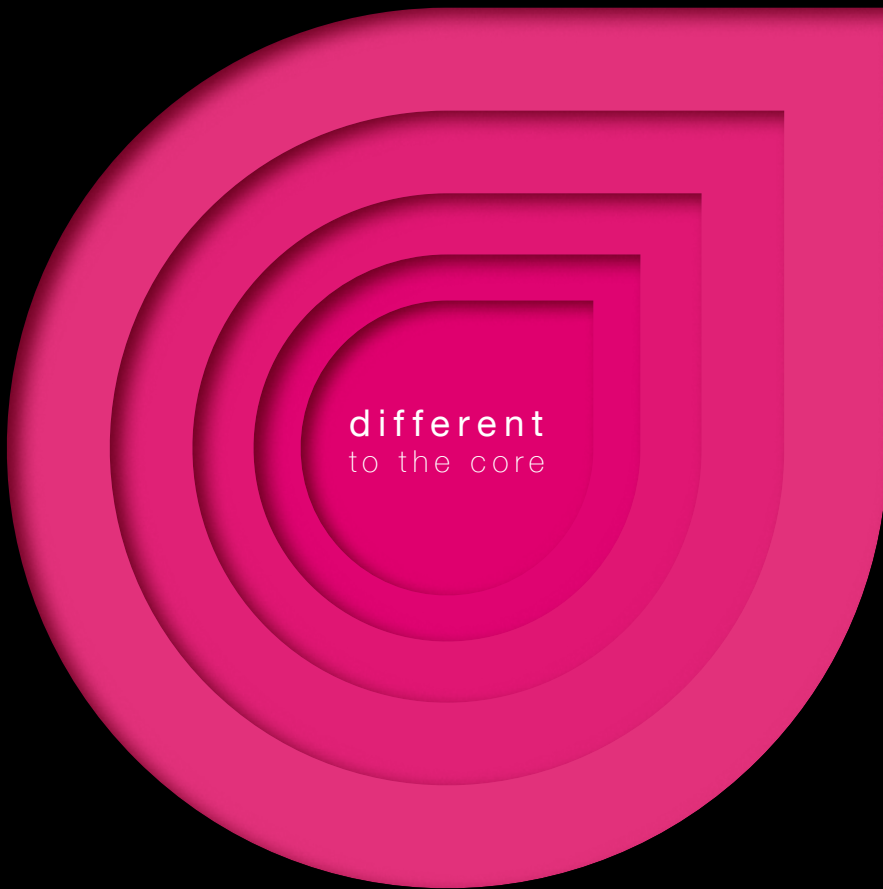




2015/2016

Annual Review



different
to the core

Contents

01

DWF at a Glance 04

02

Chairman's Statement 08

03

Strategic Progress 10

04

Our Values 14

05

Creating Sustainable Value 16

06

Corporate Social Responsibility 18

07

Business Overview 22

08

Divisional Reports 26

09

Governance 30

10

Financial Review 38

11

Financial Reports 40

Unless otherwise stated to the contrary or unless the context so requires, all references to DWF mean DWF LLP, a Limited Liability Partnership with registered number OC328794.

01

DWF at a Glance

Welcome

At DWF we are driven by our goal to change the business of law by making legal services a more powerful enabler of client success. Our focus is on doing things differently, to change clients' views of how astute legal services can benefit their business and ultimately improve their bottom line.

Our clients range from FTSE 100 multinational household names to private individuals, from both the public and private sector, including clients such as: adidas, Aviva, Babcock, Certas Energy, Colony Capital, DHL, RSA, Serco, Telefonica, Whitbread and Zurich.

We believe that by successfully engaging with our people, we can drive our business forward responsibly and effectively. The values we share bring us together under a common framework, which is helping to build our reputation as a highly regarded international legal business.

Our values also enable us to recruit, retain and develop the highest quality people, who are experts in their fields. Working across the UK & Ireland, Germany, Dubai and Brussels, our talented people have an ever extending reach across a wide range of industry sectors.

Recognised by the Financial Times as one of Europe's most innovative law firms, we are renowned for doing things differently. We apply commercial and sector knowledge and make better use of technology to add value to the legal advice we give.



Strands of our Strategy

Understanding our clients

Law firms often fail to talk in depth to clients; they assume that they know what clients need and offer a standard solution. As a legal business, our flexible approach means we engage with our clients, then develop a solution together.

Engaging our people

Engaging and listening to our people is essential to our success. The values we share bring us together, and this connectivity helps us to create and deliver outstanding experiences for our people, our clients and our communities.

Doing things differently

Innovative thinking is key. Whether this is through our approach to using technology, developing our range of services beyond legal advice, or simply by turning an approach on its head to increase efficiency and effectiveness.

Our Sectors and Practice Groups

We have eight core sectors which underpin our go-to-market strategy:

• Central & Local Government	• Real Estate
• Energy & Industrials	• Retail, Food & Hospitality
• Financial Services	• Technology
• Insurance	• Transport & Logistics

Our sector groups are served by six core practice groups which make up our **Insurance Services Division** and **Commercial Services Division**. These provide a multidisciplinary approach to supporting our client base.

Insurance Services Division:	Commercial Services Division:
• Catastrophic Personal Injury & Occupational Health	• Corporate Services
• Motor, Fraud & Claimant	• Litigation
• Professional Indemnity & Commercial	• Real Estate

Our Locations



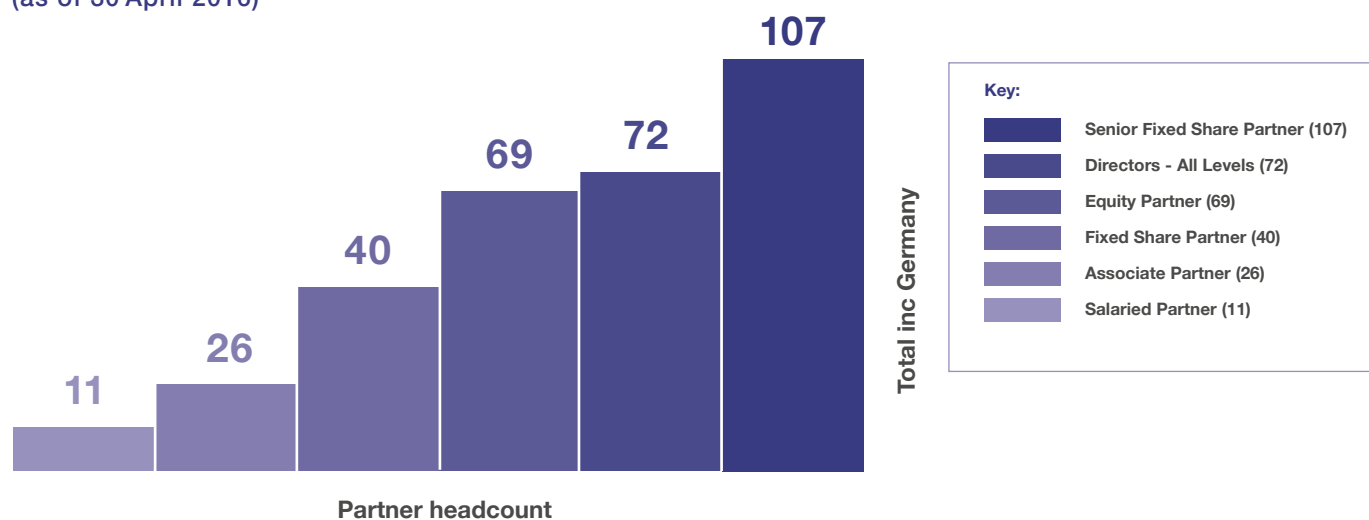
Office Locations:		
Birmingham	Edinburgh	Milton Keynes
Bristol	Glasgow	Munich
Brussels	Leeds	Newcastle
Cologne	Liverpool	Preston
Dubai	London	
Dublin	Manchester	

Financial Results



Total Number of People: 2,187

(as of 30 April 2016)



We work for 18% of the FTSE 100



We work for 32% of the FTSE 250

Business Divisions

Insurance Services Division:

Our Insurance Services Division encompasses Professional Indemnity & Commercial, Catastrophic Personal Injury & Occupational Health, and Motor, Fraud & Claimant practice groups.

With over 700 people and revenues over £85m, this division is led by Paul Berry, and is the preferred supplier to a number of leading UK insurance companies.

Revenue	No. Partners (as of 30th April 2016)	People (inc Partners, as of 30th April 2016)
£85,073,903	92	700+

Commercial Services Division:

Our Commercial Services Division encompasses our Litigation, Corporate Services and Real Estate practice groups. With over 600 people and revenues of over

£101m, this division is led by Stephen Miles, and along with our Insurance Services Division works with over 18% of the FTSE 100 and 32% of the FTSE 250.

Revenue	No. Partners (as of 30th April 2016)	People (inc Partners, as of 30th April 2016)
£101,552,165	150	600+

International Division:

As of May 2016 we launched our International Division in order to focus our efforts in supporting our clients on a global scale.



Chairman's Statement

Alan Benzie, Chairman

A challenging year

It has been a challenging year for our industry, but with good insight and intelligent planning we've managed to achieve above average results. We are pleased with developments in our Commercial Services Division but it has been a tough year for Insurers. This has then impacted their advisors and resulted in increasing pressure on margins. We have worked hard at controlling overheads and net profit is up, but there is still plenty of work to be done.

We have secured the management of our financial teams with the appointment of our new Chief Financial Officer, Chris Stefani, who joined us from EY. Chris is a strong cultural fit, full of ideas to further improve our processes, and will provide the strong financial management essential to underpinning our success.

Managing a demanding forecast

We are under continual pressure from the 'more for less' economy and efficient business practices are essential if we are to continue to thrive whilst meeting client needs. As a client-centric legal business, our teams have focused on creating a full spectrum of products and services to support our clients in meeting their own business objectives. It is the development of this extended service offering that ultimately underpins our ability to become a sustainable business for our people, and one that adds value for our clients.

Driven by people and relationships

Whilst it has been a challenging year it has been one of review, analysis and planning for a strong future with our people at the heart of it. We have formulated the Engaging

People Executive (EPE) which looks at everything to do with our people; including recruitment, training, career path and structures. We have also undertaken our first People Engagement Survey which saw a strong response rate of 67%.

The survey highlighted a number of areas for improvement that we were aware of, however, what it served to confirm was how important those issues were for our people. It also demonstrated that we have a very healthy level of engagement

International expansion

We are pleased with our moves towards international expansion and our German acquisition has been particularly successful. The teams in Munich and Cologne are filled with great people that we're lucky to have as part of the DWF family. We have also increased our commitment to Dubai through recruitment and investment in new, larger office space for 2016/2017.

We will continue to look at overseas partnerships, as well as organic growth, but it is a long and complex journey finding the right organisations to join forces with. Partners will be encouraged to build on international opportunities as they arise to support our goal for a truly integrated international operation. However more importantly, as with all our expansion activities, it will always be driven by client need.



Working closely with our customers and employees, our partnership with DWF has delivered exceptional results, their expert advice and knowledge truly supports our claims proposition.

- Mark Merrix, Allianz Insurance, Occupational Disease Manager



with our people, and just how much they want to be involved with shaping our future. We have now galvanised our activities to address the headline hotspots raised with immediate effect.

New products and services

Alongside our Engaging People Executive (EPE), 2015/2016 also saw the creation of our Service Delivery Executive (SDE) to drive our 'doing things differently' agenda from the client perspective. Products and services help support our clients over and above their need for traditional legal advice, and are improving our overall offer and competitive edge, strengthening our positioning as a legal business. Particular success during the last 12 months has surrounded the launch of the **dwf draft** and **dwf resource** services.

There is absolutely no doubt that we have an outstanding and differentiated offer. Our clients have always been impressed by DWF's service and professionalism. Our Client Development Executive (CDE) supports our drive to understand our clients and shape the direction we need to move in for them, as well as focusing on improving our output and communication.

Brexit

Brexit has particularly affected the transactional business sector in recent months, and we are fully prepared to support our clients through testing and uncertain times. In the lead up to the vote, our team formed a committee to solely focus on how we support clients and the challenges they are now facing. The Brexit committee is chaired by Jonathan Branton, who is independently recognised as one of the leading experts in the UK on UK & EU Competition and EU State Aid Law.

The future

We are ending the year in a much stronger position than we started it. There has been much consolidation. We have made good strides in our Commercial Services Division and developed a clear line of sight on how we need to evolve our Insurance Services Division. We need to continue to invest in our people and the development of their talents across the board, not just at Partner level. One of our five core values is to be **'Better Together'**, and I believe that as a business everyone has a part to play, and it is the role of the senior management function to ensure our people are given this opportunity. Not only to support our clients, but to develop the long term, rich and fulfilling careers that we want for our people at all levels. It's also time for us to introduce more of our products and services to more of our clients. We will succeed by providing fully integrated, turnkey solutions and building longer, more sustainable relationships.

The legal world is changing and we have become adept at adapting with it. Our goal is to take our clients on this journey of change with us and demonstrate the real value DWF can deliver. I am absolutely certain we are driving this business in the right direction and the next 12 months will certainly see us successfully build on the frameworks we have put in place.



2015/2016 has been an important year in DWF's strategic development, and in its shift from being a law firm to being a fully integrated legal business. The face of law is changing and we are absolutely prepared to embrace change.



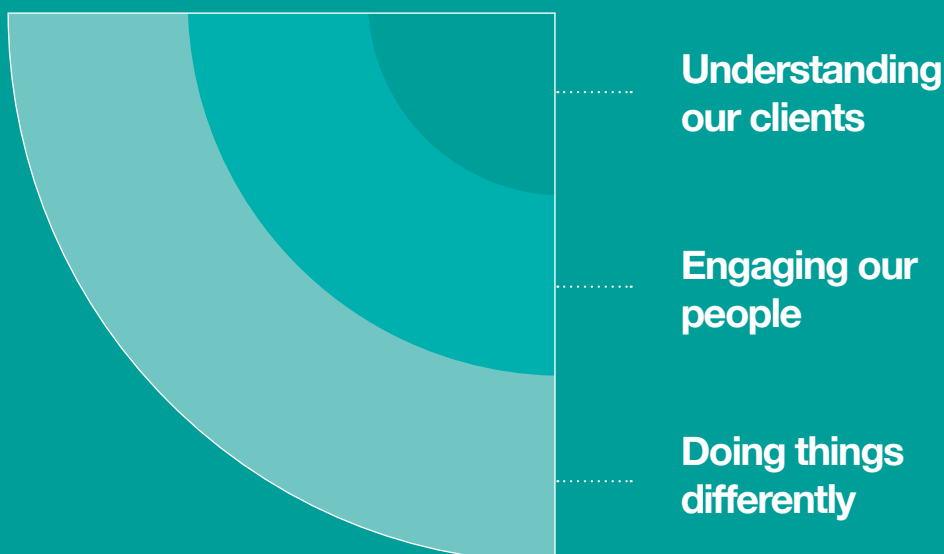
Strategic Progress

The power of three

Our clearly defined strategic intent was set out in 2014. We wanted to change the rules of engagement and identify as a legal business not a law firm. To set us on this journey we articulated three clear strands to our strategy. These strands have helped us evolve our business in a changing market.

