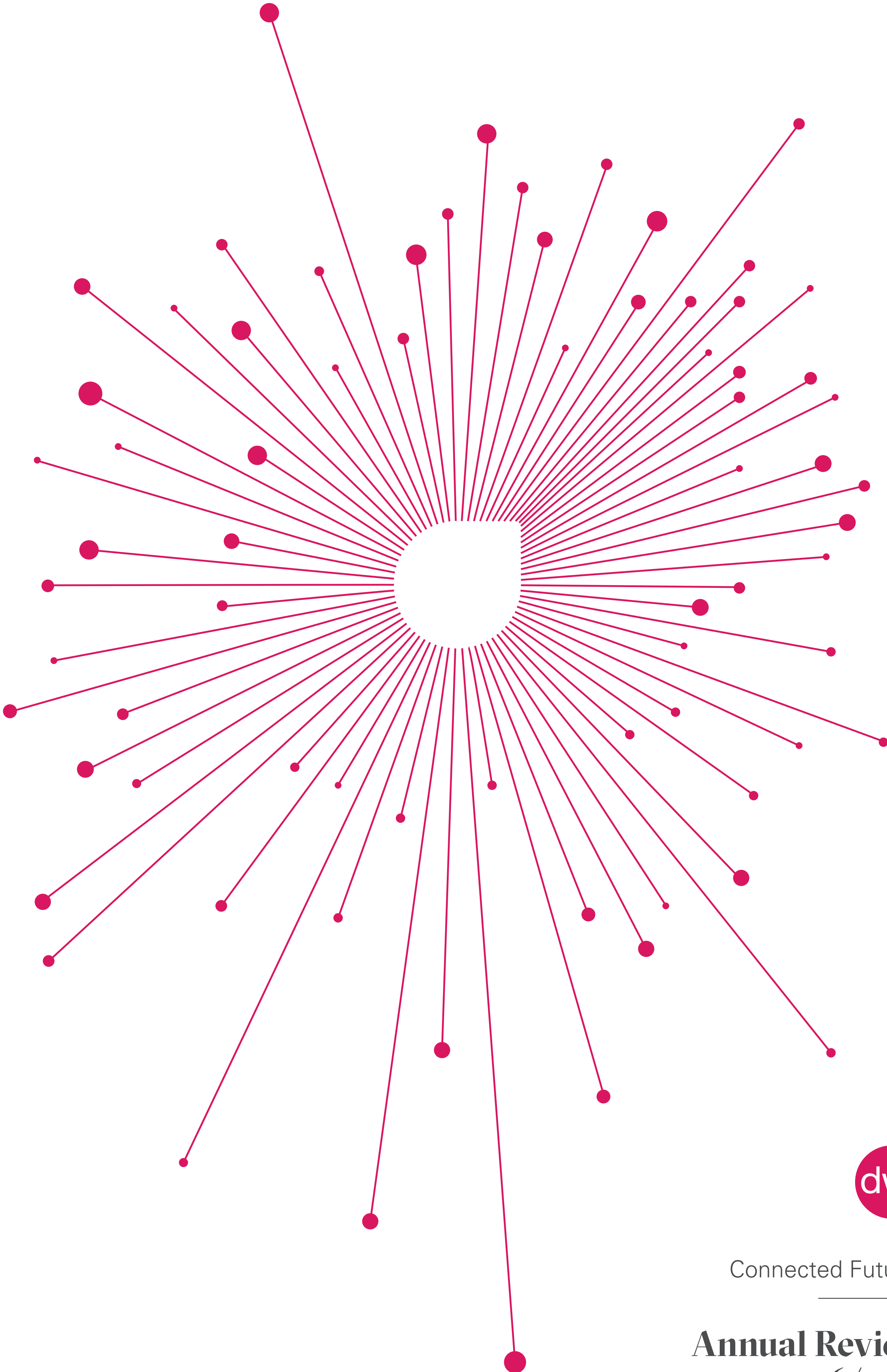

dwf

Connected Futures

Annual Review 2016/2017

www.dwf.law

“DWF has been a trusted adviser for Whitbread for many years, and I am delighted that the relationship continues to strengthen. Earlier this year, we reviewed all of external our legal spend, and were looking to appoint a more strategic partner for our business at a significantly better price. As a result of this review, DWF was appointed to provide all our property law advice, across both Premier Inn and Costa, as both businesses continue their ambitious growth plans. We were looking for a combination of excellent legal skills and a commercially astute and value-adding approach, at the right price. DWF ticked all these boxes very well.”

Chris Vaughan - General Counsel, Whitbread

“We regard DWF and in particular the London team as a trusted advisor relationship. Service levels, attention to detail, accessibility and commitment to helping us in a commercial and efficient way are all top drawer qualities of DWF. They take pride in getting to know us, our business and what we require from our legal advisors and we take pride in having them working with us.”

Paul Argent - Regional Head of Corporate and Structured Finance, Clydesdale Bank

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“We have really enjoyed working with DWF over the course of the last 12 months and value their support. We like their partner led style, which is very much focussed on getting the deal done in the smoothest possible way without fuss or drama. A dynamic and internationally driven firm.”

Mike Hodges - Director, Corporate Coverage London, HSBC Bank PLC

“Perhaps what sets apart the interaction we have with DWF is their ethos of understanding our requirements and aspirations and working together to develop a solution rather than listening then just offering an additional service they already have. Their first thought it to ensure the right solution or approach is defined rather than to ensure that DWF benefit from additional revenue.”

Chris Carr - Head of Risk Management, ERS Insurance Group

Contents

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.

1.

Welcome

As a global legal business, we see our purpose as transforming legal services through our people for our clients. Led by Managing Partner and CEO Andrew Leaitherland, we have over 2,700 people delivering services and solutions that go beyond expectations.

We engage our people to be part of our journey. Our purpose is to transform legal services through our people for our clients.

We connect on a global scale, sharing our knowledge and technical expertise to identify and anticipate challenges for clients within their sectors.

We work with a range of FTSE 100 multinational household names to private individuals, from both the public and private sector.

Building business relationships that inspire trust and confidence across all levels of our business, means we deliver an exceptional client experience. To achieve this, we engage our people to always be part of our journey.

We have been named by the Financial Times as one of Europe's most innovative legal advisers, known for doing things differently and going beyond expectations for our clients and our people.

2.

DWF at a Glance

Sectors

We have deep expertise within eight core sectors.

1. Energy and Industrials
2. Financial Services
3. Insurance
4. Public Sector
5. Real Estate
6. Retail, Food and Hospitality
7. Technology
8. Transport

Current Key Statistics

People

2,700

There are now over 2,700 people across the DWF Group.

People in **11** countries across **four** continents

Locations

We have offices in 25 locations, in 11 countries, across 4 continents:

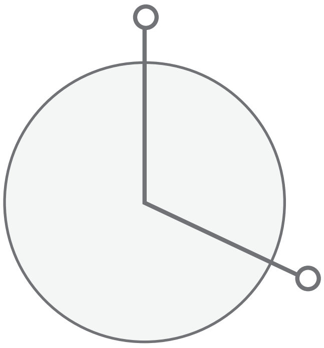
- Belfast
- Berlin
- Birmingham
- Brisbane
- Bristol
- Brussels
- Chicago
- Cologne
- Dubai
- Dublin
- Edinburgh
- Glasgow
- Leeds
- Liverpool
- London
- Manchester
- Melbourne
- Milan
- Milton Keynes
- Munich
- Newcastle
- Paris
- Singapore
- Sydney
- Toronto

- We have an exclusive association with Harasani & Alkhamees in Jeddah and Riyadh.
- In Argentina, we work in association with VAGEDES & Asociados.
- In Colombia, we work in association with Duarte Garcia Abogados.
- In Panama, we work in association with Fabrega Molino.

Financial

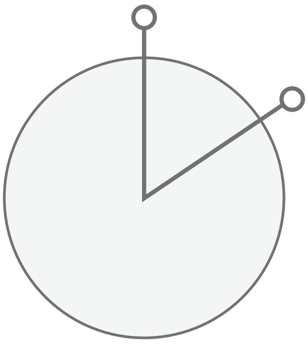
Revenue
£199.3m

Operating Profit
£43.6m



28%

We work for 28% of the FTSE 100



21%

We work for 21% of the FTSE 250

Clients

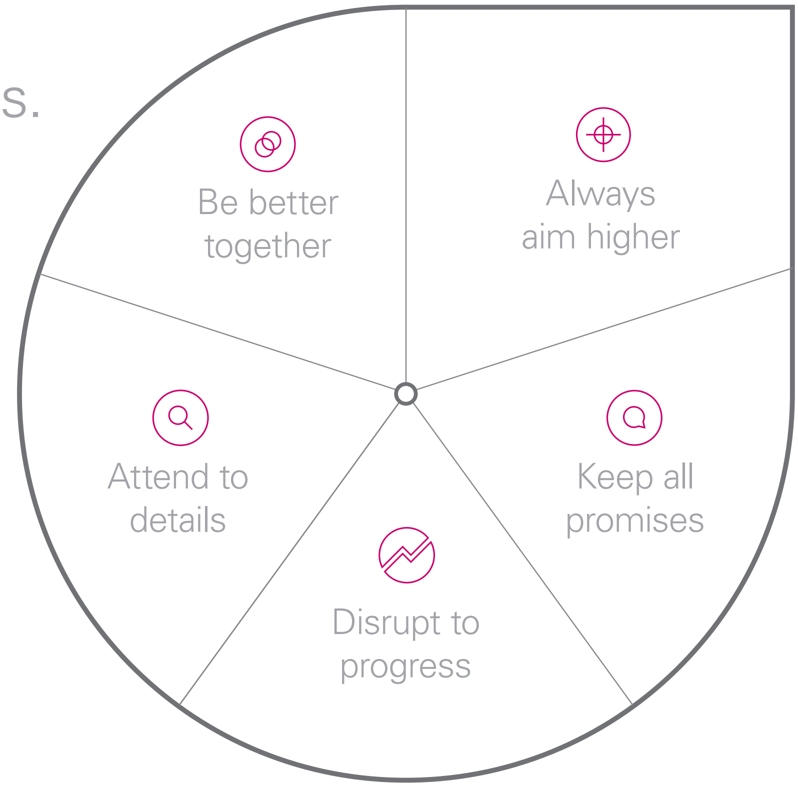
adidas
AVIVA
babcock
Colony Capital
DHL
NewRiver Retail
RBS The Royal Bank of Scotland
RSA
serco
Telefónica
ZURICH
WHITBREAD

Client satisfaction
8.6
average score

Client loyalty
9.2
average score

Values

Our culture is shaped by our values. As a business, we genuinely believe in our value set, which was created by our people.



Attend to details

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

- 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.

Disrupt to progress

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

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

Be better together

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

- 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

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

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

Always aim higher

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

- 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.

3. Our Journey

We're client-led and as demand grew we didn't wait around. Joining our clients on their growth journey has led us to become a global legal business, connecting expert services with innovative thinkers.

1977
Jim Davies and Guy Wallis founded Liverpool-based Law Firm Davies Wallis & Co. specialising in Real Estate and Litigation

1980
Our business expanded to provide Corporate and Commercial legal services

1985
Service line expansion continued with the launch of our Employment and Pensions team

1988
We merged with Dodd Ashcroft and saw the inception of our now market-leading Insurance offering

1990
We merged with Foysters to become Davies Wallis Foyster, and Private Client and Family services became available to all clients

1992
Our service line expansion continued with the launch of our Finance and Restructuring team

2007

We merged with Leeds-based Ricksons, and Davies Wallis Foyster officially became DWF LLP

2011

We aligned ourselves with our clients' businesses by redefining sector expertise within DWF, creating teams across practice areas and offices

2012

We merged with Crutes, Buller Jeffries and Biggart Baillie, further expanding our geographic footprint

2013

We merged with Fishburns and Cobbetts and were joined by a 47-strong team from Greenwoods/ Parabis, strengthening our Insurance and Commercial services offering

2014

We opened our flagship London office at 20 Fenchurch Street

2015

We opened offices in Dubai and Brussels, merged with niche market-leading insurance practice Watmores, launched our innovation business and The DWF Charitable Foundation

2016

We merged with German international commercial Law Firm BridgehouseLaw, with offices in Munich and Cologne, and strengthened our Insurance expertise by merging with Fox Hartley in Bristol and C&H Jefferson in Belfast

2017

Our global headcount reaches over 2,700 people.

We acquired Heenan Paris to launch in **France**, acquired Triton Global to stretch our footprint over to **Australia**, **Canada** and the **USA** whilst further deepening our global Insurance practice.

We opened our **Berlin** office to strengthen our Financial Services, Real Estate and Corporate M&A service lines and continued to develop our international capabilities by opening DWF offices in **Brisbane**, **Melbourne**, **Milan** and **Singapore**

4.

Chairman's Report

Alan Benzie

The post-Brexit landscape

It has undoubtedly been another tough year economically, with the impact of Brexit taking its toll on businesses.

