

**Norton Rose LLP**  
**2009 annual report and accounts**



“The practice promotes **teamwork**, welcomes diversity and ensures that everyone is treated equally”

“They seem to genuinely care about making a difference. Their **‘green’** credentials are excellent and they are always trying to improve them”

“I joined Norton Rose because it was recommended to me and sounded like a fun, exciting and **innovative** firm.  
I was not disappointed”

## A great workplace

Q. What do you think makes this (Norton Rose LLP) a great workplace?

“There is a **tangible pride** in working for this practice”

“The training on offer is **diverse** and excellent, second to none”

“Senior management has **clear** vision and that permeates throughout the organisation”

“Good team ethic, sense of pride in delivering **top quality** work”

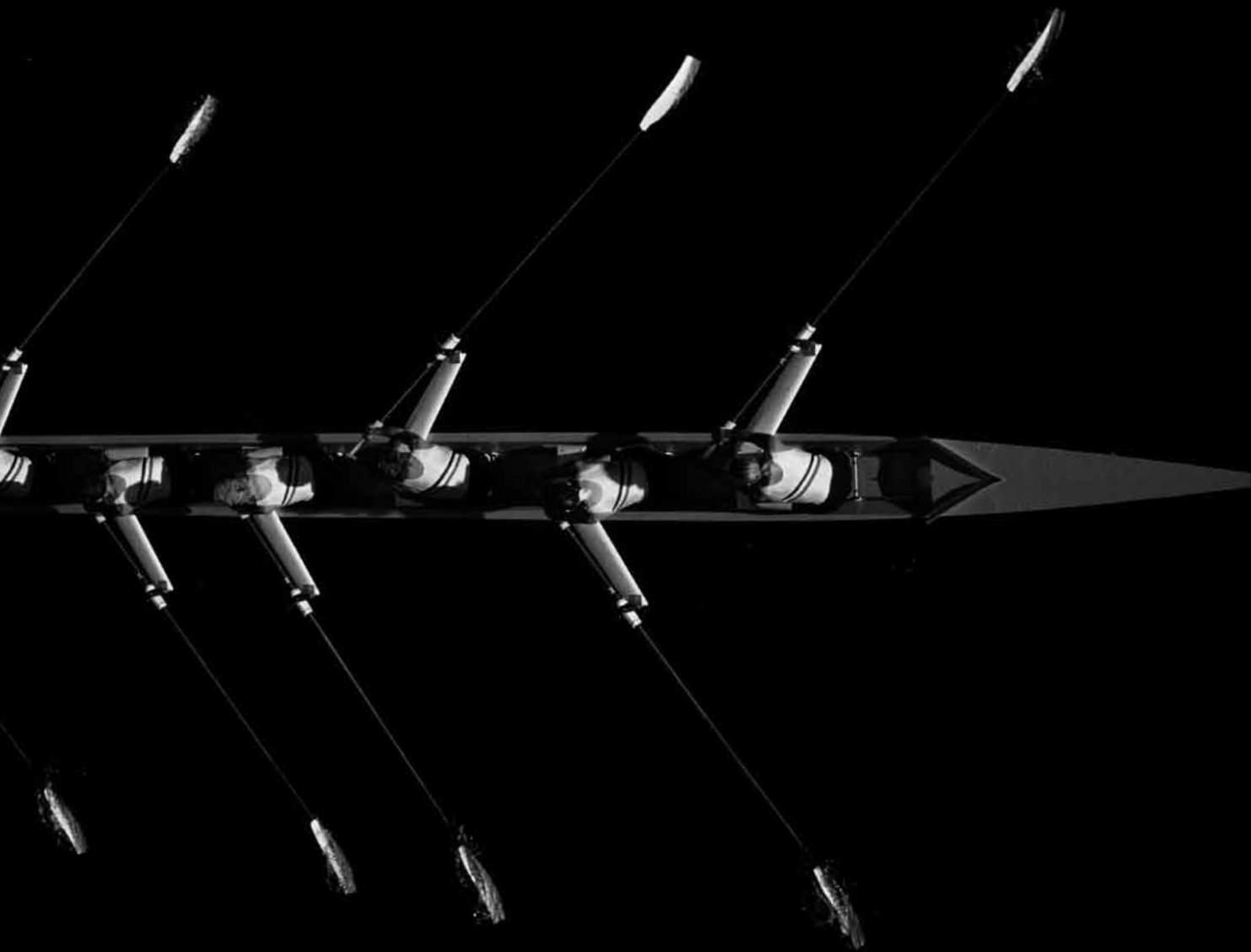
These comments were made by our staff in response to an independent questionnaire which formed part of the 2009 Best Companies accreditation project.



“They **understand** that our family life is just as important as our work life”

“**People** are as important  
as profits here”

“I have a great deal of faith in our **leadership**, especially important  
in these difficult times”



“I always feel like my opinion counts. This is **exceptional** in such a large organisation”

“The people, the **culture**, the quality of work, the direction of the practice”

“What other firm subsidises **music lessons?**”

“Happy and **proud** to be working at NR”

# Norton Rose Group is a leading international legal practice. We offer a full business law service from offices across Europe, the Middle East and Asia Pacific.

Knowing how our clients' businesses work and understanding what drives their industries is fundamental to us. Our lawyers share industry knowledge and sector expertise across borders, enabling us to support our clients anywhere in the world. We are strong in corporate finance, financial institutions, energy and infrastructure, transport, and technology.

The Group comprises Norton Rose LLP and its affiliates. We have over 1200 lawyers operating from offices in Abu Dhabi, Amsterdam, Athens, Bahrain, Bangkok, Beijing, Brussels, Dubai, Frankfurt, Hong Kong, Jakarta\*, London, Milan, Moscow, Munich, Paris, Piraeus, Prague, Riyadh\*, Rome, Shanghai, Singapore, Tokyo and Warsaw.

With effect from 1 January 2010, Deacons Australia, a leading Australian law firm with offices in Sydney, Melbourne, Brisbane, Perth and Canberra, and teams in Singapore, Jakarta and Vietnam, will join Norton Rose Group. The enlarged Group will have over 1800 lawyers in 30 offices worldwide, 700 of whom will be based in Asia Pacific, and will form one of the best-resourced legal practices in the Asia Pacific region.

\* associate office

[www.nortonrose.com](http://www.nortonrose.com)

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# The year in brief

- Opened new office in Abu Dhabi
- Opened new office in Tokyo
- Middle East practice celebrated 30 years in the region
- The Government of Singapore awarded a Qualifying Foreign Law Practice licence to Norton Rose (Asia) LLP
- Norton Rose Group declared Law Firm of the Year by *The Lawyer*
- Ranked no.1 for overall firm performance in the *Legal Week Intelligence* FTSE Client Satisfaction Survey 2008
- Peter Martyr, Chief Executive, Norton Rose LLP, declared Management Partner of the Year by *Legal Business*
- Announced Deacons Australia to join Norton Rose Group on 1 January 2010

## Next steps

- Integration of Deacons Australia into Norton Rose Group
- Continued expansion in Asia Pacific

## Our numbers at April 2009





# Chairman's welcome

There follows the 2009 annual report and accounts of Norton Rose LLP. The report is more than a description of our financial performance in the past year; it provides an update of our major achievements for our clients and staff across our practice areas and globally, and these achievements have been many and varied.

I stepped down as Chairman of Norton Rose LLP on 30 April at the end of the financial year, having completed six years in the role. Since I joined the Group as a partner in 1988, there has been substantial growth in our numbers, our business and our clients. We have been successful in giving focus to our growth through our key client programme and our "Headlights" programme, which concentrates on our particular areas of excellence in corporate finance, financial institutions, energy and infrastructure, transport and technology. It has been a privilege to contribute to this growth, which I am confident will continue into the future.

My successor is Stephen Parish, our former global head of banking, who I have no doubt will make an excellent Chairman. During my time as Chairman, I have particularly enjoyed working with all of those individuals, right across the globe, who make up the entirety of Norton Rose Group. What a fantastic, enthusiastic and talented group of people – my thanks to them all, and my very best wishes for the future.



**Paul Giles**  
Chairman  
Norton Rose LLP

OTEL



# Chief Executive's report

Our second year as an LLP saw markedly different economic conditions. Most business people were expecting a slow-down, but not the severity and extent of it. We were reasonably well prepared for the recession; despite the fact that much of our business is connected to the financial markets, our specialist practice areas continued to be busy.

We recognise that the economy may well recover somewhat later for lawyers than for the rest of the financial community, but we are confident that our reputation in our key areas of corporate finance, financial institutions, energy and infrastructure, transport and technology will stand us in good stead. We provide our clients in these Headlight areas with the specialist legal advice they need, irrespective of the economic climate, based on our extensive understanding of their businesses. It remains a key part of our philosophy that our lawyers take a keen interest in their clients in one or more of our Headlight businesses.

During the course of the last year we have continued with our strategy of international growth, somewhat moderated to reflect the economic circumstances. During the year we opened an office in Tokyo and extended our Middle East practice by opening in Abu Dhabi. We opened our first Middle East office in Bahrain in 1979; this year we celebrated 30 years in the Middle East, where we now have four offices, 15 partners and over 100 staff.

Our own financial results reflected the harsh economic conditions that have been felt mostly in the first few months of this year. In overall terms, our business has grown slightly during the year, with a six per cent increase in our reported turnover. We have also experienced, along with other businesses, the impact of significant currency fluctuations; broadly speaking, our business is balanced between sterling, euro and US dollar income and costs. Our profit levels have been affected by trading conditions and to a degree by our approach to staff retention during the first part of the recession. Our operating profit is therefore down by 17 per cent. In the circumstances we feel comfortable with that result. We have not sought to take short-term staffing decisions, but have focused on keeping the business together pending economic recovery.

The number of associates and support staff laid off in the legal profession over the course of the last year has been unprecedented. We considered our approach carefully and decided, based on our track record in staff relations, the strength of our business in our core areas and the belief that trading conditions will start to improve next year, that we wanted to keep our staff intact as far as possible. This has an inevitable impact on our profit levels but the partnership believed it was the right thing for the practice to do. We remain hopeful that we can control any over-capacity sufficiently over the course of the year by implementing our Flex scheme, which is designed to protect jobs by offering a voluntary variation of the conditions of employment for our employees (involving periods of four-day working weeks where appropriate, or sabbaticals). The scheme became operational on 1 May 2009 and will last for one year.

We have received a significant amount of vocal support from the business community for the implementation of our Flex scheme. This scheme has achieved an acceptance rate of 97 per cent from our London-based employees and 93 per cent from our employees outside London: we are extremely proud of this level of buy-in.

We have continued to invest in training and knowledge management for our fee-earning staff. We have created a new senior post, Global Director of People and Talent Development, charged with creating new training and internal appraisal processes and reviewing our human resources function. During the course of this year we entered the Best Companies Survey for the first time and received a one-star accreditation as a “first class” company.

We believe it is important to listen to our clients. We aim to respond proactively to their ideas for added value and to their views on our service. We have stepped up our use of independent reviewers who interview our clients about the quality of our service and, in some cases, individual transactions. We consider that constant feedback is an important part of keeping our practice at the forefront of the profession. We have also responded to the requirements of some of our clients, particularly those with in-house legal departments, by providing them with some of our own online knowledge. We have started to introduce our internal knowledge management search engine, NavigatoR, to clients; this gives selected clients tailor-made access to parts of our knowledge management database. The feedback we have received so far is highly favourable.

Panel positions continue to be extremely important to us. We are on the panels of a large number of the world’s leading financial institutions and corporates and we work hard to maintain and, where possible, extend the scope of our panel positions. This year we have secured places on 82 panels – an increase of 18 places on the previous year. We have also succeeded in renewing our place on seven major panels.

We have a strong environmental law practice which has continued to attract plaudits and is at the cutting edge of climate change. We have advised the governmental carbon group in China and covered the United Nations climate change negotiations in Poland for a number of our clients. We are also assisting the World Business Forum on a pro-bono basis to prepare for the Copenhagen summit in December. We take our own environmental policy seriously, having undertaken a full audit during the course of the last year, and we have now launched a worldwide campaign aimed at raising environmental awareness amongst our staff. This is a campaign we hope all of our staff in every office will feel able to support.

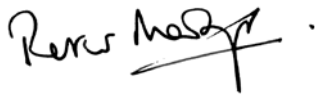
Charitable activity continues to play an important part in our business. The Norton Rose Charitable Foundation handles the majority of our charitable giving, but we encourage all forms of charitable activity and our staff regularly participate in events organised by the practice or by groups of individuals. We actively encourage individuals to participate by contributing their time as well as offering financial support.

Just as we believe that our Flex scheme is the right way to respond to the recession, we also intend to develop our business for the future. Our strategy remains one of growth, focused on our Headlight areas. We anticipate building a number of offices over the next few years, particularly in the Asia Pacific region. We have obtained one of six local licences in Singapore and look forward to expanding our operations there; and we are in the process of further developing our practice in Hong Kong.

We strongly believe that Asia Pacific will be of increasing importance in the future. We have therefore taken the strategic step of combining with the Australian law firm Deacons Australia. The combined Group will have over 1800 fee-earners in 30 offices across the world.

In Asia Pacific itself, the combined Group will have more than 700 fee-earners operating from 12 offices across the region, making it a major presence as well as the legal practice with the most comprehensive regional coverage. We are confident that the increased weight and capability of the Group throughout the Asia Pacific region will assist all of the Group offices in developing further business and will provide our clients with an enhanced resource across the region. We see strong business and client synergies between the two practices and we expect the combination to increase the depth of our Headlight coverage and to move us closer to our strategic goals, particularly in the predicted growth markets of the future.

We closed the year on a high point with the award of Law Firm of the Year from *The Lawyer*. This is as good a staging post as any at which to break the journey for this year. My thanks go to our clients, who have continued to instruct us on interesting mandates all around the world, and to our staff, for whose support and hard work we are particularly grateful at this time.

A handwritten signature in black ink, appearing to read "Peter Martyr", with a horizontal line underneath the name.

**Peter Martyr**  
Chief Executive  
Norton Rose LLP

# Report on the year

Corporate finance

Financial institutions

Energy

Infrastructure

Transport

Technology

**Volatile markets**  
**Strong clients**





# Corporate finance

## Market overview

**With the IPO market quiet, the year has been about strengthening balance sheets and opportunistic M&A. Without a doubt, our capital markets deal of the year was advising HSBC on the largest rights issue in the UK – led by our London and Hong Kong teams. This was one of the biggest deals in the market in the past 12 months. On the M&A side, RWE's acquisition of Essent was one of the largest energy deals in Europe and, we believe, a precursor to similar deals around the globe in the next 12 months.**

We predict that the coming year will see continuing M&A activity, including distressed M&A and possibly more insolvencies, a sign of the market returning to normality. In preparation, we have designed a programme of workshops and seminars on legal issues arising out of acquisitions and disposals of distressed assets for clients. Sectors where we expect to see strong continued activity include financial services, energy, utilities and commodities, with the gradual re-emergence of private equity interest a factor. We would also expect to see continued capital-raising activity and, eventually, some IPO activity.

The global outlook remains extremely challenging but there are glimmers of hope, particularly in the Asia Pacific region. China's fiscal stimulus policy was welcome news, not least for Hong Kong; Chinese banks are lending and Chinese entities are buying. Singapore remains vibrant: a significant proportion of investment in South-East Asia goes through Singapore, and its role as an offshore centre is growing. We believe we are well placed to capitalise on this growth, particularly as we have been awarded one of only six licences permitting international law firms to advise on commercial Singaporean law matters.

