy sources. Equipment to monitor green energy consumption and energy mix.

-OPEX: Upfront cost from renewable sources through PPA's and partnerships. Consulting to implement green energy consumption and Energy Strategy.

+Profit: Operational savings due to lower energy costs. Potential increase in revenue due to building reputational value.

Overall maximum anticipated financial impact: £

Geographical impact:

All DLA Piper international offices.

Response:

We are monitoring electricity fuel mix for all offices and are now working towards sourcing 100% of electricity for our offices from renewable sources - in the UK by 2025 and all other offices by 2030.

We use our influence and provide incentives to encourage landlords to use 100% renewable electricity providers and to electrify their buildings.

Our corporate Power Purchase Agreement will contribute 13MWh of solar generated electricity into the UK grid - this is our added-value contribution to greening the grid.

The firm supports the purchase of electrical vehicles as part of the employee benefits programme.

Next steps:

We plan to pilot on-site generation in our largest office to reduce the impact of energy dependence on external factors and exposure to pricing volatility.

Relevant targets:

Commitments to achieve 100% renewable sourcing by 2025 in the UK and 2030 globally.

Eliminate the use of natural gas.

Metrics:

% of sites using renewable electricity.

Number of offices using natural gas.

Energy and carbon report (continued)

Risk management

The firm's approach to risk management is aligned to the globally recognised standards of the International Standards Organisation (ISO). The firm adopts the standards defined in ISO 31000:2018 ("ISO 31000") which underpin our Enterprise Risk Management ("ERM") framework for managing risk across business activities. This framework ensures that we maintain a holistic view of risk across all categories of exposure that the firm may face through the course of its business and operational activities, together with the governance, controls and processes required to manage them effectively. It encompasses a "Three Lines of Defence" model for managing risk and internal controls, with clear separation of roles and responsibilities across three distinct lines:

- First Line of Defence – The business and operational groups in DLA Piper have ownership, responsibility and accountability for assessing, managing and mitigating their risks, together with maintaining effective internal controls.
- Second Line of Defence – The Risk Management function oversees and monitors the implementation of effective risk management and control practices by the business and operational groups, supporting them in assessing their individual risks and ensuring that risks are managed and reported consistently throughout the firm.
- Third Line of Defence – The Internal Audit & Compliance functions within the International Risk Group provide independent assurance on the manner in which the first and second lines of defence are operating effectively within DLA Piper, including their compliance to internal policies and procedures.

The framework enables risks to be managed consistently through the application of a standardised risk management process. It encompasses a continuous cycle of integrating, designing, implementing, evaluating and improving risk management across the firm, underpinned throughout by senior leadership and commitment to risk management.

DLA Piper recognises that there are inter-relationships and dependencies between different risks and that each risk must be assessed within the economic, political and geographic context in which the firm operates, recognising the effect of internal and external cultural drivers and the potential impact of the firm's business model. Sustainability and ESG considerations are being fully integrated into the risk management framework.

Climate risks and opportunities

Our response to climate change focusses on the transitional and physical risks and opportunities for our business. We assessed climate risks and opportunities across different climate scenarios:

- current policy (3°C) - this scenario was selected to test DLA Piper's resilience in a world with high warming and physical change as current measures may not be sufficient to mitigate climate change;
- delayed transition (2°C) - this scenario was selected to assess DLA Piper's resilience under a high transition risk scenario with increased physical risks;
- Net Zero 2050 (1.5°C) - this scenario is 'Paris-aligned' and helps to prepare DLA Piper for the most impactful transition risks.

We use the following time horizons in assessing potential impacts on our business:

- short (2022-2028)
- medium (2029-2034)
- long-term (2035-2040)
- very long-term (2041-2050)

Our approach is informed by our climate scenario analysis and increasingly over the coming years it will be influenced by our 2040 Net Zero strategy.