Like others, we have felt the pressure of the referendum, which has led to a slowdown in our commercial services business, particularly in real estate and, to some extent, corporate transactions. Above all, Brexit has brought uncertainty, and that continued uncertainty has arrested growth in a lot of areas.

We coped well with the challenges presented by the uncertainty in the economy during the early months of the financial year indeed, our ability to adapt to these challenges lead us to a marked improvement in the second half of the year.

Engaging people and clients

Our strategy of innovation and doing things differently is paying dividends, as we have continued our lateral hire programme and secured some excellent client wins both within the UK and internationally.

We've also made some great steps towards further embedding people engagement and values and have introduced temperature-checking for the first time. This has been championed by our Engaging People Executive and follows the delivery of our first People Engagement Survey last year, the results of which were shared with all our people. This year we have continued to check in with our people and ensured that the action plans we created for each part of our business to address areas of concern were being implemented.

“We have done well this year and achieved our goals.”

Removing the mystique of legal services

This year we have experienced the continued changing expectations and attitudes of our clients. Clients are ever increasingly more sophisticated in the expectations of their professional advisers. This is not only driven by a need for cost-savings but also clients’ desire for more sophisticated management reporting of the process and progress of their legal matters and their need for transparency in how we deliver. This has enhanced our commitment to doing things differently to achieve comprehensive services for them.

Expansion trail

We also continued our strategic expansion this year, with the acquisition of C&H Jefferson in Belfast and Fox Hartley in Bristol, along with the launch of our inaugural French office in Paris. We also acquired Triton Global, which was a standout development of the year. It was a great opportunity to preserve the innovative Triton business and allowed us to expand our legal professional indemnity offering, embolden our claims handling capabilities and, importantly, gave us new offices in Australia, Canada and the USA.

We also were able to acquire Triton’s technology subsidiary, which has enabled us to provide a more comprehensive range of software solutions for our clients. Coupled with the acquisition of Triton’s claims handling business, we were able to amalgamate these additional services into our growing Connected Services offering. It has been a genuinely holistic partnership that has strengthened what we already had in place.

Although the technical integration of various mergers has been difficult at times, we have really become more astute and responsive to the needs of those joining our business. This to a large extent has been achieved by all our people, but in particular a number of our central services teams.

Reflecting on a decade

I joined DWF as Chairman in 2007, when the business had three offices across the North West of England, with circa 800 employees and turnover in the region of £40m. Ten years on, we will see turnover well in excess of £200m next year, with 11 offices within the UK, 14 international offices and over 2,700 people globally. This has been achieved through hard work, commitment and unstinted professionalism. There has also been, collectively, a great willingness to listen to our clients and an unwavering ambition to fulfil their commercial needs – coupled with a big dose of innovation and a sprinkling of good luck!

I am very proud to be associated with DWF, all its partners and its people, and particularly the charismatic Andrew Leaitherland. What better time to hand over the reins and to whom better than Sir Nigel Knowles. I wish them all good fortune and believe I am leaving the role in excellent hands. I look forward to working with them for another year as a non-Executive Board Member.

“There has also been, collectively, a great willingness to listen to our clients and an unwavering ambition to fulfil their commercial needs.”

5.

CEO Review

Andrew Leaitherland

Strategic Review

Remaining true to our purpose is our strategic imperative; it underpins and drives all that we do. Our strategy reflects our purpose and has been very clearly mapped out: to meet our clients' demands wherever they are in the world, and uniquely, to be able to offer our clients a completely integrated platform that transforms legal solutions and blends legal and non-legal services to meet and solve their business challenges.

DWF is on an exciting journey and the business evolved significantly during 16/17, making significant progress against our strategy. The year was characterised by continued expansion both in the UK through our Commercial Services and Insurance divisions as well an internationally with an ambitious growth agenda.

Our acquisition of Triton, gave us offices in Chicago, Toronto and Sydney and with its focus on claims and loss adjusting, we also crucially laid the groundwork for building our non-legal services offering, Connected Services.

“With our investments in the UK, international expansion and foundations laid for our non-legal services offering, we made significant progress in FY 16/17.”

Our core strategic themes

Across all four Divisions – Commercial, Insurance, International and Connected Services our strong focus continues to be on the three elements of our strategy – understanding our clients' and their very individual needs; engaging our people to ensure they feel and become part of our journey; delivering for our clients through our people by doing things differently. We have continued to make further progress in each of these areas throughout the year.

1. Understanding our clients

Collaborating closely with our clients is the key to all that we do. This allows us to understand our client's commercial objectives and to create bespoke solutions enabling our clients to achieve and deliver their business targets. Key to this strategy is the use of technology, where we have become market leaders in the use of client tailored technology, including creating and developing bespoke solutions and using data as an opportunity to inform better decisions.

2. Engaging our people

Our people are at the heart of everything we do and achieve. We continue to connect internally and externally and minimise our negative impacts on society whilst maximising our positive impacts though CSR and the DWF Foundation, enabling our people to be catalysts for change for our clients and for our business.

3. Doing things differently

To do things differently we think differently. Across our teams this has always been our stock-in-trade. From the word go, we make clients feel that it is a completely different experience when working with DWF.

Throughout the year we have continued to focus on how we can innovate our services, identifying and implementing efficiency changes, expanding what we offer clients and embracing continuous improvement throughout each Division. We have anticipated and responded quickly to areas of disruption, by looking at completely new models and increasingly the digitisation of our services.

Strategic international expansion

During FY 16/17, we further expanded our presence in strategically important regions for our clients including Ireland, Germany, France and the Middle East, which not only offer significant opportunities in our primary sectors, including Insurance, Real Estate and Financial services, but also offer strategic gateway links into other growth regions and key international markets including Africa, Israel, Southeast Asia and the USA.

With our Belfast office opening in December 2016, we became one of the very few firms to have offices in both Northern Ireland and the Republic of Ireland, enabling us to provide greater support to clients post-Brexit and leverage our international network of offices to provide a truly cross-border service to both UK and Irish clients. We also increased investment in our Dublin office, launching new Corporate and Real Estate practices.

In January 2017, we merged with Paris-based Firm Heenan Paris. France is a key region for DWF in terms of our size and significance within the broader European market as well as our strong links to Africa.

Following the consistent growth of our Dubai office, which was launched in response to client demand for support on the ground for construction, energy, insurance and transport matters, and the increasing opportunities for our clients in the Gulf Cooperarion Council, in February 2017 we announced an exclusive association with Saudi Law Firm Harasani & Alkhamees.

"The new alliance strengthens our capability to deliver Litigation and Dispute Resolution, Corporate, Construction and Employment work for both domestic and international clients and signals our commitment to growth and investment in the MENA region."

Building volume and complex centres of excellence

The year saw us continuing to build and invest in the volume work we do, by creating a centre of excellence in Liverpool, focused on delivering a high-quality offering to our clients, genuinely tailored to their needs. The Liverpool office was specifically redesigned and upgraded to offer a better, more contemporary working environment, utilising the latest technology and working practices. Initially focusing on the Motor division, it offers clients an end-to-end solution by creating a business to specifically understand and deliver their work in the most effective way possible. This volume hub will be expanded to other areas of volume work over the coming year.

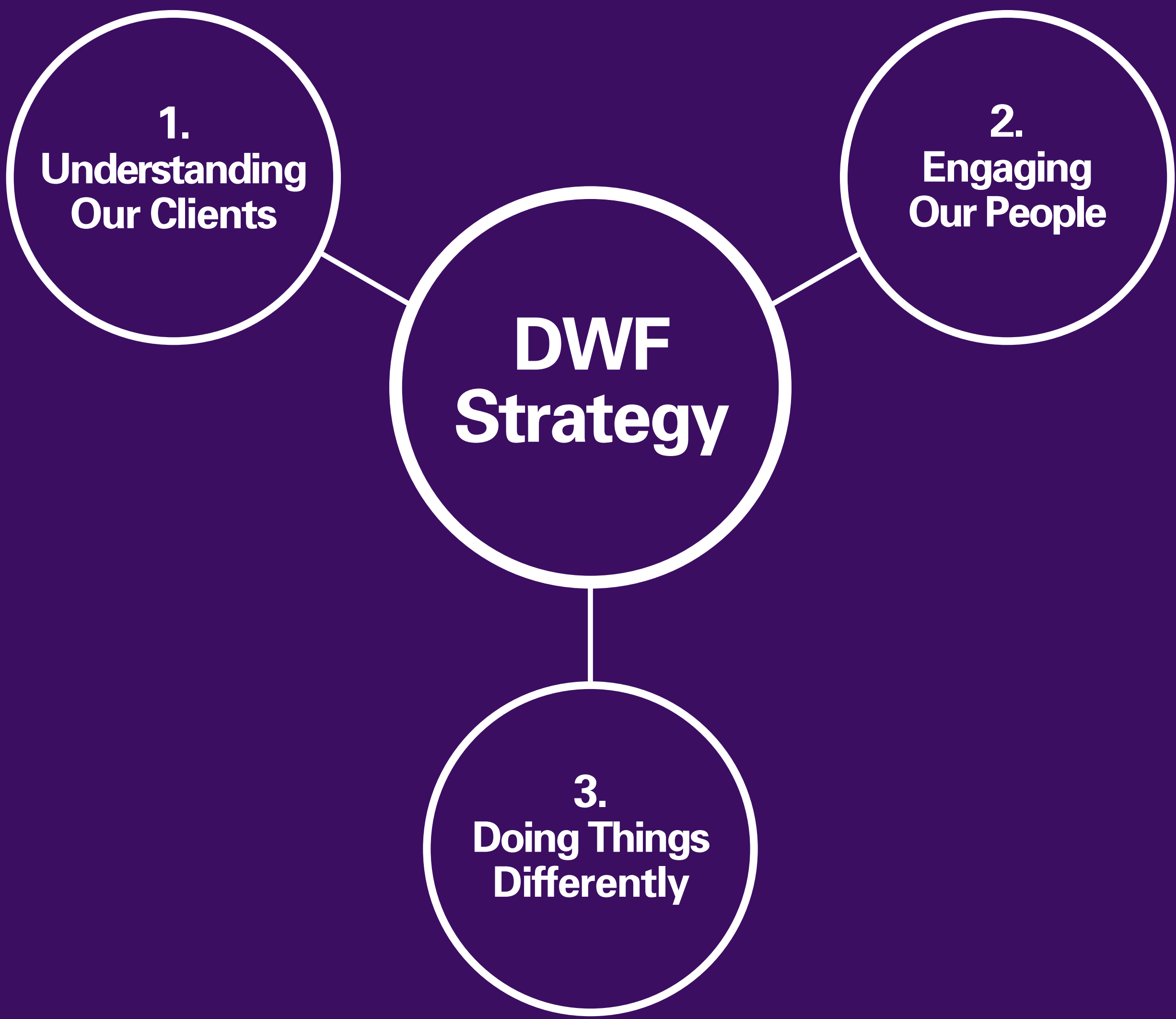
Connected Services: catalyst for change

We recognise that giving clients a range of connected services that complement our legal offering means we can add value far beyond the traditional legal adviser role, providing clients an end-to-end service to solve their business challenges.

Acquiring Triton, a multidisciplinary business, enabled us to broaden our suite of products and services to include Loss Adjusting and Claims Handling. It was the catalyst to look at our portfolio to see what sort of approach we should have to Connected Services and sectors moving forward.

"With our investments in the UK, international expansion and foundations laid for our non-legal services offering, we made significant progress in FY 16/17 to fulfil our purpose of transforming legal services though our people for our clients."