Over the last three years, we have worked tirelessly to cement the strands of our strategy into our business. This has really started to deliver results. We are building the framework and the foundations of a true legal business. We are steadfast in our commitment to our strategy and are confident that it underpins our future.

Strands of Our Strategy



1. Understanding Our Clients

Understanding our clients

We collaborate with our clients, enabling them to achieve their commercial objectives.

We lead the way in the development and use of client tailored technology, using data as an opportunity to inform better decisions.

Sector insight is key to our ambitious market strategy. Through greater industry knowledge and a better understanding of their needs we provide outstanding benefits for our clients; smarter decisions, reduced risks, greater clarity and flexibility.

Why this is important

In repeated research, the number one reason for clients discriminating between legal service providers is the degree to which their business is understood.



Rybka have enjoyed an excellent working relationship with DWF for a number of years. The team provide cradle to grave commercial law support, from advising on terms of appointment and associated documentation through to supporting claims and other contentious matters when these arise. The team are very responsive when dealing with matters on our behalf.

They understand the issues that arise and always do what they say they will do in a timely manner. They have an eye for detail but also maintain a pragmatic focus on the main issues without getting bogged down. A key benefit in our dealings has been a willingness to engage with our wider team in an advisory role to provide an insight into issues relevant to us and to demystify the legal process. - **Colin Hodge, Rybka, Director**



What we achieved	Why it was important	How we delivered
We developed the Client Relationship Management programme.	<ul style="list-style-type: none"> • To provide our clients with the best possible service by acquiring a deep understanding of their strategic objectives and goals, both at an individual and corporate level • To add more value to our client relationships by truly putting the client at the centre of our thinking across the whole business • To help us develop mutually beneficial, long term relationships with our clients. 	<ul style="list-style-type: none"> • We invested in a client relationship team with experienced client relationship managers who work across the business to ensure a holistic client service • We provided an independent contact for the client in addition to the lawyer handling the transaction • We held regular Client Service team meetings to discuss the client experience and set objectives around improvement/development • We ensured clients have access to our full range of service lines, sector experience and international reach • We ensured that, where beneficial, clients are offered training, secondments, use of our office space and products • We held annual independent client review meetings undertaken between the relationship manager and client.
We established the Client Development Executive (CDE).	<ul style="list-style-type: none"> • To provide strategic direction and support to the business regarding the client experience we have developed an executive team made up of senior leaders within DWF. Chaired by the Client Development Director, the group meets monthly and disseminates advice/information relating to developments that can support our client service • To ensure that we are continually improving the level of service to our clients and closing the gap between our clients' expectation and perception. 	<ul style="list-style-type: none"> • We provided an independent review body for the way clients are being managed in the business, which challenges how we can improve our service offering • We discussed and developed new initiatives to enhance the client experience e.g. development of new products intended to save costs and improve delivery of our service.

2. Engaging Our People

Engaging our people

The way we do business is based on our core values and reflects the behaviours that we want to be known for. We strive to recruit, nurture and retain high quality and motivated lawyers, talented managers and inspiring leaders. We look for people who want to

make a difference and don't shy away from challenging the norm. This, we believe, is what enables us to attract the best people, work for the best clients, collaborate with outstanding organisations and to attract future business.

Why this is important

We recognise that by engaging our people we will drive our business responsibly and effectively. We want to create opportunities for our people to make a difference, further their careers and generate a sense of pride and belonging to DWF.

What we achieved	Why it was important	How we delivered
We focused on leadership development.	<ul style="list-style-type: none"> • To support our leaders who are required to inspire and motivate our people through transformational change, recognising that leadership matters • To help create strong and coherent leadership role models at all levels of the business, now and in the future • To develop inspiring leaders who will ensure our people connect with our strategy and vision. 	<ul style="list-style-type: none"> • We introduced a C Suite Executive Development Programme • We designed and delivered a leadership workshop for 90 of our business leaders. Key outputs and themes were cascaded to our wider leadership population • We introduced 360 feedback.
We established the Engaging People Executive (EPE).	<ul style="list-style-type: none"> • To ensure our people feel connected to, and interested in, our business so that they can contribute fully • To promote ownership of our people investment strategy. 	<ul style="list-style-type: none"> • We identified EPE Members from across the business to reflect a broad range of career levels, career paths, experience and views • We led engagement activities that supported our business strategy and positively influenced the employment experience of our people.
We conducted our first People Engagement Survey.	<ul style="list-style-type: none"> • To inspire honest feedback and identify the areas of improvement we need to focus on • To successfully create a culture which supports openness and honesty, it's important that we listen to the opinions and ideas of our people. 	<ul style="list-style-type: none"> • Teams were encouraged to create action plans in response to the feedback • We maintained the visibility of the survey outputs and communicated progress • The EPE created momentum to address the firm wide priorities identified and continue to communicate progress.
We launched the next phase of the dwf academy.	<ul style="list-style-type: none"> • To empower our people to drive their own personal development plans, and build skills outside of the core role requirements • To continue investment in learning and development, a top priority identified by our people. 	<ul style="list-style-type: none"> • We strengthened our 70:20:10 blended learning offering • We made online learning material available to all and accessible via mobile devices • Face-to-face programmes aligned with our performance criteria.
We enhanced our agile working offering – including a focus on supporting working parents.	<ul style="list-style-type: none"> • To address the changing expectations of how our people want to work • To be able to provide support through life's transitions • To ensure our people had a positive experience when using our working policies • To learn from the experiences of our people so we can then replicate that learning and improvement process in other business areas. 	<ul style="list-style-type: none"> • We saw 28% of our people designated as agile/flexible workers • We focused on creative workplace design, innovative technology and workplace culture • We enhanced Maternity/Adoption Pay, Paid Paternity Leave and launched our 'Baby Buddy Scheme' for new parents • We launched a Hub containing policies, guidance and support to enable different work styles.
We developed our performance Management.	<ul style="list-style-type: none"> • To help our people see the connection between their individual objectives and the wider objectives of the business • To ensure we are all actively working towards the achievement of our business goals. 	<ul style="list-style-type: none"> • We reviewed our Performance Management and enhanced our Objective Manager software to make it easier to align individual objectives to business strategy.

3. Doing Things Differently

Doing things differently

Through innovation, use of leading edge technology, multifunctional teams and appropriate geographical alignment, we enable our lawyers to provide a trusted and transparent service. Our ability to deliver high value and a range of specialised services

whilst driving unrivalled efficiency and automation in process work is essential to our clients. We secure the alignment of our resources ensuring we deliver great services in the right way for our clients and for us.

Why this is important

Our market is developing – and quickly. This situation provides us with an enormous opportunity for growth and diversification.

What we achieved	Why it was important	How we delivered
<p>We developed dwf draft.</p> <p>Designed to enable our teams to produce entire suites of legal documents, contracts and reports in a fraction of the time it currently takes.</p> <p>The software is also used by our clients who are striving to do things better.</p> <p>Our people tell us that having dwf draft has given them a strong proposition and enabled them to have different types of conversations, deepening client relationships.</p> <p>For more information visit: dwf.law</p>	<ul style="list-style-type: none"> • To enable our people to dedicate more time to bespoke drafting and getting documents negotiated and agreed quickly • To improve quality assurance and risk management • To achieve significant time and cost efficiency savings • To enable a consistent approach across multiple teams and locations • To enhance client experience. 	<ul style="list-style-type: none"> • We invested in market leading document automation software ContractExpress and combined it with expert legal know-how, precedents and consultancy capability. The software was immediately embraced by our people who were keen to take it to clients, owing to the collaborative design approach we take with all our technology solutions • We piloted a document automation subscription service for clients to use in-house so they can also benefit from the efficiency and consistency it brings. This helps us add value to clients as they can avoid having to make a large upfront capital investment to achieve the same goals • We collaborated with document automation specialist BAM legal and software provider Thomson Reuters, and recruited dedicated people with hybrid skills to drive the initiative.
<p>We developed dwf resource.</p> <p>This is a comprehensive resourcing service where clients can choose from three different resourcing options to suit their individual requirements:</p> <ol style="list-style-type: none"> 1. DWF secondees 2. DWF accredited legal consultants 3. DWF sourced contract lawyers. <p>For more information visit: dwf.law</p>	<ul style="list-style-type: none"> • To provide clients with a single point of contact via Client Partners who will facilitate all people resourcing needs • To provide a high calibre resource • To provide cost certainty as all services are a fixed price for agreed periods • To save time compared to a direct recruitment process • To provide flexibility from the multiple service options - a key part of our own resourcing model. 	<ul style="list-style-type: none"> • We've taken a phased approach: <ul style="list-style-type: none"> • Phase one, was to get a clearer approach for our secondment offering. During this phase we spotted strategic benefits internally • Phase two, will be about ongoing development and improvement • For clients it's helping most where traditional recruitment options are unavailable • We appointed a dedicated Resource Manager who oversees the service delivery and the overall client experience.
<p>We launched the dwf legal support centre.</p> <p>This is a resourcing option designed to provide legal support services more efficiently in order to meet the evolving demands from clients for more cost effective legal services.</p> <p>The teams have the ability to flex resource at short notice as workloads fluctuate, enabled by processes and workflows to enhance the speed and efficiency of service.</p> <p>For more information visit: dwf.law</p>	<ul style="list-style-type: none"> • To facilitate an increased service delivery for clients – adding value. It also: <ul style="list-style-type: none"> • Provides access to flexible and scalable resource • Significantly reduces costs on routine work • Provides quality assurance as an integrated part of a major UK legal business • Saves time as it enables experienced lawyers to focus on more strategic and complex elements of work. 	<ul style="list-style-type: none"> • We created a team of legal specialists who ensure operations are aligned effectively to enable the efficient delivery of specific types of legal work • We set up the centre to operate as either a stand-alone resource or integrated alongside our specialist lawyers and other providers • We are flexible and transparent, with numerous pricing options available to suit different clients and work types.

04

Our Values

Our values are at the heart of everything we do and are used as a benchmark for many of our strategic decisions, particularly when growing and developing our business. The values we share and uphold help to define and reinforce our culture.

Attend to details

Paying attention to every last detail is the right way to ensure that clients experience the very best of DWF.

Behaviours and actions

- Communicate effectively and professionally
- Deliver on your objectives and targets
- Give and encourage constructive feedback
- Understand your impact on our commercial and financial achievement
- Say thank you.

Attend to details

Disrupt to progress

Disrupt to progress

Just because there's an established way of doing things, it doesn't mean it's the best way.

Behaviours and actions

- Champion new ideas
- Embrace and promote change
- Seek opportunities for improvement and growth
- Have an opinion and get involved
- Pause. Think differently.



Always aim higher

Always aim higher

By refusing to do only the minimum and reaching further every time, we expand the realm of what's possible.

Behaviours and actions

- Strive to beat expectations
- Deliver service excellence
- Immerse yourself in your field
- Be a role model for best practice
- Drive development in yourself and others.

Be better together

Be better together

By supporting each other and working as a team, we can achieve more for our clients and ourselves.

Behaviours and actions

- Connect across the business
- Recognise, respect and value each other
- Be visible and accessible
- Promote knowledge sharing
- Encourage, enable and empower others.

Keep all promises

Keep all promises

A promise is a promise, no matter how large or small. By keeping promises we build trust, loyalty and commitment.

Behaviours and actions

- Listen carefully, promise accordingly
- Take ownership
- Be transparent and genuine
- Do what you say you will
- Have a 'can do' attitude.

Creating Sustainable Value

We aim to create sustainable value for our clients, our people and the communities in which we live and work. True value creation is a reciprocal process and one in which we aim to keep the balance just right.

Clients

Our clients range from FTSE 100 multinational household names to private individuals, from both the public and private sector. Our client base spans both UK and international markets.

We create value for our clients by providing intelligent and insightful legal advice

and services which are aligned to their commercial reality. Meeting our clients' needs is at the heart of our continuing drive to do things differently.

People

Our people include everyone who has a part to play in delivering client service excellence on behalf of DWF to our clients.

We create value for our people by offering fulfilling and rewarding careers and continuing to invest in their development and care about their wellbeing.

Communities

Our communities include those in which we live and work. Those that touch the lives of our people day by day.

We create value for our communities by recognising and acting upon the positive impact we can have on current and future generations.



**How we
create
value:**

1. For our clients

- We invest in relationships and take time to understand our clients and their business
- We recognise the challenges faced by our clients and develop holistic solutions to help meet their needs
- We challenge ourselves to think differently to support our clients in delivering on their objectives
- We engage our people who strive to deliver excellence in everything they do
- We leverage technology to do more for our clients
- We connect our diverse knowledge and experience to make a bigger impact.

How our clients create value for us:

- They invest time in building relationships
- They provide us with insight into their business income
- They provide long term stability for our business
- Client-centricity drives our continuous improvement.

2. For our people

- Our people can expect a supportive, diverse, well-connected and inclusive environment
- They can expect to be empowered and encouraged to deepen their skills, knowledge and expertise
- They can expect a manager who is helpful and enabling
- They can expect to be recognised and rewarded for going further, thinking differently and living our values
- They can expect opportunities to apply their strengths and further their careers.

How our people create value for us:

- Our people invest their time and resources into making our business a success
- They have skills, experience and knowledge that drive continuous improvement
- Their engagement with our business objectives helps us build a sustainable business
- Their commitment helps build stability for our clients and colleagues.

3. For our communities & environment

- We focus on transformational activities that we believe have the most impact
- We collaborate and partner to build strong communities
- We actively support communities for the long term
- We apply our expertise to inspire confidence and develop employability skills
- We challenge our people to make a difference through fundraising for our Charitable Foundation and volunteering
- We actively manage our carbon emissions
- We externally audit our sustainability performance.

Value to DWF:

- Trust and mutual respect builds community diversity
- Enrichment for our people
- Insight above and beyond our immediate market
- A sustainable world for generations to come.

Corporate Social Responsibility

We are driven to embed CSR into the way we do business, based on our fundamental belief that our values matter. They protect our business whilst creating competitive advantage. To approach CSR in this way helps differentiate our business to clients, and goes a long way towards building stronger long-lasting relationships.

Looking outside of DWF, embedding CSR into our business helps build goodwill within the communities in which we live and work, and demonstrates our commitment as a business to behave responsibly and sustainably.

To help us achieve this we are increasing our CSR transparency and accountability and establishing clear safeguards on the application of international standards.

Community investment strategy focus

Our community investment strategy is focused on education, employability, health & wellbeing and homelessness. We know that without thriving communities and talented people our business won't be sustainable, so we have a responsibility to contribute to community prosperity by continually innovating, learning and improving.

To support our strategy we have worked hard to transition from ad hoc tactical community activity to a strategic programme focusing on the social issues most relevant to our business and communities, driving activity where it's needed most. Their resonance is measured through take up of volunteering opportunities and feedback – this includes regular dialogue with our local CSR teams and our People Engagement Survey.



