



Operandi Limited
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How we do it.

Wouldn't it be great if there was a 'Create Word template' function in InDesign? Of course, it would have to rethink the whole layout for Word, which you have to remember is a Word processor, not a design software. Prepare and optimise the graphics, and use all of the right settings and position details to make sure that it both looked good and worked. It would also have to make sure that it was compatible with at least the four current versions of Word. That's Mac and PC.

We prefer to work directly with the design files used for the printed annual report, because the method we go through is very much an artwork process. We take all of our measurements and typography from the files, recreating the styles, layout and pages, but in Word.

As you can imagine, it can take a while, just like artwork, but we find that the recreation is a lot quicker than when you put the artwork together. We make as few compromises as we have to, with an emphasis on not only matching the layout, but also accessible to the general user.

What do you get?

We produce as close a facsimile to the design files as we can. There are compromises, but generally not many. Typographic styles are very close to InDesign, and we can set whatever colours there are in RGB. [Sorry, no CMYK or specials.] The files are fully formatted and editable.

What this example shows.

You can compare the first set of pages, that were made from the InDesign files, with the last set of pages that are all Word. There are two particular compromises in this job. The vertical grey bars behind the columns were left out, and the weight of some rules have been changed. Lastly, we have used Arial, not Meta, to avoid any unnecessary portability issues.

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InDesign pages

The following are a number of pages from the InDesign files of the final annual report artwork.

Members' report

Group structure

Norton Rose LLP (the LLP), a limited liability partnership, was incorporated on 30 May 2007. With effect from 1 August 2007, the business previously carried on by Norton Rose, a partnership with unlimited liability, or by subsidiary undertakings of that partnership, was transferred to the LLP and several subsidiary limited liability partnerships.

These financial statements consolidate the financial statements of the LLP and its subsidiary undertakings (the Group) drawn up to 30 April 2008.

The Group has offices in the following locations: Amsterdam, Athens, Bahrain, Bangkok, Beijing, Brussels, Dubai, Frankfurt, Hong Kong, Jakarta*, London, Milan, Moscow, Munich, Paris, Piraeus, Prague, Riyadh*, Rome, Shanghai, Singapore and Warsaw.

Under the principles of merger accounting, the relevant assets and liabilities of the former unlimited liability partnership have been included at their book values, under the accounting policies of the Group. In addition, the income and expenditure and cash flow of the former unlimited liability partnership have been included for the entire previous financial year, also under the Group's accounting policies. The balance sheet of the former unlimited liability partnership as at 30 April 2007, adjusted to reflect the accounting policies of the Group, is presented as a comparative.

Principal activity

The principal activity is the provision of legal services.

Designated members

The designated members since incorporation were:

- Paul Giles
- Peter Martyr
- Deirdre Walker

Members' profit share, drawings and the subscription and repayment of members' capital

The amount of profit to be distributed to members is determined by the LLP's Executive Committee after the year end.

Members draw a proportion of their profit share in 12 monthly instalments during the year in which the profit is made, with the balance of their profits, net of tax retention, paid in instalments in subsequent years. All payments are made subject to the cash requirements of the business. Tax retentions are paid to the HM Revenue and Customs and tax authorities in other relevant jurisdictions on behalf of members, with any excess being released to members as appropriate.

All members are equity members and share in the profits and subscribe the entire capital of the LLP. Each member's capital subscription is linked to his or her share of profit and is repaid in full on retirement. The rate of capital subscription is determined from time to time depending upon the financing requirements of the Group.

Charitable donations

During the year the LLP made charitable donations totalling £350,000 (2007: £350,000).

*associate office

Statement of members' responsibilities in respect of the financial statements

Under the Limited Liability Partnerships Regulations 2001, as amended by the Limited Liability Partnerships (Amendment) Regulations 2005, made under the Limited Liability Partnerships Act 2000, the members are obliged to present audited financial statements, which give a true and fair view of the state of affairs of the LLP and of the Group and of the profit and loss of the Group for that year, on an annual basis. In preparing these financial statements the members are required to:

- select suitable accounting policies and then apply them consistently
- make judgements and estimates that are reasonable and prudent
- state whether applicable accounting standards have been followed
- prepare the financial statements on the going concern basis, unless that basis is deemed to be inappropriate.

Under these Regulations, the members are responsible for ensuring that proper accounting records are kept which disclose with reasonable accuracy at any time the financial position of the Group and for ensuring that the financial statements comply with the Regulations. The members have a general responsibility for taking reasonable precautions to safeguard the assets of the Group including steps for the prevention and detection of fraud and other irregularities.