Energy and carbon report (continued)

The firm used several risk models in determining 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 Willis Tower Watson's "Global Peril Diagnostic"[4] and "Climate Diagnostic"[5] models were used for current and future physical climate hazards, and Willis Towers Watson's "Property Quantified"[6] and Katrisk's "SoloKat"[7] models were utilised to assess expected financial damages;
- for transition risks we used 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 table in the Strategy section provides a summary of our climate-related risks and opportunities, their impact on our business, our response, planned next steps, as well as related targets and metrics. It is based upon an initial analysis and will be refreshed as we progress transition planning.

Metrics and targets

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

Near-term, the firm has a target to halve its emissions across all scopes by 2030 from the FY20 baseline year which was validated by the SBTi in September 2021. The firm's longer-term target to become a Net Zero firm by 2040 was also validated by the SBTi in June 2023.

Performance metrics against key operational decarbonisation areas are collected and reported quarterly and annually, depending on nature and availability of the data, and captured in our central environmental data management platform; reported internally through various data dashboards, as well as annually in our public reporting.

Each operational decarbonisation workstream has sub-targets and KPIs set, which are aligned with our near-term target. KPIs were developed based on accepted and commonly used standards, including the Greenhouse Gas Protocol and the Global Reporting Initiative. Our annual sustainability report includes a list of all our key climate performance metrics for the most recent four years. Examples of metrics include Greenhouse Gas (GHG) emissions per person, GHG emissions per square foot of office space, £GBP saved as a result of energy optimisation projects, % procurement spend covered by a science-based target commitment.

During the year ended 30 April 2024 (FY24) the firm's main focus was on monitoring performance against science-based targets using a number of operational KPIs, including:

---

[4] Willis Towers Watson's Global Peril Diagnostic tool is a sophisticated risk and analytics model that evaluates clients' property portfolios and assesses their exposure to comprehensive catastrophe risk, inclusive of terrorism and 12 natural perils.

[5] Willis Towers Watson's Climate Diagnostic uses industry recognised models and latest scientific projections to evaluate climate change and the impact on global assets.

[6] Willis Towers Watson's Property Quantified platform quantifies both catastrophe-driven and non-catastrophe risks, providing a comprehensive view of potential loss exposure.

[7] KatRisk's SoloKat Location Loss Analytics integrates hazard data with vulnerability curves to calculate location-level average annual losses and return period losses, including basic location financial terms.

Energy and carbon report (continued)

- energy use – in FY24 the total energy use for the UK business was 20% below the baseline (13,059 MWh in FY20), while for the rest of the business it increased by 12% (11,029 MWh in FY20);
- renewable electricity – in FY24, 99% of electricity supplied in the UK business was certified as renewable (100% in FY20) and for the rest of the business it was 45% (21% in FY20);
- energy intensity - in FY24 the energy use in the UK business was 4,364 kWh/person or 246 kWh/m^2 (5,809 kWh/person or 296 kWh/m^2 respectively in FY20) and the rest of the business 2,219 kWh/person or 93 kWh/m^2 (2,135 kWh/person or 85 kWh/m^2 respectively in FY20);
- total gross emissions – in FY24 the total (market-based) carbon emissions were 43% below the baseline (134,427 tCO2e in FY20);
- carbon intensity – in FY24 the firm's carbon intensity (location-based) was 10 tCO2 per person or 53 tCO2e per £1 million revenue (18 tCO2 per person or 116 tCO2e per £1 million revenue in FY20).

As we develop the firm's climate transition plan, we will do so on the basis that it is an opportunity to build resilience for a changing future and to further integrate sustainability into our core business strategy. Our performance monitoring and reporting will evolve to incorporate management of climate related risks and implementation of opportunities.

Data verification

Accenture verify our GHG footprint annually. We follow the Greenhouse Gas Protocol methodology for calculating our footprint. The data used to calculate our GHG emissions is source-level data from DLA Piper offices, and where this is not available, estimates are derived from methodologies using relevant assumptions and proxy data.