How We Add Social Value

What we do	Why we do it	How we do it
<p>We identify the social issues that are most relevant to our business and most pressing to the communities we work with.</p> <p>We work in partnership with our communities leveraging our combined expertise for mutual benefit.</p> <p>We plan and manage our community investment using the most appropriate resources to deliver against our targets.</p> <p>We inspire and engage our employees, clients and suppliers to support our community programmes.</p> <p>We measure and evaluate the difference that our investment has in the community and on our business, and strive for continuous improvement.</p>	<ul style="list-style-type: none"> • To reduce unemployment and improve opportunities for those furthest from employment, changing perceptions amongst employers of talent and where it is sourced • To create a lasting skills legacy for local people through the training they receive • To help build more resilient communities through a focus on skills development, aspiration, confidence and wellbeing • To create economic, educational, social and cultural opportunities that provide individuals with connections outside their communities to help break the intergenerational cycle of poverty. 	<ul style="list-style-type: none"> • 5 STAR Futures • DWF Foundation • Volunteering • Engaging our people • Investing in the strategic implementation of our CSR programme • Measuring our performance (people engagement survey/benchmarking). <p>For more information visit: dwf.law</p>

Achievements

What we achieved	Why it was important	What the benefits are
We maintained our BITC CommunityMark - the UK's only national standard that publicly recognises excellence in community investment.	We are one of only 34 businesses in the UK to currently hold BITC's CommunityMark.	Maintaining this standard supports our goal of delivering deliberate and impactful social value, strategically. It also gives us a credible track record of sustained positive impact.
We worked with the Government to design the Legal Trailblazer Apprenticeships scheme, and subsequently launched it within DWF.	It provides a great opportunity for candidates of any age or background, who either want to start their career as soon as possible or are looking for a career change, to break into the legal sector and gain valuable qualifications through a rigorous apprentice scheme.	Recruiting our first cohort of apprentices will allow us to develop and invest in future talent for the business in a sustainable and socially responsible way, in line with our community investment strategy (education and employability).
We became a signatory of the United Nations Global Compact business principles.	As a business with operations based in a number of developed countries, as a minimum we observe the Human Rights laws and regulations in all of these territories, not just in the letter but also the spirit.	Being signatory to the contract makes us more accountable to acting in a responsible and sustainable way. It also steers us towards business partners/suppliers who share the same commitments and beliefs, going some way to de-risk future relationships as we grow internationally.
We launched our first ever People Engagement Survey.	<p>More than 1,500 people took part, a positive 67% response rate. We were delighted that so many of our people shared their views.</p> <p>It's very healthy for a business to have this level of engagement and we were encouraged by the survey findings which also confirm a strong sense of motivation and positive wellbeing felt by the majority of our people.</p> <p>We are committed to making DWF a great place to work and we recognise there is more still to be done to understand the full story behind the results.</p>	The feedback clearly identified a number of immediate priorities that we need to focus on, and activity to identify and act on the issues that matter the most to our people is taking place collaboratively at all levels of the business.

Achievements

What we achieved	Why it was important	What the benefits are
We held our first Diversity Week.	During the week we challenged our people to think about their approach to diversity and inclusion, and whether there is anything they could do differently to help build and maintain a diverse and inclusive workplace.	<p>Our experience has shown that diversity and inclusion have a positive impact on our business results and deliver:</p> <ul style="list-style-type: none"> • Enhanced client focus and responsiveness: Diverse teams better understand and relate to clients' needs, building trust through an inclusive approach to doing business • Talent and productivity: An inclusive workplace is a magnet for high-quality people and helps us attract and retain diverse talent, whilst engaging them to perform at their best • Improved decision-making: We are aiming for diversity of thought, opinion and experience. This sort of diversity leads to better decision-making, thought leadership, innovation and agile thinking, whilst helping us avoid institutional blindness.
<p>We were named in Stonewall's Top 100 Employers list 2016 which showcases the best places to work for lesbian, gay, bisexual and transgender (LGBT) employees.</p> <p>We were also named as one of the Top Employers for Working Families.</p>	<p>We climbed 91 places and entered Stonewall's exclusive Top 100. This is testimony to our ongoing commitment to creating a supportive and inclusive environment for our people.</p> <p>The research by the charity Working Families benchmarked employers on flexible and family friendly working policies and practices, and saw DWF ranked in the top 10 alongside leading organisations, such as American Express, Lloyds Banking Group, Deloitte and the Ministry of Justice.</p>	The lists are a powerful benchmarking tool which enable us to drive our ambition to create an inclusive environment.
We inspired our people to get involved: We committed 7,865 hours between 1 May 2015 to 30 April 2016. Valued at £1,367,000.	We are exceeding our volunteering KPI of 30% participation rates across each DWF location (currently 36%).	This activity is helping to embed CSR into the working lives of the people at DWF, and to deepen our commitment to creating sustainable value within our communities.
We launched our own Charitable Foundation on 1 December 2015 with the sole aim of providing funds, resources and support to help our communities achieve their full potential. A total of £43,050 has been granted to local charities so far.	<p>The launch marks a significant step in evolving our community investment strategy, transitioning away from nominated charities supported by our people within their respective location.</p> <p>The foundation enables us to support a more diverse range of charities than ever before, whilst ensuring all grants distributed align to our four community investment pillars of education, employability, health and wellbeing and homelessness.</p>	<ul style="list-style-type: none"> • Wider colleague engagement, more local impact. As a charity, independent of DWF, its operating costs are met by DWF, so every penny raised goes to support good causes. The Board of Trustees are recruited from across DWF and at all career levels • Through the DWF Foundation we hope to build upon the excellent work that our local CSR teams already do with our local communities.

Awards & Recognitions

- In 2015, we were awarded the 'Closing the Educational Gap Award' at the Responsible Business Awards in Scotland and CSR Firm of the Year at the Law Awards of Scotland
- We were also recognised as a Finalist in Business in the Community's national School's Partnership Awards - we were successfully re-accredited in 2016
- In 2016, LV= awarded DWF The Community Award which recognised the impact of our community investment strategy, with our 5 STAR Futures school engagement programme being described as 'a superb and totally integrated programme'.

5 STAR Futures

5 STAR Futures is our flagship national education programme which aims to enable aspirational young people across the UK to unlock their potential by helping them increase their confidence, develop their employability skills and become more work ready.

We partner with ambitious and aspirational schools in locations where we have an office and provide their students with the challenge, support and knowledge to enable their potential and help them build sustainable careers, and contribute to developing sustainable and vibrant communities. We also collaborate with trusted business partners that share our values and support our purpose, and actively engage our clients in this programme.

5 STAR is designed to help tackle the negative impact of 3.6 million children living in poverty. We focus our efforts on those schools with an above average number of pupils eligible for free school meals, that are located in the 20% most deprived areas in the country and where students are not achieving the national average A* - C GCSE results.

Our Partnerships

We have worked incredibly hard to build our reputation as a responsible business. We value our community partnerships and see them as powerful enablers to ensure we stay true to our values, introduce and share best practice and maintain our focus of being a profitable and sustainable business. We will further demonstrate our credentials as a responsible business through our continued participation in independent benchmarking to assess and evolve our performance in support of our diversity, community investment and environmental goals.

DWF supports the principles of Human Rights set out in the Universal Declaration of Human Rights, the International Labour Organisation (ILO) core labour standards and is a signatory of the United Nations Global Compact.

Our partnerships include:

- Business in the Community (BITC)
- Stonewall Diversity Champion Status
- We are a Disability Confident Employer and have maintained our ClearAssured status – establishing us as an inclusive recruiter of disabled talent - we were the first UK law firm to achieve this
- We have our own, highly commended LGBT network group, OutFront
- We are a Top 10 Top Employer for Working Families
- We participate in BITC's Gender and Race benchmarking and are currently Silver Standard on both
- Employers Network for Equality and Inclusion (ENEI).



Business Overview

Andrew Leatherland, Managing Partner & CEO

Growth has always been the mainstay of our strategy and this year was no exception. Strategically, our objectives were to continue to embed our three strand strategy at an operational level and also in the hearts and minds of our people. We also had an objective to develop our international expansion, a move that is essential if we are to continue to meet the needs of our expanding client base.

A truly differentiated offer

Our continued vision over the last 12 months has been to respond to market changes and challenges by continuing to position ourselves as the legal business known for delivering

legal services differently. By converging legal expertise, industry knowledge and technology with an open minded and entrepreneurial approach, we have delivered results for our clients in new and increasingly enhanced ways. Maintaining the connectivity of the three strands of our strategy is crucial to our future success, as it is where the strands overlap that it becomes most powerful.

As a business, our strength comes from our people's ethos and commitment to doing things differently. It's how we join up all our ways of working that makes us different. Last year saw us enhance our service delivery models in order to provide clients with a range of choices, whilst ensuring that we deliver services efficiently and appropriately. What is important to note is that these enhancements were not simply tactical moves made in isolation. We strategically pull all

of what we do together, and it's that output which is our point of difference. We do lots of things differently, but it's how we join them together to deliver that makes us different.

Moving forwards, our goal is to look at how we can 'bundle' legal services to represent a truly differentiated offer as a way to better serve our clients' needs. As a legal business we are able to offer more than legal advice.

Our insight into managing legal functions will help support our consultancy capabilities, our access to a bank of experienced people helps support resourcing issues faced by our clients and **15squared** – our innovation hub – is where we develop technologies that will help shape the future of managing legal aspects of our clients' business.

When these resources are delivered in a joined up way they really represent the future of law. Over the last 12 months we have strengthened our proposition in all of these areas and we have invested in bringing dedicated people into the business to make this happen. Now we plan to focus on providing the services in a way in which our clients can best consume them.

Engaging our people; training and development as a key to growth

Fundamentally, client relationships are built through chemistry - a similar outlook and approach, and an ability to talk on the same level. This requires a different mindset and therefore last year we continued to build comprehensive training programmes for our people, to help achieve our vision.

We are keen to demonstrate what good management looks like in a fast paced innovative environment – balancing both consistency and giving people a chance to shine, delivering both brilliant basics as well as innovation. As fits with our strategy strand of constantly doing things differently, this will continue to evolve. Simultaneously, we will work hard to attract and retain high quality and motivated lawyers, talented managers and inspiring leaders, looking for the opportunity to shape something dynamic and exciting.

Communication; not just broadcasting

2015/2016 saw us launch our inaugural **People Engagement Survey**. The survey, led by our Engaging People Executive (EPE), was designed to inspire honest feedback and to identify areas for improvement that the business needed to focus on. It was also a way for our people, many of whom have joined as part of our merger activities, to be involved in shaping the kind of culture where career goals are pursued in a workplace based on mutual respect. In doing so, it will help us to achieve the superior performance needed to deliver our strategy and grow a sustainable business. It was our intention to use the results to provide baseline data around

the extent to which people at DWF:

- Speak positively about our business
- Recommend DWF as a great place to work
- Feel motivated to do their best in their job
- Feel strongly connected to DWF and its vision and values

This was important for us, not just because engaged employees are an essential part of our strategy but because it enables us to understand how and where we create value for the people within our teams. The results of the survey were presented to the Executive Board then cascaded throughout the business. I am pleased to report that we have already started to act on the feedback received, and what was enormously evident from the results was the passion our people have for the business and their commitment to wanting it to succeed.

Mergers and acquisitions instrumental to growth

Our geographic expansion has always been driven by client need. Whilst we have operated in various international jurisdictions for over 20 years, this year we have continued to increase and formalise our geographical reach. Ultimately this was driven by our desire to provide a more aligned offering to our client base which is becoming increasingly global. We also recognise that expansion presents a significant opportunity for growth, particularly for our Commercial Services Division.

Our International Steering Committee (ISC) has been instrumental in the development of our international proposition and we believe that we have the advantage of building our overseas business in the light of the changed landscape, following the Brexit vote. We intend to build our business to deliver strength and resilience, with tailored international exposure which enables us to meet whatever the future brings with confidence.

Our first move into international territory took place with the opening of our Dubai office in 2014/2015 and over the last 12 months we have built on this proposition.

We have almost quadrupled our office space in Dubai's International Finance Centre (DIFC) to cater for growing client demand. Following the recent appointments of Waseem Khokhar as new DWF Middle East Managing Partner and Director Jazz Moman, joining from PwC Legal Middle East and King & Wood Mallesons respectively, we also plan to further expand our service line offering within this region.

2015/2016 saw our first major expansion into Europe. Our merger with BridgehouseLaw in January 2016 was viewed by the Strategic Board as a crucial move, particularly with Germany being the largest economy in the Eurozone.

In BridgehouseLaw we found the perfect cultural fit and access to a wider network of international relationships. Our Brussels office, opened in 2015, was an important ingredient for businesses requiring support around the regulatory requirements within/surrounding the Eurozone, and also links well to our Dublin office.

BridgehouseLaw, now DWF Germany, operate from Cologne and Munich and are supported by an international network focused on the Middle East: particularly Qatar, Saudi Arabia and Israel, and the US. The team advises US companies expanding into Germany and German companies expanding into the US on the full range of commercial issues with particular expertise in corporate/M&A, distribution, employment, IT/IP and litigation matters.

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Their technical skill, dedication and responsiveness has been exceptional. We see DWF as a true partner to our business going forward.

- Adam Sable, Pure Scot, General Manager

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15squared

We have created '15squared', a new business that will focus solely on innovation and product development.

We already have an unrivalled track record for innovation, winning numerous awards in the last 12 months.

By focusing our energy into a wholly owned, separate business, we will be able to take the innovation agenda not only to the next level but, in time, beyond it.

Our responsibilities

A continuing goal for us is to embed CSR into the way we do business. It is about the fundamental belief that our values matter. We believe that living our values enables us to: Protect the business whilst creating competitive advantage, attract and retain the best people, differentiate our brand to clients, build stronger long lasting relationships, build goodwill with our local communities and demonstrate our commitment as a business to behave responsibly and sustainably.

We will achieve this by continuing to drive our CSR transparency and accountability, having clear safeguards on the application of international standards, and a sustained commitment to maintain a personal presence in our local communities.



DWF is committed to going further for our wider community. From day one I have been encouraged to get involved in volunteering opportunities at local schools and hospitals as well as making a meaningful contribution to DWF's award winning 5 STAR Futures programme.

Leo Parkington, Birmingham Trainee



believe.
inspire.
change.

Charity begins at home

On 1 December 2015 we launched our Charitable Foundation with the sole aim of providing funds, resources and support to help our communities achieve their full potential.

So far, over £43,000 has been granted to local charities by the DWF Foundation.

The launch marked a significant step in our journey to develop a culture of contribution. It demonstrates that when we all work together we can make a significant, positive impact on our communities. We have grown the foundation organically; it's powered by our people. This is quite different to the normal approach – usually firms 'buddy up' with another service provider; however our goal was to build on the positivity which surrounds the existing culture of 'giving back' which is demonstrable amongst our people.

The business has engaged across all levels and it has been brilliant to watch people from every area work together, get to know each other and unite in doing something good. It has also really made a difference to see the senior management team attending charity challenge events to show their support. People in the business notice and it really impacts on their positive impression of the leadership teams.

Diversity and inclusion

We are committed to creating a culture that understands and values diversity. Providing equal opportunities when recruiting and promoting people, whereby ability, experience, skills, knowledge, integrity and diversity are guiding principles in the day-to-day management of our business. We recognise that diversity and inclusion has a direct business impact through the attraction and retention of talent, our reputational position in the legal sector, and in relation to our clients who have clear commitments in this area.