The responsibilities are exercised by the Executive Committee on behalf of the members.

Auditors

Deloitte & Touche LLP were appointed auditors during the period and they will be proposed for reappointment.

On behalf of the Executive Committee

A handwritten signature in black ink, appearing to read 'P M Martyr', with a horizontal line underneath the name.

P M Martyr

Chief Executive
Norton Rose LLP

30 July 2008

Independent auditors' report to the members of Norton Rose LLP

We have audited the Group and parent LLP financial statements of Norton Rose LLP (the "financial statements") for the year ended 30 April 2008 which comprise the consolidated profit and loss account, the consolidated statement of total recognised gains and losses, the consolidated and LLP balance sheets, the consolidated cash flow statement, and the related notes 1 to 22. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the LLP's members, as a body, in accordance with section 235 of the Companies Act 1985, as applicable to limited liability partnerships. Our audit work has been undertaken so that we might state to the LLP's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the LLP and the LLP's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of members and auditors

The members' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Members' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view in accordance with the relevant financial reporting framework and are properly prepared in accordance with the Companies Act 1985, as applicable to limited liability partnerships. We also report to you if, in our opinion, the LLP has not kept proper accounting records, or if we have not received all the information and explanations we require for our audit.

We read the other information contained in the Annual Report. This other information comprises only the Members' Report. We consider the implications for our report if we become aware of any apparent misstatements.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the members in the preparation of the financial statements and of whether the accounting policies are appropriate to the Group's and the LLP's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion, we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion, the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the Group's and the LLP's affairs as at 30 April 2008 and of the Group's profit for the year then ended; and have been properly prepared in accordance with the Companies Act 1985, as applicable to limited liability partnerships.

Deloitte & Touche LLP

Deloitte & Touche LLP

Chartered Accountants and Registered Auditors
London, United Kingdom

30 July 2008

Consolidated profit and loss account

Year ended 30 April 2008

	Notes	2008 £'000	2007 £'000
Turnover			
Fee income		297,338	236,001
Recharges to clients		6,289	5,067
Other operating income	2	2,127	298
		305,754	241,366
Operating costs			
Staff costs	3	(119,075)	(96,907)
Other operating expenses		(89,103)	(77,789)
Operating profit	4	97,576	66,670
Net interest payable	5	(877)	(524)
Share of operating profit in joint venture	10	63	-
Profit for the year before taxation		96,762	66,146
Taxation	6	(1,925)	(1,355)
Profit for the year before members' remuneration charged as an expense		94,837	64,791
Members' remuneration charged as an expense		(3,759)	(2,975)
Profit for the year available for discretionary division among members	16	91,078	61,816

The results for the current year and preceding year are all derived from continuing activities.

In addition to the Group turnover disclosed above, the Group's share of the joint venture's turnover was £303,000 (2007: £nil).

Consolidated statement of total recognised gains and losses

Year ended 30 April 2008

	Notes	2008 £'000	2007 £'000
Profit for the year available for discretionary division among members	16	91,078	61,816
Actuarial (loss)/gain on pension scheme liabilities	16	(1,000)	12,000
Actuarial gain on other retirement benefits	16	61	18
Gain/(loss) on translation of opening net assets	16	2,611	(1,303)
Total recognised gains and losses relating to the year		92,750	72,531

Consolidated balance sheet

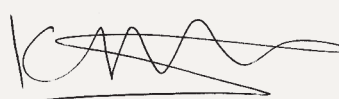
At 30 April 2008

	Notes	2008 £'000	2007 £'000
Fixed assets			
Tangible assets	9	42,729	40,671
Investments	10	65	2
		42,794	40,673
Current assets			
Debtors	11	170,694	136,984
Cash at bank and in hand		12,722	11,569
		183,416	148,553
Creditors: amounts falling due within one year	12	(51,575)	(39,422)
Net current assets		131,841	109,131
Total assets less current liabilities		174,635	149,804
Creditors: amounts falling due after more than one year	13	(44,168)	(46,020)
Net assets before provisions for pension and retirement benefits		130,497	103,784
Provisions for pension and retirement benefits	15	(10,832)	(12,111)
Net assets attributable to members		119,635	91,673
Members' interests			
Members' capital classified as a liability under FRS 25	16	41,510	40,477
Equity			
Other reserves	16	78,125	51,196
		119,635	91,673
Total members' interests			
Members' capital classified as a liability under FRS 25	16	41,510	40,477
Other reserves	16	78,125	51,196
Other amounts due from members	16	(27,399)	(22,249)
		92,236	69,424