GHG emissions and energy usage

During the year ended 30 April 2024, the firm's total gross GHG emissions (location-based) totalled 79,088 tCO2e. This comprised:

GHG emissions for the period 1 May 2023 – 30 April 2024, tCO2e

		2024			2023		
		UK	Offshore	Total	UK	Offshore	Total
Scope 1 emissions							
Emissions from stationary combustion		812	240	1,052	878	300	1,178
Emissions from mobile combustion		-	76	76	-	77	77
Fugitive emissions		2	50	52	8	141	149
Total Scope 1 emissions	*A*	814	366	1,180	886	518	1,404
Scope 2 emissions							
Location based electricity	*B*	1,263	2,564	3,827	1,171	2,435	3,606
Market based electricity	*C*	20	1,648	1,668	6	2,321	2,327
Total Scope 1+2 (location based emissions)		2,077	2,930	5,006	2,057	2,953	5,010
Total Scope 1+2 (market based emissions)		834	2,015	2,849	892	2,839	3,731
Scope 3 emissions							
Procurement							
Water supply		4	9	13	3	7	10
Capital goods		3,230	7,924	11,154	5,050	4,195	9,245
Other suppliers		28,903	14,257	43,160	28,544	12,739	41,283
FERA emissions		826	1,030	1,856	841	967	1,808
Emissions from waste		14	203	217	33	120	153
Emissions from business travel		5,017	6,586	11,603	3,557	8,105	11,662
Emissions from employee commuting (estimated)		678	2,470	3,148	661	2,283	2,944
Emissions from homeworking		1,008	1,289	2,297	1,022	1,595	2,617
Emissions from upstream transportation (couriers)		265	368	633	105	242	347
		39,945	34,136	74,081	39,816	30,253	70,069
Total Scope 3 emissions	*D*			74,081			70,069
Total gross emissions (location based)	*A+B+D*			79,088			75,079
Total gross emissions (market based)	*A+C+D*			76,929			73,800

Energy and carbon report (continued)

***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 firm's total gross (location-based) emissions have increased by 5% in comparison with the prior year (75,079 tCO2e in FY23). However, emissions have reduced by 42% against the baseline year (136,556 tCO2e in FY20). As such, the firm is on track to meet its target of halving its emissions across all scopes by 2030.

During the reporting period, the firm's total energy consumption totalled 22,796 MWh, of which approximately 46% was consumed in the UK. The split between fuels and electricity consumption is displayed below.

Energy consumption for the period 1 May 2023 – 30 April 2024, MWh

	2024			2023		
	UK	Offshore	Total	UK	Offshore	Total
Electricity						
Electricity used by cars	-	23	23	-	-	-
Electricity used in buildings	6,097	7,363	13,460	6,055	7,806	13,861
Total electricity	**6,097**	**7,386**	**13,483**	**6,055**	**7,806**	**13,861**
Fuels, of which:						
- Natural gas	4,348	1,220	5,568	4,754	1,622	6,376
- Petrol (mobile)	-	265	265	-	293	293
- Petrol (stationary)	-	74	74	-	-	-
- Diesel (mobile)	2	49	51	-	40	40
- Diesel (stationary)	-	-	-	1	2	3
Total fuels	**4,350**	**1,608**	**5,958**	**4,755**	**1,957**	**6,712**
Self-generated electricity	-	-	-	-	-	-
District heating	-	**3,355**	**3,355**	-	**1,355**	**1,355**
Total energy consumption	**10,447**	**12,349**	**22,796**	**10,810**	**11,118**	**21,928**

There was an immaterial change in reporting electricity consumption since last year. This is due to introduction of the new reporting category, i.e. electricity used to charge the firm's vehicles outside the premises.