Our Dignity at Work and Diversity and Inclusion policies support a culture where our people can genuinely be themselves at work and progress on the basis of merit. We want this to be an inclusive business and therefore we take great pride in driving forward this important initiative.

Diversity workstreams are being managed through our Partner-led Diversity Steering Group and we are steadily building a network of Diversity Champions across the business so that our people have a voice in the approach we are taking. We will continue to build our diverse workforce and inclusive culture as it is also a key driver of people engagement.

Flexible and agile working

We continue to evolve our thinking to enhance flexibility and to design a working environment to give our people the right space to do their best work, and the services, technology and line manager capability to support and accept greater organisational flexibility and different styles of working.

To achieve this we will continue to empower agile employees to work anywhere, anytime – as long as business needs are met. Ultimately, it is transitioning to a culture where we focus on results and performance instead of time and attendance. We have already exceeded our target of at least 25% of our people designated agile or flexible as their preferred work style. By 2018, we aim to enable more than 40% of our people to work in a flexible and agile way.



I am delighted that we held our first ever Diversity Week this year, because it allowed us an opportunity to challenge our people to think about their approach to diversity and inclusion, and whether there is anything they could do differently to help build and maintain a diverse and inclusive workplace. Our experience has also shown that diversity and inclusion has a positive impact on our business.



Our Key Diversity and Inclusion Objectives are:

1.

Ensuring our people see our commitment throughout the business and can identify visible role models.

2.

Enhancing support for line managers to manage diversity and inclusion effectively.

3.

Introducing systems and processes that help us to meet our objectives.

Future focus

The legal market has gone through a seismic shift. This has been largely driven by the 'more for less' agenda, but also by new competitors who have been shaking up market complacency. The need for doing things differently has never been greater. Our focus going forwards is to provide profitable yet cost effective solutions within the context of a legal business.

We're continuing to challenge the status quo in the legal market, driving transformational change for us and our clients by doing things differently. Going forward, we need to capitalise on our investments which will help us to stay ahead of changes in the legal market. This is essential for our financial performance and growth plans.

The key to our success will be in finding kindred spirits. We need to take our business and our clients with us. There's no doubt that cultural alignment will be a factor in our success. Clients see us as a different type of business. However, we recognise that some clients will always think about law in the traditional way. In these instances it is essential for us to link back to our commitment of understanding our clients. Making sure our offering is shaped and delivered in a way that works for the individual client. At this point, how we operate our business is essential because price will be a prevailing factor across all clients. Ultimately, it's about understanding our clients, and servicing them in a way that represents the most value for both parties.

During the next 12 months we will continue to assess both UK and international markets for opportunities amongst clients and potential partners who would be receptive to our approach and strategy. We will also be focusing on the development of client relationships in line with our business strategy. We will be aiming for a seamless client experience from cradle to grave, from new business intake to in-depth understanding of and delivery on needs.

The next 12 months promise to be as challenging as the last, but I firmly believe we are positioned to capitalise on the opportunities presented to us in order to significantly grow our business.

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At DWF, we already have a richness of diversity in terms of thought, backgrounds, education, cultures and religious belief. Demographics and societal changes will increase and enrich that diversity. Our approach to diversity is to ensure it is not only present in terms of our policies but visible in practice throughout the business and something I view as critical to our plans for future growth.

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Divisional Reports

Paul Berry, CEO of Insurance Services

2015/2016 was another exciting but challenging year for the Insurance Sector and their legal suppliers, and focusing on understanding and supporting our clients' business objectives ensured we were well placed to dynamically respond to their changing needs.

A changing market

Our clients require a diverse range of services from us, meaning we need to be agile and innovative with our solutions. Our Insurance Services Division handles large volumes of claims in a highly automated environment, which is where our investment in technology in recent years has begun to pay dividends, whilst at the same time we are handling

complex and high value claims often with an international element.

Our growing international footprint will be key to supporting our clients and will contribute to the achievement of their business objectives across policy classes and jurisdictions.

Our marginal reduction in turnover this year was systematic of our drive to increase efficiency and investment in technology that our clients needed from us. Clients should be able to see a return on their investment with us and we are increasingly using data and predictive analytics to target their legal spend, even though that often reduces volumes of claims for us. Helping our clients to develop strategies to identify profitable business,

challenge the right cases and reduce leakage is essential to their successful long term business operations, even though it may reduce our revenues in the short term.

A consultative approach

As a legal business, we think and operate beyond the immediate client request and proactively make recommendations on ways in which to solve their problems and meet their business objectives. Doing things differently starts with understanding what the clients want and need, answering their requests and questions, but it's also about posing others, understanding their strategies and making intelligent recommendations on forward business planning.

The role of analytics

We now have a team of business analysts who not only interpret our own data and work with clients to identify trends and predict results, but who also collaborate with our clients to help them draw information and derive actionable insight from their own data sets. Understanding the profit drivers of the businesses that underpin the claims industry is key. One example is the significant rise in claims for rehabilitation in minor whiplash cases often driven not by client need but by commissions paid behind the scenes. We have helped clients to identify key offenders, and challenge, disrupt and evolve their business models.

Impact of new technologies

We are heavily involved in wider technological developments impacting the insurance industry, such as the legal and insurance implications of a driverless economy and are actively contributing to the growing public debate. Artificial Intelligence and predictive analytics are playing an increasing role in our clients forward planning and our team of insurance consultants are working closely with our clients to shape their approach to ensure that the opportunities are identified and harnessed.

An international focus

We are seeing an increase in the international focus to the work we do, both with existing clients with international reach and through the London global insurance market. Our specialist Product Liability team is active in many jurisdictions, particularly the USA, and in the last 12 months we have seen real growth in instructions for our Marine Insurance team with clients in Europe, Singapore and Malaysia. Our merger with Fox Hartley, a niche insurance

practice, has strengthened our relationships with Japanese insurers and corporates in particular. Our Professional Negligence team is active in the Middle East and many European jurisdictions, particularly in the construction sector.

We have also seen significant growth in Ireland and, following the appointment of Andrew Lothian as Head of our General Insurance team in Scotland and Jill Sinclair as Head of our Scottish Counter Fraud team, we are seeing significant growth and client wins north of the border.

Investing in our people

Ultimately we are judged by the quality of our people. We handle some of our clients’ most sensitive claims, often in the public eye, and it is crucial that we guide and support our clients and their customers through what can often be stressful issues. Our development approach includes management and personal development programmes to equip our partners and lawyers with the skills required to build and develop their teams, and have challenging, meaningful and positive conversations to deal effectively with change and conflict.

Our technical training approach ensures that our people have access to the most up to date training and development, allowing them to offer the best possible advice to our clients. Delivered centrally and through a network of dedicated Professional Support Lawyers embedded within the business, we are able to share best practice and maintain high standards.

The future

The division provides a diverse range of services with very different challenges and opportunities. In the volume space, we are advancing our technological capabilities, enhancing the analytics we provide on client data and are seeing increasing opportunities to offer outsourcing services to support our clients as they undertake change in their own businesses. At the other end of the spectrum, we are investing in new talent to support our growth not only in complex and international claims but also corporate, commercial and regulatory advisory work.

“Our client base has never been stronger, with new clients including Tokio Marine Kiln Group Limited and Ecclesiastical Insurance Group, we are optimistic that we can continue to grow in what is a disrupted and challenging market.”

There will be ongoing investment in the technology that sits within our Insurance Services Division, and we plan a thorough interrogation of how we operate in all areas of our business. We are dedicating resource to train our people and to recruit new team members with specialist skills into the division.

This combined with our effective use of data enables us to align work effectively, and supports our commitment to creating value for our clients and our people.

“One of the main reasons for the longevity of the relationship is that we have always been very impressed by their responsiveness. They are a forward looking, innovative firm who always seem to grasp what we are looking to achieve. That combined with a ‘can do’ attitude and strong delivery makes them a great firm to work with.”

- James Barclay, Allianz Legal Protection, Legal Protection Claims Manager

“Aviva have worked with the large loss team at DWF for a long time. As trusted legal advisors, the team always impress us with their commercially aware, market leading individuals who are absolutely aligned to the Aviva strategy. DWF are also solid supporters of our Road to Reform campaigns with a real market and Government influence.”

Andrew M Wilkinson, Aviva, Head of Technical, Motor & Liability



Divisional Reports

Stephen Miles, CEO of Commercial Services

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Creating an identity for the Commercial Services Division, which incorporates Corporate Services, Litigation and Real Estate, and driving greater connectivity across the division were our key aims for 2015/2016.

We wanted not only to improve practice group performance but also to facilitate a more integrated approach to service delivery, adding value to our clients' businesses whilst creating sustainability within our own.

A challenging market

Economic uncertainty, both in the UK and internationally, has increased over the last six months. This has affected confidence in the transactional markets affecting, more particularly, our Corporate and Real Estate practice groups. In addition, commercial clients continue to face increasing stakeholder pressure to deliver more value for less cost. In the ever increasingly competitive legal market, they demand that their lawyers do the same. We must deliver more for less. We need to embrace change and must continue to work hard to improve our service delivery, increasing efficiencies and creating more value for our clients.

A new way of working

We have excellent clients who really value how we are doing things differently. They have embraced the efficiencies that **dwf draft** can provide, the flexibility offered to them by our use of **dwf resource** and the additional value provided by our increased use of the **dwf legal support centre**.

We are at the forefront of the market when it comes to new ways of working. We must make sure we stay there by continually improving our service delivery and maintaining our focus on innovation.

Building connectivity

Building connectivity across the division will help drive increased performance and further strengthen our client base. This will help us capitalise on opportunities to provide a more consistent, intelligent service to our clients and opportunities for broadening our relationships and increasing organic growth.

To facilitate this we created partner roles in each practice group focused on our clients, our people and our financial performance. These partners meet monthly to share business plans and ideas across the three groups. They focus on adding value to our client relationships, engaging and motivating our people and the efficient operation of our business. This has resulted in a number of new commercial client wins including Swansea University, Ladbroke's & Coral, Pearson Plc and Pepkor UK Limited.

The future

Whilst our sales target just eluded us, we successfully achieved our other targets. This meant increased profitability and significant improvements in working capital. The division is stronger and, on the back of several high profile appointments by international clients, well placed to push forward and achieve its challenging growth target for the upcoming year.

We have strong client relationships but our aim is to broaden these out. Our comprehensive office network provides the depth and breadth of experience to allow us to do this. Our ability to handle both complex and high volume work gives us a unique proposition to sell to large national and international commercial clients requiring legal services across a range of areas.

Our commitment to innovation and doing things differently puts us in a strong position moving forward, but the market will remain competitive. We must continue to fully understand and respond to client needs, investing in the necessary skills and technologies that this requires. We are committed to this and look forward to a strong future focused on up-skilling our people and building sustainable relationships with like-minded, forward thinking clients.

"DWF have more than met our requirements providing a prompt efficient service, providing excellent commercial advice and efficient reporting. We have no hesitation in continuing to use them for Squarestone Growth projects in Scotland and England and hope to be working with them more on other projects including for our residential business Hub Residential. The team has been communicative and responsive and gets things done."

Robert Sloss, Squarestone,
Joint Founder



As well as having a highly talented team, DWF consistently demonstrate excellent transactional management skills, willingness to go the extra mile and always looking to improve the service to NewRiver. It is a genuine pleasure to be working with a legal team that are smart, market savvy, loyal and fun and we would not hesitate to recommend DWF.

- Allan Lockhart, NewRiver Retail, Property Director



"The team at DWF continue to provide us with a first class service in the area of litigation and FCA compliance.

They achieve an unrivalled performance and value for money.

This is obtained by a detailed understanding of the commercial environment in which we operate."

Shaun Deacon, Santander,
Head of Arrears Management

Governance

Good corporate governance enables us to create sustainable value for the benefit of our clients, our people and the communities in which we live and work. This part of the review describes the structures, policies and processes that facilitate the effective management of our business.

Our Risk Management and Governance strategy follows the execution of wider business strategy, so we can anticipate and identify the wider regulatory outcomes and address them accordingly to ensure compliance. Business improvement is also central to our Risk Management and Governance strategy.

To achieve this we put policies in place which provide mandatory ways of working, backed by the DWF values which provide a sense

of common direction for our people and guidelines for their day-to-day behaviour. Those policies are monitored and tested by an audit team who regularly undertake assessments to ensure compliance.

Our changing approach

Over the last 12 months, our internal audit function evolved to a risk based approach to governance. As our business continues to expand, it is essential that our approach to governance adapts with it, in order to remain fit for purpose.

We have also moved to a system that reviews operational streams as opposed to individual partners. For example; complete client file audit, review of management systems, MI reports, trends in complaints or outstanding debt. The change in approach comes from a clear understanding of where the risks are

likely to be found. This enables us to be more responsive and therefore more effective on dealing with potential issues before they arise, and therefore protecting the business. This year also saw the formation of our Audit Committee.

The primary purpose of the Audit Committee is to provide oversight of our financial reporting process, the audit process and our system of internal controls which keep us compliant with the necessary laws and regulations. This move was an essential step in the development of our corporate governance.

Challenges this year

Clients are taking a more risk based approach in terms of their suppliers, as shown by a marked increase in the number of clients who want to audit our business. In addition, client questionnaires have created an increased interest in how we do things, which has meant that we have had to define our activities in order to respond to these requests accordingly.

These requests are undoubtedly resource and time intensive and it can be disruptive when auditors are in the business. However, business excellence is part of our culture and knowing we are suitably prepared for the audit means our teams are able to confidently embrace the process.

External factors

As the legal sector continues to change at pace, the SRA are reviewing their Handbook, regulatory approach and Accounts Rules. This is periodically updated, and the 2011 update moved the regime from rules based to outcomes based. It is anticipated that the approach will remain outcomes based; as such there will be an increase in grey areas which has the potential to increase risk. In response, we have invested in our in-house Risk Management team, so are well equipped to adapt our own approaches accordingly.

Brexit will also have an impact in time; many of our industry rules and regulations are EU based. To manage this, the Risk Management and Excellence team are linked into the DWF Brexit Committee, to keep aligned to the rest of the businesses' plans to manage the implications Brexit will bring.

Competitive advantage

We adapt to and embrace risk by taking a commercial and intelligent approach. We truly understand what our risks are which gives us the insight and backing to make timely decisions. This is essential to the way we operate. As a business we capitalise on opportunities and move forwards at a fast pace. None of which would be possible without a solid framework from which to operate.

We are happy with our level of risk because we are confident in the controls that we have put in place. Our Risk Register, a traffic light based monitoring system, is continually updated so we are always fully aware of the business's risk status.

As our business continues to expand, it is essential that our approach to governance adapts with it, in order to remain fit for purpose.

Future

A business of our size is producing vast amounts of risk based information and data that needs managing. To better manage this, we're currently investing in the creation of an intelligent risk management information tool. This is in progress with **dwf claimbase** which will provide access to enhanced MI and improve our risk management processes. For long-term sustainability and risk management, this will be a great step forward.

dwf claimbase

dwf claimbase is a specialist claims management software product for the insurance and legal markets.

Our primary claim management extranet applications are used by thousands of individual end-users in the professional indemnity claims market.

Additionally, we have many hundreds of users in other insurance market sectors, such as Liability, Clinical Negligence, Aviation and Goods in Transit.