The three elements of our strategy



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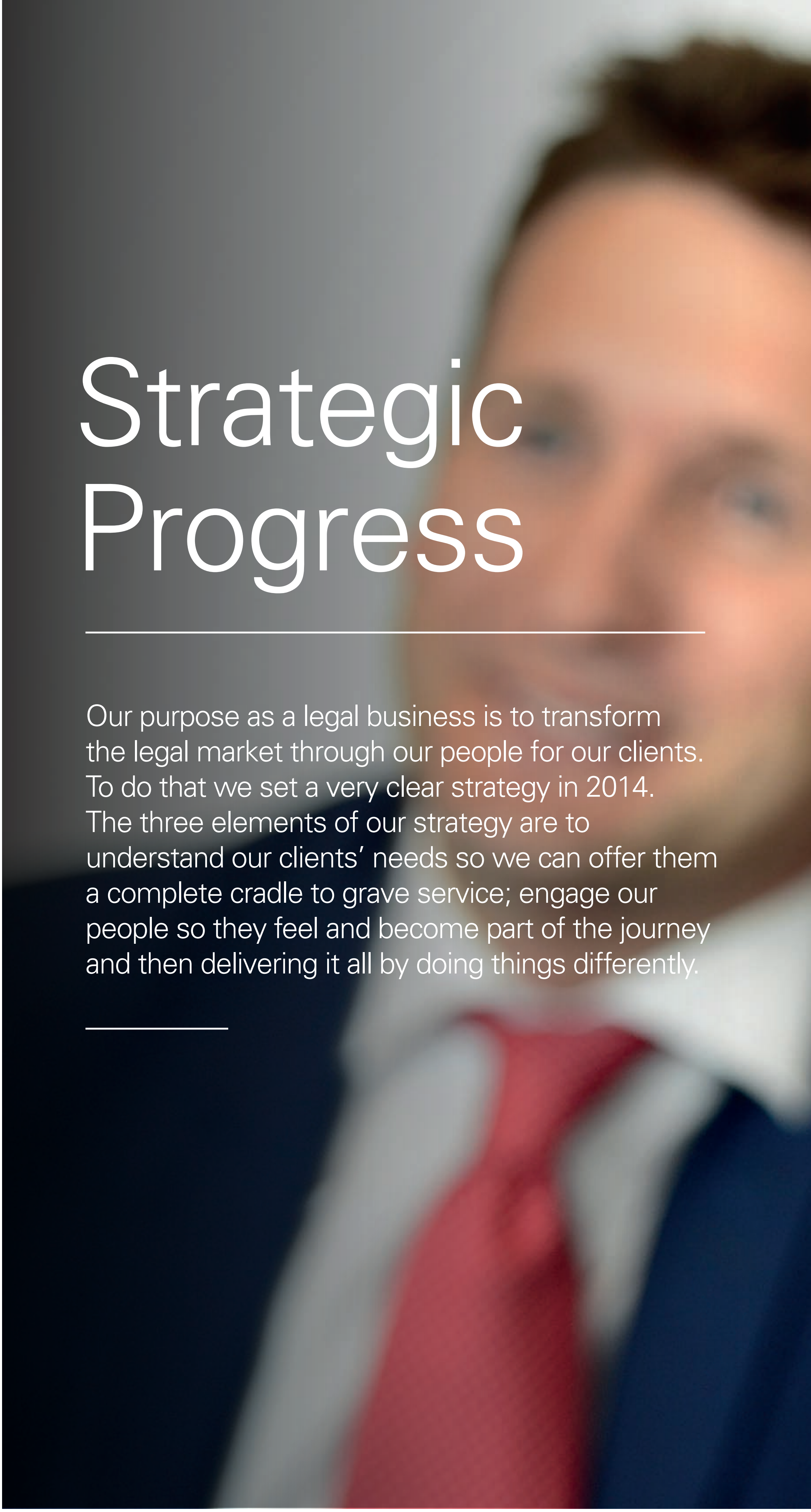


Strategic Progress

Our purpose as a legal business is to transform the legal market through our people for our clients. To do that we set a very clear strategy in 2014. The three elements of our strategy are to understand our clients’ needs so we can offer them a complete cradle to grave service; engage our people so they feel and become part of the journey and then delivering it all by doing things differently.

Seema Bains,
Partner and Chair of Diversity
Steering Group.

1. Understanding our clients

We collaborate closely with and establish a strong connection with our clients, creating a platform which enables our clients to achieve their commercial objectives. We are market leaders in the use of client-tailored technology, including creating and developing bespoke solutions and 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 are able to go beyond expectations.

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.

Strategic progress: Technology and sectors

Strategy

- Where our competitors struggle, we will lead the way in the development and use of client-tailored technology.
- Sector insight is key to our go to market strategy. In everything we do our industry expertise will shine through.
- The real key to technology is understanding where its application can deliver the greatest advantages to our clients.

Progress

- Demonstrating sector insight has resulted in **winning new clients** such as Uber, where we used our 'doing things differently' strategy as a real differentiator.
- Total new client revenues across the sectors in FY **16/17 = £20m**.
- Cross-sector competence Groups are focusing on InsureTech and CyberSecurity, working together across technology and insurance sectors to identify new opportunities.
- Recent campaigns including 'The Future of Food' and 'Why transport is key to economic prosperity' bring sector insights, adding value to our clients and generating new work.

Strategic progress: Client management

Strategy

- The way we approach our client relationships is making us different – going beyond what is expected of us. Understanding that the role of a General Counsel is far more than just legal work – it's about assisting them with the business of law.
- We now offer a more structured approach for our clients – offering multiple touchpoints within our business and educating them as to what we can really do for them.
- Institutionalising our relationships – the strategy is already beginning to show real benefits to both us and our clients.

Progress

- Every Top 40 client has an **up-to-date client plan** and team with **clear objectives**.
- Each Top 40 and Development Client is visited at the very least annually by a client relationship manager – which has led to **a deeper understanding of many clients and their very specific needs**.
- Acting as a **strategic partner to our clients** ensures a closer, more strategic and ultimately stronger, longer-lasting relationship.
- A more **bespoke approach to clients** – this ensures clients are introduced to only the products and services they need and will benefit them.

2. 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.

Why this is important

We recognise that by engaging our people we will drive our business forward 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.

Strategic progress: Recruitment

Strategy

- Our people will always be developed and rewarded on merit according to what they contribute, not time served.
- We acknowledge the benefits of a diverse workforce and we'll continue to push this agenda to the benefit of us as a business as well as our clients.
- We know that you don't need to have a practising certificate to be good – we will become market leaders in talent management ensuring that we become the employer of choice in this market segment.

Progress

Sector-leading performance

- **Top 100** Employer (36th place) in Stonewall LGBT Benchmarking Index (11th in legal sector).
- **Top 10** Employer on Working Families (second year running).
- **1st Law Firm** in the UK to achieve and retain ClearAssured status for identifying and removing barriers to disabled talent.
- Recognised as **one of the most innovative Law Firms on diversity** – *Financial Times* Innovative Lawyers Report.
- Named **a diversity pioneer** in *The Lawyer*'s inaugural diversity audit.

People survey

- 73% believed that leaders supported diversity and inclusion.
- 80% felt they were treated with dignity and respect at work.
- 80% felt their line manager considered their life outside of work.

Strategic progress: Culture and values

Strategy

- Our culture and values are everything. Our people not only want a great place to work but they take great pride in creating it. Every team member will live our values and exemplify our brand, recognising that acting as a team we will be more successful than acting as a group of individuals.
- We will constantly champion new ideas, challenge the norm, have an opinion and get involved, be authentic, collaborative and, above all, always keep our promises. Everyone in DWF has an equal voice and should be willing to use it to make our business a better business.
- As a team and as individuals, we will give and receive feedback, convey honest opinions, decisively and with confidence, we will commit to doing things differently and we will never shy away from challenges. Open communication and transparency become the norm.

Progress

Talent management

- DWF Academy investment: improved firm-wide induction, targeted NQ Programme, Mentoring and Peer Group Networks, Business Skills workshops with 74% attendance, 2,191 online learning modules completed in FY 16/17 (now being used internationally), targeted programme focused management as well as business development.
- Established network of People Partners. Divisional Leadership Programmes delivered or under way. 360 Feedback rolled out for Career Level 1s.
- Talent is being evaluated against our strategy, with succession and leadership risk being addressed.

CSR

- DWF is one of only 34 businesses in the UK to currently hold Business in the Community's CommunityMark.
- 36% of our people were engaged in volunteering activities over the last 12 months against a kpi of 30%.
- Through the DWF Foundation, we have distributed £156,356 in grants, supporting 61 charities so far.
- Nearly 2,000 young people across Birmingham, Edinburgh, Glasgow, Leeds, Liverpool, London, Manchester, Newcastle and Preston have participated in 5 STAR Futures, engaging 600 volunteers in 2016 investing 1100 hours of their time.

3. Doing things differently

We live by the saying "what we did six months ago is no longer good enough". We are disrupting the legal market and creating something completely different. We are making clients feel from the word go that it is a completely different experience dealing with DWF.

We are focused on how we redesign our services, identifying efficiency changes, expanding what we offer clients and embracing continuous improvement. At the same time we are anticipating areas of disruption and making sure we are able to respond first, by looking at completely new models and increasingly the digitalisation of services.

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

Strategic progress: Structure

Strategy

- Through structural innovation, enhanced teamwork and appropriate geographical alignment we will enable our lawyers to focus on high-value work whilst driving unrivalled efficiency in process work.
- Deconstructing silos and centralising platforms will create a brand new industry model and this approach will make us famous for doing things differently.
- We will drive the alignment of our resources through process-mapping and the use of leading-edge technology, ensuring we deliver the right price point for our clients and for us.

Progress

- Creation of Centre of Excellence for volume work in Liverpool.
- Creation of Connected Services as a division.
- Built a credible business in DWF 360.
- DWF Resource.
- Legal Support Centre and Asset Management Centre in Manchester.
- DWF Draft
  - Internal use
  - Client products and propositions.
- Re-designed services including:
  - Real Estate Asset Management
  - Litigation injunctions
  - Employment settlements.
- New technology concepts for:
  - Digital due diligence
  - Virtual assistant platforms
  - AI document review
  - Digital scoping.

Strategic progress: Pricing and excellence

Strategy

- When clients talk of innovation in pricing, we will be at the forefront of their minds. The use of hourly rates will be the exception rather than the rule.
- In a market where good is the norm, we deliver excellence every day in everything we do. The way we did things six months ago is no longer good enough.

Progress

- Pricing tools through Pricing Masterclass.
- Creation of governance through Pricing Committee.
- Network of Excellence Champions driving improvements – FY 16/17 Real Estate up to 89% compliance across all audited files.
- Evidence of Supervision on files across all Commercial Services up to 90%, assisted by introduction of firm-wide File Management Guidelines.
- NBI and Letters of Engagement projects – vastly increased compliance with LoE.
- SLA Hub providing increased visibility of clients' requirements.

Strategic progress: Geography

Strategy

- London will be a major growth opportunity for us, providing a shop window for our national platform.
- International expansion, whilst predominantly client-led and consistent with our culture, needs to also embrace the opportunistic.
- The UK and Ireland is our immediate priority but we recognise that the nature of our work will have an increasingly international focus.

Progress

- London now has 359 people, up from 307 in 2014.
- In 2014, we had a Dublin office. Now we have Belfast, Berlin, Brisbane, Brussels, Chicago, Cologne, Dubai, Dublin, Melbourne, Milan, Munich, Paris, Singapore, Sydney, and Toronto.
- Internationally, we have laterally hired 18 partners.
- In FY 16/17, we have laterally hired 28 partners. This supported the recent merger and acquisition of Watmores (£1m), Fox Hartley (£1.8m), Triton Global (£17.8m) and C&H Jefferson (£6.4m). (Figures are based on Annual Review.)
- Ireland has seen the addition of Belfast (C&H Jefferson) with 85 people and the growth of Dublin from 19 to 42 people.

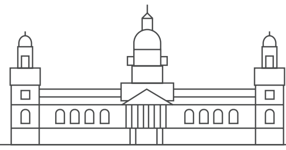
7.

Our International Growth Story

FY 16/17

We are always looking at strategic opportunities for growth that will enhance our legal capability in key sectors and allow us to offer our clients advantages in terms of resource, reach and multi-jurisdiction expertise. Our international expansion is driven by client need.

Belfast



On 1 December 2016, DWF merged with C&H Jefferson, one of the largest legal practices in Northern Ireland and recognised as a leader in the Belfast market. The Firm brought over 100 years' experience in delivering specialist legal services to a diverse range of clients across Northern Ireland.

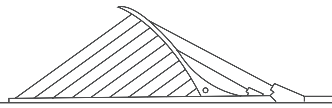
The legal market in Northern Ireland is vibrant and rapidly changing, and the merger has allowed us to start taking advantage of the growing number of opportunities it presents for our clients in target sectors. The new DWF Belfast office has a strong commercial practice with a particular focus on the Banking and Finance sector, advising the domestic and international banks and financial institutions as well as providing specialist Insolvency and Restructuring advice to insolvency practitioners. DWF Belfast also has a leading Commercial Real Estate practice and within the Northern Irish energy sector, has built an impressive track record across the renewables area.

The team also has specific expertise in Litigation, Professional Indemnity, Public Liability and Motor Claims, complementing our existing national insurance practice, and advises several leading national and international insurers in defence litigation, including the Law Society of Northern Ireland's Professional Indemnity Insurers. In addition to general defence work, the team has expertise in Industrial Disease litigation and is one of only four Firms appointed to the Law Society of Northern Ireland's negligence claims panel.

"As our international client base continued to grow, we looked at how we could best adapt in order to meet their changing needs. DWF was a very strong fit for us in terms of its culture and approach to legal services, and through the merger we have been able to create new opportunities for our clients with the benefit of DWF's expansive national footprint, service efficiencies and growing international remit."

Ken Rutherford, Executive Partner in Belfast.

Dublin



Our Dublin office has seen significant investment and growth this year and now offers full service and capability from leading lawyers, with a focus on Real Estate, Banking, Litigation, Corporate and Energy/Infrastructure.

Key partners in Dublin include Executive Partner Ross Little, real estate partner Michael Neary, professional indemnity partner Nina Gaston, banking partner Louis Burke, litigation partner Eimear Collins and energy and project finance partner Garrett Monaghan.

It is a full service practice covering the whole of the UK and the Republic of Ireland, which naturally offers many benefits to our clients, including a truly one-firm mentality across these different jurisdictions. Our Dublin and Belfast teams work closely together to build our overall Island of Ireland practice with focus on insurance and banking in particular.