This has not been an easy year for directors; throughout, we have made a concerted effort to stay close to clients with executive responsibilities. Our plans for the coming year include expanding the scope of our risk management programme for clients and rolling it out internationally.

## Accolades

**UAE M&A law firm of the year**  
*Acquisition Finance 2008*

**Corporate/M&A team of the quarter**  
*Financial News, March 2009*  
Appointed as lead counsel for RWE on its acquisition of Essent

**Best mid-cap equity deal**  
*FinanceAsia 2008*  
Advising on China Shanshui Cement's US\$296m IPO

**M&A team of the year (finalist)**  
*British Legal Awards 2008*

**Corporate team of the year (highly commended)**  
*Legal Business 2008*  
Advising Carlsberg on its consortium bid with Heineken for Scottish & Newcastle plc



**we predict that the coming year will see continuing M&A activity including distressed M&A ...**

**Tim Marsden**  
Global head of corporate finance  
Norton Rose LLP

# No.1

ranked joint first by total number of London-listed stock market clients, with 108 quoted clients

**Hemscott**  
May 2009

## Corporate finance highlights

### **HSBC £12.5 billion rights issue**

We advised our longstanding client, HSBC Holdings plc, on its £12.5bn (US\$17.8bn) 5 for 12 fully underwritten rights issue: the largest UK rights issue to date. HSBC Holdings has primary listings on the London and Hong Kong Stock Exchanges as well as listings in Paris, New York and Bermuda, and legal advice had to be sought from a range of different jurisdictions. This was a truly international deal for us: the team advising HSBC was led by our London and Hong Kong offices, with support from our Amsterdam, Athens, Dubai, Frankfurt, Paris, Shanghai and Riyadh offices.

### **Anglo-Russian mining merger**

A joint London and Moscow team advised on the merger between Peter Hambro Mining (PHM) and the Russian iron ore mining company Aricom. The merger, which valued Aricom at US\$686m and the combined group at US\$1.4bn, was carried out by way of a scheme of arrangement between PHM and Aricom. Following the successful completion of the merger, the enlarged group was admitted to the Official List and to trading on the main market of the London Stock Exchange.

### **China Shanshui Cement IPO**

Our Hong Kong corporate finance team advised China Shanshui Cement Group Limited on its US\$296m IPO on the Hong Kong Stock Exchange. China Shanshui is the second largest producer of cement and clinker in China. This deal won “best mid-cap equity deal” at the *FinanceAsia* awards in 2008.

### **Neurosoft’s admission to trading on AIM Italia**

Neurosoft is one of the premier Greek software houses, specialising in the design, development, customisation and maintenance of integrated software systems for its three core business areas: sports betting and gaming analytics, business intelligence and core factoring, and the provision of advanced information technology services in the Greek and international markets. Our Milan and Athens teams advised Neurosoft on its admission to trading on AIM Italia, Borsa Italiana’s new market dedicated to small and medium-sized enterprises with strong growth potential. Neurosoft is the first company to be admitted to AIM Italia, which was launched in 2009 and is based on the London Stock Exchange’s AIM.

### **Kazakh-Chinese joint venture**

In a deal of strategic importance for both China and Kazakhstan, a cross-border team from our London, Amsterdam, Hong Kong, Shanghai and Beijing offices advised JSC National Company KazMunaiGas (KMG), the Kazakh state oil company, on the establishment of a Dutch joint venture vehicle with China National Petroleum Company and the acquisition by the joint venture of one of Kazakhstan’s largest oil companies, AO Mangistaumunaigas. The financing is part of a larger financing package provided to Kazakhstan by China to facilitate the development of the Kazakh oil and gas industry and financial sector.

# Financial institutions

## Market overview

**For our financial institutions practice, the year was dominated by the transition from credit crunch to global financial crisis. Our focus was, and will continue to be, on providing clients with services designed to help protect their interests, including a credit crisis working group, a derivatives close-out group, debt restructuring advice and regulatory risk guidance.**

Interesting times make for interesting mandates. In Germany, we were engaged by banks involved in the restructuring of Hypo Real Estate and of the entire German banking industry; we acted for a prospective bidder for Northern Rock in the UK; and we worked with national entities seeking strategic partners. We advised China Development Bank on its investment into Barclays; we assisted with the regulatory aspects of the investment in Morgan Stanley by Mitsubishi; and we handled the first synthetic securitisation of infrastructure loans in the Middle East.

It is primarily the banking sector that has been in crisis and not the financial services industry as a whole. However, the crisis has focused attention on the need for new regulation and this is likely to have a major impact across the whole of the industry. We are seeing the emergence of a much more intensive model of supervision of banks and other financial institutions, and a large number of policy initiatives designed to increase capital and liquidity requirements, end the short-term bonus culture and focus attention on risk management systems and controls.

Volatility in the credit, FX and commodities markets combined with the global economic downturn has led to a significant increase in cross border disputes concerning defaults, allegations of mis-selling and fraud, enforcement and asset tracing as well as complex creditor disputes. Our global dispute resolution group has taken key roles in and around the fallout from the Madoff fraud, the Lehman Brothers collapse, the Icelandic banking crisis and a number of defaults in the Middle East. We have also conducted highly sensitive internal investigations around 'rogue traders'. The insurance and reinsurance implications of the crisis have been significant: we have been advising on high-profile coverage disputes concerning D&O, Credit, Bankers Blanket Bond and Crime policies as well as reviewing and restructuring our clients' covers to mitigate counterparty risk.

In April 2009 we canvassed market views on what the future holds for financial institutions; the responses underlined the need for us to support our clients in three key areas: restructuring, regulatory systems, and risk management. These areas will be the focus of our work over the next 12 months.



**our research has underlined the need to support our clients in three key areas: restructuring, regulatory systems, and risk management**

**James Bateson**

Head of financial institutions  
Norton Rose LLP

## No.1

top ranked for insurance:  
corporate and regulatory

*Legal 500 UK*  
2008

## Accolades

**Best law firm for  
Islamic finance**  
*Islamic Finance News 2008*

**Best *Takaful* law firm**  
*International Takaful  
Summit 2008 and 2009*

**Banking and  
restructuring team  
of the year (finalist)**  
*British Legal Awards 2008*  
Advising on the US\$2.5bn  
Shariah-compliant financing  
for the acquisition of  
Chelsea Barracks

**Insurance team  
of the year (highly  
commended)**  
*Legal Business 2009*  
Advising Travelers on the  
disposal of its London  
market run-off insurance  
business to Enstar

**Best high yield bond**  
*FinanceAsia 2008*  
Advising on Vendanta  
Resources' US\$1.25bn  
dual-tranche global  
bond (the largest ever  
high-yield bond for an  
Asian corporate borrower  
to date)

**Deal of the year**  
*Trade & Forfeiting  
Review 2008*  
Advising HSBC, Calyon  
and Rabobank on a  
US\$60m prepayment  
facility to Duferco SA

## Financial institutions highlights

### **€50 billion rescue package for Hypo Real Estate Holding AG**

Our Frankfurt banking team advised a lender on the €50bn rescue package provided to Hypo Real Estate Holding AG by certain German financial institutions, the German Government and Deutsche Bundesbank. Hypo Real Estate had been the single largest issuer of *Pfandbriefe* in the German market and had been severely affected by the financial crisis. A large number of commercial, municipal and regional banks rescued Hypo Real Estate from bankruptcy by providing substantial liquidity lines. The German Government and Deutsche Bundesbank both played pivotal roles in this highly political transaction.

### **£1.2 billion Royal London acquisition**

Our specialist corporate insurance team advised Royal London, the UK's largest mutual life and pensions company, on its £1.2bn acquisition from Pearl Group of Scottish Provident's new business capabilities (in respect of individual life protection business) and of Phoenix Life Assurance Limited (formerly Abbey National Life). The Scottish Provident and Phoenix Life businesses were part of the Resolution Group, acquired by Pearl in 2007.

### **First Sino-Chilean loan**

Our Hong Kong and Beijing teams advised China Development Bank on a US\$100m loan facility to Banco de Chile to finance agribusiness projects. Banco de Chile, the second biggest banking group in Chile, also signed an agreement on mutual investment support with China Development Bank. This transaction is the first of its kind signed by a Chinese bank with a Chilean financial institution and reflects the growing importance of China as a source of liquidity in global finance.

### **Emaar US\$2 billion EMTN programme and US\$2 billion Shariah-compliant programme**

In the Middle East, we advised Emaar Properties Public Joint Stock Company (Emaar), one of the world's leading real estate companies, on the simultaneous establishment of a US\$2bn EMTN (Euro Medium Term Note) Programme and US\$2bn Trust Certificates Programme (a Shariah-compliant programme). Both were listed on the London Stock Exchange. This was an exceptional transaction in that Emaar established two parallel programmes, thereby providing Emaar with the option and flexibility to tap into both the conventional and the Islamic capital markets.

### **Innovative South African prepayment facility for Duferco**

We advised HSBC, Calyon and Rabobank on a US\$60m syndicated prepayment facility to Duferco SA in connection with the prepayment of steel produced by Duferco Steel Processing Pty Ltd (South Africa). South Africa has only recently become open to pre-export finance and there was little track record of, or familiarity with, such structures. The successful closing of the transaction has set a precedent for similar deals in the future in South Africa. The transaction was named "deal of the year" for 2008 by *Trade & Forfeiting Review*.

### **Fortis Bank Global Clearing**

We advised Fortis Bank Global Clearing on the sale of a 22 per cent equity stake in European Multilateral Clearing Facility NV (EMCF), a central counterparty clearing house for European equity trading on exchanges and multilateral trading facilities, including NASDAQ OMX Europe Ltd, Chi-X Europe Ltd and BATS Trading Europe Ltd. We also advised on the application by EMCF for overseas-recognised clearing house status in the UK to permit it to clear trades for Chi-X and other UK trading platforms.

# Energy

## Market overview

**There has been considerable activity in the renewables sector over the last 12 months. We have had teams working on renewable projects in the UK (including Northern Ireland), the Republic of Ireland, Bulgaria, France, Sweden, Spain, Romania, Cyprus, Turkey, Croatia, Greece, Germany, the Netherlands, Poland, Italy, China, India, Qatar, Jordan, Japan, Singapore and the Caribbean. We were also appointed to one of the highest-profile roles in clean energy globally: acting for the UK Crown Estate on the Round 3 Offshore wind farm tender, which envisages the delivery of 25GW of new offshore wind power sites by 2020. At today's prices this represents a capital investment of some US\$100 billion.**

Our global climate change team won instructions to advise the EU, the UK Government and the Australian Government on climate change issues. We participated in the Poznan climate change negotiations and will be at the United Nations Climate Change Conference in Copenhagen in 2009.

More and more clients are focusing on clean energy as part of the drive towards a green economy. Over the coming year the drive towards clean energy will, we are sure, gain momentum; our goal is to be recognised as the global leader in this sector.

We also worked on high-profile power generation transactions during the year. New nuclear projects in Bulgaria and Jordan, the Indonesian "Fast Track 10,000" new generation programme and major hydropower projects in Africa – such as Kafue Gorge in Zambia – are just a few examples.

We supported our clients in many sectors of the oil and gas market, particularly in relation to our core areas of expertise: drillships, drill rigs, oil and gas rigs, platforms and other floating production units; upstream oil and gas developments; LNG; LNG carriers; petrochemicals; refineries; gas storage; and pipelines. We were appointed to Qatar Petroleum's legal panel and GE Energy Financial Services' panel. We advised on 15 LNG projects around the world and advised on more than ten petrochemical projects as well as on a number of politically important oil and gas transactions. Our work in this field has included advising JSC National Company KazMunaiGas on the acquisition of a shareholding in one of the largest Kazakh oil and gas companies, AO Mangistaumunaigas, and various matters regarding the CPC pipeline (the largest operating investment project with foreign participation on the territory of the former USSR).



**more and more clients are focusing on clean energy as part of the drive towards a green economy**

**Simon Currie**  
Head of energy  
Norton Rose LLP

## No.1

top ranked for climate change

**Chambers UK**  
2009

## Accolades

**Project finance team of the year (finalist)**

**Legal Business 2008**  
Advising the commercial and Islamic-mandated lead arrangers on the financing for the US\$2.1bn Kuwait Paraxylene Production Company aromatics project

**Renewables deal of the year (Europe)**

**Project Finance International 2008**  
Acting for the lenders in the financing and refinancing of a portfolio of wind farms for Fred Olsen Renewables

**European wind deal of the year**

**Project Finance 2008**  
Acting for the lenders in the financing and refinancing of a portfolio of wind farms for Fred Olsen Renewables

**Power deal of the year**

**Project Finance International 2008**  
Advising Delta on the project financing of Sloe Centrale 870MW CCGT in the Netherlands

**Deal of the year**

**World Junior Oil and Gas Awards 2008**  
Advising Sinochem Petroleum Limited on the purchase of SOCO's Yemen assets, valued at US\$465m

**Project finance deal of the year (finalist)**

**International Financial Law Review (Middle East) 2008**  
Advising Saudi British Bank on Sipchem's US\$1.86bn petrochemical plant refinancing

## Energy highlights

### **RWE's acquisition of Essent**

In one of the biggest deals in the energy sector this year, we acted as lead counsel for energy giant RWE on its binding all-cash offer to the shareholders of Essent for the acquisition of all the issued and outstanding shares of Essent, the leading Dutch utility company. This transaction was led by our Amsterdam office and supported by our energy team in London and our Brussels-based competition team.

### **US\$1.86 billion refinancing of Sipchem Joint Acetyls Complex Project**

Our Dubai, Bahrain and Riyadh teams advised multiple parts of HSBC (the Saudi British Bank, HSBC Saudi Arabia, SABB Securities Limited and HSBC Bank plc) on the commercial refinancing for the US\$1.86bn Sipchem Joint Acetyls Complex Project in Jubail, Saudi Arabia, a first in the Saudi projects market. The project was closed in record time and is the first occasion on which a bank based in Saudi Arabia has offered to underwrite on a sole basis a project of this magnitude.

### **Fred Olsen Renewables wind farm financing**

Our London clean energy group acted for BTM/UFG, BNPP, Fortis and HSBC as the arrangers of facilities totalling £305m for a portfolio of UK wind farms owned by Fred Olsen Renewables. The portfolio totals 330MW and includes the 138MW Crystal Rig II project which is currently under construction and will be one of the largest onshore wind farms in the UK. Reaching financial close on this award-winning transaction showed that there is an appetite for this sector even in the credit crisis.

### **Sustainable power generation project in Rwanda**

We advised ContourGlobal on an integrated gas extraction and electricity generation facility which will provide 100MW of natural gas-fired electricity to Rwanda and the east African region. The US\$325m Kivuwatt project will be the first large-scale facility to extract methane from Lake Kivu, a deep-water lake on the border of Rwanda and the Democratic Republic of Congo. Lake Kivu possesses a particular source of energy – methane gas – held in solution deep within the lake. This gas can be harvested for power generation; extracting the gas also mitigates environmental hazards associated with a natural release of the lake gases, providing an environmentally-friendly, sustainable source of power generation.

### **Acquisition of Thanet offshore wind farm**

We advised Vattenfall AB (publ), the leading Swedish energy company, on the acquisition of Thanet Offshore Wind Limited (Thanet), a 300MW wind farm to be constructed off the coast of East Kent. This project is one of the UK's biggest proposed offshore wind farms.