These financial statements were approved by the Executive Committee and signed on its behalf on 30 July 2008 by:



P M Martyr
Chief Executive
Norton Rose LLP



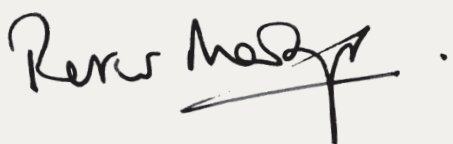
K E Mortell
Chief Operating Officer
Norton Rose LLP

LLP balance sheet

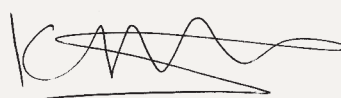
At 30 April 2008

	Notes	2008 £'000	2007 £'000
Fixed assets			
Tangible assets	9	40,312	38,266
Investments	10	22	22
		40,334	38,288
Current assets			
Debtors	11	165,888	136,019
Cash at bank and in hand		9,137	7,942
		175,025	143,961
Creditors: amounts falling due within one year	12	(42,082)	(33,806)
Net current assets		132,943	110,155
Total assets less current liabilities		173,277	148,443
Creditors: amounts falling due after more than one year	13	(44,168)	(46,020)
Net assets before provisions for pension and retirement benefits		129,109	102,423
Provisions for pension and retirement benefits	15	(10,832)	(12,111)
Net assets attributable to members		118,277	90,312
Members' interests			
Members' capital classified as a liability under FRS 25	16	41,510	40,477
Equity			
Other reserves	16	76,767	49,835
		118,277	90,312
Total members' interests			
Members' capital classified as a liability under FRS 25	16	41,510	40,477
Other reserves	16	76,767	49,835
Other amounts due from members	16	(27,399)	(22,249)
		90,878	68,063

These financial statements were approved by the Executive Committee and signed on its behalf on 30 July 2008 by:



P M Martyr
Chief Executive
Norton Rose LLP



K E Mortell
Chief Operating Officer
Norton Rose LLP

Consolidated cash flow statement

Year ended 30 April 2008

	Notes	2008 £'000	2007 £'000
Net cash inflow from operating activities	18	85,876	79,285
Returns on investments and servicing of finance	19	(1,720)	(840)
Tax paid	19	(1,242)	(418)
Capital expenditure and financial investment	19	(8,682)	(26,815)
Transactions with members and former members	19	(69,938)	(50,045)
Cash inflow before liquid resources and finance		4,294	1,167
Management of liquid resources	19	(166)	17,732
Financing	19	(3,759)	(2,975)
Cash inflow in the year	20	369	15,924

Notes to the accounts

Year ended 30 April 2008

1. Accounting policies

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

Basis of accounting

The financial statements have been prepared under the historical cost convention, in accordance with United Kingdom law and accounting standards and the Statement of Recommended Practice “Accounting by Limited Liability Partnerships”.

Basis of consolidation

These accounts consolidate the accounts of Norton Rose LLP (the LLP) and its subsidiary undertakings (together, the Group) drawn up to 30 April 2008. Under the principles of merger accounting, the relevant assets and liabilities of Norton Rose, the former unlimited liability partnership, have been included at their book values, under the accounting policies of the Group. In addition, the income and expenditure and cash flow of the former unlimited liability partnership have been included for the entire previous financial year, also under the Group accounting policies. The balance sheet of the former unlimited liability partnership as at 30 April 2007, adjusted to reflect the accounting policies of the Group, is presented as a comparative.

Fee income

Fee income represents amounts chargeable to clients, both billed and unbilled, for the provision of legal services exclusive of recharges and VAT.

Unbilled income

Services provided to clients during the year, which at the balance sheet date have not been billed to clients, have been recognised as unbilled income in accordance with Financial Reporting Standard 5 “Reporting the Substance of Transactions”, Application Note G “Revenue Recognition”. Unbilled revenue recognised in this manner is based on an assessment of the fair value of the services provided at the balance sheet date as a proportion of the total value of the engagement. 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.

Recharges to clients

Recharges to clients represent the recharge of recoverable expenses incurred on client matters.