"The Dublin office has made several key appointments over the year and we have launched a dedicated Real Estate practice to support clients in the region and ensure the team is well-equipped to take advantage of the growing opportunities as a result of Brexit and Ireland's fast-growing economy."

Ross Little, Executive Partner in Dublin.

Paris

DWF added a Paris office on 1 January 2017 by merging with Heenan Paris, a Paris-based Firm with a similarly international outlook. Partners Jean-François Mercadier, Ali Boroumand, Pascale Gallien and Anne-Sylvie Vassenaix-Paxton joined DWF, and in the first few months since opening we have recruited several more new partners into core service lines as we continue to target growth opportunities.

As one of Germany's largest and most significant trading partners, France is a strategically important region that complements DWF's already-expanding European footprint, and is not only a key market for us in terms of size and importance within Europe, but also because our clients are increasingly instructing us on work with a significant French legal component.

The office has a strong international client base with a particular focus on Corporate, Private Equity, Commercial, IP/IT and Litigation, and we also intend to look at further consolidation opportunities, especially with insurance-focused Firms, to build an insurance practice in France.

The merger with Heenan Paris also provided a link into other international jurisdictions. It also brought a relationship with South African law Firm Thomson Wilks, a full service Law Firm that has offices in each of the major commercial centres in South Africa and an established Chinese department that targets the enormous amount of Chinese investment being made into Africa. France also plays an important role as a gateway to Africa, which is of strategic importance to our clients in the Middle East and Germany. Africa is an emerging growth region in its own right with many opportunities to develop business and revenues in sectors that play to our strengths such as Energy, Regulation, Regulated Activities, Insurance and Financial services.

"We are particularly happy to contribute to the development of an international platform whose ambition is to be present in key financial centres and with a focus on key growth markets such as Africa to the benefit of our clients."

Jean-François Mercadier, Managing Partner of DWF France.

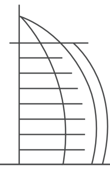
Berlin

DWF opened an office in Berlin in April 2017 in order to strengthen its Financial services, Real Estate and Corporate/M&A service lines and continue building its European presence.

The Berlin office was DWF's third in Germany, following the opening of Cologne and Munich in 2015. The office focuses particularly on the Financial Services sector, where we have a growing specialism in Fintech, and we are also focused on growing our European Corporate/M&A practice, benefiting from Berlin's well-established private equity and international venture capital scene. We will continue to build our International Real Estate practice to complement our strong national team in the UK as well as what is an increasingly active Construction and Infrastructure practice in DWF Dubai.

"Having spent the last year focusing on the strategic growth of our Cologne and Munich offices, including the development of a strong technology sector practice, DWF is in a good position to take advantage of the opportunities presented in the Berlin market. The city has become the digitilisation capital of Germany, with a thriving Fintech and international start-up business scene that is a natural fit for our expertise and will be key as we build our German and international client base."

Michael Falter, Managing Partner of DWF Germany.



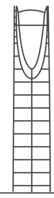
Dubai

Since entering the Dubai market as a greenfield start-up at the beginning of 2015, DWF in Dubai is now recognised as one of the UAE's most innovative and fastest-growing legal advisers.

The office has successfully grown to a team of 25 lawyers and expanded its offering from Construction and Infrastructure to now also advise clients across the Gulf region on International Arbitration, Arabic Litigation, Real Estate, Government and Regulatory and Corporate and Commercial work.

"Since the launch of DWF Middle East in 2015, we have experienced consistent growth and continue to attract key senior talent, which enables us to build our capability in the region and deliver more specialist services to local and firm-wide clients. Our new partners have brought a huge wealth of knowledge which complement the team's ability to deliver high-value work to clients."

Stefan Paciorek, CEO-International Division.



Kingdom of Saudi Arabia

In FY 16/17, we significantly strengthened our Middle East presence with the launch of an exclusive association with Kingdom of Saudi Arabia Firm Harasani & Alkhamees, a dynamic Law Firm known for high levels of client service. Led by Dr Hamid Harasani and Dr Ahmad Alkhamees, and based in offices in Riyadh and Jeddah, the Firm focus on Litigation and Dispute Resolution, Corporate, Construction, Family and Private Client and Employment for regional and international clients.

KSA is the region's largest state and economy, with ambitious plans to develop and diversify their economy. It is therefore a hugely important jurisdiction for DWF as we grow in the Middle East, and so we sought an association partner who could help us continue to build our profile and expand our offering in the region.

"Harasani & Alkhamees and DWF place the same emphasis on being client-focused and delivering a top-class legal service. We are impressed by DWF's state-of-the-art premises, the diversity of their legal offerings, their wealth of experience, their client-centric approach, and their ability to deliver a seamless service across different countries. We are excited by our newly formed association and are confident that this will be positively received by the Saudi legal services market."

Dr Hamid Harasani, Co-founding Partner of Harasani & Alkhamees.

Future plans

Our international strategy anticipates looking in an eastward direction from Europe and at Singapore in particular. Since the end of FY 16/17 we have opened an office in Singapore, that launched in August 2017, which is the key hub for the ASEAN region and one in which most of our key clients are already active. ASEAN is one of the largest economic zones in the world, with 625 million people and growing, and is projected to be the fourth largest global economy by 2030. The region is set to continue growing very significantly in both population and economically, with attendant demand for infrastructure, technology, energy, insurance and service demands including retail and hospitality.

8.

CSR

The way we do business is based on our values and reflects the behaviours that we want to be known for. We run our business with integrity and want our culture and values to be at the heart of everything we do, recognising that our people not only want a great place to work, but take pride in being part of a principled business.

As we build our international presence, our values and culture are being influenced by a much broader range of factors than ever before, including modern slavery and human rights. DWF is proud to support the UN Global Compact and its business principles covering human rights, employment standards, environment and anti-corruption.

It is also our ambition to better use our expertise and motivation to align the way we do business to the UN Sustainable Development Goals.

Safeguarding our long-term future is about profit with purpose, recognising the more successful we become, the greater impact we can have as a force for good.

The most successful businesses invest heavily in the development of their people and culture. Within this scenario, colleague advocacy and a strong and responsible brand will continue to be critical market differentiators for DWF.

Without thriving communities and talented people our business won't be sustainable, so we have a responsibility to contribute to community prosperity by innovating, learning and improving.

We believe in the power of our people to make a difference by giving their time and talent to help those in need and being a catalyst for change.

Volunteering and fundraising have long been a part of the culture at DWF and by continuing to focus our efforts on education, employability, health and well-being and homelessness, we can make a material difference to the communities in which we live and work.

Continuing to evolve our response to CSR in this way demonstrates a strong, well-informed management attitude that is alert and responsive to the challenges and opportunities of doing business in a global context. We have worked hard to create a blueprint for responsible business that will help protect DWF for the future.

Ty Jones,
Director of Corporate Social Responsibility and Engagement.

Social value and achievements

Our focus for community investment is measured through take up of volunteering opportunities and feedback via regular dialogue with our local CSR teams and our People Engagement Survey. These engagements help to keep our CSR programme focused on the social issues which matter the most to our people and the communities in which we live and work.

How we add social value	Why we do it	How we do it
• We identify the social issues most relevant to our business and most pressing to the communities we work with. • We work in partnership with our communities, leveraging our combined expertise for mutual benefit. • We plan and manage our community investment using the most appropriate resources to deliver against our targets. • We encourage and engage our people, clients and suppliers to support our community programmes. • We measure and evaluate the difference our investment has in the community and on our business, and strive for continuous improvement.	• To reduce unemployment and improve opportunities for those often 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 well-being. • To create economic, educational, social and cultural opportunities that provide individuals with connections outside their communities to help break the intergenerational cycle of poverty.	• Community partnerships including Business in the Community and Benefacto • 5 Star Futures – our flagship education programme • DWF Charitable Foundation • Apprenticeships • Volunteering and Mentoring • People engagement • Targeted investment • Social Impact – CSR measurement tool • Benchmarking and Awards

Achievements

What we achieved	Why it was important	What the benefits are
We continue to inspire our people to get involved in volunteering and mentoring: Our fee-earning community alone invested 8,455 hours in community activity from 1 May 2016 to 30 April 2017. Our 5 Star Futures education programme benefited nearly 2,000 young people 600 volunteers in 2016 and investing 1100 hours of their time.	Youth unemployment is significantly higher than the UK average in cities where DWF is based. We want to stop social background predicting a young person's success.	Increasing numbers of young people from low- income backgrounds who have improved their confidence. Developing a variety of opportunities to gain key employability skills and become more work-ready.
We published our first Modern Slavery Statement and Anti-Slavery Policy following the introduction of the UK Government Modern Slavery Act 2015. All DWF suppliers are expected to implement a zero tolerance approach to slavery, forced labour and human trafficking and our procedures are designed to identify and assess areas of potential risk.	Slavery, forced labour and human trafficking have no place in a modern society.	Supports and promotes the protection of internationally proclaimed human rights. Ensures we are not complicit in human rights abuses through our business relationships and supply chain management.

Achievements

What we achieved	Why it was important	What the benefits are
DWF became a signatory of the Prompt Payment Code.	This means we commit to paying our suppliers within terms and ensure there is a proper process for dealing with any issues that may arise.	We know that prompt payment is critical to the cash flow of every business (ours included) but especially smaller businesses within our supply chain.
We launched our second annual Diversity Week to challenge our people to think about their approach to inclusion, and to identify what they could do to help maintain a diverse and inclusive workplace.	Promoted a diverse and inclusive workplace. Evolved our diversity strategy to engage everyone so not seen as a minority issue. Diversity strands also included mental health, parents, carers and strong allies.	Helped to consciously build diversity awareness, capability and confidence in leaders and line managers. Engaged men and explored why diversity should matter to them.
We achieved our highest ranking to date in the Stonewall Top 100 Employers list (36th) which showcases the best places to work for lesbian, gay, bisexual and transgender (LGBT) employees.	Research continues to show that diverse talent produces better business results and stronger innovation.	A visibly inclusive culture where our people feel safe and comfortable to be themselves and feel proud to work at DWF.
The only legal business to successfully retain its 'Proud to be Clear Assured' status. The first legal business to achieve Disability Confident Leadership status.	Both reinforce our commitment to inclusive recruitment by identifying and removing barriers to disabled talent. Both challenge attitudes and understanding of disabilities and accommodations in the workplace.	Demonstrates our commitment to recruit and retain the best available talent operating in a diverse and inclusive environment. Closes the disability employment gap and helps businesses become more confident in employing and retaining disabled people.
Reduction in CO_2 emissions for our UK offices: 2014 – 6768 tonnes 2015 – 6210 tonnes 2016 – 5320 tonnes 2016 also saw a significant reduction in travel emissions, down to 837 tonnes from 1015 tonnes in 2015. Maintaining our recycling target at 80%. Ensuring 100% CFS sourced or recycled paper. Continuing ISO14001 certification in the UK.	Improving our environmental performance and efficiency. Actively managing our carbon emissions. External auditing of our sustainability performance.	Responsible energy management and engaged colleagues in taking personal ownership of the agenda. Maintaining our target of less than 3 tonnes CO_2 per person per year. The faster we act and the more we do, the lower the impact of climate change will be.

CSR Awards and Recognition

2016

- Finalist Company of the Year in the European Diversity Awards
- Finalist in the Community Contribution of the Year category at the Scottish Legal Awards
- Gold Standard performance in The Law Society's D&I report, as a signatory to the D&I Charter
- Achieved Silver Standard on gender and race equality validated by Business in the Community (BITC)
- Bronze Standard in BITC's Environment Index
- Eco Excellence Gold City Award (Preston)

2017

- Successful reaccreditation for the continuing impact of our School Partnerships at the Responsible Business Awards
- Finalist – Best Large Private Sector Employer in recognition of our flexible and agile working policies and initiatives awarded through Working Families Scotland
- Finalist – Best Innovation for Family Friendly Working recognising DWF's innovative approach to ensuring working parents are supported whilst on leave and when back in the office, awarded through Working Families Scotland
- Finalist in the Work in the Community category at the Liverpool Law Society Legal Awards
- Bronze Award for payroll giving
- Finalist – Best Corporate Responsibility Award Inspiring City Awards (Glasgow)
- Gold Standard in Diversity Best Practice - ENEI Awards
- Winner – Advancing Social Mobility in the Workplace Award – ENEI Awards
- Winner – Equality and Inclusion Senior Champion Award – ENEI Awards
- Gold Standard – Law Society Diversity and Inclusion Charter

CSR Awards and Recognition

Liverpool Law Society LEGAL AWARDS 2017

TOP 10 EMPLOYER for Working Families 2016

PROUD TO BE clear assured theclearcompany.co.uk

employers network for equality and inclusion www.enei.org.uk Member

efc employers for carers

disability confident LEADER

INSPIRING CITY AWARDS 2017 PEOPLE MAKE GLASGOW GLASGOW CHAMBER OF COMMERCE The Herald

We are a Living Wage Employer

WORKPLACE GENDER EQUALITY BUSINESS IN THE COMMUNITY

RACE AT WORK BUSINESS IN THE COMMUNITY

Stonewall TOP 100 EMPLOYER 2017

Stonewall DIVERSITY CHAMPION

9.