### **Sonangol FPSO**

We advised Sonangol on a US\$330m financing for the FPSO Saxi Batuque, owned by Sonasing Saxi Batuque Limited, a joint venture company in which Sonangol is a shareholder. The lending banks were ING Bank NV, BNP Paribas SA, Fortis Bank (Nederland) NV and The Royal Bank of Scotland plc.

# Infrastructure

## Market overview

**The past year has brought significant changes to the world infrastructure market. The commoditised products of recent years are redundant. We are seeing a return to a real focus on the inherent risks in each deal. Development finance is now the norm in almost every major new project, irrespective of location. Where development finance does not cover all of the necessary debt, clients are approaching a small group of commercial banks with major restrictions on tenor and terms. The resulting deals are complex and hence perfect for our skill set.**

Growth areas include rail projects – we are acting on deals in Tel Aviv (the metro), St Petersburg, Dublin and Portugal, and this year, in particular, we have seen a marked increase in rail transactions. There are also numerous road projects afoot across a range of jurisdictions.

In terms of corporate activity, the credit crisis curtailed much of the activity of the major leveraged funds. We are, however, already seeing a pick-up in activity by pension funds.

In the last 12 months, commodity prices have collapsed, halving the value of mining companies and sharply reducing their capacity to access new debt; project finance deals have been restructured and corporate deals re-negotiated. As a result, we anticipate more consolidation in the mining sector. We are already seeing opportunistic acquisitions by major Asian companies looking to buy assets at what is seen as an undervalue over the long term.

Our expertise and experience is valuable to the China–Africa mining and minerals axis that has grown exponentially in the past year. We have the requisite combination of mining expertise, knowledge of assets (we floated the major AIM mining companies), Africa experience and a China base. Our corporate finance practice is set to reap the benefit of that. On the debt side of mining deals, the Chinese banks remain active, and consequently our China mining practice has had an excellent year.

## Accolades

**Best trade law firm (Asia)**  
*Trade Finance 2009*

**Deal of the year**  
*Project Finance 2008*  
Acting for the German Government on the A1 Mobil tender process, including negotiations for the Hamburg-Bremen section of the A1 toll road, (the A-model programme's largest financing to date)

**Deal of the year**  
*Project Finance 2008*  
Advising the lenders – HSH Nordbank, DZ Bank, Depfa Bank and SMBC – on the financing for the Kiel Particle Therapy Centre

**Deal of the year (Qatar)**  
*Islamic Finance News 2008*  
Advising on a US\$1.25bn conventional senior and Islamic financing for the construction and operation of a mixed-use development (Al Wa'ab City) in Qatar



**the commoditised products of recent years are redundant. We are seeing a return to a real focus on the inherent risks in each deal**

**Martin McCann**  
Head of infrastructure  
Norton Rose LLP

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# No.1

top ranked for projects  
& energy: power

*Chambers Global*  
2009

## Infrastructure highlights

### **Nuclear power in Jordan**

In 2008, we advised the Jordanian Atomic Energy Commission on the first phase of its nuclear power programme, consisting of an exploration agreement with the French nuclear power utility, Areva, to explore and subsequently mine the uranium reserves in central Jordan. We are currently advising on the second phase of the programme, the negotiation of a mining agreement with Areva.

### **Al Wa'ab City US\$1.25 billion financing**

Our Dubai team advised Al Wa'ab City WLL on a US\$1.25bn conventional senior and Islamic mezzanine financing for the construction and operation of a mixed-use development in Qatar, known as Al Wa'ab City. This was the first time a mezzanine tranche had been included in a financing of this type in this region. This deal won "Qatar deal of the year" at the *Islamic Finance News* awards in 2008.

### **€1.5 billion Italian highway financing**

Our Milan team advised Bre.Be.Mi SpA on the financing for a significant road project in northern Italy. The project involves the construction of a 62km highway connecting the cities of Brescia, Bergamo and Milan, three of Lombardy Region's main urban centres. The Bre.Be.Mi consortium will design, build and operate the new toll road. This is a long-awaited infrastructure project (first proposed in 2001) and is designed to ease the congestion on the existing road, which serves over 150,000 vehicles per day. The estimated cost of the project is over €1.5bn; it will receive no public funding. The project is expected to be completed by the 2015 Expo, which will be hosted by Milan. We were appointed by Bre.Be.Mi following a competitive bidding process.

### **€255 million Kiel Particle Therapy Centre financing**

Our infrastructure team advised the lenders to the Bilfinger Berger Project Investments/Siemens consortium on the financing of the €255m University Hospital of Schleswig-Holstein Particle Therapy Centre in Kiel, northern Germany. We believe that this project is Germany's largest healthcare PPP to date. The deal was named "deal of the year 2008" by *Project Finance* magazine.

### **China-Kyrgyzstan gold mining deal**

We advised CNMIM, a subsidiary controlled by China Nonferrous Metal Mining (Group) Co. Ltd, on the acquisition of a 19.9 per cent interest in the issued share capital of Chaarat Gold Holdings Ltd. Chaarat is an AIM-listed company with a gold mine exploration licence in Kyrgyzstan Republic. The transaction, subject to governmental approval, is in line with the Chinese Government's "go global" policy in the natural resources sector. This is CNMIM's first such step and the first transaction in which we have acted for a Chinese state-owned mining company.

### **German A-Model Toll Motorway Advisory Project**

We continue to advise Germany's Federal Ministry of Transport on the structure of the federal PPP toll road programme, known as the "A-Model", and on the new set of projects being tendered from early 2009 onwards. The scope of our advice covers the procurement procedure, the award procedure for the selected projects and the negotiation of the concession agreement. The A-Model project A1 in Lower Saxony, which closed in 2008, won a "deal of the year" award from *Project Finance* magazine.

# Transport

## Market overview

**Rail is a traditional and important area of business for us. This year we acquired new clients, represented the UK Department for Transport on the introduction of Pendolino trains and the procurement of Diesel Multiple Units, and extended our work for the Office of Rail Regulation, as well as advising on transactions in Paris, Munich, London and Hong Kong. The outlook for the international rail industry is positive. We anticipate increased state investment; fewer, more substantial transactions; possible reletting of franchises; and more infrastructure activity, including light rail. In the Middle East, plans to develop new rail systems are well under way.**

Aviation has had a tough year. Instead of purchases, we have seen disputes, some ending in litigation. Export credit financing has grown – particularly out of Paris, where we are one of only five practices authorised to act for the European export credit agencies. The drawing-down of old facilities has also kept us busy. In Europe, we assisted with the creation of CAI; in Hong Kong, we advised on one of a number of competition investigations. We believe that consolidation is inevitable in the aviation sector, as depressed market conditions and climate concerns continue to affect travel patterns.

These have also been difficult times for shipping. We have concentrated on developing financing, corporate and fiscal structures to help shipping finance institutions continue to make funds available to the industry. Our shipping experts dealt with transactions in excess of US\$28 billion in 2008, representing syndicated transactions, equity investments, export credit financings, Islamic finance transactions and UK and French tax lease transactions. We advised on one of the first joint ventures between an investment bank and a shipping group; on the largest super yacht to be ordered; and on Turkey's largest ship financing. We represented the sole transhipper for the Mozambique Beira mine; we acted for Gulf Energy Maritime; and we now represent the International Petroleum Investment Company of Abu Dhabi. We also advised the European Commission on the legality and practicality of bringing in a regional scheme to reduce greenhouse gas emissions from shipping by way of efficiency standards, bunker levy or participation in the European Emissions Trading Scheme.

Despite the volatile market, our transport business continues to grow; we have added transport specialists in Abu Dhabi and Tokyo and now have over 200 transport specialists worldwide.



**we have concentrated on developing financing, corporate and fiscal structures to help shipping finance institutions continue to make funds available to the industry**

**Harry Theochari**  
Head of transport  
Norton Rose LLP

## No.1 x 23

our international transport practice achieved 23 top-tier rankings in this year's legal directories

## Accolades

**Asia deal of the year (editor's choice)**

*Marine Money Asia 2008*  
Advising on a Shariah-compliant US\$505m lease financing facility for Brunei Gas Carriers for two LNG carriers

**Middle East deal of the year**

*Airfinance Journal 2008*  
Advising Etihad Airways on a US\$102.3m club A340 financing

**Shipping finance law award**

*Jane's Transport Finance 2008*

**Finance deal of the year (Europe)**

*Jane's Transport Finance 2008*

**Aircraft leasing deal of the year (Europe)**

*Jane's Transport Finance 2008*

**Aircraft leasing deal of the year (South America)**

*Jane's Transport Finance 2008*

**Aircraft leasing deal of the year (Middle East)**

*Jane's Transport Finance 2008*

**Ship financing debt deal of the year (SE Asia)**

*Jane's Transport Finance 2008*

## Transport highlights

### **Goldman Sachs shipping JV**

Our shipping finance and corporate teams acted for Goldman Sachs when it entered into a shipping investment joint venture with one of the world's largest shipping groups. We believe that this was one of the first shipping investment joint ventures involving an investment bank. The JV was established with the aim of investing in shipping assets (initially in the dry sector) and financial instruments such as forward freight agreements. We advised Goldman Sachs on the establishment of the JV company, corporate structuring of the JV and its ship-owning subsidiaries, international tax planning and corporate governance issues, including advice on pollution and other potential liabilities.

### **US\$505 million Islamic lease financing facility for Brunei Gas Carriers**

In a deal that scooped a number of industry awards, our Singapore office, together with London-based members of our International Securities Group, advised Standard Chartered, Fortis, Brunei Investment & Commercial Bank and Société Générale on a US\$505m long-term Islamic lease financing facility for Brunei Gas Carriers for two new-build liquified natural gas carriers. Complex sponsor support and chartering arrangements were negotiated involving the use of an *Istisna'a* and forward lease structure and with syndication by way of a *Mudaraba* structure.

### **US\$1.4 billion aircraft financing facility for AerCap NV**

Our London, Munich and Amsterdam offices advised on a US\$1.4bn aircraft financing facility for AerCap NV, the Netherlands-based aircraft operating lessor. The transaction secured financing for 15 Airbus A330 aircraft due for delivery to AerCap from April 2009 through to 2011. We acted for the European export credit agencies underwriting the facility and the ECA lenders Calyon and Dekabank. This was an innovative transaction: AerCap is an operating lessor and the aircraft will join AerCap's fleet and be leased to a variety of airlines.

### **£2 billion acquisition of Porterbrook Leasing**

Our UK rail team advised a consortium led by Deutsche Bank and Lloyds TSB on the £2bn acquisition of Porterbrook Leasing, one of the UK's three rolling stock leasing companies, from Abbey, part of the Santander Group. We were appointed by the consortium to undertake most of the legal due diligence. In addition to reviewing all of Porterbrook's lease portfolio and advising on rail industry matters, we advised on competition/EU, corporate, health and safety, environmental, pension and real estate aspects of the transaction.

### **US\$102.3 million Club A340 financing for Etihad Airways**

Our Paris aviation finance specialists advised Etihad Airways on their US\$102.3m Club A340 financing, one of the first aircraft financing transactions in the United Arab Emirates since the Cape Town Convention came into force. *Airfinance Journal* named this "Middle East deal of the year 2008".

### **Flightlease victory**

We achieved a major victory for the liquidators of the Flightlease Group, the aircraft leasing division of Swissair. We have been acting on all aspects of a liquidation that has involved the courts of Paris, New York, the Cayman Islands, California, South Africa, Switzerland, Ireland and Guernsey. In February 2009 we obtained a summary judgement in the Supreme Court of the State of New York against Airbus SAS, estimated at US\$227.6m, for the return of pre-delivery payments made under a wrongfully-terminated aircraft purchasing contract. A larger parallel case continues in Paris.

# Technology

## Market overview

**It has been a testing year for the technology industry. From an M&A perspective deal activity has been slow, but we expect that activity levels will pick up in the second half of 2009. Cash-rich, large technology companies will need to acquire new technology via acquisitions to remain competitive and small to medium-sized companies facing funding difficulties will become attractively priced for buyers.**

We predict a similar outlook for life sciences, with even greater pressure for consolidation, as large pharmaceutical companies seek to acquire new products to replace those existing products that will lose patent protection in the near future. In addition, many large pharmaceutical companies are also altering their business models to incorporate generics businesses.

In telecoms, the past year has been characterised by European operators, and larger operators from developing economies, seeking growth opportunities in emerging markets, particularly in Africa. We expect this trend to continue.

We believe that outsourcing, joint ventures and infrastructure-sharing are set to become more prevalent for telecoms operators as capital expenditure is reduced to offset poor revenue and improve margins. In response to this trend, in early 2008 we conducted an international survey with chief information officers, general counsel, heads of procurement and other senior executives at technology vendors and customers from a variety of business sectors, asking them to identify which elements of the technology and IT services procurement process they thought unsatisfactory and how processes could be improved. We gained a valuable insight into what, in the case of customers, can be regarded as industry best practice and, in the case of vendors, their experience of customers' procurement processes in relation to the sourcing of major technology and outsourced services.

The resulting report – *A smart approach to sourcing* – was published in November 2008. The report was distributed to over 3000 global contacts and generated substantial media interest. Since then, we have been presenting the survey results in a series of international seminars and workshops.



**cash-rich, large technology companies will need to acquire new technology via acquisitions to remain competitive**

**Mike Rebeiro**  
Head of technology  
Norton Rose LLP

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## No.1

ranked joint first in the category of telecoms legal adviser (H1 2008 financial close)

**Infrastructure Journal**  
July 2008

## Accolades

**Deal of the year**

**Indian Business Law Journal 2008**

Acting for Axiata Group Berhad in connection with Idea Cellular's acquisition of a stake in Spice Communications

**Deal of the year (Yemen)**

**Islamic Finance News 2008**

Acting for the arranger, HSBC, on a US\$20m financing for Mobile Telephony Sabafon

## Technology highlights

### **Vodafone's acquisition of controlling stake in Ghana Telecom**

Our specialist London telecoms team advised Vodafone on the acquisition of a controlling stake in Ghana Telecom from the Government of Ghana for US\$900m on a debt-free, cash-free basis. Following parliamentary approval, the deal was closed on 16 August 2008. The Government of Ghana retained a 30 per cent stake in Ghana Telecom, an operator and provider of both fixed and mobile telecommunications services within Ghana. As part of the deal, the Government of Ghana has transferred the fibre-network assets to Ghana Telecom.

### **Defending Ranbaxy**

Our dispute resolution and competition teams achieved a major success for Ranbaxy, the leading Indian generic drug manufacturer, after the Court of Appeal of England and Wales dismissed all charges against Ranbaxy and all other defendants accused of participation in a price-fixing cartel in respect of certain generic drugs. We have been acting for Ranbaxy for over six years in its defence of these criminal charges, as well as related civil claims for over £150m. In March 2008, the House of Lords ruled that the indictment made by the UK Serious Fraud Office (SFO) was wrong in law and ordered the SFO to apply to the Crown Court to amend it. In July, the Crown Court refused to allow the SFO's amendment and quashed the indictment. In December, the Court of Appeal refused to grant the SFO permission to appeal that decision.

### **Showa Denko's acquisition of F2 Chemicals**

Our Tokyo and London teams advised Showa Denko KK, a leading Japanese technology company whose stock is quoted on the Nikkei index, on the acquisition of the entire share capital of F2 Chemicals Ltd, a UK-based specialist producer of fluorine chemical products, from Mitsubishi Group and Asahi Glass Co. Ltd, both leading listed Japanese companies. This was the first major M&A deal for our Tokyo office, which opened in 2008.