Energy intensity for the period 1 May 2023 – 30 April 2024, tCO2e per full time employee

	2024			2023		
	UK	Offshore	Total	UK	Offshore	Total
Headcount (incl BIFs) (persons)	2,394	5,554	7,948	2,394	5,523	7,917
Floor space (m2)	42,400	132,467	174,867	43,982	136,471	180,453
Energy use intensity (kWh/person)	**4,364**	**2,219**	**2,865**	**4,518**	**2,002**	**2,763**
Energy use intensity (kWh/m2)	**246**	**93**	**130**	**246**	**81**	**121**

Energy efficiency has improved by nearly 25% in the UK (5,809 kWh/person in FY20) and increased by 4% for the rest of the business (2,135 kWh/person in FY20), resulting in a 12% improvement (3,249 kWh/person in FY20) across the firm.

DLA Piper UK LLP

Energy and carbon report (continued)

Energy efficient actions
We have developed and implemented an energy optimisation programme for the firm. 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.

We have identified around 175 energy optimisation initiatives across international offices and in the past three years implemented over 30% of those, contributing to savings of 500 MWh of electricity or 122 tCO_2e.

Key initiatives, either implemented or ongoing, include the following:

- Optimisation of the London building management system (BMS) – commenced in FY24;
- Time scheduling for key plant (e.g. air conditioning and ventilation systems) in Milan and Paris – completed in FY24;
- Moving to a new, zero carbon-ready office building in Sheffield – completed in FY24;
- Ongoing Leeds office fit-out where we collect data on carbon associated with materials used and aim to achieve WELL Platinum certification – office move planned in FY25. We estimate that when the Leeds office move is completed our total use of natural gas will have reduced by 15%;
- The firm's virtual Corporate Purchase Power Agreement for renewable electricity supply from a solar farm in the UK – generation is scheduled to commence in FY25;
- Installation of the sub-metering hardware in the UK – to commence in FY25;
- Cost-benefit assessment of the installation of solar panels on the roof of the London office – negotiations with landlord commenced in FY24.

Overall, since the FY20 baseline year:

- the electricity use in buildings has reduced by 23% internationally and 23% in the UK due to introduction of the energy efficiency programme;
- the total gas use increased by 8% internationally since the baseline year due to a high consumption in Amsterdam and a move into a new gas-heated office in Madrid. In the UK, however, the overall use of gas fell by 15% since the baseline year, mostly because of office space optimisation in Leeds and Liverpool.

Reporting boundary and methodology
The firm's emissions have been verified by an external third party according to the ISO 14064-3 standard.

We quantify and report the firm'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 have adopted a materiality threshold of 5% for GHG reporting purposes.

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

DLA Piper UK LLP

Energy and carbon report (continued)

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

Senior Partner
06 December 2024

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 2024 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 and total members' interests;
- 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.

DLA Piper UK LLP

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 the realisation rate; 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, ACA (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
London, United Kingdom
06 December 2024

DLA Piper UK LLP

Income statement
for the year ended 30 April 2024

	Note	2024 £'m	2023 £'m
Revenue	2	**718.3**	677.7
Operating expenses			
Staff costs	3	**(285.4)**	(263.8)
Impairment loss on trade receivables		**(12.0)**	(10.3)
Other external charges		**(182.2)**	(160.9)
Depreciation and amortisation	6	**(50.4)**	(48.8)
Other operating income	6	**26.3**	12.5
Operating profit	6	**214.6**	206.4
Finance costs	5	**(26.3)**	(11.4)
Finance income	5	**11.2**	2.6
Profit for the financial year available for discretionary division among members	18	**199.5**	197.6

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.

Statement of comprehensive income for the year ended 30 April 2024

	Note	2024 £'m	2023 £'m
Profit for the financial year available for discretionary division among members		**199.5**	197.6
Other comprehensive income:			
Items that will not be reclassified to the income statement:			
Exchange differences on translation of foreign operations	18	**2.5**	(3.0)
Total comprehensive income for the year		**202.0**	194.6