DWF Foundation

At DWF, we live and breathe our values through our day-to-day actions and behaviours. The values we share help to define and reinforce our culture and the way we do things. Our values underpin not only our culture, but they also set the future course that we want to take as a business.

The launch of the DWF Foundation in November 2015 marked a significant step in our journey to develop a culture of contribution.

One of DWF's values is the belief that we are 'better together' and it is our opportunity for all our people to work together to create something special. It is also something that was increasingly asked for by our clients, and the Foundation aligns to our clients' interests.

Our vision is to encourage all our people to work together as a catalyst for change.

As a registered charity, the DWF Foundation was launched with the sole aim of providing funds, resources and support to help local communities achieve their full potential with a focus on education, employability, health and well-being and homelessness.

Together we support charities and projects that tackle specific community issues, help voluntary and community groups to become more effective and efficient, encouraging involvement of those too often excluded, and enabling young people to develop skills for the benefit of the community.

The Foundation builds on our existing community activity in a focused and strategic way and demonstrates that when we all work together we can make a significant, positive impact on the communities in which we live and work. In its first year, the DWF Foundation raised more than £76,000 and supported 30 local charities around the UK.

Case Study: Working with the Wood Street Mission

Manchester Children's charity, Wood Street Mission, used their grant for their SmartStart initiative, which helps to alleviate the effects of poverty on local children and their families.

Roseanne Sweeney, Chief Executive of Wood Street Mission children's charity, said: "Doing well at school is key to breaking the cycle of poverty but many families struggle to afford school costs which means their children are less likely to grow up to fulfil their potential. SmartStart is our million pound initiative to kit out all local children for school so they fit in and want to achieve. This year, thanks to the generosity of our supporters including DWF, we were able to kit out over 2,300 children in smart new uniforms for the start of the school year and distribute over £200,000 of school kit to local families."

dwf foundation

believe.
inspire.
change.

"When launching the Foundation, we made a promise to make a difference and we have kept that promise, creating something really special. Our vision as a business has been to encourage all of our people to work together to help raise funds to provide resources and support to help local communities achieve their full potential, so I am delighted our people have backed the Foundation wholeheartedly and so many have got involved with initiatives and activities so we have been able to raise the amount we have and help so many more local projects than we have been able to do before."

Jim Davies, Co-Founder of DWF and Chair of the Trustees of the DWF Foundation.

10.

Our Purpose

Transforming legal services through our people for our clients.

We believe that organisations worldwide can benefit from connected support, services and solutions that go beyond conventions and expectations – and it's our purpose to develop and deliver them together.

The business of law is changing and Law Firms must deliver services more efficiently in order to compete. Technology can and will be an enabler. However, this requires us to alter our approach to clients' issues and requirements. It requires us to think differently and implement commercial solutions that solve problems that go beyond our clients' issues, and solve problems that they don't yet know they have. This will be achieved through connected thinking and connected solutions.

Purpose leads to value:

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 understanding their business and their markets and providing smart, insightful legal advice and services which are aligned to their commercial reality. Meeting our clients' needs is at the heart of everything we do including our continuing drive to do things differently.

- We invest in relationships and take time to understand our clients and their business
- We recognise the challenges faced by our clients and develop bespoke solutions to meet these challenges and 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.

Creating a true partnership and value for our clients and for us:

- Investing time in building relationships; our clients recognise the value of such an investment
- Working hand-in-hand with our clients to create genuine insight and value for their business
- Such partnerships and commitment from our clients provides long-term stability for our business
- Client-centricity drives our continuous improvement.

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 well-being.

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 rewarded for going beyond expectations, thinking differently and living our values
- They can expect opportunities to apply their strengths and further their careers.

We work together to create value:

- 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.

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.

- 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 the DWF Foundation and volunteering
- We actively manage our carbon emissions
- We externally audit our sustainability performance.

Why we create value within our community:

- 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.

11.

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.

Our Risk Management and Governance strategy follows the execution of the wider business strategy, so we can anticipate and identify the 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.

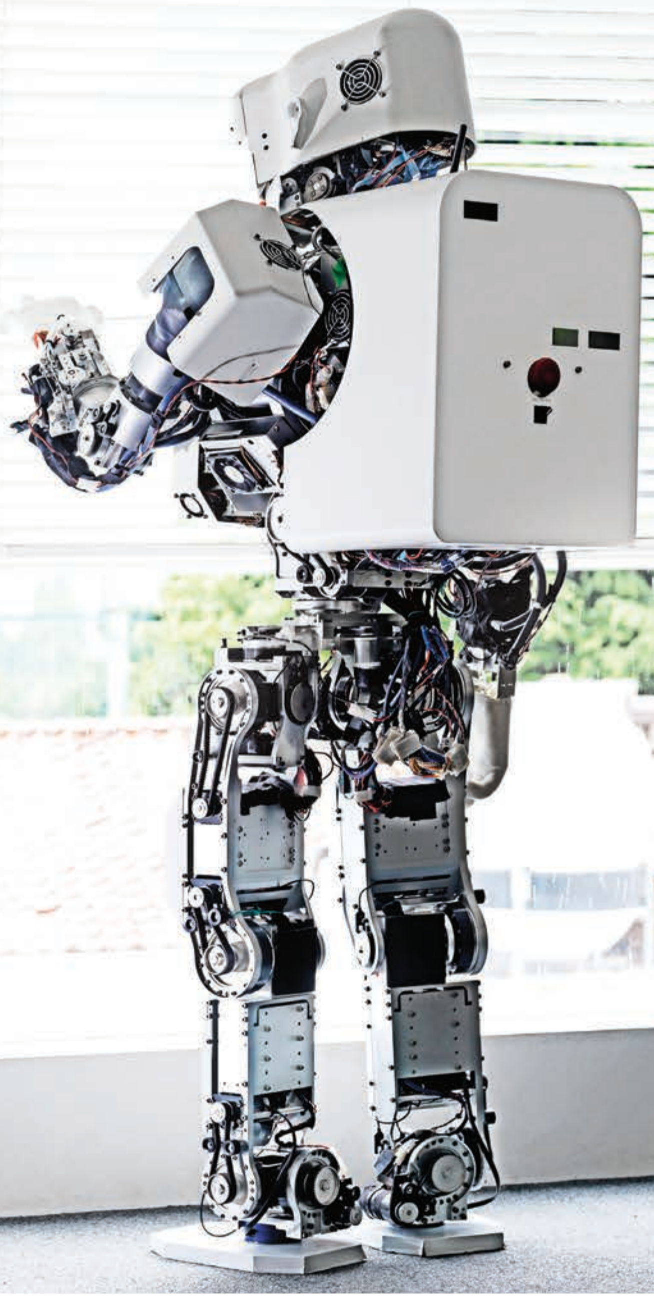
Those policies are monitored and tested by an audit team who regularly undertake assessments to ensure compliance.

Although not captured by the UK Corporate Governance Code, going forward, we will take note of the Financial Reporting Council Guidance on Risk Management.

Our changing approach

Over the last 12 months, we have seen further growth and diversification. Risk Management has to be seen as a collaborative function across the business. As the international footprint has grown, so has the purpose of the function which includes enhancing the governance across the business. International compliance has become ever more important and has includes advising on local regulations, embedding diversity and introducing appropriate systems for business assurance across the various jurisdictions.

This year saw the addition of an International Compliance Officer to the team.



Challenges this year

Whilst Cyber Risk is not yet seen as the most significant risk Law Firms face, this year we have witnessed sudden attacks elsewhere and the detrimental effects they pose meaning it is increasingly being seen as a higher priority. There is much written regarding Law Firms remaining a natural choice for cyber attacks due to the money involved and nature of transactions being undertaken, not forgetting the potentially valuable sensitive data which requires protection.

Cyber attacks will naturally become more sophisticated and it has become ever more important for the Risk Management and Information Security team in educating our people about hacking, phishing and data security awareness.

The team also manage DWF's insurance portfolio, including Professional Indemnity, EL/PL and Management Liability

External factors

The SRA continue in their review of the Handbook, regulatory approach and Accounts Rules. Once released this will undoubtedly create mandatory training and guidance throughout the business. Alongside this we have seen the implementation of the new Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 and await the new European data protection laws – known as General Data Protection Regulation – requiring all companies to introduce stricter controls on data privacy.

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 forward 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.

Future

Although not captured by the UK Corporate Governance Code, going forward, we will take note of the Financial Reporting Council Guidance on Risk Management, Internal Control and Related Financial and Business Reporting (FRC risk guidance). In summary, the guidance requires that greater attention needs to be paid to the risk management process and profile, principal risks and mitigation, strategy and risk appetite, culture and reporting. To this end, following a recent robust firm-wide risk assessment, the Board will hold a discussion to understand the findings of the risk assessment and ensure risk management is further embedded across the business.

Risk management

The team supports our business by managing risk. Their responsibilities include regulatory compliance, Anti-Money Laundering and Data Protection.

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.

Business excellence

The Business Excellence team provides independent assurance for the business. On a day-to-day basis they conduct internal audits across DWF in order to manage our external ISO 9001:2015 standard; and implement business excellence activities to drive continuous improvement.

Our ISO suite of standards has grown. The team now also carry out internal audits against the Information Security Management standard of ISO 27001:2013 and the Environmental Management standard of ISO 14001.

Deborah Abraham,
Director of Risk Management and Excellence.

Business Divisions

Driving our Business: Strategic Board and Committees

Strategic Board

DWF's Strategic Board consists of individuals with wide-ranging relevant backgrounds, experience, skills and knowledge, resulting in a favourable balance that enables the Board to exercise its tasks and responsibilities, whilst 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.

Alan Benzie
Chairman FY 16/17

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.

Andrew Leaitherland
Managing Partner and CEO

As Managing Partner and 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 £199.3m and from 560 to over 2,700 respectively.

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.

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 and 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 EMEIA 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 M&A. 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.

Claire Bowler
Partner, Insurance Services (Elected Member)

Claire was one of two founding partners of DWF's London office in 2008, and has been proud of its growth from 13 people to 359 today. Claire sits on the Strategic Board as the representative for the Insurance Services Division, and was the first of two women ever elected to DWF's main Board.

Paul Rimmer
Partner, Corporate Services (Elected Member)

Paul is a Corporate Partner who has a wide range of M&A experience particularly in the Private Equity arena. Paul joined DWF in 2013 from an International Law Firm and was elected to the Strategic Board in 2016. In Paul's role as Head of UK Locations, he is heavily involved in driving the culture and values of the business.

Hilary Ross
Partner, Litigation (Elected Member)

Hilary leads DWF's Retail, Food and Hospitality sector which has been identified as acting for more FTSE 100 retailers than any other Law Firm in the UK. She also leads the London office which is now fully agile. She is consistently recognised as one of the leading regulatory lawyers in the UK.

Helen Hill
Human Resources Director

With over 20 years' experience in generalist HR positions, across multiple sectors, Helen is focused on developing DWF's HR team's contribution to business growth, performance and profitability through aligning the team's strategic and operational goals to the overall Group business plans.

Supporting Boards and Committees

Committee/Board and Purpose	Objectives
Committee: Audit Committee (AC). **Meeting Frequency:** Minimum three times per year. **Purpose:** To oversee financial reporting and disclosure.	• 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.
Committee: Compliance and Risk Management Committee (CRMC). **Meeting Frequency:** Monthly (exc. August, December, April). **Purpose:** To advise the Board on the identification, coordination and prioritisation of risk management issues throughout the business and to develop a strategy for risk management.	• 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.
Committee: Engaging People Executive (EPE). **Meeting Frequency:** Bi-monthly. **Purpose:** To sponsor initiatives that inspire our people to deliver our business strategy.	• 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 and Purpose	Objectives
Committee: Executive Board **Meeting Frequency:** Monthly **Purpose:** Management of the business	• Day-to-day/week-to-week operational management of the business • Oversight of all operational aspects of the business.
Committee: Executive Committee **Meeting Frequency:** Quarterly **Purpose:** A communication forum and reserved for decisions on firm-wide matters	• Ongoing operational and performance review of the business with a wider constituency of leaders within the business • To review and implement those operational aspects that will support the business in its development.
Committee: Remuneration Committee **Meeting Frequency:** Bi-monthly **Purpose:** To manage all remuneration aspects of the business including bonus scheme, promotions and pay review	• 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.
Committee: Diversity Steering Group (DSG) **Meeting Frequency:** Quarterly **Purpose:** To oversee and monitor the implementation of DWF's diversity strategy	• Create and maintain a more diverse and inclusive workplace and culture • Operate within legislative, risk and best practice frameworks enabling DWF to compete for business • Meet the needs and expectations of our people throughout their employment journey • Meet the needs and expectations of clients through our delivery of outstanding service • Encourage our people, clients and suppliers to demonstrate ownership and responsibility for diversity and inclusion • Authenticate our values and brand image, ensuring dignity and respect is seen and valued as an integral part of our culture and the way we do business.
Committee: International Steering Committee **Meeting frequency:** Quarterly **Purpose:** To oversee, monitor and communicate international strategy, direction and implementation	• 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 the business as a whole to ensure that we are pursuing a strategy that is fit for purpose and supported by all stakeholders • Ambassadorial.