### **Ideal Cellular's acquisition of shareholding in Spice Communications**

Our Asia corporate finance team advised Axiata Group Berhad on one of the biggest Indian telecoms deals to date, involving Idea Cellular Limited (Idea), the Aditya Birla Group, and Spice Communications Limited (Spice). The deal involved Idea acquiring the Modi Group's entire 40.8 per cent stake in Spice for approximately US\$510m. Idea, together with Axiata, then jointly made a mandatory open offer for 20 per cent of the outstanding shares in Spice, and Axiata subscribed for a 14.99 per cent equity stake in Idea through a preferential allotment of shares to Axiata for a consideration of approximately US\$1.7bn. We are currently advising on the proposed merger of Idea and Spice. This transaction won one of the *Indian Business Law Journal's* "deals of the year" awards for 2008.

### **Friends Provident transformational outsourcing**

We advised FTSE 100 financial services group Friends Provident on a £200m IT infrastructure transformational outsourcing deal with IBM. The ten-year deal involved the transfer of over 200 staff to IBM and was part of plans announced in Friends Provident's strategic review in 2008 to save £40m over two years. IBM was contracted to provide every aspect of the company's IT infrastructure, including software, hardware and services. The deal was expected to generate initial savings for Friends Provident of £6m per year by using shared infrastructure and offshore resources, updating equipment and standardising processes.

# Deal stream

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## Corporate finance

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## Financial institutions

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## Energy

Advised the **UK Takeover Panel** on the £1.8bn contested takeover of oil services group Expro International.

Advised PETRONAS Berhad and its subsidiary Star Energy Group plc, **the second largest onshore UK oil producer**, on the US\$180m acquisition of Marathon Oil Ireland Limited, a subsidiary of Marathon Oil Corporation.

Advised **China Development Bank** on its participation in Barclays' share issue to raise approximately £4.5bn.

Advised Orsu Metals, a mining and exploration company, on a joint venture with Gold Fields for the development and exploration of the Talas licence area in **Kyrgyzstan**.

Advised **Motherhood Sumi Systems Ltd** on the acquisition of the global rear-view mirror assets of Visiocorp plc.

Advised Shaw Holdings Inc. on the **privatisation of Shaw Brothers (Hong Kong) Ltd** by way of a scheme of arrangement.

Advised **Lloyd's insurer Chaucer Holdings plc** on its £120m placing and open offer and subsequently in relation to the multiple takeover approaches received by Chaucer.

Advised **Russian** and global mineral fertiliser producer JSC Acron on the listing of its GDRs on the London Stock Exchange's main market.

Advised **G4S plc**, the international security solutions group, on the £355m acquisition of Global Solutions. In **Paris** we also advised G4S on the disposal of G4S Technologie SAS and G4S Télésurveillances SAS to Scutum SA.

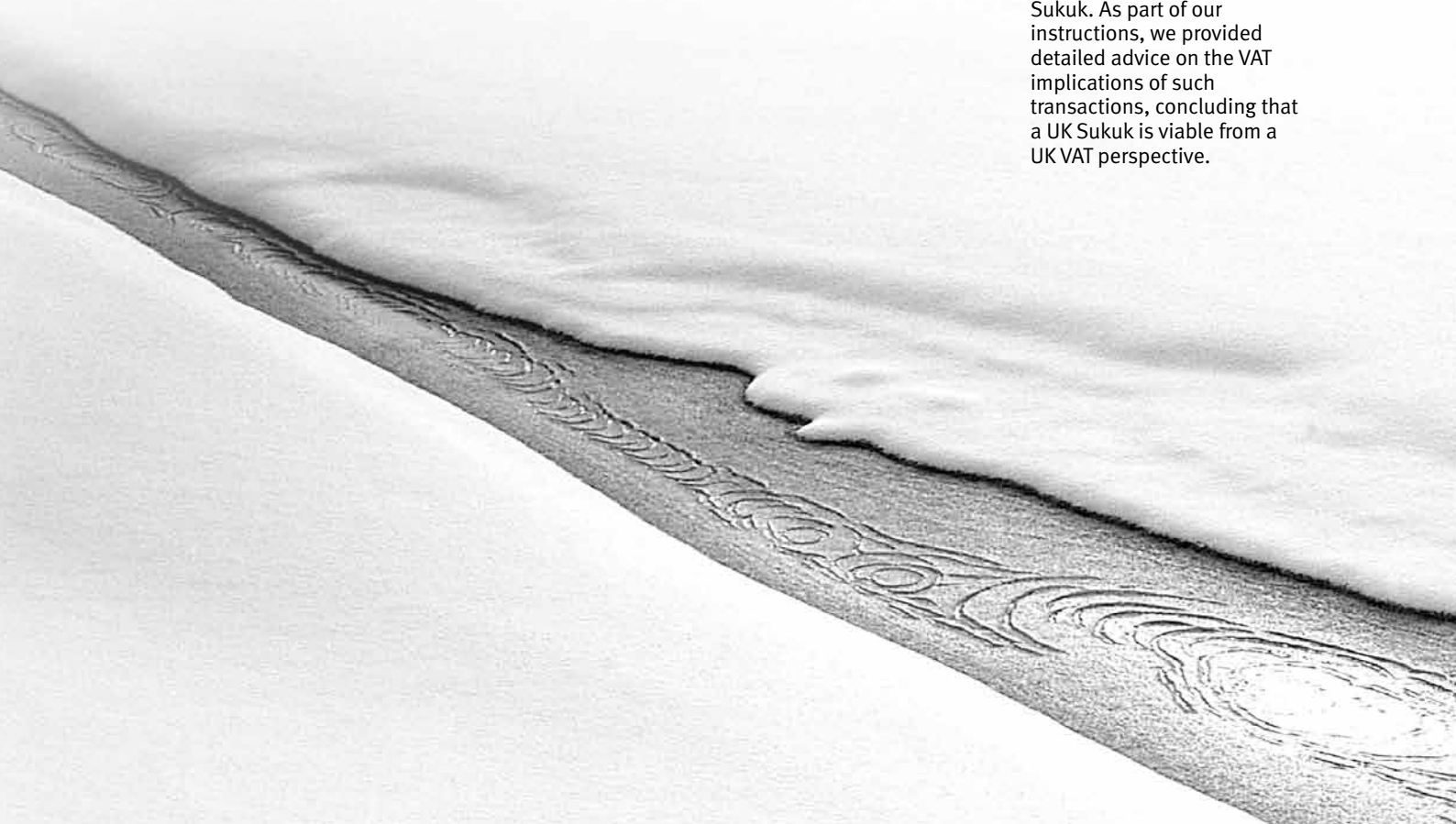
Advised Vitogaz SA, a wholly-owned subsidiary of Rubis SCA, on the acquisition of FSCI, Shell's fuel distribution subsidiary in **Jersey, Guernsey and Alderney**, and of Shell's aviation fuelling assets in **the French Antilles and French Guyana**.

Advised Safe Bulkers Inc. on its initial IPO and listing on the **New York Stock Exchange**.

Advised Intercontinental Exchange Inc. on the share plan and employee benefits aspects of the £51.5m acquisition of **Eclipse Energy UK plc**.

Advised a consortium of leading Islamic financial institutions comprising **Dubai Islamic Bank, Jordan Dubai Capital and Dubai International Capital** on a US\$100m acquisition of a controlling stake in Industrial Development Bank of Jordan, Jordan's formerly state-owned bank listed on Amman Stock Exchange.

As part of the joint study undertaken by HM Treasury and the Debt Management Office into the feasibility of the **UK Government** issuing a sterling-denominated sovereign Sukuk, we advised the Government on the structuring, documentation and legal aspects of issuing Sukuk. As part of our instructions, we provided detailed advice on the VAT implications of such transactions, concluding that a UK Sukuk is viable from a UK VAT perspective.



Advised ADCB Macquarie on the establishment of the ADCB Macquarie Infrastructure Fund, an investment fund which aims to raise US\$1bn to invest in infrastructure projects in the **Middle East and North Africa region**.

Advised Samena Capital on the launch of its Special Situations Fund, a Cayman-domiciled, closed ended limited partnership focusing on investment opportunities across **South Asia, the Middle East, and North Africa**. The fund raised US\$170m by final close.

Conducted summary proceedings on behalf of ZAO UniCredit Bank in the **Dutch courts** regarding a demand guarantee dispute with a value of approximately €15m with a Dutch car tyre manufacturer. The client's case was upheld and we are now advising UniCredit on enforcement measures.

Advised Barclays Capital on the launch of the **Al-Safi umbrella trust platform**, a fund which intends to comply with Shariah principles.

Advised Augur Financial Opportunity Fund, a **German hedge fund**, on the acquisition of DARAG, one of the two former German Democratic Republic's insurance companies, with a capital reserve of approximately €100m.

Advised **Société Générale Asset Management SA** on the sale of its London-based asset management subsidiary SGAM UK to GLG Partners, Inc.

Advised **Union Holding AG**, the asset management arm of DZ Bank, on the €120m buy-out of its joint venture partner in Union PanAgora Asset Management GmbH.

Advised HSBC on its high-profile action to claim back tax charged on the **acquisition of HSBC France**. This matter was high profile not only because it involved the first stamp duty reserve tax dispute to reach the European Court of Justice but also because if our contentions are upheld, it could lead to many other claims being made and substantive changes being made to the UK tax rules.

Advised **Canada Pensions Plan Investment Board** on the employment aspects of its entry into the Hong Kong and London markets.

Advised Petroleo Brasileiro SA-Petrobras, the partly state-owned **Brazilian oil company**, on negotiations with China Development Bank for a US\$10bn bilateral loan.

Advised the **Bulgarian Government and the state electricity company (NEK)** on a project to construct a new, 2000MW nuclear power station.

Advised Tullow Oil plc on its US\$2bn reserves-based financing providing funding for Tullow's future capital commitments, including an offshore oilfield project in **Ghana**.

Advised the pipeline consortium **Burgas-Alexandroupolis Limited**, a Russian entity comprising Transneft, Rosneft and Gazpromneft, on the development of the Burgas-Alexandroupolis pipeline.

Achieved a major success in the Court of Appeal of England and Wales for **Star Energy** against Bocardo SA, reversing a decision of the High Court which could have opened the floodgates to claims from landowners with pipelines beneath their land and led to an overhaul of the UK onshore oil and gas licensing regime.

Advised PLN, the **Indonesian state-owned electricity utility**, on all the international loans in the Fast Track Programme to date, representing a total of more than US\$3.5bn of new financing in 2008–9.

Advised AES on the €270m financing of a **wind farm at Kavarna, Bulgaria**. When completed it will be the largest wind farm in Bulgaria.

Advised Sindicatum Clean Energy Pte Ltd (a subsidiary of Sindicatum Carbon Capital Holdings Limited), on structured investments by its affiliate in two **CDM landfill biogas projects and a power project in Bangkok and Chiang Mai Province**, Thailand.

Advised Tanjong plc on the refinancing of two **IPP projects in Egypt, Port Said and Suez Gulf**.

Advised the Asian Development Bank on the RMB164m (US\$24m) financing of a **wind farm in Inner Mongolia** to be developed and operated by a Datang, Sumitomo and Kyushu consortium.

Advised the **Tanzanian Government** on all aspects of the development and financing of the 358MW Ruhudji hydropower project.

Advised Interbanca, Centrobanca, MPSC Capital Services and Banca Etruria on a €50m project financing for the development, construction and management of a **12MW biomass plant to be located in Anagni, Rome**.

Advised the **Japan Bank for International Cooperation** and the other senior lenders on the US\$426m financing for a FPSO to be operated for Petrobras offshore Brazil.

Advised **Gazprom**, the world's biggest gas company, on a major deal in 2009, to supply carbon credits through its London-based subsidiary, Gazprom Marketing and Trading, to Japan's Marubeni Corporation. Marubeni, one of Japan's leading trading companies, will trade the credits in the Japanese energy market under the Emission Reduction Purchase Agreement, helping to reduce global carbon emissions.

Advising KBC Finance Ireland in relation to its senior financing of a **41.4MW wind farm located in Suwatki, Poland**.

# Deal stream

## Infrastructure

## Transport

## Technology

Advised The National Commercial Bank on a SR1.5bn Islamic financing for the Al Tuwairqi Group in relation to the design, construction, commissioning, financing and operation of steel billet and pellet plants and related infrastructure in **Dammam, Saudi Arabia.**

Advised **Dawnay, Day Treveria plc**, a leading AIM-listed property company, on its strategic review, the reorganisation of its property and asset management functions and the severing of its links with the Dawnay Day Group.

Advised the **Public Debt Management Office of the Ministry of Finance of Thailand** on the proposed reform of the regulatory framework of the PPP projects undertaken by Thai Government agencies.

Advised **the UK water regulator, OFWAT**, on Thames Water's £2bn Tideway Tunnel Project, involving the construction of London's deepest ever tunnel up to 80 metres beneath ground level and comprising over 30km of seven metre wide tunnel, running beneath the River Thames.

Advised **Hyde Housing Association Ltd** and its special purpose subsidiary Brent Co-Efficient Ltd in relation to the successful close of the Brent Social Housing PFI.

Advised **Unicredit Corporate Banking SpA** on the €40m debt package supporting the acquisition by Fondo Estense – Grande Distribuzione of three properties owned by certain Italian subsidiaries of the German group METRO.

Advised on the signing of a facility of up to US\$400m with Barclays and KfW to expand support for **infrastructure finance in low income countries.**

Advised BNP Paribas/BNL on the funding of a PPP for the construction of a **pre-treatment waste facility in Italy**, inclusive of a compost generation line.

Advised CDG Capital on the establishment of a €1bn investment fund to invest in infrastructure projects in the **Mediterranean region.**

Advised the shareholders of Wana Corporate (SNI and ONA) on the opening of Wana's share capital to Al Ajjal Investment Fund Holding, an investment fund wholly owned by the **Kuwait Investment Authority and Zain, the Kuwaiti Telecom operator.**

Advised ICICI Bank, **India's second largest bank**, on the partial financing of GMR Infrastructure Ltd's US\$1.3bn acquisition of 50 per cent of InterGen NV, a global power generation company.

Advised **HSBC Rail** on the investigation into the leasing of passenger rolling stock by the Competition Commission.

Advised **Skandinaviska Enskilda Banken AB (publ)** on a €700m secured loan and bonding facility made available by SEB, together with Natixis, Société Générale and Dexia, to STX France Cruise SA (formerly Aker France).

Advised HSH Nordbank as mandated lead arranger and RBS as borrowing base agent in a US\$1bn syndicated borrowing base facility for Aegean Marine Petroleum, a **NYSE-listed entity.**

Advised the **UK Office of Rail Regulation (ORR)** on aspects of the Periodic Review 2008, including drafting revisions of schedules to the model passenger, freight and open access track access contracts. We also advised ORR on the substantial modifications of Network Rail's network licence that came into force in April 2009, and assisted in the drafting of the licence conditions.

Advised **British Waterways Board** on the £500m development scheme to provide a new station at the Isle of Dogs, a key element of the UK Government's £16bn Crossrail project.

Advised a syndicate of banks (including HSH Nordbank, KfW IpeX Bank and DVB Bank) on the US\$250m financing of a portfolio of 11 aircraft for Genesis Lease, which are to be leased to **airlines in the US, India, Germany, UK and Brazil.**

Advised BNP Paribas and Natixis on the **first ever French optimised lease combined with Islamic financing.** The transaction for eight Airbus A320 aircraft for Air Asia was valued at US\$336m.