DLA Piper UK LLP

Balance sheet
as at 30 April 2024

	Note	2024 £'m	2023 £'m
Non-current assets			
Intangible assets	7	**75.0**	90.2
Property, plant and equipment	8	**51.7**	52.0
Right-of-use assets	9	**164.8**	176.9
Investments	10	**1.7**	1.7
Derivative financial instruments	20	**1.0**	3.2
Total non-current assets		**294.2**	324.0
Current assets			
Trade and other receivables	11	**450.9**	429.3
Contract assets	12	**85.9**	88.0
Derivative financial instruments	20	**0.1**	0.3
Cash and cash equivalents		**23.3**	7.9
Total current assets		**560.2**	525.5
Total assets		**854.4**	849.5
Current liabilities			
Trade and other payables	13	**365.3**	322.3
Contract liabilities	14	**10.2**	12.1
Borrowings	15	**0.6**	4.2
Lease liabilities	16	**19.2**	21.7
Provisions	17	**17.8**	8.0
Total current liabilities		**413.1**	368.3
Non-current liabilities			
Trade and other payables	13	**18.2**	21.4
Lease liabilities	16	**185.2**	197.4
Provisions	17	**9.2**	8.7
Total non-current liabilities		**212.6**	227.5
Total liabilities		**625.7**	595.8
Net assets attributable to members		**228.7**	253.7

Balance sheet
as at 30 April 2024 (continued)

	Note	2024 £'m	2023 £'m
Represented by:			
Loans and other debts due to members			
Members' capital classified as a liability	18	**91.2**	84.8
Other amounts	18	**19.5**	39.6
Total loans and other debts due to other members		**110.7**	124.4
Equity			
Members' other interests: other reserves classified as equity		**117.3**	131.1
Foreign currency translation reserve	18	**0.7**	(1.8)
Total equity		**118.0**	129.3
Total loans and equity	18	**228.7**	253.7

The financial statements on pages 28 to 59 were approved by the members of DLA Piper UK LLP on 06 December 2024 and were signed on their behalf by:

Jon Hayes
Senior Partner

Vinita Arora
Partner

Statement of changes in equity for the year ended 30 April 2024

	Note	Other reserves	Foreign currency translation reserve	Total
		£'m	£'m	£'m
At 1 May 2022		**135.5**	**1.2**	**136.7**
Profit for the year attributable to members		197.6	-	197.6
Other comprehensive loss		-	(3.0)	(3.0)
Total comprehensive income/(expense) 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 and 1 May 2023		**131.1**	**(1.8)**	**129.3**
Profit for the year attributable to members		199.5	-	199.5
Other comprehensive income		-	2.5	2.5
Total comprehensive income for the year		199.5	2.5	202.0
Dividends		1.5	-	1.5
Division of profit to members	18	(214.8)	-	(214.8)
At 30 April 2024		**117.3**	**0.7**	**118.0**

Total members' interests as at 30 April 2024

	Note	**2024**	2023
		£'m	£'m
Loans and other debts due to members	18	**110.7**	124.4
Loans and other debts due from members (included in receivables)	11	**(0.4)**	(0.4)
Members' other interests: other reserves classified as equity	18	**118.0**	129.3
Total members' interests	18	**228.3**	253.3

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;
- 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;

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 analysis 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 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 2024:

- IFRS 17 Insurance Contracts, including amendments.
- Initial Application of IFRS 17 and IFRS 9 Comparative Information (Amendments to IFRS 17)
- Definition of Accounting Estimate (Amendments to IAS 8)
- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)
- Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction – Amendments to IAS 12 Income Taxes

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.

DLA Piper UK LLP

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 and the agreed transaction price is typically based on hourly rates.

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

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

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 2024

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. This recovery rate incorporates an expected credit loss. 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 £1.1 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

	2024	2023
	£'m	£'m
United Kingdom	**515.7**	489.5
Europe (excluding UK)	**172.5**	155.8
Asia	**30.1**	32.4
Total revenue	**718.3**	677.7

3 Staff costs

	2024	2023
	£'m	£'m
Salaries	**247.5**	226.4
Social security costs	**27.8**	27.8
Other pension costs (note 19)	**10.1**	9.6
Total staff costs	**285.4**	263.8

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

	2024	2023
	Number	Number
Fee earners	**1,001**	964
Trainees	**198**	147
Support staff	**1,420**	1,405
Total	**2,619**	2,516

Notes to the financial statements

4 Members

The average monthly number of members during the year was 338 (2023: 292).