We host these secure online claim management and reserving environments on behalf of our clients, with our clients providing these services to their business partners and other relevant parties.

We will continue with the business excellence agenda to push our strategy of business improvement forward. To help with this, during the next 12 months we will be appointing Excellence Champions and seeking resource in our international offices.

**Backed by
our values**



**Mandatory
ways of
working**



**Regulatory
compliance
+
Business
improvement**

Risk & Excellence team

Our Risk & Excellence team are specialists in their fields, which enables us to understand how we can work within the rules to achieve our strategic objectives. It is having a commercial perspective that's a differentiator for us. There is a synergy between what the team do for us as a business, and how we advise our clients.

We adapt to and embrace risk by taking a commercial and intelligent approach. We truly understand what our risks are which gives us the insight and backing to make timely decisions.

In order to safely and effectively manage our risk based approach, we have simplified our processes and are working more closely with the fee earning teams to make sure the supervision is there. We are also making sure that relationships are developed in such a way that when things do go wrong, our people are confident and comfortable to come forwards.

Risk management

The team supports our business by managing risk. Their responsibilities include regulatory compliance issues, Anti-Money Laundering and Data Protection. The team provides internal advice on conflicts of interests, Data Protection and other regulatory matters. Team members liaise on behalf of the business with our regulators in all jurisdictions and are represented on the Compliance and Risk Management Committee (CRMC) and support it by managing the risk register. The team also manage DWF's insurance portfolio, including Professional Indemnity, EL/PL and Management Liability.

A business of our size is producing vast amounts of risk based information and data that needs managing. To better manage this, we're currently investing in the creation of an intelligent risk management information tool.

Business excellence

The team is currently working towards being recognised as an Excellence organisation under EFQM. This involved managing policies and procedures of the business, making sure they are updated at all times. The team also manage the ISO 9001 Accreditation and have recently been successful in achieving the new ISO 9001:2015 standard.

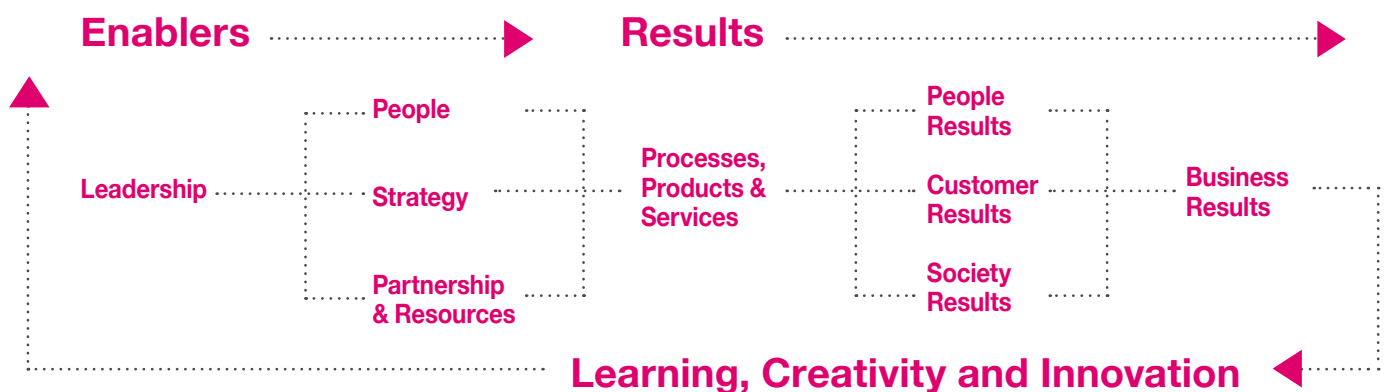
Conflict management

The team also deliver accurate and timely conflict search results to enable fee earners to determine whether there is a regulatory or commercial conflict of interest before acting.

About the excellence model: EFQM

The EFQM Excellence Model provides a holistic tool for assessing how effective we are in developing and delivering a stakeholder focused strategy.

EFQM Excellence Model



Corporate Structure



Driving our Business: Strategic Board & Committees



Strategic Board

DWF's Strategic Board consists of individuals with wide-ranging relevant backgrounds, experiences, skills and knowledge, resulting in a favourable balance that enables the Board to exercise its tasks and responsibilities, while fully taking into account business needs. Board Members gained their business experience in a broad range of industries which collectively include financial services, accountancy, legal and consultancy.

The objectives of our Strategic Board are to:

- Develop and maintain vision, mission and values
- Develop and drive strategic direction
- Establish and monitor policies and governance
- Ensure governance compliance
- Ensure financial and regulatory accountability
- Maintain proper fiscal oversight
- Maintain effective board and business performance
- Ambassadorial.



Alan Benzie,
Chairman

Alan has been DWF's Chairman since 2007; he helps drive and shape our strategic development. Before his retirement from KPMG in December 2003, Alan chaired its Northern offices and sat on their UK Board.



Paul Berry,
CEO, Insurance Services

Before moving to a full-time management role, Paul specialised in large and catastrophic personal injury work for insurers. He now manages the Insurance Services Division which acts for a variety of insurers, adjusters, brokers and corporate clients on a wide range of insurance issues.



Jonathan Edwards,
Partner, Banking
(Elected Partner)

Jonathan specialises in banking law and is the head of our Corporate Banking team. He is highly regarded and rated by Chambers as one of the top five banking lawyers in the North-West UK.



Andrew Leatherland,
Managing Partner & CEO

As Managing Partner & CEO, Andrew is responsible for the overall strategic direction of DWF. Since 2006, Andrew has overseen major growth in revenue and people: from £29m to over £186m and from 560 to over 2,100 respectively.



Ian Slater,
Partner, Insurance Services
(Elected Partner)

Ian joined DWF in 1992. An experienced litigator focusing on complex medical issues and technological innovation, Ian's particular specialism lies in the proactive management of personal injury cases. As a Non-Executive Director on the Board of 15squared, Ian is instrumental in driving our 'doing things differently' agenda.



Stephen Miles,
CEO, Commercial Services

Stephen is responsible for driving forward the Commercial Services Division, and for looking at alternative ways to deliver growth and increased profitability. Stephen has exceptional legal and management credentials having led Pinsent Masons' Banking & Restructuring, Financial Regulation, Employment and Pensions practices in recent years.



Chris Stefani,
Chief Financial Officer

Prior to joining DWF in 2016, Chris enjoyed a 17 year career with EY as Finance Director for EMEA Advisory, overseeing a \$2.7bn business. Chris oversees all of DWF's financial operations in the UK and internationally, with a focus on enhancing revenue, improving profitability and driving working capital management to support the management of our growth.



David Gray,
Non-Executive Director

David is a non-executive Member of the DWF Board. After graduating from Cambridge, David joined the Leeds office of Eversheds where he specialised in mergers and acquisitions. David moved to London as Eversheds' CEO in 2003, a position he held for six years. From 2009 until 2013, David was Chairman of Eversheds International.



Catherine Williams,
Chief People Officer

Catherine joined DWF in 2006 and is responsible for our people strategy, HR, business partnering, organisation learning & development, and corporate social responsibility. Catherine has over 23 years' experience in developing people strategy and delivering change and improvement within professional services businesses.

Supporting Boards and Committees

Committee/Board & Purpose	Objectives
<p>Committee: Audit Committee (AC).</p> <p>Meeting Frequency: Minimum three times per year.</p> <p>Purpose: To oversee financial reporting and disclosure.</p>	<ul style="list-style-type: none"> • To ensure that financial statements are understandable, transparent and reliable • To ensure the risk management process is comprehensive and ongoing, rather than partial and periodic • To help achieve an organisation wide commitment to strong and effective internal controls, emanating from the top • To continually communicate with senior management • To ensure the internal auditors' access to the audit committee, encouraging communication beyond scheduled committee meetings • To review internal audit plans, reports, and significant findings • To establish a direct reporting relationship with the external auditors.
<p>Committee: Client Development Executive (CDE).</p> <p>Meeting Frequency: Monthly.</p> <p>Purpose: To establish, publicise and develop the guiding principles which will grow profitable enduring client relationships.</p>	<ul style="list-style-type: none"> • To support and challenge Client Relationship Partners • To act as a 'Challenge' and 'Ambassador' partner on opportunities and accounts • To align new products to improve the quality of our client interactions • To increase sector insight into our key clients and targets • To leverage potential from mergers and lateral hires • To assess strategic opportunity of markets, sectors and geographic locations • To support the International Steering Committee • To drive new business generation • To monitor and leverage reciprocity with intermediaries.
<p>Committee: Compliance & Risk Management Committee (CRMC).</p> <p>Meeting Frequency: Monthly (exc. Aug, Dec, Apr).</p> <p>Purpose: To advise the Board on the identification, co-ordination and prioritisation of risk management issues throughout the business and to develop a strategy for risk management.</p>	<ul style="list-style-type: none"> • To take an overview of the implementation of the risk and compliance management strategy • Review corporate policies relating to compliance with laws and regulations, ethics, conflicts of interest, and the investigation of misconduct and fraud • Review current and pending corporate-governance-related litigation or regulatory proceedings to which the business is a party • To encourage and foster an awareness of risk management at all levels in the business • To identify new areas of potential risk to the business and to ensure that the business's systems of compliance are robust and fit for purpose in an increasingly regulated environment • To consider any risk and compliance matters that may arise from any companies, limited liability partnerships or alternative business structures in which the business may hold a proprietary or legal interest.
<p>Committee: Engaging People Executive (EPE).</p> <p>Meeting Frequency: Monthly.</p> <p>Purpose: To sponsor initiatives that inspire our people to deliver our business strategy.</p>	<ul style="list-style-type: none"> • To change attitudes and practices by promoting a clear dialogue with our people to ensure they feel connected to, and interested in, our business so that they can contribute fully • To promote ownership of our people strategy across the business and ensure initiatives and resources are aligned appropriately.

Committee/Board & Purpose	Objectives
<p>Committee: Executive Board.</p> <p>Meeting Frequency: Quarterly.</p> <p>Purpose: A communication forum and reserved for decisions on firm wide matters.</p>	<ul style="list-style-type: none"> • To ensure the operational performance of the business • To review and implement those operational aspects that will support the business in its development.
<p>Committee: Service Delivery Executive (SDE).</p> <p>Meeting Frequency: Monthly.</p> <p>Purpose: To help drive initiatives that will support our strategic intent to do things differently.</p>	<ul style="list-style-type: none"> • To meet clients' changing needs: to deliver at the right price and in the right way • To differentiate; to stand out in clients' minds and win more work • To integrate our offerings; to bring together our collective expertise • To improve our margins; to get a better return, and allow more investment • To engage our people.
<p>Committee: Remuneration Committee.</p> <p>Meeting Frequency: Bi-Monthly.</p> <p>Purpose: To manage all remuneration aspects of the business including bonus scheme, promotions and pay review.</p>	<ul style="list-style-type: none"> • To ensure that we are rewarding all our key people competitively and also responsively • To ensure that we incentivise in the right way and consider quality elements of service beyond simple target driven philosophies.
<p>Committee: Diversity steering group.</p> <p>Meeting frequency: Quarterly.</p> <p>Purpose: To oversee and monitor the implementation of DWF's diversity strategy.</p>	<ul style="list-style-type: none"> • To create and maintain a more diverse and inclusive workplace and culture, as a Top 20 law firm • To operate within legislative, risk and best practice frameworks enabling DWF to compete for business • To meet the needs and expectations of our people throughout their employment journey • To meet the needs and expectations of clients through our delivery of outstanding service • To encourage our people, clients and suppliers to demonstrate ownership and responsibility for diversity and inclusion • To authenticate the firm's values and brand image, ensuring dignity and respect is seen and valued as an integral part of the firm's culture and way we do business.
<p>Committee: International Steering Committee.</p> <p>Meeting frequency: Quarterly.</p> <p>Purpose: To oversee, monitor and communicate international strategy, direction and implementation.</p>	<ul style="list-style-type: none"> • To support existing overseas offices as a priority • To investigate opportunities driven by client need, taking into account economic and political issues as well as practical matters • To recommend strategy, advise the Board and drive implementation • To sponsor issues and plans amongst the partnership (to include promoting investments such as office openings) • To communicate with the partnership and firm as a whole to ensure that we are pursuing a strategy that is fit for purpose and supported by all stakeholders.



Financial Review

Chris Stefani, Chief Financial Officer

Building a platform for growth

2015 set out with an aggressive budget in line with our significant growth ambition. Whilst it proved to be overambitious, the results posted nevertheless represent a credible performance and our portfolio of clients gives us a great platform for growth.

Our business performance over the last three years reflects what I would expect after a period of aggressive M&A activity, with a number of mid-sized businesses coming together to form a much larger business. The last 12 months became about consolidating our group offer and building strong foundations for future growth, and ensuring that the whole is greater than the sum of its parts. It has therefore been important to ensure that we have spent both time and resource on integration activities.

The other key challenge is the continuing contraction in the insurance market and this has impacted on our revenue performance. However, there is underlying growth in the business. We have seen some great new client wins and introduced new and more efficient ways of working. As a result, despite the small decline in top line revenue, we still delivered an increased profit margin. Top-line contraction and bottom-line profit improvement shows that we are responding to the market dynamics.

Connectivity will drive us forward

We are growing organically and deepening our relationships with clients. The key requirement is for us to build a workforce which understands the wider value that DWF can bring to clients, not just their own specialism. We do not describe ourselves as a law firm – we are a legal business, and as such see ourselves as business partners to our clients, solving their business issues through a legal lens.



This approach is part of our strategy of doing things differently. We are well positioned to do this through the various building blocks and delivery models that we have invested in. This is our fastest route to growth and is the way we believe we will bring most value to our clients, by bringing them a comprehensive offering rather than a point-solution.



Investing for the future

We have borrowed to fund growth and integration (locations, systems and people) but expect to reduce net debt over the next year as our efficiencies and business development plans yield results. We are comfortable with our level of debt as it serves to aid growth and build a sustainable business.

International expansion

International expansion is critical as it is a capability that our current and target clients need and request from us. This serves our agenda for improved client service, and the fact that our chosen geographies are client led de-risks expansion and helps us to realise synergies in a more efficient manner.

Increasing profitability

We need to be smarter on pricing. This is an industry-wide issue and in this 'more for less' economy clients want certainty, but they also want more options. We need to help our fee earners scope and price more effectively and continue to optimise our delivery model.

The future

The future is bright for us. We are at the forefront of the market, embracing the changes in the legal sector. Ultimately, our early stage investment will pay off and keep us ahead of the pack in a changing market.

A huge amount has been invested into the business, its systems, central services, infrastructure and brand. We are led by clear values and a strong CSR function. We have an amazing client base and a welcoming, friendly culture. Doing great work for great clients with great people, we believe, creates a successful business. We now have a solid foundation to deliver strong revenue and profit.