Fixed assets and depreciation

Fixed assets are stated at cost less accumulated depreciation. Depreciation is calculated so as to write off the cost of tangible fixed assets on a straight-line basis over the expected useful lives of the assets concerned. The principal rates and depreciation periods used for this purpose are:

Leasehold improvements	Over the estimated period of the lease or occupancy
Furniture and fittings	5 to 10 years
Information technology	3 to 5 years
Motor vehicles	4 years

Expenditure incurred on major information technology projects starts to be depreciated once the project is fully operational. Assets under construction are not depreciated. Once physical construction is complete or when the assets are brought into use, the assets are transferred to the relevant fixed asset category with depreciation starting from the date of transfer.

Investments

Except as stated below, investments held as fixed assets are stated at cost less provision for any impairment.

Shares in joint ventures are accounted for using the gross equity method. The profit and loss account includes the Group’s share of the profits of the joint ventures based on financial statements for the financial year. In the balance sheet, the investment in joint ventures is shown as the Group’s share of the assets and liabilities of the joint ventures.

Foreign exchange

Transactions denominated in foreign currencies are translated into the functional currency at the rates ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated at the rates ruling at that date. Resulting exchange differences are dealt with in the profit and loss account.

Results and net assets of international offices denominated in foreign currencies have been translated at the rates at the balance sheet date. The net exchange difference arising on the retranslation of the opening balance sheets is recognised in the statement of total recognised gains and losses.

Retirement benefits

The defined benefit scheme is accounted for in accordance with Financial Reporting Standard 17 “Retirement Benefits”. The operating and financing costs of pensions are charged to the profit and loss account in the period in which they arise and are recognised separately. The costs of past service benefit enhancements, settlements and curtailments are also recognised in the period in which they arise. The differences between actual and expected returns on assets during the year, including changes in actuarial assumptions, are recognised in the statement of total recognised gains and losses. Pension costs are assessed in accordance with the advice of independent qualified actuaries.

The defined benefit scheme is funded, with the assets of the scheme held separately from those of the Group in separate trustee administered funds. Differences between amounts charged to the profit and loss account and amounts funded are shown as either provisions or prepayments in the balance sheet.

For the defined contribution schemes, the amount charged to the profit and loss account in respect of pension costs represents the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

Annuities payable to members are provided for in full as the benefit accrues. The differences arising on changes in actuarial assumptions are recognised in the statement of total recognised gains and losses. Annuity costs are assessed in accordance with the advice of independent qualified actuaries.

Other retirement benefits are provided in full as the benefit accrues. The differences arising on changes in actuarial assumptions are recognised in the statement of total recognised gains and losses. Other retirement benefit costs are assessed in accordance with the advice of independent qualified actuaries.

Leases

Rentals on operating leases are charged to the profit and loss account on a straight-line basis over the lease term.

Lease incentives

The benefits of incentives to sign property leases, including rent free periods, are spread on a straight-line basis over the shorter of the lease term and the period until a review date on which the rent is adjusted to the prevailing market rates.

Professional indemnity insurance

Professional indemnity insurance premiums are charged as incurred and expensed to the profit and loss account over the period of the insurance cover. Provision is made in respect of any uninsured excess that the Group considers likely to be payable.

Taxation

In most locations, including the UK, income tax payable on the allocation of profits to members is the personal liability of the members and hence is not shown in these financial statements. In some other locations the income tax payable is the liability of the Group and is recognised in these financial statements together with corporation tax payable by Group entities.

Segmental reporting

Segmental analysis is not included. The Group considers such disclosure to be prejudicial to the businesses since it would be helpful to competitors, who do not generally provide similar information publicly.

Notes to the accounts

Year ended 30 April 2008

2. Other operating income

	2008 £'000	2007 £'000
Catering income	453	-
Property rental and service charges	1,674	298
	2,127	298

3. Staff costs

	2008 Number	2007 Number
Average number of people employed in the year (excluding members)		
Fee earners	920	823
Support	1,004	955
	1,924	1,778

	2008 £'000	2007 £'000
Staff costs incurred during the year in respect of these employees		
Wages and salaries	105,194	86,183
Social security costs	11,007	7,978
Other pension costs	2,874	2,746
	119,075	96,907

4. Operating profit

	2008 £'000	2007 £'000
Operating profit is stated after charging		
Depreciation	7,379	5,856
Loss on sale of tangible fixed assets	58	163
Operating lease rentals:		
Land and buildings	22,144	18,253
Plant and machinery	657	415
	22,801	18,668