The profit attributable to the member with the largest entitlement to profit is £3.3 million (2023: £3.0 million).

5 Finance costs and finance income

	2024	2023
	£'m	£'m
Finance costs		
Interest payable and similar charges:		
- to group undertakings	**14.1**	2.4
- on overdrafts	**1.4**	0.1
- unwinding of discount on license fee liability	**1.0**	1.1
- on lease liabilities	**9.8**	7.8
Total finance costs	**26.3**	11.4
Finance income		
- other interest receivable	**(5.7)**	(1.2)
- from group undertakings	**(5.5)**	(1.4)
Total finance income	**(11.2)**	(2.6)

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	2024 £'m	2023 £'m
Operating profit is stated after charging/(crediting):			
Amortisation of intangible assets charged to operating expenses	7	**19.4**	18.2
Depreciation of property, plant and equipment:			
- owned assets	8	**8.5**	9.7
- right-of-use assets	9	**22.5**	20.9
Loss on disposal of property, plant and equipment		**2.0**	-
Other operating income		**(26.3)**	(12.5)
Net foreign exchange (gain)/loss		**(2.1)**	2.5
Expenses relating to leases of low value assets		**0.1**	0.1
Operating sublease (income)/charge		**(0.1)**	0.1
Fees payable to the auditor and its associates were as follows:			
- Audit of the LLP's financial statements		**0.1**	0.1

Other operating income includes management recharges to various UK entities within the Group, recharges to brand-integrated firms, and other insignificant income sources.

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

	Computer software	Licenses	Assets under development	Total
	£'m	£'m	£'m	£'m
Cost				
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**
Additions	7.4	-	-	7.4
Reclassifications	(1.3)	-	(1.9)	(3.2)
Disposals	(5.0)	-	-	(5.0)
At 30 April 2024	**105.1**	**29.0**	-	134.1
Accumulated amortisation and impairments				
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**
Amortisation charge for the year	16.2	3.2	-	19.4
Disposals	(5.0)	-	-	(5.0)
At 30 April 2024	**49.8**	**9.3**	-	**59.1**
Net book value				
At 30 April 2024	**55.3**	**19.7**	-	**75.0**
At 30 April 2023	65.4	22.9	1.9	90.2

Included within assets under development is expenditure on the LLP's new finance and HR systems, with a carrying value of £nil (2023: £1.9 million). Assets under development are not amortised.

Included within computer software is the Group's finance system, with a carrying value of £30.6 million (2023: £22.0 million). This will be amortised over the remaining useful life of 6 years.

Notes to the financial statements

8 Property, plant and equipment

	Leasehold property improvements	Fittings, furnishings and equipment	Computer equipment	Assets under construction	Total
	£'m	£'m	£'m	£'m	£'m
Cost					
At 1 May 2023	**55.1**	**17.1**	**20.4**	-	**92.6**
Additions	1.0	0.6	2.7	2.0	6.3
Disposals	(2.6)	(0.7)	(0.1)	-	(3.4)
Reclassifications	-	-	-	3.2	3.2
Exchange adjustments	(0.2)	(0.2)	(0.1)	-	(0.5)
At 30 April 2024	**53.3**	**16.8**	**22.9**	**5.2**	**98.2**
Accumulated depreciation					
At 1 May 2023	**15.0**	**11.2**	**14.4**	-	**40.6**
Charge for the year	3.4	2.1	3.0	-	8.5
Disposals	(1.6)	(0.6)	(0.1)	-	(2.3)
Exchange adjustments	(0.1)	(0.1)	(0.1)	-	(0.3)
At 30 April 2024	**16.7**	**12.6**	**17.2**	-	**46.5**
Net book value					
At 30 April 2024	**36.6**	**4.2**	**5.7**	**5.2**	**51.7**
At 30 April 2023	40.1	5.9	6.0	-	52.0

Capital commitments contracted but not provided for at 30 April 2024 amounted to £11.9 million (2023: £nil million).