12.

Financial Review

Chris Stefani

Planning for growth

A year of two halves in the UK

We set out in FY 16/17 with a relatively ambitious UK growth budget which we were aware would present challenges given how competitive the UK market remains.

However, it was quickly derailed due to the unexpected Brexit result which had a very immediate impact on our Commercial Services division, and our Real Estate practice in particular. This impact, together with the continued challenges in the Insurance market diluted the potential H1 growth we had anticipated in the UK market.

However, in the second half of the year, we saw a shift. Client demand picked up and we recovered onto our growth trajectory, ending the year with a significant amount of momentum and with growth in three of our six UK Practice Groups and in our international locations.

"Our Litigation, Corporate Services and Motor Fraud teams in particular had very healthy growth, so whilst the overall results for UK were impacted by events in the first half, they mask a very strong underlying growth story."

Growth through M&A

Our strategy recognises that organic UK growth is going to continue to be challenging, so we have a significant focus on M&A activity and we executed four important deals:

1. We acquired niche Law Firm **Fox Hartley** early in the year to strengthen our insurance, litigation and product liability capability and enhance our sector expertise. It helped secure new domestic and international insurer clients.

2. We merged with Belfast-based commercial Law Firm **C&H Jefferson** on 1 December 2016, one of the largest legal practices in Northern Ireland. This gave us an all-Ireland capability which we view as critical for the Ireland market and particularly timely in light of Brexit.

3. We merged with **Heenan Paris**, an established office in Paris with an international outlook. With France being one of Germany's largest and most significant trading partners, the merger complemented our growing European footprint.

4. Our **Triton** deal was one that happened very quickly. We're an opportunistic business and saw great potential in Triton. There was strong operational synergy, given their footprint matched ours, along with an opportunity to extend our non-legal services in areas such as loss adjusting and claims handling.

We are still in build mode in certain practices and locations and FY 16/17 also saw us make a number of strategic lateral hires, in addition to the M&A activity.

Good revenue outturn

Our strong second half and M&A activity has given us an encouraging revenue outturn, seeing a 7% increase in revenue compared to the previous year. In terms of profitability, pricing remains a challenge in the UK market and we absorbed significant one-off M&A-related costs to integrate the four businesses which joined DWF during the year. We also continued with lateral hire activity to build upon the M&A investments, and this has led to a profit outturn which, whilst ahead of PY, has given a short term dip in PEP.

"This continued investment will give us a 'lateral dividend' in the years to come and growth. They are deliberate investments that will give us a material payback in the future."

Maximising potential

Over the past few years we have worked hard together to take a traditional Law Firm model and turn it on its head, in line with our strategy of doing things differently.

With our geographical expansion and the creation of Connected Services, which brings together complementary products and services to our core legal offering, we have laid the groundwork for a step-change in our performance and position in the market.

We already have seen in the final quarter of FY 16/17 and the first quarter of FY 17/18 an indication of the potential for additional revenue that our investments are bringing.

"Our main priority for the year ahead is to maximise this latent potential in the business via the acquisitions we have made and the carefully selected jurisdictions we have expanded into. This will allow us to achieve our purpose of transforming legal services through our people, for our clients."

13.

Financial Reports

Members' Report

Trading
Following continued investment in international growth, DWF has announced FY 16/17 global revenues of £199.3m, a 7% increase from prior year (£186.9m). PEP has stayed flat year on year although the number of Equity Partners has grown by 6% due to acquisitions and lateral hires in the year. DWF's LLP UK revenues for FY 16/17 are £183.3m, a £1.5m increase from prior year despite a competitive UK market and a surprise result from the Brexit referendum which impacted on real estate and corporate transaction volumes.

International expansion and merger activity continues to drive additional growth with 4 significant mergers in the year:

On 1 May 2016 DWF merged with Fox Hartley, a Bristol based Law Firm specialising in litigation and alternative dispute resolution services for major insurer and manufacturer clients. The Firm acts for UK and global insurers, in relation to catastrophic injury, aviation claims, property damage, business interruption, policy wording disputes and the development of new products. The merger will support DWF's growing focus on the Lloyd's insurance market and enhance the Firm's delivery of high value commercial litigation work

On 1 December 2016 DWF merged with C&H Jefferson, one of the largest legal practices in Northern Ireland giving full coverage of Ireland – a key strategic move following the Brexit result.

On 1 January 2017 DWF merged with Parisian Firm, Heenan Paris, who have an international focus with client presence in Africa. France is one of the key trading relationships with Germany, giving DWF a strong European footprint.

On 24 January 2017 DWF acquired Triton Global (a distressed purchase/ pre-pack administration) who, whilst being predominantly UK based, have also added international non-legal capability in Canada, USA, Australia and Ireland. Their UK office footprint matched that of DWF and as such offered immediate, and material, operational efficiencies.

Existing international locations have continued to grow with a new office being opened in Berlin allowing DWF to enhance its offering in Germany, particularly in the financial services sector where the Firm has a particular specialism in fintech.

Events after balance sheet date
On 1 July 2017 DWF opened an office in Singapore with 2 new Partners to specifically meet the growing demand from our clients across the ASEAN region. The team will be working primarily in Litigation and Arbitration whilst acting as a regional springboard for two of our key sectors – Financial Services and Insurance.

On 16 October 2017 DWF opened an Italian office based in Milan with 4 new Partners and a supporting team of 12 lawyers. The team bring expertise in delivering complex corporate, finance, tax and ligation advice on matters arising from domestic and international M&A and private equity activity. Expansion in to Italy will strengthen DWF's offering in continental Europe whilst building on the expertise of the existing sector focus.

On 1 May 2017 DWF launched a new specialist business division called Connected Services. Connected Services consolidates all non-legal, non-regulated services under one roof to offer a set of complementary and specialist business solutions, as well as consultative services and products, that sit alongside DWF's core legal offering. Launched in response to growing demand from the business's clients, the new business division will see DWF diversify its offering and expand its remit into research & development, technology incubation and the creation of a suite of commercially-focused business solutions.

DWF made 36 lateral partner hires in the UK in FY 16/17 (FY15/16: 24) and now employs approximately 2,700 people across 25 locations, 11 countries and 4 continents.

Funding
The LLP is funded by a combination of fixed capital, retained current accounts of our members, and external borrowings. At year end 30 April 2017, the external borrowings comprised a revolving credit facility ("RCF"), overdraft and term loans, the RCF being committed until July 2018. As the RCF is committed to July 2018 the Firm intends to refinance before that date. The firm has held discussions with its banks about its future borrowing requirements and has received credit committee approval with no conditions precedent from the banks of their intention to make available new funding which will be a combination of a revolving credit facility, overdraft and term loans. The new RCF will be committed for 3 years through to 2021. The LLP continues to place significant emphasis on optimising lockup management to reduce borrowing costs and to increase funds for working capital requirements.

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

Financial outlook
Our net profit performance is strong given the investments made in people and infrastructure to build a sustainable legal business which is equipped to cope with a fast-changing marketplace. The focus over the last 3 years has very much been on driving growth whilst also investing in post-merger integration to ensure that our people are operating on a common platform in "the DWF way".

Members' Report

We expect the pace of growth to continue, but for the profit trajectory to increase materially as merger synergies are realised through our dedicated Business Change team.

We continue to be confident that these substantial investments in our infrastructure, in our people, and our technology platforms will put us in an increasingly strong position for the future.

Principal activity
The principal activity of DWF LLP is the provision of Legal Services globally.

Charitable donations
During the year, DWF made charitable donations totalling £10,000 to a variety of charities (2016: £5,000). In December 2015 DWF created a charitable Foundation to provide funds, resources and support to local charities and projects. In FY 16/17, the DWF Foundation donated £91,000 (2016: £7,000).

Designated Members
The following Members served as Designated Members throughout the year and at the date of this report: AR Leaitherland, PA Berry, IJ Slater (resigned 24 November 2016), AG Peacock (resigned 18 January 2017) and JDL Edwards (resigned 24 November 2016), Claire Bowler (appointed 24 November 2016), Hilary Ross (appointed 24 November 2016), Paul Rimmer (appointed 24 November 2016) and Stephen Miles (appointed 18 January 2017).

The Board
The Board compromises the Designated Members together with a Non-Executive Chairman, Alan Benzie, a further Non-Executive Director, David Gray, and Chief People Officer, Catherine Williams (resigned 31 July 2017).

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 2nd February 2018 and signed on behalf of the Board.

A.R. Leaitherland

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 for that year. In preparing these financial statements, the Members are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable 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

We have audited the financial statements of DWF LLP for the year ended 30 April 2017 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 Statement and the related notes 1 to 19. 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's 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 2017 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.

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

Statutory Auditor

Manchester, United Kingdom
2nd February 2018

Group Profit and Loss Account
Year ended 30 April 2017

	Note	**2017** **£'000**	2016 £'000
Turnover of existing operations		190,198	185,880
Turnover of acquired operations		9,124	970
Turnover	2	**199,322**	**186,850**
Other operating income		291	312
Staff costs	3	(98,569)	(85,322)
Depreciation		(5,713)	(6,054)
Amortisation of intangibles		442	(266)
Other operating expenses		(52,218)	(49,944)
Operating profit of existing operations		42,349	45,177
Operating profit of acquired operations		1,206	399
Operating profit	4	**43,555**	**45,576**
Interest payable	5	(1,191)	(1,137)
Profit before taxation and Members' remuneration and profit shares		**42,364**	**44,439**
Tax on profit of the subsidiaries	6	(37)	(898)
Profit before Members' remuneration and profit shares		**42,327**	**43,541**
Members' remuneration charged as an expense	7	(23,025)	(23,169)
Profit for the financial year available for discretionary division among Members		**19,302**	**20,372**

All results relate to continuing activities.

Group Statement of Comprehensive Income Year ended 30 April 2017

	2017 **£'000**	2016 £'000
Profit for the financial year available for discretionary division among Members	**19,302**	**20,372**
Exchange gains/(losses) on translation of foreign operations	221	(159)
Total comprehensive income available for discretionary division among Members	**19,523**	**20,213**

Group and LLP Balance Sheet as at 30 April 2017

	Note	**Group 2017 £'000**	Group 2016 £'000	**LLP 2017 £'000**	LLP 2016 £'000
Fixed assets					
Goodwill	8	1,082	314	220	67
Negative goodwill	8	(391)	-	-	-
Goodwill - net balance		691	314	220	67
Other intangible assets	8	974	601	316	30
Tangible assets	9	16,286	17,555	15,310	17,445
Investments	10	254	-	1,211	423
		18,205	18,470	17,057	17,965
Current assets					
Debtors	12	120,634	101,050	113,865	101,828
Cash at bank and in hand		3,327	9,976	1,952	8,800
		123,961	111,026	115,817	110,628
Creditors: amounts falling due within one year	13	(50,972)	(40,796)	(50,328)	(45,391)
Net current assets		72,989	70,230	65,489	65,237
Total assets less current liabilities		91,194	88,700	82,546	83,202
Creditors: amounts falling due after more than one year	14	(49,097)	(50,805)	(48,779)	(50,805)
Net assets attributable to Members		**42,097**	**37,895**	**33,767**	**32,397**
Represented by:					
Loans and other debts due to Members within one year					
Members' capital classified as a liability		25,193	24,071	23,582	23,437
Other amounts		5,318	5,892	363	2,217
		30,511	29,963	23,945	25,654
Members' other interests					
Other reserves classified as equity		11,856	7,932	9,822	6,743
Total Members' interests		**42,097**	**37,895**	**33,767**	**32,397**

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 in these financial statements. Its own profit for the year available for discretionary division among Members was £17,656,000 (2016: £17,444,000).