4. Operating profit (continued)

	2008 £'000	2007 £'000
Auditors' remuneration		
Fees payable to the LLP's auditors for the audit of the LLP annual accounts	84	78
Fees payable to the LLP's auditors and their associates for other services to the Group:		
The audit of the LLP's subsidiary undertakings pursuant to legislation	140	58
Other services pursuant to legislation	64	70
Other services related to taxation	270	241
Other services	11	82
Fees payable to the LLP's auditors and their associates in respect of the audit of the associated pension scheme	9	9
Total auditors' remuneration	578	538

5. Net interest payable

	2008 £'000	2007 £'000
Bank loan interest payable	1,409	707
Bank overdraft interest payable	818	442
	2,227	1,149
Interest receivable	(454)	(309)
Net return on pension and other retirement schemes	(896)	(316)
	(1,350)	(625)
Net interest payable	877	524

Notes to the accounts

Year ended 30 April 2008

6. Taxation

	2008 £'000	2007 £'000
Tax on profit on ordinary activities	1,925	1,355
Profit before taxation	96,762	66,146
Amounts subject to personal taxation	(88,318)	(59,740)
Profits subject to taxation	8,444	6,406
Taxation at UK corporation tax of 30% on profits subject to taxation	2,533	1,922
Tax effects of:		
Different tax rates and bases in other jurisdictions	(247)	(365)
Utilisation of losses brought forward	(361)	(202)
Charge for the year	1,925	1,355

7. Members' share of profits

Profits are shared amongst members after the end of the year in accordance with agreed profit sharing arrangements.

	2008 Number	2007 Number
Average number of members	193	173

The share of profit allocated since the year end to the member with the largest entitlement to profits is £901,557 (2007: £698,454).

8. Profit of the limited liability partnership

The profit of the LLP was £90,670,000 (2007: £62,129,000).

9. Tangible fixed assets

Group

	Assets under construction £'000	Leasehold improvements £'000	Furniture and fittings £'000	Information technology £'000	Motor vehicles £'000	Total £'000
Cost						
Brought forward at 1 May 2007	29,873	26,809	6,810	41,253	240	104,985
Additions	-	2,930	368	5,258	126	8,682
Transfer	(29,873)	29,873	-	-	-	-
Disposals	-	(21,283)	(3,790)	(24,201)	(94)	(49,368)
Exchange difference	-	929	418	631	26	2,004
Cost at 30 April 2008	-	39,258	3,806	22,941	298	66,303
Depreciation						
Brought forward at 1 May 2007	-	23,670	5,130	35,386	128	64,314
Charge for year	-	3,530	439	3,363	47	7,379
Disposals	-	(21,265)	(3,776)	(24,185)	(84)	(49,310)
Exchange difference	-	502	203	475	11	1,191
Depreciation at 30 April 2008	-	6,437	1,996	15,039	102	23,574
Net book value						
At 30 April 2008	-	32,821	1,810	7,902	196	42,729
At 30 April 2007	29,873	3,139	1,680	5,867	112	40,671

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Microsoft Word pages

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Members' report

Group structure

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The responsibilities are exercised by the Executive Committee on behalf of the members.

Auditors

Deloitte & Touche LLP were appointed auditors during the period and they will be proposed for reappointment.

On behalf of the Executive Committee



P M Martyr
Chief Executive
Norton Rose LLP

30 July 2008

Independent auditors' report to the members of Norton Rose LLP

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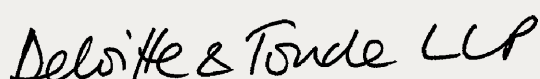
Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the members in the preparation of the financial statements and of whether the accounting policies are appropriate to the Group's and the LLP's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion, we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion, the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the Group's and the LLP's affairs as at 30 April 2008 and of the Group's profit for the year then ended; and have been properly prepared in accordance with the Companies Act 1985, as applicable to limited liability partnerships.



Deloitte & Touche LLP

Chartered Accountants and Registered Auditors
London, United Kingdom

30 July 2008

Consolidated profit and loss account

Year ended 30 April 2008

	Notes	2008 £'000	2007 £'000
Turnover			
Fee income		297,338	236,001
Recharges to clients		6,289	5,067
Other operating income	2	2,127	298
		305,754	241,366
Operating costs			
Staff costs	3	(119,075)	(96,907)
Other operating expenses		(89,103)	(77,789)
Operating profit		97,576	66,670
Net interest payable		(877)	(524)
Share of operating profit in joint venture	10	63	-
Profit for the year before taxation		96,762	66,146
Taxation	6	(1,925)	(1,355)
Profit for the year before members' remuneration charged as an expense		94,837	64,791
Members' remuneration charged as an expense		(3,759)	(2,975)
Profit for the year available for discretionary division among members	16	91,078	61,816

The results for the current year and preceding year are all derived from continuing activities.