Reclassifications have been made between the various intangible assets and property, plant and equipment categories following a review of the ledgers post migration to the new finance system.

Notes to the financial statements

9 Right-of-use assets

	Total £'m
Cost	
At 1 May 2022	251.8
Additions	8.1
Disposals	(0.4)
Exchange adjustments	2.1
At 30 April 2023	261.6
Additions	12.8
Disposals	(6.8)
Exchange adjustments	(2.2)
At 30 April 2024	**265.4**
Accumulated depreciation	
At 1 May 2022	63.8
Charge for the year	20.9
Disposals	(0.4)
Exchange adjustments	0.4
At 30 April 2023	84.7
Charge for the year	22.5
Disposals	(5.7)
Exchange adjustments	(0.9)
At 30 April 2024	**100.6**
Net book value	
At 30 April 2024	**164.8**
At 30 April 2023	176.9

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 2023 and 30 April 2024	**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

	2024 £'m	2023 £'m
Trade receivables	**239.6**	242.6
Amounts owed by group undertakings	**163.1**	150.9
Other receivables	**7.2**	6.4
Insurance reimbursement asset (note 17)	**12.9**	7.1
Other tax and social security	-	1.1
Loans and other debts due from members (note 18)	**0.4**	0.4
Prepayments	**27.7**	20.8
Total trade and other receivables	**450.9**	429.3

Trade receivables are stated after a loss allowance of £20.2 million (2023: £18.5 million).

Amounts owed by group undertakings are unsecured and repayable on demand. Of these amounts, £39.8 million (2023: £48.1 million) incurred interest at a fixed rate between 1.3% and 9.0% (2023: 1.5% and 5.7%) and £123.3 million (2023: £102.8 million) did not incur interest.

12 Contract assets

	30 April 2024 £'m	30 April 2023 £'m	1 May 2022 £'m
Contract assets	**85.9**	88.0	71.1
Revenue recognised in the reporting period from amounts included in contract assets at the beginning of the period	**(3.3)**	0.3	7.4

The contract assets value represents the conditional right to consideration for completed performance obligations on a contract-by-contract basis and have been assessed for expected recovery and credit loss risk based on historical trends. 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.

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

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

	2024	2023
	£'m	£'m
Trade payables	**51.0**	39.3
Amounts owed to group undertakings	**209.9**	173.8
Other taxation and social security	**14.3**	17.9
Other payables	**21.5**	27.6
Amounts owed to former members	**2.8**	0.7
Accruals	**62.6**	60.0
Licence fees	**21.4**	24.4
Total trade and other payables	**383.5**	343.7

	2024	2023
	£'m	£'m
Included in current liabilities	**365.3**	322.3
Included in non-current liabilities	**18.2**	21.4
Total trade and other payables	**383.5**	343.7

Amounts owed to group undertakings are unsecured and repayable on demand. Of these amounts, £149.7 million (2023: £139.3 million) incurred interest at a rate between 1.3% and 9.0% (2023: 1.5% and 5.7%) and £60.2 million (2023: £34.5 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.

	30 April 2024	30 April 2023	1 May 2022
	£'m	£'m	£'m
Contract liabilities	**10.2**	12.1	7.4
Revenue recognised in the reporting period from amounts included in contract liabilities at the beginning of the period	**12.1**	7.4	7.8

Notes to the financial statements

15 Borrowings

	2024 £'m	2023 £'m
Overdraft	**0.6**	4.2
Total borrowings	**0.6**	4.2

	2024 £'m	2023 £'m
Included in current liabilities	**0.6**	4.2
Total borrowings	**0.6**	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

	2024	2023
	£'m	£'m
Included in current liabilities	**19.2**	21.7
Included in non-current liabilities	**185.2**	197.4
Total lease liabilities	**204.4**	219.1

Maturity analysis	**2024**	2023
	£'m	£'m
In one year or less	**28.4**	28.8
In more than one year, but not more than two years	**27.0**	26.6
In more than two years, but not more than five years	**71.6**	69.5
In more than five years	**142.5**	143.4
Total lease liabilities	**269.5**	268.3

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 2024 was £30.0m (2023: £28.4m).