Advised HS1 Ltd on various contractual issues concerning the **Channel Tunnel Rail Link** project.

Advised senior lenders on a US\$192m loan financing of three tankers for a joint venture between **Mitsui OSK Lines, Ltd and Oman Shipping Company SAOC. Sumitomo Mitsui Banking Corporation** arranged the loan, and they and The Bank of Tokyo-Mitsubishi UFJ, Ltd underwrote the transaction as senior lenders.



Advised the syndicate of senior foreign banks and the mezzanine fund in connection with the €195m financing of the acquisition of the leading transport solution company, GTS Group, including GTS Novera a.s. in the **Czech Republic**.

Advised the **UK Department for Transport** on the £1.5bn procurement of 106 extra carriages for the fleet of Pendolino trains, manufactured by Alstom, for use on the West Coast Main Line, and related maintenance and depot-upgrade arrangements.

Advised Sequalum, one of France's leading cable companies, Eiffage, a European construction and civil engineering company and LD Collectivités, part of the NeufCegetel group, on the set-up of a high speed telecommunications network in **Paris**.

Advised **Daiichi Sankyo, the second largest Japanese pharmaceuticals group**, on the acquisition of U3 Pharma AG, a German biopharma company.

Advised **Oracle Systems Corporation** on the acquisition of Advanced Visual Technology Ltd, the leading provider of 3D visual macro space planning software for retailers.

Advised the **French listed group PPR** on employment matters and on the consultancy process for the sale of YSL Beauté division to L'Oréal.

Advised **Gharda, an Indian chemical manufacturer**, on a dispute with its previous European distributor concerning both a contractual claim and allegations of patent infringement, including a European patent designating France and Germany, and an equivalent UK patent.

Advised Sumitomo on the acquisition of a strategic stake in **MTASB, the first mobile voice network operator in Malaysia**.

Advised **Steria Services Limited**, the leading end-to-end IT services provider, on a complex integration within the group, involving three final salary schemes and a group personal pension plan. Our work included achieving an appropriate solution for the company in the case of the major final salary schemes and continuing work on the final salary scheme.

Advising **France Telecom** on its successful participation in the tender launched by the Tunisian Government for the granting of fixed line and 3G mobile licences in Tunisia. This transaction was the largest investment by a French entity in a Tunisian company to date.

Advised the **UK Department for Culture, Media and Sport** on competition law issues relating to the UK Government's review of public service broadcasting as set out in the "Digital Britain" interim report of January 2009.

# Report on the year

People

Knowledge

Innovation

Environment

Pro bono

Community

Charitable giving

## Testing times Resilient culture





# People

**We aim to provide our clients with the highest standards of legal advice across our worldwide practice. We achieve this by investing in our people and by maintaining the skill base of the Group at the highest possible level.**

## Identifying future talent

In our recruitment of young lawyers, we look for people who show ambition, determination and the desire to pursue an international career; we value emotional intelligence as much as we do academic strengths. We are seeking individuals who will be assets to us and to our clients for years to come. Our recruits see in us a world-class employer who will develop their potential and value their loyalty.

Our trainee lawyer schemes operate in the UK, the Netherlands, Germany and parts of Asia. Each year, we identify our trainees from a pool of more than 2000 applicants in London alone. Our approach is open-minded: we recruit from the traditional and non-traditional universities. This year, our London trainees have come from 30 universities and speak 22 languages between them. Around the world we have taken on trainees and placement students in Athens, Brussels, Amsterdam, Prague, Frankfurt, Munich, Paris, Bangkok, Warsaw, Hong Kong, Milan and Rome, and this talent is sourced from various university and non-university initiatives.

Our recruitment methods are a mix of the well-established and the innovative. This year we have sponsored several initiatives. "Target Chances" focused on university students (in law and other disciplines) who come from a range of ethnic minorities around the world. Another scheme for graduates in which we were involved this year was initiated by the City Solicitors Educational Trust to encourage graduates to apply for training contracts. The scheme is aimed at attracting and investing in high-performing students who, for various reasons, may not have considered a career in the law. Help is given in the form of funding for educational programmes, including summer schools.

Our efforts are not just directed at undergraduates or graduates. "Pure Potential" involved a group of organisations helping students from deprived backgrounds to improve their chances of getting a place at university and to consider law as a viable career option. We took part in a series of one-day events at universities across the UK, advising on interview techniques and career options.

We were also involved in "Pathways to Law", providing sixth formers from under-represented backgrounds with work experience. Initially set up to provide opportunities for students from state schools in England who are interested in a career in law and who will be first generation attendees at university, Pathways to Law has since evolved into a two-year programme involving law taster sessions, careers events and mock trials.

We also work closely with law faculties, careers services and student law societies to run skills sessions and other recruitment events, and we have campus managers at three UK universities who promote Norton Rose Group and research new ways to reach students.

Outside the UK, we sponsored the European Law Moot Court (involving students from Europe, the United States and elsewhere). Our participation has enabled us to create links with many university students that have subsequently led to offers of traineeships.

## No.1

law firm of the year

*The Lawyer awards 2009*

## Top 100

graduate employers

Norton Rose LLP

*The Times 2009*



**talent is what interests us, and our clients; and talent, of course, can be found in many different places**

### **Developing exceptional lawyers**

In early 2008 we instituted a career development framework for associates designed to help us identify and develop exceptional lawyers, the ones who will lead us in the future. The framework also allows for all our lawyers to be assessed against a set of technical and professional behavioural competencies that they need to acquire before they can be considered for promotion. This transparent approach means that – at each stage of their career – each lawyer knows where they excel; and where they need to improve.

The framework allows junior lawyers working on transactions and cases to improve their confidence and capabilities with the expert guidance of experienced partners. The framework also allows the most gifted to be fast-tracked. We no longer follow the traditional model of post-qualification experience. Instead, we are now able to promote the most talented lawyers through our bespoke career path, if we are satisfied that their performance demonstrates their right, on merit, to promotion. The framework is now entering its second year; feedback from associates and partners has been unfailingly positive.

Our work in this area was recognised when we were one of the finalists for the *Lawyer* HR awards under the category “Innovation in talent management and retention”.

### **Perpetuating an open and inclusive culture**

We strive to be open and inclusive in our recruitment and development of our staff. A person’s gender, race, religion, sexual orientation, disability or age is irrelevant. Talent is what interests us, and our clients. And talent, of course, can be found in many different places. This year we have continued to build on our diversity programme; for the second year running, we were the top-ranking legal practice from among the large City law firms in the Black Solicitors’ Diversity League Table 2008. Rankings are based on the proportion of ethnic minority and female staff employed at partner, associate, trainee and paralegal levels.

The retention and development of female lawyers has been a particular focus for us. We have introduced maternity coaching, widened the scope of our flexible working policy and developed a customised information pack for pregnant women in our staff. We are also reviewing the career progression of our female lawyers.

We believe our diversity programme is making a real difference. To quote one of the respondents to our internal opinion survey:

I was apprehensive about returning to work following maternity leave, but Norton Rose were so supportive of my return to work, and went out of their way to come up with a tailor-made role for me, which I could do three days a week, on a fixed-hours basis. I am still doing fee-earning work, which is fantastic from a career development perspective. I believe Norton Rose has been completely visionary in seeing that there is scope for me to make a valuable contribution to fee-earning work by being flexible and doing some work from home to fit round my child-care arrangements.

### **Valuing our people**

In recent years much has been said about looking after your people and paying attention to the well-being of your staff. We have interpreted this in a number of ways, from the Flex scheme we have introduced (to hold onto our people in difficult times) to the normal run of training courses. Recent workshops on the importance of sleep and diet have proved extremely popular as have our confidential counselling service and employee forums. We value our people, and work to keep our communication lines open, at all times.

# Knowledge

**Providing opportunities for our people to acquire knowledge and learn new skills is key to our success. Creativity leads to innovation. In addition to fostering creative thinking, our training develops the technical knowledge and skills of all our lawyers and staff.**

## Legal training

We have over 1200 legal staff; all of them are offered training in core legal topics. This year, we concentrated on contract law. Everything we do as a legal practice revolves around contracts and we felt it was time to re-examine those fundamental principles. Lawyers specialise sooner and more rigorously than they did 20 years ago; our discussion groups, bringing together trainees, associates and partners alike, across all practice areas, give people the opportunity to think about the basics of contracts all over again. In the past 12 months we have run contract law workshops in London, the Middle East and Asia Pacific. Next year, we will extend the programme to all our European offices.

Another component of our knowledge programme this year has been knowledge sharing. We ran a series of workshops for our lawyers to share their specialist knowledge with colleagues. These sessions are an intrinsic part of our culture and we encourage them to take place on an informal basis as much as they do within a structured framework.

## Client training

We encourage our clients to join us for training. This year we have delivered seminars which are open to all clients and seminars which are tailored to individual clients' specific needs.

We have delivered legal training to clients on a wide range of topics and in a variety of forms. Many have been influenced by the economic situation in the past year; seminar topics have included distressed M&A transactions, restructuring European LBOs, European bond restructuring, restructuring in various jurisdictions in Asia Pacific, and round-table discussions with individual clients on market disruption and lender insolvency issues. We have also developed e-learning modules on some core topics – contract law, competition compliance and other topics – to enable clients to train their own people, making savings on time and cost.

Our clients are also interested in our training covering performance development and business skills; over the last year, 64 clients have joined our lawyers for sessions on topics such as strategic negotiation, persuading and influencing, cultural awareness and voice training. Our trainers have also run customised training for clients at their offices: sessions have included drafting for a major bank in Paris and delegation and time and work management for a communications company in Romania. These bespoke sessions have provided opportunities for us to form closer relationships with our clients.

## Professional development

Last year, to general acclaim, we introduced the career development framework for associates across our practice globally. To support our lawyers' development through this career structure we have increased significantly the number of courses we provide across our offices. In addition, this year we provided many more courses which are essential back-up for the framework, including sessions addressing best practice in communications, and people- and time-management.

# 81%

of our people worldwide participated in our learning and development programmes this year

# 200+

individual career development sessions were run across 16 jurisdictions



**this year, we concentrated on contract law ... we felt it was time to re-examine those fundamental principles**

As part of our international talent development programme we ran individual career development sessions with associates in a number of our offices, including Beijing, Frankfurt and Abu Dhabi.

Our Distinguished Speaker Programme, run in London, is a chance for our lawyers, staff and clients to hear experts discuss topical issues. Each session is followed by the opportunity to network. Highlights during the year included speakers on HSBC's approach to risk in light of the credit crunch and the Chairman of the International Accounting Standards Board on fair value in the existing market.

### **Knowledge sharing at the highest level**

In autumn 2008, we conducted an executive confidence survey, in collaboration with the Economist Intelligence Unit, which examined the effects of the global economic downturn, its probable impact in 2009 and how companies could prepare themselves to weather the crisis and emerge positioned for growth. The survey represented the views of over 900 senior executives across a range of industries and markets worldwide.

The resulting report, *CEO briefing 2009*, was published in January 2009. Its key findings were as follows: a steep fall in business confidence characterised the transition to 2009; executives in financial services, transport and the retail and consumer goods sectors were the most pessimistic; companies were wary of the risks of doing business in the US; cost control would be a key priority in 2009; the value of M&A deals would decline sharply in 2009, but CEOs from stronger, cash-rich businesses would face good-value M&A opportunities; and most firms expected to continue investing.

Understanding these issues was crucial to our clients, in particular being able to gauge the views of their peers and see how other organisations were responding to market conditions. Our analysis went to over 30,000 business people globally, and briefings addressing local market issues were held in the UK, France, Singapore, Poland and the Middle East.

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### **Short courses in 2008–9**

- Strategic negotiation
- Persuading and influencing
- Cultural awareness
- Making an impact with your voice
- Be an outstanding presenter
- Deliver effective feedback
- Draft commercial contracts
- Credit crisis discussion group: market disruption
- Jurisdiction clauses and the introduction of Rome II
- Execution of documents and the *Mercury* decision
- Contract words: parties and consideration

# Innovation

**This year unprecedented changes in the financial system have brought innovation in advice and solutions for our clients. We continue to come up with new, improved means of channelling knowledge. And we have responded to the difficult market conditions with an imaginative contingency scheme involving flexible working for our staff.**

## **Flexible workforce**

Many companies have responded to the global recession with redundancy programmes. We decided on a different approach. We had to make cost savings – that was unavoidable – but we chose a route which we felt was better suited to our business and, importantly, which would enable us to safeguard the interests of our clients and our people.

Our scheme is called Flex. At the end of extensive consultation with staff (resulting in 97 per cent approval of Flex in the London office), we are now able to ask individuals to either work a four-day week for 85 per cent of pay or to take a sabbatical for a period of up to 12 weeks at 30 per cent of pay. No employee will have their salary cut by more than 20 per cent during the fiscal year.

Flex does three things. It allows us to retain our people (and demonstrate the value we place in them). It puts us in a position to respond fully to the needs of our clients when the economy picks up. It gives us a flexible labour pool over the next year.

The response to this innovation in the face of the economic downturn – among external commentators and internally among staff – has been excellent. We are committed to providing our clients with continuity of service. We are also determined to make Norton Rose Group the very best place to work.

## **Corporate integrity**

This year we launched a business ethics and anti-corruption group. Built around our expertise in fraud, regulation and compliance, white collar crime and corporate governance, the group enables proactive management of litigation risks and the protection and enhancement of business reputations. The group has handled a number of high-profile matters across multiple industry sectors and geographic regions, including Europe, Asia Pacific, Latin America, Africa and the Middle East.

We provide comprehensive training programmes bespoke to clients' policies, procedures and practices, combining the expertise of our lawyers with the wide-ranging and complementary skills of external consultants. These programmes cover developing and implementing business ethics concepts, codes of conduct, whistleblower systems, escalation procedures, internal investigation processes, and implementing values-based compliance management systems. We have delivered training to companies in the UK and internationally across the banking, energy, aviation and construction industries. We are also developing a range of products to assist clients in identifying and managing risk, including a corporate integrity assessment toolkit and a series of country risk scorecards outlining the legal and regulatory environment in more than 150 jurisdictions.

We are playing a key management role in developing a Centre for Ethics and Law with University College London. We have also set up our own online resource centre dedicated to business ethics and anti-corruption and regularly host seminars and round-table discussions for business leaders.

## **Finalist**

innovation in talent management and retention

*The Lawyer HR awards 2009*

## **Short-listed**

Knowledge Cascade

*Legal Technology awards 2009*



**this year  
we launched  
a business  
ethics and  
anti-corruption  
group**

## **Risk management**

In 2008 we undertook a global survey on sourcing strategies for technology and outsourcing projects. The survey gave us an insight into what, in the case of customers, can be regarded as industry best practice and, in the case of vendors, their experience of customers' procurement processes, which we have shared with our clients. One of the conclusions from the survey was that some customers did not fully understand how risks were mitigated in their outsourcing project and would, in fact, be prepared to accept more risk than their contracts provided for, if they understood the risk and mitigation strategies better.

In response to this feedback, we have developed Riskmanager, a web-based risk management model/tool that maps risks, their probability and likely impact, desired risk-sharing profiles, and both contractual and operational mitigation strategies in a user-friendly text and graphical format. The advantages are apparent at the contract creation stage (in planning what approach to take with the counterparty); the contract negotiation stage (as it maps whether contractual mitigation strategies have been achieved); and after the deal (as it forms an accessible record of the risk profile and how it was arrived at for those who were not involved in negotiating it). Riskmanager has wide applicability to our clients and markets; it applies to any contract-based transaction or matter; it also applies across a wide range of industries and geographic markets. We intend to launch Riskmanager in the second half of 2009.