In addition to the Group turnover disclosed above, the Group's share of the joint venture's turnover was £303,000 (2007: £nil).

Consolidated statement of total recognised gains and losses

Year ended 30 April 2008


	Notes	2008 £'000	2007 £'000
Profit for the year available for discretionary division among members	16	91,078	61,816
Actuarial (loss)/gain on pension scheme liabilities	16	(1,000)	12,000
Actuarial gain on other retirement benefits	16	61	18
Gain/(loss) on translation of opening net assets	16	2,611	(1,303)
Total recognised gains and losses relating to the year		92,750	72,531

Consolidated statement of total recognised gains and losses

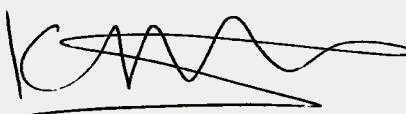
At 30 April 2008

	Notes	2008 £'000	2007 £'000
Fixed assets			
Tangible assets	9	42,729	40,671
Investments	10	65	2
		42,794	40,673
Current assets			
Debtors	11	170,694	136,984
Cash at bank and in hand		12,722	11,569
		183,416	148,553
Creditors: amounts falling due within one year	12	(51,575)	(39,422)
Net current assets		131,841	109,131
Total assets less current liabilities		174,635	149,804
Creditors: amounts falling due after more than one year	13	(44,168)	(46,020)
Net assets before provisions for pension and retirement benefits		130,497	103,784
Provisions for pension and retirement benefits	15	(10,832)	(12,111)
Net assets attributable to members		119,635	91,673
Members' interests			
Members' capital classified as a liability under FRS 25	16	41,510	40,477
Equity			
Other reserves	16	78,125	51,196
		119,635	91,673
Total members' interests			
Members' capital classified as a liability under FRS 25	16	41,510	40,477
Other reserves	16	78,125	51,196
Other amounts due from members	16	(27,399)	(22,249)
		92,236	69,424

These financial statements were approved by the Executive Committee and signed on its behalf on 30 July 2008 by:



P M Martyr
Chief Executive
Norton Rose LLP




K E Mortell
Chief Operating Officer
Norton Rose LLP

LLP balance sheet

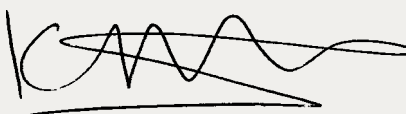
At 30 April 2008

	Notes	2008 £'000	2007 £'000
Fixed assets			
Tangible assets	9	40,312	38,266
Investments	10	22	22
		40,334	38,288
Current assets			
Debtors	11	165,888	136,019
Cash at bank and in hand		9,137	7,942
		175,025	143,961
Creditors: amounts falling due within one year	12	(42,082)	(33,806)
Net current assets		132,943	110,155
Total assets less current liabilities		173,277	148,443
Creditors: amounts falling due after more than one year	13	(44,168)	(46,020)
Net assets before provisions for pension and retirement benefits		129,109	102,423
Provisions for pension and retirement benefits	15	(10,832)	(12,111)
Net assets attributable to members		118,277	90,312
Members' interests			
Members' capital classified as a liability under FRS 25	16	41,510	40,477
Equity			
Other reserves	16	76,767	49,835
		118,277	90,312
Total members' interests			
Members' capital classified as a liability under FRS 25	16	41,510	40,477
Other reserves	16	76,767	49,835
Other amounts due from members	16	(27,399)	(22,249)
		90,878	68,063

These financial statements were approved by the Executive Committee and signed on its behalf on 30 July 2008 by:



P M Martyr
Chief Executive
Norton Rose LLP



K E Mortell
Chief Operating Officer
Norton Rose LLP

Consolidated cash flow statement

At 30 April 2008

	Notes	2008 £'000	2007 £'000
Net cash inflow from operating activities	18	85,876	79,285
Returns on investments and servicing of finance	19	(1,720)	(840)
Tax paid	19	(1,242)	(418)
Capital expenditure and financial investment	19	(8,682)	(26,815)
Transactions with members and former members	19	(69,938)	(50,045)
Cash inflow before liquid resources and finance		4,294	1,167
Management of liquid resources	19	(166)	17,732
Financing	19	(3,759)	(2,975)
Cash inflow in the year	20	369	15,924

Notes to the accounts

At 30 April 2008

1. Accounting policies

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

Basis of accounting

The financial statements have been prepared under the historical cost convention, in accordance with United Kingdom law and accounting standards and the Statement of Recommended Practice "Accounting by Limited Liability Partnerships".