The financial statements of DWF LLP (registered number OC328794) were approved by the Board on 2nd February 2018. They were signed on its behalf by:

A. R. Leaitherland
Designated Member

Statement of Changes in Members' Interests Year ended 30 April 2017

Group FY15-16	Other reserves £'000	Loans and other debts due to Members: Members' Capital classified as Debt £'000	Other amounts £'000	Total £'000	Total Members' interests £'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**

Group FY16-17	Other reserves £'000	Loans and other debts due to Members: Members' Capital classified as Debt £'000	Other amounts £'000	Total £'000	Total Members' interests £'000
Members' interests as at 1 May 2016	**7,932**	**24,071**	**5,892**	**29,963**	**37,895**
Consolidated profit for the financial year available for discretionary division among Members	19,302	-	-	-	**19,302**
Members' remuneration charged as an expense	-	-	23,025	23,025	**23,025**
Allocation of profit	(15,424)	-	15,424	15,424	**-**
Members' interests after profit for the year	**11,810**	**24,071**	**44,341**	**68,412**	**80,222**
Unrealised foreign exchange translation difference	221	-	-	-	**221**
Other amounts as a result of acquistions	(445)	-	-	-	**(445)**
Introduced by Members	-	3,996	-	3,996	**3,996**
Repayments of capital	-	(2,874)	-	(2,874)	**(2,874)**
Drawings	-	-	(39,023)	(39,023)	**(39,023)**
Members' interests as at 30 April 2017	**11,586**	**25,193**	**5,318**	**30,511**	**42,097**
Amounts due to Members	**11,586**	**25,193**	**5,318**	**30,511**	**42,097**

Statement of Changes in Members' Interests Year ended 30 April 2017 (continued)

LLP FY15-16	Other reserves £'000	Loans and other debts due to Members: Members' Capital classified as Debt £'000	Other amounts £'000	Total £'000	Total Members' interests £'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**

LLP FY16-17	Other reserves £'000	Loans and other debts due to Members: Members' Capital classified as Debt £'000	Other amounts £'000	Total £'000	Total Members' interests £'000
Members' interests as at 1 May 2016	**6,743**	**23,437**	**2,217**	**25,654**	**32,397**
LLP profit for the financial year available for discretionary division among Members	17,656	-	-	-	**17,656**
Members' remuneration charged as an expense	-	-	20,841	20,841	**20,841**
Other	(570)	-	-	-	**(570)**
Allocation of profit	(14,007)	-	14,007	14,007	**-**
Members' interests after profit for the year	**9,822**	**23,437**	**37,065**	**60,502**	**70,324**
Introduced by Members	-	3,019	-	3,019	**3,019**
Repayments of capital	-	(2,874)	-	(2,874)	**(2,874)**
Drawings	-	-	(36,702)	(36,702)	**(36,702)**
Members' interests as at 30 April 2017	**9,822**	**23,582**	**363**	**23,945**	**33,767**
Amounts due to Members	**9,822**	**23,582**	**363**	**23,945**	**33,767**

Group Cash Flow Statement
Year ended 30 April 2017

	Note	**2017 £'000**	2016 £'000
Net cash inflow from operating activities	18	**39,645**	**51,852**
Cash flows from investing activities			
Purchase of tangible fixed assets		(3,501)	(2,790)
Purchase of intangible assets		(279)	(234)
Acquisition of investment		(2,817)	(480)
Net cash acquired with subsidiary		211	115
Net cash flows from investing activities		**(6,386)**	**(3,389)**
Cash flows from financing activities			
Repayment of borrowings		(134)	(21,216)
Repayment of obligations under finance lease		(395)	(455)
New bank loans raised		-	39,709
Payments to or on behalf of the Members		(39,023)	(45,083)
Capital contributions by Members		3,537	2,560
Repayments to former Members		(2,874)	(4,836)
Interest paid		(1,240)	(1,137)
Net cash flows from financing activities		**(40,129)**	**(30,458)**
Net (decrease)/increase in cash and cash equivalents		**(6,870)**	**18,005**
Cash and cash equivalents at beginning of year		9,976	(7,870)
Effect of foreign exchange rate changes		221	(159)
Cash and cash equivalents at end of year		**3,327**	**9,976**
Reconciliation to cash at bank and in hand			
Cash at bank		3,327	9,976
Cash equivalents		-	-
Cash and cash equivalents		**3,327**	**9,976**

Notes to the Financial Statements Year ended 30 April 2017

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 England and Wales under the Limited Liability Partnership Act 2000. The address of the registered office is given on page 74. The nature of the Group's operations and its principal activities are set out in the Members' Report on page 49.

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 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, intra-group transactions, remuneration of key management personnel and cash flow statement.

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, an overdraft facility which is renewed annually and a Revolving Credit Facility committed to July 2018.

Subsequent to year end the firm has held discussions with its banks about its future borrowing requirements and whilst formal bank facility documentation has not been completed, it has received credit committee approval with no conditions precedent from the banks of their intention to make available new facilities, with documentation due to be completed in February 2018. This newly agreed funding will also be a combination of a revolving credit facility, overdraft and term loans. It will be committed for 3 years through to 2021, 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 – negative goodwill

Negative goodwill on the acquisition of subsidiary undertakings and businesses, representing any excess of the fair value of the identifiable assets and liabilities acquired over the fair value of the consideration paid, is released to the profit and loss in the periods in which non-monetary assets acquired are recovered.

Intangible assets – other

Separately acquired or developed software is included at the 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 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:

Notes to the Financial Statements Year ended 30 April 2017 (continued)

1. ACCOUNTING POLICIES (continued)

(a) 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.

(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 the 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 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. Investments in ordinary shares (where shares are publicly traded or their fair value is reliably measurable) are measured at fair value through profit or loss. Where fair value cannot be measured reliably, investments are measured at cost less 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.

Notes to the Financial Statements Year ended 30 April 2017 (continued)

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.

Divisible profits and Members' remuneration

Members' monthly drawings on account of financial year 2016 - 2017 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. Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

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.

Bank borrowings

Interest-bearing bank loans and overdrafts are recorded at the proceeds received, net of direct issue costs. Finance charges, including premiums payable on settlement or redemption and direct issue costs, are accounted for on an accrual basis in the profit and loss account using the effective interest method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

Critical accounting judgements and key sources of estimation uncertainty

In the application of the LLP's accounting policies, 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 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 2017 (continued)

2. TURNOVER

Turnover is derived from the provision of Legal Services in the UK, Europe, Asia, Australia and North America 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 prejudical to the business.

3. STAFF COSTS

	2017 No.	2016 No.
The average monthly number of employees (excluding Members)		
Legal advisers	1,394	1,267
Support staff	807	770
	2,201	**2,037**
	£'000	**£'000**
Aggregate remuneration comprised		
Wages and salaries	87,134	75,131
Social security costs	8,685	7,985
Pension costs	2,750	2,206
Total staff costs	**98,569**	**85,322**

Notes to the Financial Statements Year ended 30 April 2017 (continued)

4. OPERATING PROFIT

	Note	**2017 £'000**	2016 £'000
Operating profit is stated after charging/(crediting)			
Depreciation of tangible assets	9	5,713	6,054
Amortisation of intangible assets	8	206	127
Amortisation of goodwill	8	234	139
Amortisation of negative goodwill	8	(882)	-
Foreign exchange loss		361	17
Rentals under operating leases			
Land and buildings		9,356	8,805
Other leases		691	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		94	55
Fees payable to DWF LLP's auditor and its associates for other services to the Group			
The audit of DWF LLP's subsidiaries		38	25
Total audit fees		**132**	**80**
Other assurance services		8	9
Tax compliance services		64	45
Other services		133	50
Total non-audit fees		**205**	**104**

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. No services were provided pursuant to contingent fee arrangements.

Notes to the Financial Statements Year ended 30 April 2017 (continued)

5. INTEREST PAYABLE

	2017 £'000	2016 £'000
Interest payable and similar charges		
Bank interest payable on loans and overdrafts	1,149	1,104
Other interest payable and similar charges	42	33
Interest payable	**1,191**	**1,137**

6. TAX ON PROFIT OF THE SUBSIDIARIES

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

	2017 £'000	2016 £'000
Total tax on profits		
UK corporation tax	**37**	**898**

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:

	2017 £'000	2016 £'000
Profits before tax	42,364	44,439
Tax on Group profit at standard UK corporation tax rate of 19% (2016: 20%)	8,049	8,888
Effects of:		
Tax borne by the individual Members	(8,012)	(7,990)
Group total tax charge for the year	**37**	**898**

From 1 April 2017, the main rate of UK corporation tax reduced to 19%.

7. MEMBERS' REMUNERATION CHARGED AS AN EXPENSE

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

	2017 No.	2016 No.
Average number of Members during the year	**210**	**228**

The profit attributable to the Member with the highest entitlement to profits was £845,849 (2016: £940,355).

Notes to the Financial Statements Year ended 30 April 2017 (continued)

8. INTANGIBLE FIXED ASSETS

Group	Goodwill £'000	Negative goodwill £'000	Software £'000	Development costs* £'000	Total £'000
Cost					
At 1 May 2016	766	-	57	782	1,605
Additions	1,002	(1,273)	301	278	308
At 30 April 2017	1,768	(1,273)	358	1,060	1,913
Accumulated amortisation					
At 1 May 2016	452	-	27	211	690
Charge for the year	234	(882)	14	192	(442)
At 30 April 2017	686	(882)	41	403	248
Net book value					
At 30 April 2017	**1,082**	**(391)**	**317**	**657**	**1,665**
At 30 April 2016	**314**	**-**	**30**	**571**	**915**

* 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	Negative goodwill £'000	Software £'000	Development costs* £'000	Total £'000
Cost					
At 1 May 2016	67	-	57	-	124
Additions	200	-	300	-	500
At 30 April 2017	267	-	357	-	624
Accumulated amortisation					
At 1 May 2016	-	-	27	-	27
Charge for the year	47	-	14	-	61
At 30 April 2017	47	-	41	-	88
Net book value					
At 30 April 2017	**220**	**-**	**316**	**-**	**536**
At 30 April 2016	**67**	**-**	**30**	**-**	**97**

* 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.

9. TANGIBLE FIXED ASSETS

Group	Leasehold improvements £'000	Office equipment & fixtures and fittings £'000	Computer equipment £'000	Assets under construction £'000	Total £'000
Cost					
At 1 May 2016	14,019	5,959	31,559	889	52,426
Additions on acquisitions	425	518	141	-	1,084
Additions	215	1,011	2,275	-	3,501
Transfers	889	-	-	(889)	-
At 30 April 2017	15,548	7,488	33,975	-	57,011
Accumulated depreciation					
At 1 May 2016	7,822	3,996	23,053	-	34,871
Accumulated depreciation on acquisitions	60	44	37	-	141
Charge for the year	1,084	537	4,092	-	5,713
At 30 April 2017	8,966	4,577	27,182	-	40,725
Net book value					
At 30 April 2017	**6,582**	**2,911**	**6,793**	**-**	**16,286**
At 30 April 2016	**6,197**	**1,963**	**8,506**	**889**	**17,555**

LLP	Leasehold improvements £'000	Office equipment & fixtures and fittings £'000	Computer equipment £'000	Assets under construction £'000	Total £'000
Cost					
At 1 May 2016	14,019	5,857	31,559	889	52,324
Additions	226	1,013	2,284	-	3,523
Transfers	889	-	-	(889)	-
At 30 April 2017	15,134	6,870	33,843	-	55,847
Accumulated depreciation					
At 1 May 2016	7,830	3,996	23,053	-	34,879
Charge for the year	1,069	503	4,086	-	5,658
At 30 April 2017	8,899	4,499	27,139	-	40,537
Net book value					
At 30 April 2017	**6,235**	**2,371**	**6,704**	**-**	**15,310**
At 30 April 2016	**6,189**	**1,861**	**8,506**	**889**	**17,445**

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 leases amount to £705,000 (2016: £1,177,000).

Notes to the Financial Statements Year ended 30 April 2017 (continued)

10. INVESTMENTS

	Group 2017 £'000	Group 2016 £'000	**LLP 2017 £'000**	LLP 2016 £'000
Subsidiary undertakings				
At 1 May 2016	-	-	423	8
Additions	-	-	645	415
At 30 April 2017	**-**	**-**	**1,068**	**423**
Other investments and loans				
At 1 May 2016	-	-	-	-
Additions	254	-	143	-
At 30 April 2017	**254**	**-**	**143**	**-**
Total	**254**	**-**	**1,211**	**423**

During the year the Group acquired 10% of the issued share capital of Dealscoper Limited comprising of 28,650 ordinary shares for consideration of £203,988. The Group also acquired issued share capital of SKIL Global Ports & Logistics for a consideration of £50,000 for 500,000 ordinary shares at £0.10 each.