## **Knowledge sharing**

Last year our know-how experts launched our Knowledge Cascade, through which we deliver matter-specific knowledge and resources direct to our lawyers' desktops. We also launched NavigatoR, our no-search know-how search engine. This year, we went one step further and made NavigatoR available to selected clients, giving them access to a mix of their own, confidential know-how (held in our system), templates, guidance notes, training materials, briefings, profiles of key people and, in some cases, know-how from external providers available on subscription.

## **Alerts**

International financial institutions continue to focus on their regulatory and risk management procedures. We have devised an online service to alert them to developments in the market and assist in checking compliance. Our Basel 2 Asset Finance Alerts, launched in 2008, were an immediate success. This year, we expanded our coverage. The Norton Rose Group Alerts now cover commercial real estate, mining finance and general credit risk mitigants (such as guarantees, share security and derivatives), as well as asset finance.

## **Videocasts**

We are able to reach our clients wherever they are located in the world, through videocasts. This year our video updates focused on financial services issues; the feedback was exceptional. In a fast response to the economic downturn, we also produced a wide-ranging crisis management Q&A series with *Legal Week*. Our specialists were interviewed on a range of topics including tax litigation, legal challenges to share schemes, insolvency of a trading partner, anti-corruption enforcement, and employee bonus schemes.

# Environment

**Change requires a group effort. We first set out our environmental strategy in 2003; recognising that the impending move to our international headquarters at More London would present opportunities for change, we took care to influence the design and fit-out of our new building to exceed existing environmental standards. We marked the second anniversary of our relocation in 2009. The celebrations were made more special with the news that we had won both the regional and the national awards for workplace fit-out in the British Council for Offices awards 2008.**

In 2008, we commissioned an independent review to identify where we could improve and update our environmental policy and procedures. We have now reshaped both policy and procedures, set the business some targets and established a management-level environmental committee, responsible for implementing our environmental policy (as directed by our Executive Committee) and for monitoring its operation. This review gave us the impetus to introduce long-term changes to measuring and reducing our impact on the environment.

We view staff engagement as key. In early 2009, we launched a campaign engaging our staff in support of our environmental objectives. The first phase focused on waste management and energy consumption issues: Reduce, Re-use, Recycle. The campaign was rolled out with objectives ranging from the macro (making adjustments to the lighting in our London office to save energy) to the micro (improving signage on working floor bins to reduce contaminated waste). For us, reducing waste and at the same time cutting back on consumption is something for everyone to get involved in. We started with a waste seminar last November and since then have made a number of incremental changes to reduce waste in our consumption of food, paper and energy.

Our environmental review also led us to join Green500, a London Development Agency initiative set up to help London's largest organisations reduce their own carbon footprint (and of course that of London).

The environmental work we are carrying out in London is very much the starting point – the flagship. In the next 12 months we will be encouraging and supporting our offices around the world to follow suit.

## **UN climate change negotiations**

Our climate change team were in Poznan for the UN climate change negotiations which took place at the end of 2008. The team held online seminars (webinars) for clients on the process and substance of the international negotiations. This was followed by daily updates on regulatory developments which could have an impact on their business, as well as an event at which the Executive Director of the UN Environment Programme gave the closing address. Internally, an informal, daily blog by our team (climate change specialists from our London, Brussels and Warsaw offices) covered their unusual two-week life as part of an international negotiation process and raised awareness of the issues throughout our offices.

## **Africa CDM pledge**

Together with a number of UK-based financial firms, we have pledged to support clean development mechanism (CDM) projects in sub-Saharan Africa by taking part in a pro bono scheme organised by the UK Government to boost sustainable development and carbon market investment in Africa. The initiative, launched by the Department for Environment, Food and Rural Affairs, will focus on projects that suit local conditions, maximising the value from the carbon market to host countries and communities, and is expected to be worth US\$2 million in CDM investment in its first year.

## No.1

fit-out of workplace  
(regional and national  
categories)

British Council for Offices  
awards 2008

## 10%

our commitment  
to reduce energy  
consumption in  
our London office  
in 2009

## 150/500

we are pleased  
to be the  
150th member  
of Green500



**the first phase  
of the campaign  
focused on waste  
management  
issues: Reduce,  
Re-use, Recycle**

### **Environmental law and brownfield sites**

Our environment, safety and planning team are currently handling one of the leading environmental law cases in the UK under the contaminated land regime. The case concerns contamination of groundwater by carcinogens over a period of some 50 years and examines the division of liability between the original polluter and subsequent innocent owners or occupiers. The case examines the principles of apportionment of liability for historic contamination, retrospective strict liability, and an assessment of appropriate remediation standards. The Secretary of State's decision is awaited later this year and will set a precedent for brownfield site redevelopment in the UK.

### **A green economy**

We have over 50 dedicated clean energy experts based across Europe, the Middle East and Asia. Our focus has been on bringing together these specialists to form an integrated Green Economy Team and over the past 12 months, our specialists have advised on all types of clean energy projects across the world.

Governments around the world are facing complex energy issues including a continued increase in demand for greater power capacity, import dependency and security of supply, concern over remaining fossil fuel reserves and concern about environmental pollution. In the last six months the potential of clean energy to respond to these issues and to stimulate economic growth has been acknowledged and more than US\$430 billion allocated in fiscal stimulus to key climate change investment themes. The scope of our own Green Economy Team's work will undoubtedly continue to expand.

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### **A green economy**

#### **We have advised on clean energy projects in:**

Bulgaria  
Caribbean  
China  
Croatia  
Cyprus  
France  
Germany  
Greece  
India  
Italy  
Japan  
Jordan  
Netherlands  
Poland  
Qatar  
Republic of Ireland  
Romania  
Singapore  
Spain  
Sweden  
UK (including Northern Ireland)

# Pro bono

**Our pro bono programme serves two purposes. It enables us to use our professional skills and experience to help members of our community. It also enables us to learn and to grow as lawyers. For that, we are indebted to the organisations which run local law centres, employment clinics and advice centres, and which year after year welcome our associates and trainees through their doors.**

In London we have, over many years now, volunteered our time at evening drop-in clinics at Wandsworth and Merton Law Centre in Tooting (in south London) and at Tower Hamlets Law Centre in Whitechapel (in east London), and we continued to do so this year. We have had a connection with Tower Hamlets Law Centre since the late 1970s. The scope of advice needed is wide; people walk in with all manner of issues, often related to employment, immigration or benefits.

The Free Representation Unit in London (founded in 1972) provides people with representation at tribunals on employment, social security and child support appeals; it also handles some immigration and criminal injury compensation cases. We have a longstanding connection with the Unit. The Advice Bureau at the Royal Courts of Justice in London is another channel for our pro bono work – and an important means by which we broaden our litigation training.

Using our knowledge to help others extends to education, too. In France, the *Education Nationale* (Ministry of Education) joined forces with the Paris Bar to give students in secondary schools legal awareness training. Our Paris office began supporting the *InitiAdroit* programme two years ago and has kept it up this year. The experience is not just good for the students; it engages lawyers and teachers alike.

We find that our pro bono initiatives are of particular benefit to our new and junior lawyers, giving them the opportunity to sharpen their skills as interviewers, analysts and good communicators. As a result, they acquire skills that will make them exceptional lawyers; they also feel positive about themselves and about the profession they have entered.

## **Kew Community Trust**

In 2009 we helped Kew Community Trust (KCT) to negotiate a new lease with St Luke's Church in London. KCT's main purpose is the Avenue Club, a community social club with an emphasis on helping elderly residents combat social isolation, enjoy a good quality of life and maintain a level of independence. By providing a range of services and activities – from hot meals and day trips, to entertainment and talks – KCT works to keep members mentally and physically active.

As well as providing a pro bono legal service, we were pleased to pay the Trust's Land Registry fees and various disbursements, enabling them to maintain the level of service they offer to the community.

## **Jamii Bora Trust**

It doesn't matter where you are from, just where you are going. That is the view of Jamii Bora Trust, in Kenya. Jamii Bora Trust is a source of loans and financial services for around 250,000 people. Established as a charitable trust in 1999 at the initiative of 50 street beggar families in Nairobi, the Trust now has over 170,000 members, many of whom are street beggars or former street beggars (Jamii Bora's philosophy is that no-one is too poor to become a member of Jamii Bora). Jamii Bora's mission is to help its members get out of the poverty trap and build a better life for their families. Members of Jamii Bora typically start out by saving a bit of money which, over time, qualifies them for a micro-business loan. Business owners come from all walks of life and often require additional education to help them manage their business.

## 80 hours

a week for the Free Representation Unit

## 4000

people joined the London Legal Walk and raised £380,000+



**it doesn't matter where you are from, just where you are going; that is the view of Jamii Bora Trust, in Kenya**

One of our corporate finance associates made use of a period of unpaid leave after qualifying to travel to Kenya (supported by us through help with travel costs and IT resources) to help Jamii Bora conduct a needs analysis around its members' training requirements.

### **London Legal Walk**

This year, three members of our dispute resolution team organised the London Legal Walk to raise money for under-funded law centres to prevent them from closing. On the day, 4000 walkers stayed the course, among them 40 of our own people. Our three dispute resolution lawyers are all strong supporters of the law centre as a concept and have supervised our volunteer rotas for the centres with which we are affiliated.

### **Free Representation Unit**

One of our competition law specialists volunteered his time on two separate occasions, in November and again in March, to assist, through the Free Representation Unit, on two cases, in each one representing the claimant in an employment tribunal. He had this to say about his 80-hour weeks at the FRU:

Generally, you pick up the case a week before it goes to trial, research the law in that area, go through the evidence, put together the case, and then do the advocacy. By the end, you have given that individual their day in court (and shielded them from a grilling) and you have hugely improved your own forensic ability.

### **Tooting Law Centre**

Pro bono is not just the preserve of our junior lawyers. One of our senior dispute resolution lawyers advised one of the law centre's clients on her claim for unfair dismissal, and acted on the client's behalf when her former employer appealed to the Employment Appeal Tribunal contesting the claim successfully brought against it at first instance. The case involved complex arguments around sovereign immunity. The client successfully challenged the appeal.

### **The Pistorio Foundation**

The Pistorio Foundation is a Swiss-based, not-for-profit organisation which helps children living in some of the world's poorest regions by providing health, nutrition and education services and other direct aid. Our collaboration with the Foundation began last summer. Two of our Milan staff have advised the Foundation on obtaining non-profit organisation status in Italy, on how to open a bank account in Italy to receive donations and on the procedures by which the Foundation can qualify for "5 per mille" status (enabling tax-payers in Italy to donate a portion of taxes on earnings to non-profit organisations).

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### **Related links**

[freerepresentationunit.org.uk](http://freerepresentationunit.org.uk)  
[iniadiroit.com](http://iniadiroit.com)  
[jamiibora.org](http://jamiibora.org)  
[kewcommunitytrust.org.uk](http://kewcommunitytrust.org.uk)  
[lawcentres.org.uk](http://lawcentres.org.uk)  
[londonlegalsupporttrust.org.uk](http://londonlegalsupporttrust.org.uk)  
[rcjadvise.org.uk](http://rcjadvise.org.uk)  
[pistoriofoundation.org](http://pistoriofoundation.org)

# Community

**When times are difficult, it becomes even more important to reinforce the ties that bind communities together. We have our own community, the one we create for our people; and we have strong ties to the local communities in which we work.**

## The local community

Southwark is one of the most diverse areas in the UK and has been our local area for the last two years, since our move to More London. Southwark is the focus of a major urban regeneration programme which is designed to narrow the inequality gap and to promote environmental sustainability on a world-class level. The work of regeneration begins with skills building, and our staff are keen to be part of the solution.

We go into local schools in Southwark every week. This practice is not unusual for us: we ran a schools programme when we were located in the City of London. This year, we achieved our highest ever number of primary school teaching partners: 66 people volunteer their time, each week, to run reading, sports and maths clubs at Tower Bridge Primary School and Hermitage Primary School. That adds up to 780 teaching hours over the course of a year, with a further 30 hours of administrative support from one of our banking know-how lawyers. A number of our senior support managers provide mentoring assistance to their counterparts at Tower Bridge Primary School and we also provide facilities at our office for teacher training. Each hour and each resource is freely given.

Often, it is the small gestures we make that really help. With state-of-the-art offices, we are sometimes asked by local schools and charities if they can use our meeting or entertainment facilities for annual general meetings or fund-raising functions. Similarly, this year, our staff donated cakes, tins of food, tea and other groceries as a gift for some of the old people in Southwark. For us, it is an automatic response; if we can help, we do.

## The Norton Rose Group community

We have 24 offices which span eight time zones and it can be hard at times to maintain a close sense of community. Communication has to be transparent, free-flowing and simultaneous across all regions. Early in 2009 we broadcast a series of videocasts in which Peter Martyr, our Chief Executive, spoke to all staff worldwide, addressing important issues. The feedback made it emphatically clear that this approach worked. We shall continue in this vein and shall seek other, equally-innovative ways of communicating with staff.

We had additional, rather more formal feedback from our staff in 2008 when we participated for the first time in the Best Companies survey, conducted by Best Companies Ltd. We achieved a one-star accreditation in the Best Companies 2009 listing, which classifies Norton Rose LLP as a “first class” company. This accreditation comes as the result of a questionnaire issued to London staff about what it is like to work for the practice. Some of the staff feedback is set out at the front of this report. This is the first time we have participated in the survey and we are delighted with the results. We joined five other City law firms in the 2009 edition of the *Best Companies Guide*, which was released in April.

## One star

accreditation  
Norton Rose LLP  
“first class”

*Best Companies 2009*



## 780

teaching hours  
freely given

## 42

students in our  
in-house music  
programme



**for us, it is an  
automatic  
response; if we  
can help, we do**

### **Women at work**

Our Paris team has become involved with *La Courte Echelle*, a women's business mentoring project set up by the French women's organisation, Arborus. The project pairs up professional women with women who, for whatever reason, have found it difficult to obtain work or have encountered barriers in their advancement (sometimes because of family commitments or career breaks, sometimes simply through lack of opportunity in their upbringing). One of our know-how lawyers was our first volunteer on the programme. She took on the role of mentoring a woman who, after studying law, was hoping to work in an international organisation. Between them they made a success of it, securing a job that was right for the person.

### **Working with schools**

Tower Bridge Primary School had after-school clubs for chess and mathematics but none for literature, until one of our public relations team became a reading partner and asked to set one up. She bought each child *The Shakespeare Stories* (a set of 12 adaptations) and spent several weeks taking her group of three girls and two boys through five of the plays. They read Hamlet's soliloquy in the original text, picking out lines they liked; they analysed posters of *As You Like It*, watched YouTube clips, re-enacted favourite scenes, designed their own staging and performed the wedding scene; and, at the end, they toured Shakespeare's Globe theatre in Southwark and took part in a workshop. Our PR executive gave time and enthusiasm; we gave funding for books and the theatre trip.

### **Sporting ties**

Many of our staff love sport – another ready-made community. This year our Singapore office became a sponsor of the Centaurs, a junior rugby team. Founded in 2002, Centaurs Mini and Youth Rugby strives to make rugby accessible to every child in Singapore between the ages of 3 and 18. As well as encouraging physical fitness, Centaurs believe team sport nurtures teamwork, leadership and decision-making skills. They currently have around 400 boys and girls playing in all age brackets.