Basis of consolidation

These accounts consolidate the accounts of Norton Rose LLP (the LLP) and its subsidiary undertakings (together, the Group) drawn up to 30 April 2008. Under the principles of merger accounting, the relevant assets and liabilities of Norton Rose, the former unlimited liability partnership, have been included at their book values, under the accounting policies of the Group. In addition, the income and expenditure and cash flow of the former unlimited liability partnership have been included for the entire previous financial year, also under the Group accounting policies. The balance sheet of the former unlimited liability partnership as at 30 April 2007, adjusted to reflect the accounting policies of the Group, is presented as a comparative.

Fee income

Fee income represents amounts chargeable to clients, both billed and unbilled, for the provision of legal services exclusive of recharges and VAT.

Unbilled income

Services provided to clients during the year, which at the balance sheet date have not been billed to clients, have been recognised as unbilled income in accordance with Financial Reporting Standard 5 "Reporting the Substance of Transactions", Application Note G "Revenue Recognition". Unbilled revenue recognised in this manner is based on an assessment of the fair value of the services provided at the balance sheet date as a proportion of the total value of the engagement. 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.

Recharges to clients

Recharges to clients represent the recharge of recoverable expenses incurred on client matters.

Fixed assets and depreciation

Fixed assets are stated at cost less accumulated depreciation. Depreciation is calculated so as to write off the cost of tangible fixed assets on a straight-line basis over the expected useful lives of the assets concerned. The principal rates and depreciation periods used for this purpose are:

Leasehold improvements	Over the estimated period of the lease or occupancy
Furniture and fittings	5 to 10 years
Information technology	3 to 5 years
Motor vehicles	4 years

Expenditure incurred on major information technology projects starts to be depreciated once the project is fully operational. Assets under construction are not depreciated. Once physical construction is complete or when the assets are brought into use, the assets are transferred to the relevant fixed asset category with depreciation starting from the date of transfer.

Investments

Except as stated below, investments held as fixed assets are stated at cost less provision for any impairment.

Shares in joint ventures are accounted for using the gross equity method. The profit and loss account includes the Group's share of the profits of the joint ventures based on financial statements for the financial year. In the balance sheet, the investment in joint ventures is shown as the Group's share of the assets and liabilities of the joint ventures.

Foreign exchange

Transactions denominated in foreign currencies are translated into the functional currency at the rates ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated at the rates ruling at that date. Resulting exchange differences are dealt with in the profit and loss account.

Results and net assets of international offices denominated in foreign currencies have been translated at the rates at the balance sheet date. The net exchange difference arising on the retranslation of the opening balance sheets is recognised in the statement of total recognised gains and losses.

Retirement benefits

The defined benefit scheme is accounted for in accordance with Financial Reporting Standard 17 "Retirement Benefits".

The operating and financing costs of pensions are charged to the profit and loss account in the period in which they arise and are recognised separately. The costs of past service benefit enhancements, settlements and curtailments are also recognised in the period in which they arise. The differences between actual and expected returns on assets during the year, including changes in actuarial assumptions, are recognised in the statement of total recognised gains and losses. Pension costs are assessed in accordance with the advice of independent qualified actuaries.

The defined benefit scheme is funded, with the assets of the scheme held separately from those of the Group in separate trustee administered funds. Differences between amounts charged to the profit and loss account and amounts funded are shown as either provisions or prepayments in the balance sheet.

For the defined contribution schemes, the amount charged to the profit and loss account in respect of pension costs represents the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

Annuities payable to members are provided for in full as the benefit accrues. The differences arising on changes in actuarial assumptions are recognised in the statement of total recognised gains and losses. Annuity costs are assessed in accordance with the advice of independent qualified actuaries.

Other retirement benefits are provided in full as the benefit accrues. The differences arising on changes in actuarial assumptions are recognised in the statement of total recognised gains and losses. Other retirement benefit costs are assessed in accordance with the advice of independent qualified actuaries.

Leases

Rentals on operating leases are charged to the profit and loss account on a straight-line basis over the lease term.

Lease incentives

The benefits of incentives to sign property leases, including rent free periods, are spread on a straight-line basis over the shorter of the lease term and the period until a review date on which the rent is adjusted to the prevailing market rates.