Revenue
£186.9m

Profit
£20.4m

PEP
£309k

Financial Reports

Members' Report	p41
Members' Responsibilities Statement	p42
Independent Auditor's Report	p43
Group Profit and Loss Account	p44
Group Statement of Comprehensive Income	p45
Group and LLP Balance Sheets	p46
Statement of Changes in Members' Interest	p47
Group Cash Flow Statement	p51
Notes to the Financial Statements	p52

Members' Report

Trading

Following significant investment in international growth and restructuring and consolidation of its UK operations, DWF has announced 2015/16 global revenues of £186.9m, which is a 162% increase over six years (compared to £71.3m in 2009/10) and a marginal decrease (2%) on last year's £191.1m. The group has posted a 6% increase in net profit from £19.1m in 2014/15 to £20.4m in 2015/16, and a 6.9% increase in average PEP to £309k. DWF's UK revenues for 2015/16 are £181.9m.

Investments in international growth in Germany, Dubai, Dublin and Brussels have contributed to underlying profit improvement, despite reduced revenues. Additionally, in order to reshape and refocus their business to address challenges in the insurance market, the firm has adopted a strategy of restructuring and consolidation. Finally, recent mergers give the firm good prospects for the future.

DWF undertook a series of UK and international mergers throughout the year, as well as opening new offices in Brussels, and growing its Dubai and Dublin operations. On 1 January 2016, DWF merged with the German commercial law firm BridgehouseLaw giving the firm offices in Munich and Cologne and strengthening DWF's capability in the tech and retail, food & hospitality sectors. The firm also merged with niche insurance practices: Fox Hartley (on 1 May 2016) to enhance the firm's Lloyds market expertise and help secure new domestic and international insurer clients, and Watmores to strengthen DWF's insurance, rail and local authority sector capabilities (on 15 May 2015). The mergers have helped secure major new clients including Tokio Marine Kiln.

Furthering its international expansion plans, DWF formally opened an office in Brussels in December 2015 to provide greater competition and regulatory support to its major UK and international clients, particularly in the central and local government, retail, food and hospitality, transport, and energy and industrials sectors.

DWF also invested in its Dubai and Dublin operations. Since launching its first new international office in March 2015, DWF has almost quadrupled its office space in Dubai's International Finance Centre (DIFC) to cater for growing client demand. In the last few months the firm has made two significant senior appointments: Waseem Khokhar, a specialist in government legal consultancy work from PwC Legal Middle East, joined DWF as Managing Partner of DWF Middle East and Jazz Moman joined as Real Estate Director from King & Wood Mallesons.

Within the UK, DWF has undergone major transformation over the last five years with focus on restructuring and consolidating post-merger. This is in conjunction with launching integrated delivery models and services that offer clients greater flexibility and efficiency in how they resource legal work. Developed on a pilot basis with clients across different industry sectors, the services have been formalised and rolled out on a larger scale to the firm's client base of major household names and FTSE-listed clients.

DWF made 16 lateral partner hires in the UK in 2015/16 and now employs approximately 2,200 people across 16 locations.

DWF saw its strongest financial performance in 2015/16 in corporate and real estate where the firm has advised on some major deals including advising NewRiver Retail on six strategic acquisitions totalling £332 million; on Colony Capital's £311 million purchase of the Gemini property portfolio; and advising Whitbread on its £85 million 389-room hub by Premier Inn hotel deal in London's Kings Cross.

Funding

The firm continues to be strongly funded by fixed capital and retained current accounts of our Members. Due to improved visibility and strong recurring cash flow, growing in both commercial and insurance businesses, the firm was able to put in place a £45m facility with the help of a syndicate of four international banks in July 2015. DWF continues to place significant emphasis on optimising the firm's working capital to fund the daily cash requirements of the firm.

For details regarding the firm as a going concern, please refer to note one within notes to the accounts.

Financial outlook

Our net profit financial performance continues to be a reflection of the decision taken to invest in the alignment of our operating model with the firm's overall strategy and our global expansion vision. Focus over the last 2 years has very much been on integration of our people, as well as consolidation following our mergers and acquisitions, and the firm continues to assess resource levels in changing market conditions in order to create the optimal platform for growth. We continue to be confident that these substantial investments in our infrastructure, in our people, and our technology platforms put us in a strong market position.

Principal activity

DWF LLP is a Limited Liability Partnership in England and Wales.

The principal activity of DWF LLP is the provision of legal services in the United Kingdom and Ireland.

DWF Germany Holding (GbR), DWF (Dublin), and DWF (Middle East) LLP provide legal services outside of the UK and Ireland.

Charitable donations

During the year, the firm made charitable donations totalling £5,000 to a variety of local charities (2015: £10,000).

Designated Members

The following Members served as Designated Members throughout the year and at the date of this report: AR Leaiterland, PA Berry, IJ Slater, AG Peacock and JDL Edwards.

The Board

The Board comprises the Designated Members together with a Non-Executive Chairman, Alan Benzie, a further Non-Executive Director, David Gray, Interim CFO Carole Thompson (resigned 25 November 2015), the CFO, Chris Stefani (from 18 April 2016), Chief People Officer, Catherine Williams, Antony Marsh (resigned 31 January 2016), and the CEO of Commercial Services, Stephen Miles.

Members' drawings and capital policy

The Members' policy on drawings is determined by the Board. A conservative level of monthly drawings is established at the start of the financial year which enables each Member to draw a proportion of their post-tax profit during the accounting year with further distributions being made once the financial results for the year and allocation of profit have been finalised; the timing of which is dependent upon the working capital requirements of the firm.

With the consent of Members, the LLP retains a provision for tax from their profit shares which is paid to HM Revenue & Customs on their behalf. The capital requirements of the LLP are kept under review by the Board with any proposed changes being approved by the Members. The level of Equity Members' capital contribution is linked to his or her share of profit. The capital contribution of Fixed Share Members is fixed at a standard rate, in line with HM Revenue & Customs legislation guidelines.

Auditor

Deloitte LLP has expressed their willingness to continue in office as auditor of the LLP, and accordingly Deloitte LLP will be proposed for reappointment as auditor.

Approved by the Board of Members on the 27th October 2016 and signed on behalf of the Board.



A. R. Leaiterland

I. J. Slater

Members' Responsibilities Statement

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

The Limited Liability Partnerships (Accounts & Audit) (Application of Companies Act 2006) Regulations 2008 require the Members to prepare financial statements for each financial year.

Under that law the Members have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland.'

Under Company law as applied to Limited Liability Partnerships, the Members must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and Limited Liability Partnership and of the profit or loss of the group and Limited Liability Partnership for that year. In preparing these financial statements, the Members are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting 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 Partnership 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 Limited Liability Partnership and enable them to ensure that the financial statements comply with the Companies Act 2006, as applicable to Limited Liability Partnerships, and in accordance with the requirements of the Statement of Recommended Practice Accounting by Limited Liability Partnership (issued July 2014).

They are also responsible for safeguarding the assets of the Limited Liability Partnership and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. These responsibilities are exercised by the Board on behalf of the Members .

Independent Auditor's Report to the Members of Group LLP

We have audited the financial statements of DWF LLP for the year ended 30 April 2016 which comprise the Group Profit and Loss Account, Group Statement of Comprehensive Income, the Group and Parent LLP Statement of Changes in Members Interest, the Group and Parent LLP Balance Sheets, the Group Cash Flow Statements and the related notes 1 to 21.

The financial reporting framework that has been applied in their preparation is applicable

law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland.'

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. 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 Members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Members and auditor

As explained more fully in the Members' Responsibilities Statement, the Members are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group and the Limited Liability Partnership's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Members; and the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the

audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group and Limited Liability Partnership's affairs as at 30 April 2016 and of the group profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 as applied to Limited Liability Partnerships.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Members' Report for the financial year for which the financial statements are prepared is consistent with the information in the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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.



Heather J Cosby BSc ACA
(Senior Statutory Auditor)
for and on behalf of Deloitte LLP

Chartered Accountants and Statutory Auditor

Manchester, United Kingdom
27 October 2016

Group Profit and Loss Account

Year ended 30 April 2016

	Note	2016 £'000	2015 £'000
Turnover	2	186,850	191,133
Other operating income		312	227
Staff costs	3	(85,322)	(85,328)
Depreciation		(6,054)	(5,233)
Amortisation of intangibles		(266)	(250)
Other operating expenses		(49,944)	(52,495)
Operating profit	4	45,576	48,054
Net interest payable	5	(1,137)	(1,012)
Profit on ordinary activities before taxation and Members' remuneration and profit shares		44,439	47,042
Tax on profit on ordinary activities of the subsidiaries	6	(898)	(934)
Profit on ordinary activities before Members' remuneration and profit shares		43,541	46,108
Members' remuneration charged as an expense		(23,169)	(26,963)
Profit for the financial year available for discretionary division among Members		20,372	19,145

All results relate to continuing activities.

Group Statement of Comprehensive Income Year ended 30 April 2016

	Note	2016 £'000	2015 £'000
Profit for the financial year available for discretionary division among Members		20,372	19,145
Exchange losses on translation of foreign operations		(159)	-
Total comprehensive income available for discretionary division among Members		20,213	19,145

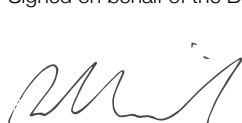
Group and LLP Balance Sheet

As at 30 April 2016

	Note	Group 2016 £'000	Group 2015 £'000	LLP 2016 £'000	LLP 2015 £'000
Fixed assets					
Goodwill	9	314	382	67	-
Other intangible assets	9	601	494	30	44
Tangible assets	10	17,555	19,709	17,445	19,682
Investments	11	-	-	423	8
		18,470	20,585	17,965	19,734
Current assets					
Debtors	13	101,050	99,449	101,828	98,737
Cash at bank and in hand		9,976	2,905	8,800	2,731
		111,026	102,354	110,628	101,468
Creditors: amounts falling due within one year	14	(40,796)	(75,389)	(45,391)	(76,836)
Net current assets		70,230	26,965	65,237	24,632
Total assets less current liabilities		88,700	47,550	83,202	44,366
Creditors: amounts falling due after more than one year	15	(50,805)	(6,093)	(50,805)	(6,093)
Net assets attributable to Members		37,895	41,457	32,397	38,273
Represented by:					
Loans and other debts due to Members within one year					
Members' capital classified as a liability		24,071	25,932	23,437	25,932
Other amounts		5,892	10,909	2,217	9,940
		29,963	36,841	25,654	35,872
Members' other interests					
Other reserves classified as equity		7,932	4,616	6,743	2,401
Total Members' interests		37,895	41,457	32,397	38,273

These financial statements of DWF LLP, registered number OC 328794, were approved by the Board on 27 October 2016.

Signed on behalf of the Board of Members.



A. R. Leatherland
Designated Member



I. J. Slater
Designated Member

Statement of Changes in Members' Interests as at 30 April 2016

Group FY14-15	Other reserves £'000	Loans and other debts due to Members			Total Members' interests £'000
		Members' Capital classified as Debt £'000	Other amounts £'000	Total £'000	
Members' interest as at 30 April 2014	14,480	23,173	8,039	31,212	45,692
Changes in transition to FRS 102 (Note 21)	(1,684)	-	-	-	(1,684)
LLP Members' interests as at 1 May 2014	12,796	23,173	8,039	31,212	44,008
Consolidated profit for the financial year available for discretionary division among Members	19,145	-	-	-	19,145
Members' remuneration charged as an expense	-	-	26,963	26,963	26,963
Allocation of profit	(27,325)	-	27,325	27,325	-
Members' interests after profit for the year	4,616	23,173	62,327	85,500	90,116
Introduced by Members	-	6,464	-	6,464	6,464
Repayments of capital	-	(3,705)	-	(3,705)	(3,705)
Drawings	-	-	(51,418)	(51,418)	(51,418)
Members' interests as at 30 April 2015	4,616	25,932	10,909	36,841	41,457
Amounts due to Members	4,616	25,932	10,909	36,841	41,457

Statement of Changes in Members' Interests as at 30 April 2016 (Continued)

Group FY15-16	Other reserves £'000	Loans and other debts due to Members			Total Members' interests £'000
		Members' Capital classified as Debt £'000	Other amounts £'000	Total £'000	
Members' interests as at 1 May 2015	4,616	25,932	10,909	36,841	41,457
Consolidated profit for the financial year available for discretionary division among Members	20,372	-	-	-	20,372
Members' remuneration charged as an expense	-	-	23,169	23,169	23,169
Allocation of profit	(17,056)	-	17,056	17,056	-
Members' interests after profits for the year	7,932	25,932	51,134	77,066	84,998
Unrealised foreign exchange translation difference	-	-	(159)	(159)	(159)
Introduced by Members	-	2,975	-	2,975	2,975
Repayments of capital	-	(4,836)	-	(4,836)	(4,836)
Drawings	-	-	(45,083)	(45,083)	(45,083)
Members' interests as at 30 April 2016	7,932	24,071	5,892	29,963	37,895
Amounts due to Members	7,932	24,071	5,892	29,963	37,895

Statement of Changes in Members' Interests as at 30 April 2016 (Continued)

LLP FY14-15	Other reserves £'000	Loans and other debts due to Members			Total Members' interests £'000
		Members' Capital classified as Debt £'000	Other amounts £'000	Total £'000	
Members' interest as at 30 April 2014	12,921	23,173	8,071	31,244	44,165
Changes in transition to FRS 102	-	-	-	-	-
LLP Members' interests as at 1 May 2014	12,921	23,173	8,071	31,244	44,165
LLP profit for the financial year available for discretionary division among Members	14,633	-	-	-	14,633
Members' remuneration charged as an expense	-	-	27,365	27,365	27,365
Allocation of profit	(25,153)	-	25,153	25,153	-
Members' interests after profit for the year	2,401	23,173	60,589	83,762	86,163
Introduced by Members	-	6,464	-	6,464	6,464
Repayments of capital	-	(3,705)	-	(3,705)	(3,705)
Drawings	-	-	(50,649)	(50,649)	(50,649)
Members' interests as at 30 April 2015	2,401	25,932	9,940	35,872	38,273
Amounts due to Members	2,401	25,932	9,940	35,872	38,273

Statement of Changes in Members' Interests as at 30 April 2016 (Continued)

LLP FY15-16	Other reserves £'000	Loans and other debts due to Members			Total Members' interests £'000
		Members' Capital classified as Debt £'000	Other amounts £'000	Total £'000	
Members' interests as at 1 May 2015	2,401	25,932	9,940	35,872	38,273
LLP profit for the financial year available for discretionary division amongst Members	17,444	-	-	-	17,444
Members' remuneration charged as an expense	-	-	23,004	23,004	23,004
Allocation of profit	(13,102)	-	13,102	13,102	-
Members' interests after profit for the year	6,743	25,932	46,046	71,978	78,721
Introduced by Members	-	2,108	-	2,108	2,108
Repayments of capital	-	(4,603)	-	(4,603)	(4,603)
Drawings	-	-	(43,829)	(43,829)	(43,829)
Members' interests as at 30 April 2016	6,743	23,437	2,217	25,654	32,397
Amounts due to Members	6,743	23,437	2,217	25,654	32,397

Group Cash Flow Statement

Year ended 30 April 2016

	Note	2016 £'000	2015 £'000
Net cash inflow from operating activities	19	51,852	53,343
Cash flows from investing activities			
Purchase of tangible assets		(2,790)	(10,109)
Purchase of intangible assets		(234)	(172)
Acquisition of investments		(480)	-
Net cash acquired with investments		115	-
Net cash flows from investing activities		(3,389)	(10,281)
Cash flows from financing activities			
Repayment of borrowings		(21,216)	(13,298)
Repayment of obligations under finance lease		(455)	(63)
New bank loans raised		39,709	15,280
Payments to or on behalf of the Members		(45,083)	(51,418)
Capital contributions by Members		2,560	6,464
Repayments of capital		(4,836)	(3,705)
Interest paid		(1,137)	(1,012)
Net cash flows from financing activities		(30,458)	(47,752)
Net increase/(decrease) in cash and cash equivalents		18,005	(4,690)
Cash and cash equivalents at beginning of year		(7,870)	(3,180)
Effect of foreign exchange rate changes		(159)	-
Cash and cash equivalents at end of year		9,976	(7,870)
Reconciliation to cash at bank and in hand			
Cash at bank		9,976	2,905
Cash equivalents		-	(10,775)
Cash and cash equivalents		9,976	(7,870)

Notes to the Financial Statements

Year ended 30 April 2016

1. ACCOUNTING POLICIES

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and to the preceding year.