In the Middle East, our Abu Dhabi team sponsored the inaugural Etihad Junior Rugby Festival in November 2008. Over 1600 boys and girls from local and international teams took part in the two-day festival, which celebrates rugby as a sport and encourages children from all backgrounds to take part.

Our London team are looking now for local charities (focusing on sport for disabled and disadvantaged children and young people) to provide them with financial and practical help. We will be launching this initiative in the second half of 2009.

### **Music**

Our subsidised music lessons continue to be extremely popular. They run over three terms a year and across seven disciplines: classical piano, jazz piano, singing, saxophone, violin, clarinet and guitar. We have 42 students enrolled on the programme and have just launched our own office choir. The music doesn't stop when the term ends, either. The music room – complete with baby grand piano – is open to our staff at any time of day, and they make good use of it.

# Charitable giving

**We are people who like to help charitable causes both financially and in a practical way. Our only requirement is that we make a real and tangible difference to those we are helping. We support a number of charities through fundraising, volunteering our time or simply making a donation. The Norton Rose Charitable Foundation – funded entirely by donations from our partners – enables us to help charitable organisations and causes all over the world.**

Making charitable donations is not just the preserve of our partners. We have an active staff charity committee which donates time and resources to coordinating the many fundraising activities our staff get involved in. The two organisations collaborate closely, with the Foundation often match-funding the fundraising efforts of employees. Our focus in the last year has been on integrating our international offices' charitable giving and fundraising, with the result that we now have an established network of representatives across the Group.

## **Barretstown: our principal charity**

Barretstown is an international charity which provides a programme of therapeutic recreation for children with serious illnesses and offers support at times of bereavement. It is our principal charity. Members of our staff charity committee visited Barretstown in Ireland for a site maintenance weekend in November 2008. One of the committee members used part of her sabbatical to assist as a *cara* (volunteer carer) on two weekend camps; she has just been invited back by Barretstown to help with another camp in 2009. Other staff are also making plans to go there in the next 12 months.

## **Disaster relief in Asia**

Following the earthquake in Sichuan last year, which occurred shortly after a devastating cyclone in Burma, we put out a request for donations from all staff to help support survivors. With both disaster zones drawing on aid from around the world, the money raised was divided between the two causes. But, with offices in China, the Sichuan earthquake was a little closer to home, especially for some of our staff. The Norton Rose Charitable Foundation decided to give additional help in a way that would yield a solid, practical outcome. We have therefore funded the building of a new school in a small village in Sichuan, which is now under construction.

## **Teamwork in Paris**

In June 2008, a team from our Paris office organised their second annual away day with *L'Envol*, a French charity which arranges holidays for children with chronic illnesses. Among other tasks, the team were asked to donate – and then build – a shed near the pond for the children's fishing activities. The amount of teamwork required to get the shed erected and freestanding was, to put it mildly, impressive.

## **Heart and sole in London**

Our London office is located just across the river from the Tower of London. The annual ten-kilometre Tower Jog (around the Tower of London) in aid of the British Heart Foundation is one of the highlights of our London office's social calendar. This year, over 150 people from our various London teams jogged for glory and in so doing raised funds for the Foundation.

## **The last hour of the last day**

Sometimes the legal community's fascination with the chargeable hour can be put to good use. Towards the end of 2008, we invited all our staff around the world to donate the last hour of their pay in 2008 to the charity of their choice. This initiative was supported across most of our offices and by the end of the day we had raised a significant amount of money for 13 charities in 15 countries.

**150**

number of staff participating in Tower of London jog for the British Heart Foundation

**13**

number of charities across 15 countries supported by our donations (last hour of the last day of 2008)



**our focus in the last year has been on integrating our international offices' charitable giving and fundraising**

## Re-using clothing in London and Bahrain

The charity Dress for Success provides women who are starting a career or returning to work with suitable clothes for a job interview. To do this, they rely on donations from female professionals. We decided to support their cause – and to take the initiative wider by bringing in two other charities: the Manna Society, which runs a homeless centre close to our London office, and FonesforSafety, which reconfigures used mobile phones into 999-only phone alarms for victims of domestic violence. Staff in London brought in assorted stylish items from their homes to donate to the cause. The plan is to do this on a regular basis.

Having forged links with the Manna Society by donating items of clothing, our real estate team followed up by raising money for the Centre through an auction at our annual real estate reception.

Meanwhile, in Bahrain we were instrumental in setting up Attitude Exchange, which sells designer clothing and donates the money made on the sale (after commission) to a charity of the seller's choice.

All of this ties in with our philosophy of Reduce, Re-use, Recycle.

---

## We are pleased to support

ActionAid	National Autistic Society
Adfam National	National Blind Tenpin Bowling Association
Alzheimer's Research Trust	Orbis
ARP (Alcohol Recovery Project)	Oxfam
Ataxia UK	Prader-Willi Syndrome
Barretstown	Prostate Cancer Care
Beormund Community Centre	R.N.L.I.
Boost	Railway Children
British Blind Sport	Rainbow Centre for Children
British Heart Foundation	Respond
Business in the Community	RNID
Cancer Research	Royal British Legion
CHASE hospice care for children	Shaare Zedek Medical Center
ChildHope UK	South West London Law Centres
Childreach International	Southwark Carers
Children with Leukaemia	Southwark Helping Hands Club
CLIC Sarjeant	Southwark Homeless Information Project
CliniClowns	Southwark Pensioners' Centre
Cure Parkinson's Trust	Spinal Research
Cystic Fibrosis Trust	Strathcarron Hospice
DebRA	Stroke Association
Elimination of Leukaemia	Sworde Teppe
Enham	Teenage Cancer Trust
Evelina Family Trust	Thames 21
Friends United	The Guy Fox History Project
Ghurkas Trust	Tooting Law Centre
Jordan Youth Development	Toucan Employment
Leukaemia Research Fund	Tower Bridge Primary School Enrichment Club
Listening Books	Tower Hamlets Law Centre
London Legal Support Trust	Trust for Chernobyl Children
Macmillan Cancer Support	Upchurch Scout Group
Mercy Corps Mongolia	Vocaleyes
Merlin	Walk the Walk Worldwide
MIND	Wooden Spoon Society
Motability	World Emergency Relief
Motor Neurone Disease Association	YMCA

# About us

## Offices

### By region

#### Asia Pacific

Bangkok  
Beijing  
Hong Kong  
Jakarta\*  
Shanghai  
Singapore  
Tokyo

\*associate office

#### From 1 January 2010

Brisbane  
Canberra  
Melbourne  
Perth  
Sydney  
Ho Chi Minh City\*

\*associate office

#### Europe

Amsterdam  
Athens  
Brussels  
Frankfurt  
London  
Milan  
Moscow  
Munich  
Paris  
Piraeus  
Prague  
Rome  
Warsaw

#### Middle East

Abu Dhabi  
Bahrain  
Dubai  
Riyadh\*

\*associate office

# 2009

24 offices  
19 jurisdictions

as at 30 April

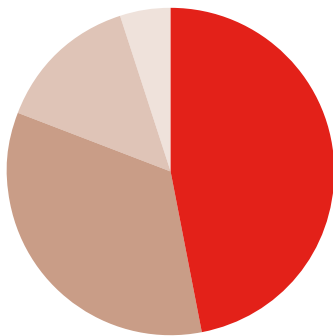
# 2010

30 offices  
21 jurisdictions

from 1 January

## Regional resources

### By number of partners and legal staff



- UK 47%
- Europe 34%
- Asia Pacific 14%
- Middle East 5%

# 47

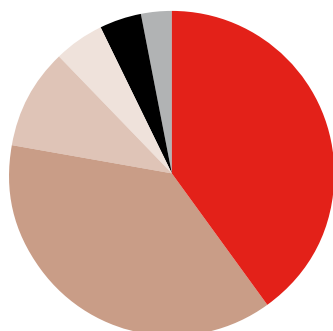
nationalities  
across the Group

# 53%

total partners  
and legal staff  
based outside UK

## Practice group resources

### By number of partners and legal staff



- Corporate finance 40%
- Banking 38%
- Dispute resolution 10%
- Real estate 5%
- Competition, regulatory and EU 4%
- Tax, employment, pensions and employee incentives 3%

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## Expertise

### A

Acquisition finance  
ADR (alternative dispute resolution)  
Antitrust  
Arbitration  
Asset finance  
Aviation

### B

Banking  
Biotechnology  
Business ethics

### C

Carbon finance  
Cartels  
Clean energy  
Climate change  
Commodities  
Communications, media and technology  
Competition, regulatory and EU  
Compliance  
Construction  
Corporate finance  
Corporate governance  
Corporate legal services

### D

Debt capital markets  
Derivatives  
Dispute resolution

### E

Electricity  
Employee benefits  
Employment  
Energy  
Engineering  
Environment, safety and planning  
Equity capital markets  
Expert determination

### F

Financial institutions  
Financial services  
Foods  
Fraud

### G

Gas  
Green economy

### H

Health and safety

### I

Infrastructure  
Insolvency  
Insurance  
Intellectual property  
Investigations  
Investment funds  
Islamic finance

### J

Joint ventures

### L

Life sciences  
Litigation  
LNG

### M

Media  
Mediation  
Mergers and acquisitions  
Mining and minerals

### N

Nuclear

### O

Oil  
Outsourcing

### P

Pensions  
Pharmaceuticals  
Planning  
Power  
PPP/PFI  
Private equity  
Privatisations  
Projects  
Public procurement

### R

Rail  
Real estate  
Regulatory and public law  
Reinsurance  
Renewables  
Restructuring  
Risk management  
Roads

### S

Securities  
Securitisation  
Shipping  
Structured finance

### T

Tax  
Technology  
Telecommunications  
Trade, commodity and export finance  
Transport  
Travel and tourism

### U

Urban regeneration  
US corporate finance  
Utilities

### W

Waste management  
Water

## Management, governance and advisory bodies

as at 30 April 2009

### Chairman (non-executive)

Paul Giles (Stephen Parish from 1 May 2009)

### Chief Executive

Peter Martyr

### Chief Operating Officer

Kevin Mortell

### Executive Committee

Peter Martyr

Tim Marsden, Global head of corporate finance

Lindsay Morgan, Global head of real estate

Kevin Mortell

Stephen Parish, Global head of banking (Jeremy Edwards from 1 May 2009)

David Stannard, Managing partner, Asia

Deirdre Walker, Managing partner, London

Paul Giles (*ex officio*)

### Audit Committee

Jonathan Ody, Head of compliance

Alexander von Bergwelt

Paul Giles

Chris Pearson

Peter Scott

### Global General Counsel

Val Davies

### Global Director of People and Talent Development

Andrew McEachern

### Board

Paul Giles

Alexander von Bergwelt

Simon J Cox

Jeremy Edwards

Claire Fougea

Peter Hall

Jean-François Mercadier

Martin Scott

Campbell Steedman

Dominic Stuttaford

Alexandra Triptree

# Norton Rose LLP

## Report and financial statements

Year ended 30 April 2009

Registration number OC328697

### **Contents**

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<b>50</b>	Independent auditors' report
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<b>53</b>	Consolidated balance sheet
<b>54</b>	LLP balance sheet
<b>55</b>	Consolidated cash flow statement
<b>56</b>	Notes to the accounts

# Members' report

## Group structure

These financial statements consolidate the financial statements of Norton Rose LLP (the LLP) and its subsidiary undertakings (the Group) drawn up to 30 April 2009.

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

## Principal activity

The principal activity is the provision of legal services.

## Designated members

The designated members were:

- Paul Giles (retired 30 April 2009)
- Peter Martyr
- Stephen Parish (appointed 1 May 2009)
- 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.

\*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 LLP will be proposed for reappointment.

On behalf of the Executive Committee



### **P M Martyr**

Chief Executive  
Norton Rose LLP

30 July 2009

# 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 2009 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 or material inconsistencies with the financial statements. Our responsibilities do not extend to any further information outside the Annual Report.

## 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 2009 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 LLP

Chartered Accountants and Registered Auditors  
London, United Kingdom

30 July 2009

## Consolidated profit and loss account

Year ended 30 April 2009

	Notes	2009 £'000	2008 £'000
<b>Turnover</b>			
Fee income		313,747	297,338
Recharges to clients		7,107	6,289
Other operating income	2	1,455	2,127
		322,309	305,754
<b>Operating costs</b>			
Staff costs	3	(145,925)	(119,075)
Other operating expenses		(95,818)	(89,103)
<b>Operating profit</b>	4	80,566	97,576
Share of operating (loss)/profit in joint venture	10	(999)	63
Net interest payable	5	(1,320)	(877)
<b>Profit for the year before taxation</b>		78,247	96,762
Taxation	6	(2,389)	(1,925)
<b>Profit for the year before members' remuneration charged as an expense</b>		75,858	94,837
Members' remuneration charged as an expense		(3,168)	(3,759)
<b>Profit for the year available for discretionary division among members</b>	16	72,690	91,078

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 £935,000 (2008: £303,000).

## Consolidated statement of total recognised gains and losses

Year ended 30 April 2009


	Notes	2009 £'000	2008 £'000
Profit for the year available for discretionary division among members	16	72,690	91,078
Actuarial loss on pension scheme liabilities	16	(9,130)	(1,000)
Actuarial (loss)/gain on other retirement benefits	16	(80)	61
Gain on translation of opening net assets	16	9,432	2,611
<b>Total recognised gains and losses relating to the year</b>		<b>72,912</b>	<b>92,750</b>

# Consolidated balance sheet

At 30 April 2009

	Notes	2009 £'000	2008 £'000
<b>Fixed assets</b>			
Tangible assets	9	44,099	42,729
Investments	10	2	65
		44,101	42,794
<b>Current assets</b>			
Debtors	11	168,174	170,694
Cash at bank and in hand		16,406	12,722
		184,580	183,416
<b>Creditors: amounts falling due within one year</b>	12	(55,261)	(51,575)
<b>Net current assets</b>		129,319	131,841
<b>Total assets less current liabilities</b>		173,420	174,635
<b>Creditors: amounts falling due after more than one year</b>	13	(39,849)	(44,168)
<b>Net assets before provisions for pension and retirement benefits</b>		133,571	130,467
<b>Provisions for pension and retirement benefits</b>	15	(18,931)	(10,832)
<b>Net assets attributable to members</b>		114,640	119,635
<b>Members' interests</b>			
Members' capital classified as a liability under FRS 25	16	50,072	41,510
<b>Equity</b>			
Other reserves	16	64,568	78,125
		114,640	119,635
<b>Total members' interests</b>			
Members' capital classified as a liability under FRS 25	16	50,072	41,510
Other reserves	16	64,568	78,125
Amounts due from members	16	(16,221)	(27,399)
		98,419	92,236

These financial statements were approved by the Executive Committee and signed on its behalf on 30 July 2009 by:



**P M Martyr**  
Chief Executive  
Norton Rose LLP



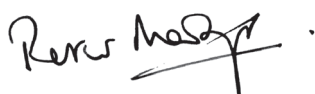
**K E Mortell**  
Chief Operating Officer and Finance Director  
Norton Rose LLP

# LLP balance sheet

At 30 April 2009

	Notes	2009 £'000	2008 £'000
<b>Fixed assets</b>			
Tangible assets	9	38,301	40,312
Investments	10	22	22
		38,323	40,334
<b>Current assets</b>			
Debtors	11	164,216	165,888
Cash at bank and in hand		13,300	9,137
		177,516	175,025
<b>Creditors: amounts falling due within one year</b>	12	(39,416)	(42,082)
<b>Net current assets</b>		138,100	132,943
<b>Total assets less current liabilities</b>		176,423	173,277
<b>Creditors: amounts falling due after more than one year</b>	13	(39,849)	(44,168)
<b>Net assets before provisions for pension and retirement benefits</b>		136,574	129,109
<b>Provisions for pension and retirement benefits</b>	15	(18,931)	(10,832)
<b>Net assets attributable to members</b>		117,643	118,277
<b>Members' interests</b>			
Members' capital classified as a liability under FRS 25	16	50,072	41,510
<b>Equity</b>			
Other reserves	16	67,571	76,767
		117,643	118,277
<b>Total members' interests</b>			
Members' capital classified as a liability under FRS 25	16	50,072	41,510
Other reserves	16	67,571	76,767
Amounts due from members	16	(16,221)	(27,399)
		101,422	90,878

These financial statements were approved by the Executive Committee and signed on its behalf on 30 July 2009 by:



**P M Martyr**  
Chief Executive  
Norton Rose LLP



**K E Mortell**  
Chief Operating Officer and Finance Director  
Norton Rose LLP

## Consolidated cash flow statement

Year ended 30 April 2009

	Notes	2009 £'000	2008 £'000
Net cash inflow from operating activities	18	89,549	85,876
Returns on investments and servicing of finance	19	(1,017)	(1,720)
Tax paid	19	(3,490)	(1,242)
Capital expenditure and financial investment	19	(8,607)	(8,682)
Transactions with members and former members	19	(66,729)	(69,938)
<b>Cash inflow before liquid resources and finance</b>		9,706	4,294
Financing	19	(7,310)	(3,925)
<b>Cash inflow in the year</b>	20	2,396	369

# Notes to the accounts

Year ended 30 April 2009

## 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 accounting standards and the Statement of Recommended Practice “Accounting by Limited Liability Partnerships”.