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

Notes to the financial statements

17 Provisions

	Annuities £'m	Dilapidations £'m	Claims £'m	Total £'m
At 1 May 2023	**1.7**	**7.9**	**7.1**	**16.7**
Utilised during the year	-	-	(4.4)	(4.4)
Additional provisions	-	4.5	10.2	14.7
At 30 April 2024	**1.7**	**12.4**	**12.9**	**27.0**

	2024 £'m	2023 £'m
Included in current liabilities	**17.8**	8.0
Included in non-current liabilities	**9.2**	8.7
Total provisions for liabilities	**27.0**	16.7

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 £68,000 (2023: £70,000) 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 2024 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 £81,000 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 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**

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 2023	**84.8**	**39.6**	**124.4**	**129.3**	**253.7**
Profit for the financial year ended 30 April 2024 available for discretionary division among members	-	-	-	199.5	**199.5**
Dividends	-	-	-	1.5	**1.5**
Members' interests after profit for the year	**84.8**	**39.6**	**124.4**	**330.3**	**454.7**
Divided profit	-	214.8	**214.8**	(214.8)	-
Capital introduced	10.8	-	**10.8**	-	**10.8**
Capital repaid	(3.9)	-	**(3.9)**	-	**(3.9)**
Transfer of former members' funds to current liabilities	-	(2.0)	**(2.0)**	-	**(2.0)**
Drawings and distributions	-	(233.1)	**(233.1)**	-	**(233.1)**
Net exchange adjustments	(0.5)	(0.2)	**(0.7)**	2.5	**1.8**
Members' interests at 30 April 2024	**91.2**	**19.1**	**110.3**	**118.0**	**228.3**
Loans and other debts due from members (note 11)	-	0.4	0.4	-	0.4
Members' interests at 30 April 2024 excluding loans and other debts due from members	91.2	19.5	**110.7**	118.0	**228.7**

'Other amounts' included within loans and other debts due 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 41.

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 £10.1 million (2023: £9.6 million) and no amounts were outstanding at the balance sheet date (2023: £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 2024 is an asset of £1.0 million (2023: £3.2 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 2024, the LLP had the following open foreign exchange contracts:

- Sell AUD 5.250 million against GBP on 30 May 2024 at a fixed rate of 1.191166
- Sell USD 16.000 million against GBP on 31 May 2024 at a fixed rate of 1.255166
- Sell EUR 65.000 million against GBP on 31 May 2024 at a fixed rate of 1.168796

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 2024 is a current asset of £0.1 million (2023: current asset of £0.3 million).

DLA Piper UK LLP

Notes to the financial statements

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 2024, the LLP had contingent liabilities of £nil (30 April 2023: £0.2m). 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

On 29th October 2024, DLA Piper UK LLP acquired 100% of the shares in DLA Piper Business Advisory Pty Limited for £10.8 million. Subsequently, on 1st November 2024, the business operations were integrated into DLA Piper Australia National Partnership, with the corresponding investment in DLA Piper UK LLP being derecognised.

On 1st November 2024, DLA Piper UK LLP acquired the trade of DLA Piper Business Advisory Limited for £1. An outstanding intercompany loan of £5.1 million was transferred to the LLP.

On 21st October 2024, the Group disposed of 80% of its shareholding in Toko Holdings Limited. Following this, the UK agreed to take responsibility for the previous £11.7 million of intercompany debt owed by Toko Holdings to benefit the Group as a whole. The loan was transferred to DLA Piper UK LLP on 18th November 2024.

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.