General information and basis of accounting

The LLP is incorporated in the United Kingdom under the Limited Liability Partnership Act 2000. The address of the registered office is given on page 69. The nature of the group's operations and its principal activities are set out in the Members' Report on page 41.

The financial statements have been prepared under the historical cost convention, modified to include certain items at fair value, and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council and the requirements of the Statement of Recommended Practice Accounting by Limited Liability Partnerships (issued July 2014).

The prior year financial statements were restated for material adjustments on adoption of FRS 102 in the current year. For more information see note 21.

The functional currency of the LLP is considered to be pounds sterling because that is the currency of the primary economic environment in which the LLP operates. The Group financial statements are also presented in pounds sterling. Foreign operations are included in accordance with the policies set out below.

The LLP meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements, which are presented alongside the Group financial statements. Exemptions have been taken in relation to financial instruments, cash flow statement, intra-group transactions and remuneration of key management personnel.

Basis of consolidation

The Group financial statements consolidate the financial statements of the LLP and its subsidiary undertakings drawn up to 30 April each year. The results of subsidiaries acquired or sold are consolidated for the periods from or to the date on which control passed. Business combinations are accounted for under the purchase method. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by the Group. All intra-group transactions, balances, income and expenses are eliminated on consolidation. In accordance with Section 35 of FRS 102,

Section 19 of FRS 102 has not been applied in these financial statements in respect of business combinations affected prior to the date of transition.

Going concern

These financial statements have been prepared on the going concern basis. The LLP meets its funding requirement through the subscription of capital by its Members and through an overdraft facility which is due for renewal on July 2017 as well as a Revolving Credit Facility committed to July 2018, giving a stable funding platform from which the LLP will deliver its strategy and growth plans during that period.

Having reviewed the LLP's forecasts and the risks and uncertainties surrounding the current demand for legal services, and other reasonably possible variations in trading performance, the Members expect to be able to operate within its banking facilities and in accordance with the covenants set out in those facility agreements; accordingly they continue to adopt the going concern basis of accounting in preparing these financial statements.

Intangible assets – goodwill

Goodwill arising on the acquisition of subsidiary undertakings and businesses, representing any excess of the fair value of the consideration given over the fair value of the identifiable assets and liabilities acquired, is capitalised and written off on a straight line basis over its useful economic life, which is 5 years. Provision is made for any impairment.

Intangible assets – other

Separately acquired or developed software is included at cost and amortised in equal annual instalments over the estimated useful economic life. Provision is made for any impairment.

Intangible assets acquired as part of a business combination are measured at fair value at the acquisition date. Subsequently these are amortised in equal annual instalments over their estimated useful economic life. Provision is made for any impairment.

Tangible fixed assets

Tangible fixed assets are stated at cost net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost less estimated residual value, of each asset over its expected useful life, as follows:

Leasehold improvements	Term of lease
Fitting out costs	10% per annum or remaining life of lease if lower
Fixtures and fittings	15% on a reducing balance basis
Computer equipment	25% on a straight line basis
Office equipment	20% on a straight line basis

Residual value represents the estimated amount which would currently be obtained from disposal of an asset, after deducting estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life.

Financial instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a finance transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the balance sheet when, and only when there exists a legally enforceable right to set off the recognised amounts and the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. Debt instruments which meet the following conditions are subsequently measured at amortised cost using the effective interest method:

- The contractual return to the holder is (i) a fixed amount; (ii) a positive fixed rate or a positive variable rate; or (iii) a combination of a positive or a negative fixed rate and a positive variable rate.

Notes to the Financial Statements

Year ended 30 April 2016 (Continued)

- (b) The contract may provide for repayments of the principal or the return to the holder (but not both) to be linked to a single relevant observable index of general price inflation of the currency in which the debt instrument is denominated, provided such links are not leveraged.
- (c) The contract may provide for a determinable variation of the return to the holder during the life of the instrument, provided that (i) the new rate satisfies condition (a) and the variation is not contingent on future events other than (1) a change of a contractual variable rate; (2) to protect the holder against credit deterioration of the issuer; (3) changes in levies applied by a central bank or arising from changes in relevant taxation or law; or (ii) the new rate is a market rate of interest and satisfies condition (a).
- (d) There is no contractual provision that could, by its terms, result in the holder losing the principal amount or any interest attributable to the current period or prior periods.
- (e) Contractual provisions that permit the issuer to prepay a debt instrument or permit the holder to put it back to the issuer before maturity are not contingent on future events, other than to protect the holder against the credit deterioration of the issuer or a change in control of the issuer, or to protect the holder or issuer against changes in levies applied by a central bank or arising from changes in relevant taxation or law.
- (f) Contractual provisions may permit the extension of the term of the debt instrument, provided that the return to the holder and any other contractual provisions applicable during the extended term satisfy the conditions of paragraphs (a) to (c).

Debt instruments that are classified as payable or receivable within one year on initial recognition and which meet the above conditions are measured at the undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the Group transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the Group, despite having retained some significant risks and rewards of ownership, has transferred control of the asset to another party and the other party has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer. Financial liabilities are derecognised only

when the obligation specified in the contract is discharged, cancelled or expires.

(i) Investments

In the LLP balance sheet, investments in subsidiaries, joint ventures and associates are measured at cost less provision for impairment.

(ii) Fair value measurement

The best evidence of fair value is a quoted price for an identical asset in an active market. When quoted prices are unavailable, the price of a recent transaction for an identical asset provides evidence of fair value as long as there has not been a significant change in economic circumstances or a significant lapse of time since the transaction took place. If the market is not active and recent transactions of an identical asset on their own are not a good estimate of fair value, the fair value is estimated by using a valuation technique.

Impairment of assets

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss as described below.

Non-financial assets

An asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

The recoverable amount of goodwill is derived from measurement of the present value of the future cash flows of the cash-generating units (CGUs) of which the goodwill is a part. Any impairment loss in respect of a CGU is allocated first to the goodwill attached to that CGU, and then to other assets within that CGU on a pro-rata basis.

Where indicators exist for a decrease in impairment loss, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised. Where a reversal of impairment occurs in respect of a CGU, the reversal is applied first to the assets (other than goodwill) of the CGU on a pro-rata basis and then to any goodwill allocated to that CGU.

Financial assets

For financial assets carried at amortised cost,

the amount of an impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate, where this effect is deemed material.

For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

Taxation

The taxation payable on the LLP profits is the personal liability of the Members, although payment of such liabilities is administered by the LLP on behalf of the Members. Consequently, neither LLP taxation nor related deferred taxation are accounted for in the financial statements.

The tax expense represents the sum of the current and deferred tax relating to the corporate subsidiaries. The current tax expense is based on taxable profits of these companies.

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Current tax assets and liabilities are offset only when there is a legally enforceable right to set off the amounts and the Group intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Members' interests

Members' capital is repayable on retirement of the Member and is therefore classified as a liability. Because Members may retire with less than one year's notice and typically have their capital repaid within one year of serving notice, Members' capital is shown as being due within one year.

Amounts in 'Loans and other debts due to Members' (other than Members' capital classified as a liability) would rank *pari passu* with other creditors who are unsecured in the event of a winding up. No restrictions or limitations exist on the ability of the Members to reduce the amount of Members' other interests.

Notes to the Financial Statements

Year ended 30 April 2016 (Continued)

Divisible profits and Members' remuneration

Members' monthly drawings on account of financial year 2015-2016 profits are treated as automatically allocated as drawn and are treated as Members' remuneration charged as an expense to the profit and loss account in arriving at profit available for discretionary division among Members.

The remainder of profit shares, which have not been allocated until after the balance sheet date, are treated in these financial statements as unallocated at the balance sheet date and included within other reserves.

Revenue recognition and amounts recoverable from clients in respect of unbilled work performed

Unbilled fee income is included as unbilled revenue within debtors. Provision is made against unbilled amounts on those engagements where the right to receive payment is contingent on factors outside the control of the Group. Income on such contingent engagements is generally recognised when the contingent event is successful.

Foreign currency

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date. The results of overseas operations are translated at the average rates of exchange during the period and their balance sheets at the rates ruling at the balance sheet date. Exchange differences arising on translation of the opening net assets and results of overseas operations are reported in other comprehensive income and accumulated in equity.

Other exchange differences are recognised in profit or loss in the period in which they arise except for:

- exchange differences arising on gains or losses on non-monetary items which are recognised in other comprehensive income; and
- in the case of the consolidated financial statements, exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised in other comprehensive income and reported under equity.

Leases

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term.

Provisions

Provision is made for the best estimate of expected losses from onerous contracts; in particular, in respect of surplus property.

Pension costs

The Group makes contributions to the personal pension scheme of its employees. The pension costs are charged directly to the profit and loss account in the year in which they occur.

Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group accounting policies, which are described above, the Members are required to make judgements, 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.

Unbilled revenue/revenue recognition

The valuation of unbilled revenue involves significant judgement, and affects the amount of revenue recognised. The valuation is based on an estimate of the amount expected to be recoverable from clients on unbilled items based on such factors as time spent, the expertise and skills provided and expenses incurred. Provision is made for such factors as historical recoverability rates, contingencies, agreements with clients, and potential credit risks, following interactions between fee earners, finance and clients.

In assessing whether unbilled time is recognised as work in progress at cost or as unbilled revenue, management are required to make judgements in determining the point at which the contingency is resolved and when the fair value of consideration can be measured reliably.

Management are also required to assess the expected net realisable value on certain cases by reference to the outcomes of previous matters, which is also considered to be a key source of estimation uncertainty.

Key source of estimation uncertainty

Impairment of goodwill and other receivables

Determining whether goodwill and other assets are impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires the entity to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value.

Disbursement provisioning

Where possible provisions for irrecoverable disbursements are identified by fee earners on a case by case basis. However, certain areas require a provision to be calculated on a percentage basis. This is considered to be a key source of estimation uncertainty due to the materiality of the figures involved.

Trade debtors provision

The valuation of amounts recoverable and not recoverable on trade debtors involves significant judgement. The estimation of provisions is established based on interactions between finance, the fee earner and clients, mindful of the specific circumstances of clients and individual matters and invoices, and guided by calculation rules applied to the aged population of all trade debtors (excluding those already addressed by more specific provision).

Intercompany indebtedness and recovery

Management reviews the outlook for each International office and their current trading trajectory to ensure that the loans outstanding can be recovered by the entity.

Professional indemnity insurance claims

The valuation of the probable exposure on the uninsured portion of professional indemnity claims also involves significant judgement. The valuation takes into account known claims and circumstances to the extent that the firm will be required to commit its excess. The resulting reserves are regularly reviewed but claims are an area of inherent uncertainty.

Notes to the Financial Statements

Year ended 30 April 2016

2. TURNOVER

Turnover is derived from the provision of legal services in the UK, Ireland and United Arab Emirates and is stated net of disbursements and value added tax.

The Members consider that disclosure of turnover analysed geographically and by industry sector would be prejudicial to the business.

3. STAFF NUMBERS AND COSTS

	2016 No.	2015 No.
The average monthly number of employees (excluding Members)		
Legal advisers	1,267	1,213
Support staff	770	864
	2,037	2,077
	£'000	£'000
Aggregate remuneration comprised		
Wages and salaries	75,131	74,597
Social security costs	7,985	8,420
Pension costs	2,206	2,311
Total staff costs	85,322	85,328

Staff costs have been impacted by FRS 102 (a requirement to accrue for unpaid staff holiday).

Notes to the Financial Statements

Year ended 30 April 2016

4. OPERATING PROFIT

	2016 £'000	2015 £'000
Operating profit is stated after charging		
Depreciation of tangible assets	6,054	5,220
Amortisation of intangible assets	127	111
Amortisation of goodwill	139	139
Foreign exchange loss	17	87
Rentals under operating leases		
Land and buildings	8,805	8,131
Other leases	984	984
The analysis of the auditor's remuneration is as follows:		
Fees payable to DWF LLP's auditor and its associates for the audit of the Limited Liability Partnership's annual accounts	55	45
Fees payable to DWF LLP's auditor and its associates for other services to the Group		
The audit of DWF LLP's subsidiaries	25	9
Total audit fees	80	54
Other assurance services	9	-
Tax compliance services	45	41
Other services	50	48
Total non-audit fees	104	89

Other services include reporting under the Solicitors' Accounts Rules 1998 (since 6 October 2011- SRA Account Rules), and merger and acquisitions advice.

Fees payable to Deloitte LLP and its associates for non-audit services to the LLP are not required to be disclosed because the consolidated financial statements are required to disclose such fees on a consolidated basis.

Notes to the Financial Statements

Year ended 30 April 2016

5. NET INTEREST PAYABLE

	2016 £'000	2015 £'000
Interest payable and similar charges		
Bank interest payable on loans and overdrafts	1,104	1,149
Other interest payable and similar charges	33	(137)
Net interest payable	1,137	1,012

6. TAX ON PROFIT ON ORDINARY ACTIVITIES

Taxation arises within the subsidiary undertakings of the group and represents:

	2016 £'000	2015 £'000
Total tax on profits on ordinary activities		
UK corporation tax	898	934

The difference between the total tax charge shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax is as follows:

	2016 £'000	2015 £'000
Profits on ordinary activities before tax	44,439	47,042
Tax on group profit on ordinary activities at standard UK corporation tax rate of 20% (2015: 20.9%)	8,888	9,879
Effects of:		
Tax borne by the individual Members	(7,990)	(8,945)
Group total tax charge for year	898	934

7. MEMBERS' SHARE OF PROFITS

The basis on which profits are shared among the Members is set out in the principal accounting policies.

	2016 No.	2015 No.
Average number of Members during the year	228	260

The profit that has been allocated since the year end attributable to the Member with the highest entitlement to profits was £940,355 (2015: £925,416).

8. PROFIT ATTRIBUTABLE TO THE LIMITED LIABILITY PARTNERSHIP

The LLP has taken advantage of Section 408 of the Companies House Act 2006, as applied to Limited Liability Partnerships (Accounts and Audit) (Application of Companies House Act 2006) Regulations 2008 and has not included its own profit and loss account in these financial statements. Its own profit for the year available for discretionary division among Members was £17,444,000 (2015 - £14,633,000).