GROUP INVESTMENTS

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

	Registered address	Principle place of business	Nature of business	Proportion of ownership
Subsidiaries				
Direct				
Davies Wallis Foyster Limited***	i	United Kingdom	Non trading	100%
Resolution Law Limited*	i	United Kingdom	Dormant	100%
DWF Pension Trustees Limited***	viii	United Kingdom	Provision of pension trustees services	100%
Davies Wallis (unlimited)*	i	United Kingdom	Dormant	100%
DWF Solicitors Limited*	i	United Kingdom	Dormant	100%
DWF (Nominees) 2013 Limited*	i	United Kingdom	Dormant	100%
DWF (Trustee) Limited*	i	United Kingdom	Dormant	100%
Bailford EBT Trustees Limited*	ix	United Kingdom	Dormant	100%
Bailford Trustees Limited*	ix	United Kingdom	Dormant	100%
DWF Directors (Scotland) Limited*	ix	United Kingdom	Dormant	100%
DWF Secretarial Services (Scotland) Limited*	ix	United Kingdom	Dormant	100%
DWF Trustee (Scotland) Limited*	ix	United Kingdom	Dormant	100%
DWF Connected Services Limited	i	United Kingdom	Dormant	100%
DWF (TG) Limited	i	United Kingdom	Dormant	100%
DWF Germany Holding GbR **/***	iv	Germany	Law services	100%
DWF (Dublin) ***	iii	Republic of Ireland	Law services	100%
DWF (Middle East) LLP ***	v	United Arab Emirates	Law services	100%
DWF (NI) LLP	vi	Northern Ireland	Law services	100%
DWF (France) AARPI	vii	France	Law services	100%

Notes to the Financial Statements Year ended 30 April 2017 (continued)

10. INVESTMENTS (continued)

GROUP INVESTMENTS (continued)

	Registered address	Principle place of business	Nature of business	Proportion of ownership
Subsidiaries				
Indirect				
DWF Secretarial Services Limited*	i	United Kingdom	Dormant	100%
DWF Nominees Limited*	i	United Kingdom	Dormant	100%
DWF Claims Limited	i	United Kingdom	Dormant	100%
DWF Loss Adjusting Limited	i	United Kingdom	Dormant	100%
DWF Audit Limited	i	United Kingdom	Dormant	100%
15squared Limited***	ii	United Kingdom	Software provider	100%
DWF Middle East Group LLP*	i	United Kingdom	Dormant	100%
Triton Global Claims Ireland Limited	iii	Republic of Ireland	Law services	100%
Triton Global LLC	xi	USA	Law services	100%
Triton Global Claims (Canada) Limited	xii	Canada	Law services	100%
Triton Global (Australia) Pty Limited	xiii	Australia	Law services	100%
Triton Global Claims (HK) Limited	xiv	Hong Kong	Dormant	100%
Triton Global Claims (Asia) Pte Limited	xv	Singapore	Law services	100%
Other Investments				
Dealscoper Limited	x	United Kingdom	Software provider	10%
SKIL Global Ports & Logistics Limited	xvi	Guernsey	Asset investment	<0.1%

* 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.

i 1 Scott Place, 2 Hardman Street, Manchester, United Kingdom, M3 3AA

ii 150 Minories, London, EC3N 1LS

iii 5 St. George's Dock, IFSC, Dublin

iv Rechtsanwaltsgesellschaft mbH, Prinzregentenstraße 78, Munich, DE-81675

v P.O. Box 507104, Office 901 & 904, Tower 2, Al Fattan Currency House, DIFC, Dubai

vi 42 Queen Street, Belfast, BT1 6HL

vii 15 Avenue d'Iéna, FR-75116, Paris

viii 5 St. Paul's Square, Old Hall Street, Liverpool, L3 9AE

ix 110 Queen Street, Glasgow, Scotland, G1 3HD

x Harrow House, 23 West Street, Haslemere, Surrey, GU27 2AB

xi 740 Waukegan Road, Deerfield, Chicago, Illinois, 60015

xii 111 Queen Street East, Suite 450, Toronto, Ontario, M5C 1S2

xiii 48 Hunter Street, Sydney

xiv 25/F, OTB Building, 160 Gloucester Road, Wanchai, Hong Kong

xv 8 Cross Street, Singapore, 048424

xvi Martello Court, Admiral Park, St Peter Port, Guernsey, GY1 3HB

Notes to the Financial Statements Year ended 30 April 2017 (continued)

11. ACQUISITIONS

ACQUISITION OF TRADE AND ASSETS

The useful life of goodwill on acquisition is 5 years. The acquisitions have 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:

	Trevor Fox T/A Fox Hartley		C&H Jefferson LLP		Heenan Paris		Triton Global		Total
	Book value £'000	Fair value to Group £'000	Book value £'000	Fair value to Group £'000	Book value £'000	Fair value to Group £'000	Book value £'000	Fair value to Group £'000	Fair value to Group £'000
Fixed assets									
Tangible	31	31	371	371	234	234	307	307	**943**
Current assets									
Amounts recoverable from clients in respect of unbilled work performed	177	177	2,002	2,002	-	-	2,741	1,866	**4,045**
Debtors	439	439	2,147	2,147	628	628	2,654	2,173	**5,387**
Cash	128	128	-	-	5	5	79	79	**212**
Total assets	**775**	**775**	**4,520**	**4,520**	**867**	**867**	**5,781**	**4,425**	**10,587**
Creditors									
Trade creditors	(109)	(109)	(469)	(469)	(175)	(175)	(157)	(157)	**(910)**
Other creditors	(257)	(257)	(124)	(124)	(522)	(522)	(446)	(1,802)	**(2,705)**
Total liabilities	**(366)**	**(366)**	**(593)**	**(593)**	**(697)**	**(697)**	**(603)**	**(1,959)**	**(3,615)**
Net assets	**409**	**409**	**3,927**	**3,927**	**170**	**170**	**5,178**	**2,466**	**6,972**
Goodwill		200		-		-		(1,273)	**(1,073)**
		609		**3,927**		**170**		**1,193**	**5,899**
Satisified by									
Cash consideration		534		1,167		-		263	**1,964**
Deferred consideration due within one year		-		2,760		170		930	**3,860**
Capital consideration		75		-		-		-	**75**
		609		3,927		170		1,193	**5,899**

Turnover for the period				2,787		833		5,504	**9,124**
Operating profit for the period				538		211		457	**1,206**

11. ACQUISITIONS (continued)

On 1 January 2016 the LLP acquired 100% control of BridgehouseLaw Germany holding GbR and BridgehouseLaw Germany RmbH, companies whose primary activity is Legal Services, for consideration of £415,000. The fair value of the assets acquired was £415,000. During the year ended 30 April 2017 additional consideration was recognised of £802,000, comprised of £385,000 capital, £139,000 cash and £278,000 deferred consideration due within one year.

On 1 May 2016 the LLP acquired the business and assets of Trevor Fox T/A Fox Hartley, a sole trader whose primary activity is Legal Services, for total consideration of £608,905. The fair value of the assets acquired was £408,905. In the year ended 30 April 2017 the turnover and operating profit of the business are included in the results of the LLP, the results are not material to Group and have not been separately disclosed.

On 1 December 2016 the Group acquired the business and assets of C&H Jefferson LLP, a partnership whose primary activity is Legal Services, for total consideration of £3,927,000. This was equal to the fair value of the assets acquired.

On 1 January 2017 the Group acquired the business and assets of Heenan Paris, a partnership whose primary activity is Legal Services, for total consideration of £170,000. This was equal to the fair value of the assets acquired.

On 24 January 2017 the Group acquired the business and assets of Triton Global Limited and 100% control of it's subsidiaries, whose primary activity is Legal Services, for total consideration of £1,193,000. The fair value of the assets acquired was £2,466,000. The negative goodwill that has arisen will be recognised in the Group Profit and Loss in the years ended 30 April 2017 and 30 April 2018. Triton Group was comprised of Triton Global Limited, 3Sxity Limited, Triton Global Claims Ireland Limited, Triton Global LLC, Triton Global Claims (Canada) Limited, Triton Global (Australia) Pty Limited, Triton Global Claims (HK) Limited and Triton Global Claims (Asia) Pte Limited. Individually these are not considered material to the Group and the results for the period have been disclosed in aggregate.

12. DEBTORS

	Group 2017 £'000	Group 2016 £'000	**LLP 2017 £'000**	LLP 2016 £'000
Trade debtors	71,803	62,505	63,194	60,006
Amounts due from subsidiary entities*	-	-	7,691	4,638
Amounts recoverable from clients in respect of unbilled work performed	30,906	21,347	26,956	20,862
Unbilled disbursements	4,767	3,434	4,700	3,399
Other debtors	3,686	-	2,647	-
Prepayments and accrued income	9,472	13,764	8,677	12,923
	120,634	**101,050**	**113,865**	**101,828**

*Amounts due from subsidiary entities are interest free and repayable on demand.

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2017 £'000	Group 2016 £'000	**LLP 2017 £'000**	LLP 2016 £'000
Bank loans and overdrafts	1,106	433	430	433
Net obligations under finance leases and hire purchase obligations	158	463	158	463
Amounts due to subsidiary entities*	-	-	8,763	15,815
Trade creditors	23,533	20,176	22,146	19,708
Corporation tax	-	483	-	-
Other taxation and social security	8,596	7,540	7,794	627
Other creditors	10,398	3,607	5,474	2,862
Accruals and deferred income	7,181	8,094	5,563	5,483
	50,972	**40,796**	**50,328**	**45,391**

*Amounts due from subsidiary entities are interest free and repayable on demand.

Notes to the Financial Statements Year ended 30 April 2017 (continued)

14. CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR

	Group 2017 £'000	Group 2016 £'000	**LLP 2017 £'000**	LLP 2016 £'000
Bank loans	40,192	40,324	39,944	40,324
Net obligations under finance leases and hire purchase obligations	-	139	-	139
Accruals and deferred income	8,905	10,342	8,835	10,342
	49,097	**50,805**	**48,779**	**50,805**

15. BORROWINGS ARE REPAYABLE AS FOLLOWS

	Group 2017 £'000	Group 2016 £'000	**LLP 2017 £'000**	LLP 2016 £'000
Bank loans				
Between one and two years	40,192	-	39,944	-
Between two and five years	-	40,324	-	40,324
After five years	-	-	-	-
	40,192	40,324	39,944	40,324
Overdraft due within one year	555	-	137	-
On demand or within one year	551	433	293	433
Total bank loans	**41,298**	**40,757**	**40,374**	**40,757**
Finance leases				
Between one and two years	-	139	-	139
Between two and five years	-	-	-	-
After five years	-	-	-	-
	-	139	-	139
On demand or within one year	158	463	158	463
Total finance leases	**158**	**602**	**158**	**602**
Total borrowings including finance leases				
Between one and two years	40,192	139	39,944	139
Between two and five years	-	40,324	-	40,324
After five years	-	-	-	-
	40,192	40,463	39,944	40,463
On demand or within one year	1,264	896	588	896
Total borrowings including finance leases	**41,456**	**41,359**	**40,532**	**41,359**

The bank loans of DWF LLP are unsecured and repayable July 2018. Interest is payable on the three year bank loans at a variable rate of LIBOR + 1.35% on the principal amounts.

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 2017 (continued)

16. FINANCIAL INSTRUMENTS

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

	Note	**Group 2017 £'000**	Group 2016 £'000
Financial assets			
Instruments measured at amortised cost			
Trade and other debtors	12	111,162	87,286
Equity instruments measured at cost less impairment			
Fixed asset investments in unlisted equity instruments	10	254	-
		111,416	**87,286**
Financial liabilities			
Measured at amortised cost			
Loans payable	15	40,743	40,237
Obligations under finance leases	15	158	602
Measured at undiscounted amount payable			
Bank overdraft	15	555	137
Trade and other creditors	13	42,527	31,323
		83,983	**72,299**
The Group's income, expense, gains and losses in respect of financial instruments are summarised below:			
Interest expense		1,191	1,137
Total interest expense for financial liabilities at amortised cost		**1,191**	**1,137**

17. FINANCIAL COMMITMENTS

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

	2017 Land and buildings £'000	**2017 Other £'000**	2016 Land and buildings £'000	2016 Other £'000
Group				
Leases which expire:				
Within one year	10,636	543	10,834	1,015
In the second to fifth years inclusive	40,927	-	34,576	-
After five years	28,665	-	36,721	-
	80,228	**543**	**82,131**	**1,015**

18. NET CASH INFLOW FROM OPERATING ACTIVITIES

Reconciliation of operating profit to cash generated by operations:	**2017 £'000**	2016 £'000
Operating profit	**43,555**	**45,576**
Depreciation	5,713	6,054
Amortisation of goodwill and other intangibles	440	266
Negative goodwill recognised	(882)	-
Operating cash flow before movement in working capital	**48,826**	**51,896**
(Increase)/decrease in debtors	(10,137)	445
Increase in creditors and liabilities	1,476	446
Cash generated by operation	**40,165**	**52,787**
Corporation tax paid	(520)	(935)
Net cash flow from operating activities	**39,645**	**51,852**

During the year the Group entered into no finance lease arrangements (2016: £1,057,000).

19. 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 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 £3,500,000 (2016: £3,438,000).

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"As trusted business advisers to RSA for many years, I very much appreciate the valuable contribution which DWF provides in our strategy to combat fraudulent claims."

John Beadle - Head of Financial Crime and Fraud, RSA

"With DWF you're made to feel like you're the only client. Because they know us well, they know our expectations in terms of advice and our risk appetite and offer more tailored advice."

Phil Hooper - Head of Real Estate, RBS

"DWF's fraud services provide not only sound legal advice and representation but also wider support marked by unparalleled levels of client care; all of which add considerable value to our business."

Cliff Slassor - Counter Fraud Team Manager, Insure the Box

"I have worked with the team at DWF for the last 17 years. The team are highly dedicated, motivated and innovative professionals who share an unwavering sense of integrity and uncompromising commitment to legal excellence. "

Sarah Cavanagh - Counsel, Chambers Director, Oriel Chambers

"In short I cannot recommend DWF highly enough. From a barrister's perspective, it is rare to see solicitors who combine the right mix of daring and good judgment."

Changez Khan - Counsel, Farrars Building

"We have all learned a huge amount over the years but we wont be as effective as we need to be without someone taking the initiative to drive the collaboration and I'm grateful to DWF for being the catalyst to improving prevention and detection of insurance fraud in Scotland."

Oliver Little - Detective Chief Inspector, City of London Police (Scotland)