Professional indemnity insurance

Professional indemnity insurance premiums are charged as incurred and expensed to the profit and loss account over the period of the insurance cover. Provision is made in respect of any uninsured excess that the Group considers likely to be payable.

Taxation

In most locations, including the UK, income tax payable on the allocation of profits to members is the personal liability of the members and hence is not shown in these financial statements. In some other locations the income tax payable is the liability of the Group and is recognised in these financial statements together with corporation tax payable by Group entities.

Segmental reporting

Segmental analysis is not included. The Group considers such disclosure to be prejudicial to the businesses since it would be helpful to competitors, who do not generally provide similar information publicly.

Notes to the accounts

Year ended 30 April 2008

2. Other operating income

	2008 £'000	2007 £'000
Catering income	453	-
Property rental and service charges	1,674	298
	2,127	298

3. Staff costs

	2008 Number	2007 Number
Average number of people employed in the year (excluding members)		
Fee earners	920	823
Support	1,004	955
	1,924	1,778

	2008 £'000	2007 £'000
Staff costs incurred during the year in respect of these employees		
Wages and salaries	105,194	86,183
Social security costs	11,007	7,978
Other pension costs	2,874	2,746
	119,075	96,907

4. Operating profit

	2008 £'000	2007 £'000
Operating profit is stated after charging		
Depreciation	7,379	5,856
Loss on sale of tangible fixed assets	58	163
Operating lease rentals:		
Land and buildings	22,144	18,253
Plant and machinery	657	415
	22,801	18,668

4. Operating profit (continued)

	2008 £'000	2007 £'000
Auditors' remuneration		
Fees payable to the LLP's auditors for the audit of the LLP annual accounts	84	78
Fees payable to the LLP's auditors and their associates for other services to the Group:		
The audit of the LLP's subsidiary undertakings pursuant to legislation	140	58
Other services pursuant to legislation	64	70
Other services related to taxation	270	241
Other services	11	82
Fees payable to the LLP's auditors and their associates in respect of the audit of the associated pension scheme	9	9
Total auditors' remuneration	578	538

5. Net interest payable

	2008 £'000	2007 £'000
Bank loan interest payable	1,409	707
Bank overdraft interest payable	818	442
	2,227	1,149
Interest receivable	(454)	(309)
Net return on pension and other retirement schemes	(896)	(316)
	(1,350)	(625)
Net interest payable	877	524

Notes to the accounts

Year ended 30 April 2008

6. Taxation

	2008 £'000	2007 £'000
Tax on profit on ordinary activities	1,925	1,355
Profit before taxation	96,762	66,146
Amounts subject to personal taxation	(88,318)	(59,740)
Profits subject to taxation	8,444	6,406
Taxation at UK corporation tax of 30% on profits subject to taxation	2,533	1,922
Tax effects of:		
Different tax rates and bases in other jurisdictions	(247)	(365)
Utilisation of losses brought forward	(361)	(202)
Charge for the year	1,925	1,355

7. Members' share of profits

Profits are shared amongst members after the end of the year in accordance with agreed profit sharing arrangements.

	2008 Number	2007 Number
Average number of members	193	173

The share of profit allocated since the year end to the member with the largest entitlement to profits is £901,557 (2007: £698,454).

8. Profit of the limited liability partnership

The profit of the LLP was £90,670,000 (2007: £62,129,000).

9. Tangible fixed assets

Group

	Assets under construction £'000	Leasehold improvements £'000	Furniture and fittings £'000	Information technology £'000	Motor vehicles £'000	Total £'000
Cost						
Brought forward at 1 May 2007	29,873	26,809	6,810	41,253	240	104,985
Additions	-	2,930	368	5,258	126	8,682
Transfer	(29,873)	29,873	-	-	-	-
Disposals	-	(21,283)	(3,790)	(24,201)	(94)	(49,368)
Exchange difference	-	929	418	631	26	2,004
Cost at 30 April 2008	-	39,258	3,806	22,941	298	66,303
Depreciation						
Brought forward at 1 May 2007	-	23,670	5,130	35,386	128	64,314
Charge for year	-	3,530	439	3,363	47	7,379
Disposals	-	(21,265)	(3,776)	(24,185)	(84)	(49,310)
Exchange difference	-	502	203	475	11	1,191
Depreciation at 30 April 2008	-	6,437	1,996	15,039	102	23,574
Net book value						
At 30 April 2008	-	32,821	1,810	7,902	196	42,729
At 30 April 2007	29,873	3,139	1,680	5,867	112	40,671