Notes to the Financial Statements

Year ended 30 April 2016

9. INTANGIBLE FIXED ASSETS

	Group	Goodwill £'000	Software £'000	Development Costs* £'000	Total £'000
Cost					
At 1 May 2015		695	57	548	1,300
Additions		71	-	234	305
At 30 April 2016		766	57	782	1,605
Accumulated amortisation					
At 1 May 2015		313	13	98	424
Charge for the year		139	14	113	266
At 30 April 2016		452	27	211	690
Net book value					
At 30 April 2016		314	30	571	915
At 30 April 2015		382	44	450	876

* Development costs have been capitalised in accordance with FRS 102 section 18 intangible assets other than goodwill and are therefore not treated as a realised loss.

	LLP	Goodwill £'000	Software £'000	Total £'000
Cost				
At 1 May 2015		-	57	57
Additions		67	-	67
At 30 April 2016		67	57	124
Accumulated amortisation				
At 1 May 2015		-	13	13
Charge for the year		-	14	14
At 30 April 2016		-	27	27
Net book value				
At 30 April 2016		67	30	97
At 30 April 2015		-	44	44

Notes to the Financial Statements

Year ended 30 April 2016

10. TANGIBLE FIXED ASSETS

Group	Leasehold improvements £'000	Fixtures and fittings £'000	Office and computer equipment £'000	Assets under construction £'000	Total £'000
Cost					
At 1 May 2015	13,891	5,802	28,833	-	48,526
Additions	128	157	2,726	889	3,900
At 30 April 2016	14,019	5,959	31,559	889	52,426
Accumulated depreciation					
At 1 May 2015	6,357	3,629	18,831	-	28,817
Charge for the year	1,465	367	4,222	-	6,054
At 30 April 2016	7,822	3,996	23,053	-	34,871
Net book value					
At 30 April 2016	6,197	1,963	8,506	889	17,555
At 30 April 2015	7,534	2,173	10,002	-	19,709

LLP	Leasehold improvements £'000	Fixtures and fittings £'000	Office and computer equipment £'000	Assets under construction £'000	Total £'000
Cost					
At 1 May 2015	13,891	5,758	28,858	-	48,507
Additions	128	99	2,701	889	3,817
At 30 April 2016	14,019	5,857	31,559	889	52,324
Accumulated depreciation					
At 1 May 2015	6,365	3,629	18,831	-	28,825
Charge for the year	1,465	367	4,222	-	6,054
At 30 April 2016	7,830	3,996	23,053	-	34,879
Net book value					
At 30 April 2016	6,189	1,861	8,506	889	17,445
At 30 April 2015	7,526	2,129	10,027	-	19,682

ASSETS HELD UNDER FINANCE LEASE

The Group has leases which are considered to meet the definition of finance leases and are accounted for accordingly. The net book value of tangible fixed assets held under finance lease amount to £1,177,000 (2015: £nil).

Notes to the Financial Statements

Year ended 30 April 2016

11. INVESTMENTS

LLP	2016 £'000	2015 £'000
At 1 May 2015	8	8
Additions	415	-
At 30 April 2016	423	8

GROUP INVESTMENTS

The parent LLP and the Group have investments in the following subsidiary undertakings.

Subsidiaries	Principle place of business	Nature of business	Proportion of ownership
Direct			
Davies Wallis Foyster Ltd*	United Kingdom	Non trading	100%
DWF Services Ltd	United Kingdom	Provision of employment services	100%
Resolution Law Ltd*	United Kingdom	Dormant	100%
DWF Pension Trustees Ltd	United Kingdom	Provision of pension trustee services	100%
Davies Wallis (unlimited)*	United Kingdom	Dormant	100%
DWF Directors (Scotland) Ltd*	United Kingdom	Dormant	100%
DWF Solicitors Ltd*	United Kingdom	Dormant	100%
DWF Secretarial Services (Scotland) Ltd*	United Kingdom	Dormant	100%
Bailford Trustees Ltd*	United Kingdom	Dormant	100%
Bailford EBT Trustees Ltd*	United Kingdom	Dormant	100%
DWF (Nominees) 2013 Ltd*	United Kingdom	Dormant	100%
DWF (Trustee) Ltd*	United Kingdom	Dormant	100%
DWF Trustee (Scotland) Ltd*	United Kingdom	Dormant	100%
DWF Germany Holding GbR**/***	Germany	Law services	100%
DWF (Dublin)***	Ireland	Law services	100%
DWF (Middle East) LLP***	UAE	Law services	100%
Indirect			
DWF Secretarial Services Ltd*	United Kingdom	Dormant	100%
DWF Nominees Ltd*	United Kingdom	Dormant	100%
15Squared Ltd	United Kingdom	Software provider	100%
DWF Middle East Group LLP*	United Kingdom	Dormant	100%

* Subsidiary undertakings have been excluded from the consolidation on the basis of immateriality.

** The statutory year end for DWF Germany Holding GbR in the period being reported is 31 December.

*** These entities are related entities of DWF LLP since the majority of its Members are also Members of DWF LLP. In substance it is controlled by DWF LLP and so its results are included in the consolidation.

Notes to the Financial Statements

Year ended 30 April 2016

12. ACQUISITIONS

ACQUISITION OF TRADE AND ASSETS

On 15 May 2015 the LLP acquired the business and assets of Watmores Solicitors Ltd., a company whose primary activity is Law services, for consideration comprising £1,089,000. The fair value of the assets acquired was £1,022,000.

The useful life of goodwill on acquisition is 5 years. The acquisition has been accounted for under the acquisition method. The following table sets out the book values of the identifiable assets and liabilities acquired and their fair value to the Group:

	Book value £'000	Fair value to Group £'000
Fixed assets		
Current assets		
Amounts recoverable from clients in respect of unbilled work performed	703	703
Debtors	778	778
Cash	33	33
Total assets	1,514	1,514
Creditors		
Other creditors	(492)	(492)
Total liabilities	(492)	(492)
Net assets	1,022	1,022
Goodwill		67
		1,089
Satisfied by		
Cash consideration		480
Deferred consideration due within one year		609
		1,089

Notes to the Financial Statements

Year ended 30 April 2016

12. ACQUISITIONS (CONTINUED)

ACQUISITION OF SUBSIDIARY UNDERTAKINGS

On 1 January 2016 the LLP acquired 100% control of BridgehouseLaw Germany holding GbR and BridgehouseLaw Germany RmbH, companies whose primary activity is Law services, for consideration comprising £415,000. The fair value of the assets acquired was £415,000.

	Book value £'000	Fair value to Group £'000
Fixed assets		
Intangible	4	4
Tangible	102	102
Current assets		
Amounts recoverable from clients in respect of unbilled work performed	163	163
Debtors	401	401
Cash	82	82
Total assets	752	752
Creditors		
Trade creditors	(177)	(177)
Other creditors	(160)	(160)
Total liabilities	(337)	(337)
Net assets	415	415
Goodwill		-
		415
Satisfied by		
Members capital introduced		415

In the year ended 30 April 2016, turnover of £970,000 and profit of £189,000 was included in the consolidated profit and loss account in respect of BridgehouseLaw Germany holding GbR and BridgehouseLaw Germany RmbH since the acquisition date.

Notes to the Financial Statements

Year ended 30 April 2016

13. DEBTORS

	Group 2016 £'000	Group 2015 £'000	LLP 2016 £'000	LLP 2015 £'000
Trade debtors	62,505	61,385	60,006	58,952
Amounts due from subsidiary entities	-	-	4,638	2,832
Amounts recoverable from clients in respect of unbilled work performed	21,347	21,868	20,862	21,515
Unbilled disbursements	3,434	4,191	3,399	4,112
Prepayments and accrued income	13,764	12,005	12,923	11,326
	101,050	99,449	101,828	98,737

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2016 £'000	Group 2015 £'000	LLP 2016 £'000	LLP 2015 £'000
Bank loans and overdrafts	433	32,064	433	32,064
Net obligations under finance leases and hire purchase obligations	463	43	463	43
Amounts due to subsidiary companies	-	-	15,815	11,586
Trade creditors	20,176	16,516	19,708	16,094
Corporation tax	483	524	-	-
Other taxation and social security	7,540	10,380	627	3,442
Other creditors	3,607	2,111	2,862	1,532
Accruals and deferred income	8,094	13,751	5,483	12,075
	40,796	75,389	45,391	76,836

Notes to the Financial Statements

Year ended 30 April 2016

15. CREDITORS: AMOUNTS FALLING DUE GREATER THAN ONE YEAR

	Group 2016 £'000	Group 2015 £'000	LLP 2016 £'000	LLP 2015 £'000
Bank loans	40,324	975	40,324	975
Net obligations under finance leases and hire purchase obligations	139	-	139	-
Accruals and deferred income	10,342	5,118	10,342	5,118
	50,805	6,093	50,805	6,093

16. BORROWINGS ARE REPAYABLE AS FOLLOWS

	Group 2016 £'000	Group 2015 £'000	LLP 2016 £'000	LLP 2015 £'000
Bank loans				
Between one and two years	-	682	-	682
Between two and five years	40,324	293	40,324	293
	40,324	975	40,324	975
Overdraft due within one year	-	10,775	-	10,775
On demand or within one year	433	21,289	433	21,289
Total bank loans	40,757	33,039	40,757	33,039
Finance leases				
Between one and two years	139	-	139	-
On demand or within one year	463	43	463	43
Total finance lease	602	43	602	43
Total borrowings including finance leases				
Between one and two years	139	682	139	682
Between two and five years	40,324	293	40,324	293
	40,463	975	40,463	975
On demand or within one year	896	32,107	896	32,107
Total borrowings including finance leases	41,359	33,082	41,359	33,082

The bank loans of DWF LLP are unsecured. The finance leases are secured over certain tangible fixed assets and attract interest at various rates.

Notes to the Financial Statements

Year ended 30 April 2016

17. FINANCIAL INSTRUMENTS

The carrying values of the Group and LLP financial assets and liabilities are summarised by category below:

	Group	
	2016 £'000	2015 £'000
Financial assets		
Instruments measured at amortised cost		
Trade and other debtors	87,286	87,444
	87,286	87,444
Financial liabilities		
Measured at amortised cost		
Loans payable	40,975	22,264
Obligations under finance leases	602	43
Measured at undiscounted amount payable		
Bank overdraft	-	10,775
Trade and other creditors	31,588	29,531
	73,165	62,613
The Group's income, expense, gains and losses in respect of financial instruments are summarised below:		
Interest income and expense		
Total interest expense for financial liabilities at amortised cost	1,246	1,012

Notes to the Financial Statements

Year ended 30 April 2016

18. FINANCIAL COMMITMENTS

Total future minimum lease payments under non-cancellable operating leases are as follows:

	2016 Land and buildings £'000	Other £'000	2015 Land and buildings £'000	Other £'000
Group and LLP				
Leases which expire:				
Within one year	10,834	1,015	9,763	-
In the second to fifth years inclusive	34,576	-	30,579	1,015
After five years	36,721	-	33,348	-
	82,131	1,015	73,690	1,015

19. NET CASH INFLOW FROM OPERATING ACTIVITIES

Reconciliation of operating profit to cash generated by operations:

	2016 £'000	2015 £'000
Operating profit	45,576	48,054
Depreciation	6,054	5,220
Amortisation of goodwill and other intangibles	266	250
Operating cash flow before movement in working capital	51,896	53,524
Decrease / (increase) in debtors	445	(1,180)
Decrease in creditors and liabilities	446	2,098
Cash generated by operation	52,787	54,442
Corporation tax paid	(935)	(1,099)
Net cash flow from operating activities	51,852	53,343

During the year the Group entered into finance lease arrangements with a value of £1,057,000 (2015: £nil).

Notes to the Financial Statements

Year ended 30 April 2016

20. CONTROLLING PARTY AND RELATED PARTY TRANSACTIONS

In the opinion of the Members there is no controlling party as defined by FRS 102 Section 33.

DWF LLP has relied upon the exemption given in FRS 102 section 33 to not disclose transactions between itself and its 100% subsidiary undertakings or other entities wholly included within the consolidation.

The Group considers Strategic Board Members as the key management personnel. The total remuneration for key management personnel for the year total £3,438,000 (2015: £4,082,293).

21. EXPLANATION OF TRANSITION TO FRS 102

This is the first year that the Group has presented its financial statements under Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council. The following disclosures are required in the year of transition. The last financial statements under previous UK GAAP were for the year ended 30 April 2015 and the date of transition to FRS 102 was therefore 1 May 2014. As a consequence of adopting FRS 102, a number of accounting policies have changed to comply with that standard.

Note 1. In the previously reported financial statements, which were presented under old UK GAAP, there was no requirement to include an accrual for unpaid holiday entitlement. Under FRS 102, this approach is not permitted and the group is required to provide for any holiday accrued from 1 December, the start of the group's holiday year, to 30 April, which had not yet been taken by employees of the group. This has resulted in an additional staff expense on transition and for each year reported.

Note 2. The Group has also been required to recalculate the lease incentives received since transition to spread the incentive over the full lease term. Under old UK GAAP the lease incentive was spread to the first break clause. This has resulted in the reversal of £87,000 previously recognised incentives credit. The Group has elected to continue to recognise existing lease incentives which commenced prior to the date of transition to FRS 102, on the same basis used under the previous accounting framework as permitted under the transition exemptions of FRS 102.

Note 3. The adjustment to the tax charge has arisen as a direct result of the FRS 102 adjustments.

Note 4. In accordance with the Statement of Recommended Practice Accounting by Limited Liability Partnership (issued July 2014) the Group now accounts for Members' remuneration charged as an expense as documented in Note 1 to the financial statements.

RECONCILIATION OF MEMBERS' INTERESTS		Group		LLP	
		1 May 2014 £'000	30 April 2015 £'000	1 May 2014 £'000	30 April 2015 £'000
Note	Members' interest under previous UK GAAP	45,692	42,840	44,165	38,360
1	Unused holiday entitlement accruals	(1,682)	(1,287)	-	-
2	Lease incentives	-	(87)	-	(87)
3	Adjusted tax charge	(2)	(9)	-	-
	Members' interests reported under FRS 102	44,008	41,457	44,165	38,273

RECONCILIATION OF PROFIT FOR 2015		Group £'000	LLP £'000
		45,807	42,085
Note	Profit for the financial year under previous UK GAAP		
1	Unused holiday entitlement accruals	395	-
2	Lease incentives	(87)	(87)
3	Adjusted tax charge	(7)	-
4	Members' remuneration charged as an expense	(26,963)	(27,365)
	Profit for the financial year under FRS 102	19,145	14,633

Business combinations

The Group has elected not to apply Section 19 Business Combinations and Goodwill to business combinations that were effected before the date of transition to FRS 102. No adjustment has been made to the carrying value of goodwill and intangibles. Assets subsumed within goodwill have not been separately recognised.

Investments in subsidiaries

The Group has elected to treat the carrying amount of investments in subsidiaries under previous UK GAAP at the date of transition as deemed cost on transition to FRS 102.

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different
to the core



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The term Partner is used to refer to a Member of DWF LLP or an employee or consultant with equivalent standing and qualification. A list of the Members of DWF LLP and of the Non-Members who are designated as Partners is open to inspection at its registered office, 1 Scott Place, 2 Hardman Street, Manchester M3 3AA. © DWF LLP 2016

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