The going concern basis has been adopted in the preparation of the financial statements. The Executive Committee has considered the Group’s forecasts, projections and borrowing facilities for a period of at least 12 months from the date of signing the accounts. Having done so, the Executive Committee is satisfied that the Group, notwithstanding the current economic conditions and uncertainty over the level of future revenues, has adequate resources to continue as a going concern for the foreseeable future.

### 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 2009.

### 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 and any provision for impairment. 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.

### 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 results 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 net assets 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 2009

### 2. Other operating income

	2009 £'000	2008 £'000
Catering income	663	453
Property rental and service charges	792	1,674
	1,455	2,127

### 3. Staff costs

	2009 Number	2008 Number
<b>Average number of people employed in the year (excluding members)</b>		
Fee earners	992	920
Support	1,067	1,004
	2,059	1,924

	2009 £'000	2008 £'000
<b>Staff costs incurred during the year in respect of these employees</b>		
Wages and salaries	131,337	105,194
Social security costs	11,486	11,007
Other pension costs	3,102	2,874
	145,925	119,075

### 4. Operating profit

	2009 £'000	2008 £'000
<b>Operating profit is stated after charging</b>		
Depreciation	7,658	7,379
Loss on sale of tangible fixed assets	708	58
Operating lease rentals:		
Land and buildings	19,384	22,144
Plant and machinery	359	657
	19,743	22,801

#### 4. Operating profit (continued)

	2009 £'000	2008 £'000
<b>Auditors' remuneration</b>		
Fees payable to the LLP's auditors for the audit of the LLP annual accounts	81	84
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	155	140
Other services pursuant to legislation	73	64
Other services related to taxation	348	270
Other services	29	11
Fees payable to the LLP's auditors and their associates in respect of the audit of the associated pension scheme	9	9
<b>Total auditors' remuneration</b>	<b>695</b>	<b>578</b>

#### 5. Net interest payable

	2009 £'000	2008 £'000
Bank loan interest payable	1,213	1,409
Bank overdraft interest payable	187	818
	1,400	2,227
Interest receivable	(373)	(454)
Net return on pension and other retirement schemes	293	(896)
	(80)	(1,350)
<b>Net interest payable</b>	<b>1,320</b>	<b>877</b>

## Notes to the accounts

Year ended 30 April 2009

### 6. Taxation

	2009 £'000	2008 £'000
Tax on profit on ordinary activities	2,389	1,925
Profit before taxation	78,247	96,762
Amounts subject to personal taxation	(73,255)	(88,318)
Profits subject to taxation	4,992	8,444
Taxation at UK corporation tax of 28% (2008: 30%) on profits subject to taxation	1,398	2,533
Tax effects of:		
Disallowable items	701	229
Different tax rates and bases in other jurisdictions	(6)	(476)
Utilisation of losses	(23)	(361)
Prior year items	319	-
Charge for the year	2,389	1,925

### 7. Members' share of profits

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

	2009 Number	2008 Number
Average number of members	203	193

The share of profit allocated since the year end to the member with the largest entitlement to profits is £739,416 (2008: £901,557).

### 8. Profit of the limited liability partnership

The profit of the LLP was £76,956,000 (2008: £90,670,000).

The Group has taken the exemption allowed under section 230 of the Companies Act 1985 not to produce an LLP profit and loss account.

## 9. Tangible fixed assets

### Group

	Leasehold improvements £'000	Furniture and fittings £'000	Information technology £'000	Motor vehicles £'000	Total £'000
<b>Cost</b>					
Brought forward at 1 May 2008	39,258	3,806	22,941	298	66,303
Additions	3,101	894	4,574	38	8,607
Disposals	(422)	(267)	(1,014)	(13)	(1,716)
Exchange difference	1,204	661	995	42	2,902
Cost at 30 April 2009	43,141	5,094	27,496	365	76,096
<b>Depreciation</b>					
Brought forward at 1 May 2008	6,437	1,996	15,039	102	23,574
Charge for year	3,936	642	3,015	65	7,658
Disposals	(413)	(216)	(366)	(13)	(1,008)
Exchange difference	652	332	769	20	1,773
Depreciation at 30 April 2009	10,612	2,754	18,457	174	31,997
<b>Net book value</b>					
At 30 April 2009	32,529	2,340	9,039	191	44,099
At 30 April 2008	32,821	1,810	7,902	196	42,729

# Notes to the accounts

Year ended 30 April 2009

## 9. Tangible fixed assets (continued)

### LLP

	Leasehold improvements £'000	Furniture and fittings £'000	Information technology £'000	Motor vehicles £'000	Total £'000
<b>Cost</b>					
Brought forward at 1 May 2008	36,644	2,567	20,747	120	60,078
Additions	1,043	201	3,051	-	4,295
Disposals	(387)	(202)	(1,007)	-	(1,596)
Exchange difference	663	383	570	16	1,632
Cost at 30 April 2009	37,963	2,949	23,361	136	64,409

### Depreciation

Brought forward at 1 May 2008	5,058	1,340	13,322	46	19,766
Charge for year	3,415	300	2,541	23	6,279
Disposals	(378)	(199)	(363)	-	(940)
Exchange difference	368	193	436	6	1,003
Depreciation at 30 April 2009	8,463	1,634	15,936	75	26,108

### Net book value

At 30 April 2009	29,500	1,315	7,425	61	38,301
At 30 April 2008	31,586	1,227	7,425	74	40,312

## 10. Fixed asset investments

	Group 2009 £'000	Group 2008 £'000	LLP 2009 £'000	LLP 2008 £'000
Subsidiary undertakings	-	-	20	20
Joint venture	-	63	-	-
Other investments	2	2	2	2
	2	65	22	22

### Joint venture

	Group 2009 £'000	Group 2008 £'000	LLP 2009 £'000	LLP 2008 £'000
Share of gross assets	931	471	-	-
Share of gross liabilities	(1,845)	(408)	-	-
Share of net (liabilities)/assets	(914)	63	-	-

	Group £'000	LLP £'000
Share of net assets at 1 May 2008	63	-
Exchange gain on translation of opening net assets	22	-
Share of retained loss for the year	(999)	-
Share of net liabilities at 30 April 2009 – included in creditors (note 12)	(914)	-

## 10. Fixed asset investments (continued)

### The LLP's principal subsidiary undertakings and their main activities

Name	Country of incorporation/ registration	Main activity	Proportion of shares or ownership
Norton Rose (Central Europe) LLP	England and Wales	Provision of legal services and holding LLP	100%*
Norton Rose Piotr Strawa and Partners Limited Partnership	Poland	Provision of legal services	99.9%
Norton Rose Sp z.o.o.	Poland	Service and holding company	100%
Norton Rose v.o.s. advokátní kancelář	Czech Republic	Provision of legal services	100%
Norton Rose (Middle East) LLP	England and Wales	Provision of legal services and holding LLP	100%*
Norton Rose Consultant Service Company – Bahrain – W.L.L.	Kingdom of Bahrain	Service company	100%
Norton Rose Service Company (Dubai) Limited	Dubai	Service company	100%
Norton Rose (Asia) LLP	England and Wales	Provision of legal services and holding LLP	100%*
Norton Rose (Thailand) Limited	Thailand	Provision of legal services	49%
Norton Rose Hong Kong	Hong Kong	Provision of legal services	100%
Norton Rose (Services) Limited	Hong Kong	Service company	100%
Norton Rose Services Pte Limited	Singapore	Service company	100%
Norton Rose Studio Legale	Italy	Provision of legal services	100%*
NR Property Agents Limited	England and Wales	Provision of building services	100%*

\* Directly owned by Norton Rose LLP

Norton Rose (Middle East) LLP has a joint venture in the Kingdom of Saudi Arabia with the Abdulaziz Al-Assaf Law Firm.

## 11. Debtors

	Group 2009 £'000	Group 2008 £'000	LLP 2009 £'000	LLP 2008 £'000
Trade debtors	102,179	99,078	79,714	80,007
Accrued income	24,247	25,205	18,116	19,602
Amounts owed by Group undertakings	-	-	30,526	22,737
Amounts owed by members	16,221	27,399	16,221	27,399
Other debtors and prepayments	25,527	19,012	19,639	16,143
	168,174	170,694	164,216	165,888

Included in other debtors and prepayments is a prepayment of £2,263,000 (2008: £3,395,000) which falls due after more than one year.

## Notes to the accounts

Year ended 30 April 2009

### 12. Creditors: amounts falling due within one year

	Group 2009 £'000	Group 2008 £'000	LLP 2009 £'000	LLP 2008 £'000
Bank loans (note 14)	4,000	5,367	4,000	5,367
Share of net liabilities of joint venture (note 10)	914	-	-	-
Taxation and social security	8,610	9,384	5,565	7,467
Other creditors	30,839	27,426	25,202	23,871
Accruals and deferred income	10,898	9,398	4,649	5,377
	55,261	51,575	39,416	42,082

### 13. Creditors: amounts falling due after more than one year

	Group 2009 £'000	Group 2008 £'000	LLP 2009 £'000	LLP 2008 £'000
Bank loans (note 14)	14,750	17,525	14,750	17,525
Accruals and deferred income	25,099	26,643	25,099	26,643
	39,849	44,168	39,849	44,168

### 14. Bank loans

	Group 2009 £'000	Group 2008 £'000	LLP 2009 £'000	LLP 2008 £'000
Repayable within one year	4,000	5,367	4,000	5,367
Repayable between one and two years	3,000	4,175	3,000	4,175
Repayable between two and five years	4,000	4,600	4,000	4,600
Repayable after five years	7,750	8,750	7,750	8,750
	18,750	22,892	18,750	22,892
Repayable within one year (note 12)	4,000	5,367	4,000	5,367
Repayable after more than one year (note 13)	14,750	17,525	14,750	17,525
	18,750	22,892	18,750	22,892

Interest on £12,750,000 (2008: £13,750,000) of the loans has been fixed at 6% until January 2017. The other loans bear interest at variable rates linked to LIBOR.

## 15. Provisions for pension and retirement benefits

### Group and LLP

	Pension scheme (note 17) £'000	Member and former partner annuity obligations £'000	Other retirement benefits £'000	Total £'000
Balance at 1 May 2008	5,800	2,878	2,154	10,832
Charged to the profit and loss account	817	148	138	1,103
Charged to the statement of total recognised gains and losses	9,130	54	27	9,211
Utilisation of provision	(1,591)	(481)	(143)	(2,215)
Balance at 30 April 2009	14,156	2,599	2,176	18,931

The provision for member and former partner annuity obligations represents the amounts payable to certain members of the LLP and former partners of Norton Rose. The provision for other retirement benefits represents the cost of providing pensions to former employees not included in the pension scheme. It also includes the cost of providing medical benefits to certain retired partners and employees.

## 16. Members' interests

### Group

	Members' other interests			Amounts due from members 2009 £'000	Total members' interests 2009 £'000	Total members' interests 2008 £'000
	Members' capital 2009 £'000	Other reserves 2009 £'000	Total 2009 £'000			
Balance at 1 May	41,510	78,125	119,635	(27,399)	92,236	69,424
Profit for the year available for discretionary division among members	-	72,690	72,690	-	72,690	91,078
Members' interests including profit for the year	41,510	150,815	192,325	(27,399)	164,926	160,502
Allocated profits	-	(86,469)	(86,469)	86,469	-	-
Payments to and on behalf of members	-	-	-	(75,291)	(75,291)	(70,971)
Actuarial loss on pension scheme liabilities	-	(9,130)	(9,130)	-	(9,130)	(1,000)
Actuarial (loss)/gain on other retirement benefits	-	(80)	(80)	-	(80)	61
Gain on translation of opening net assets	-	9,432	9,432	-	9,432	2,611
Capital introduced	10,600	-	10,600	-	10,600	5,205
Capital repaid	(2,038)	-	(2,038)	-	(2,038)	(4,172)
Balance at 30 April	50,072	64,568	114,640	(16,221)	98,419	92,236

## Notes to the accounts

Year ended 30 April 2009

### 16. Members' interests (continued)

#### LLP

	Members' other interests			Amounts due from members 2009 £'000	Total members' interests 2009 £'000	Total members' interests 2008 £'000
	Members' capital 2009 £'000	Other reserves 2009 £'000	Total 2009 £'000			
Balance at 1 May	41,510	76,767	118,277	(27,399)	90,878	68,063
Profit for the year available for discretionary division among members	-	76,956	76,956	-	76,956	90,670
Members' interests including profit for the year	41,510	153,723	195,233	(27,399)	167,834	158,733
Allocated profits	-	(86,469)	(86,469)	86,469	-	-
Payments to and on behalf of members	-	-	-	(75,291)	(75,291)	(70,971)
Actuarial loss on pension scheme liabilities	-	(9,130)	(9,130)	-	(9,130)	(1,000)
Actuarial (loss)/gain on other retirement benefits	-	(80)	(80)	-	(80)	61
Gain on translation of opening net assets	-	9,527	9,527	-	9,527	3,022
Capital introduced	10,600	-	10,600	-	10,600	5,205
Capital repaid	(2,038)	-	(2,038)	-	(2,038)	(4,172)
Balance at 30 April	50,072	67,571	117,643	(16,221)	101,422	90,878

Members' capital ranks after other creditors on a winding-up.

## 17. Pension schemes

The Group participates in the Norton Rose Retirement Benefits Scheme (the Scheme) which provides its members with defined benefits related to salary and service. The Scheme's assets are held in a separate trustee-administered pension fund. The Scheme is closed to new members. The Group also provides pension benefits to eligible staff through a number of defined contribution pension schemes.

### Pension charge for the year

	2009 £'000	2008 £'000
Defined benefit scheme	817	(100)
Defined contribution schemes	1,463	1,095
	2,280	995

The latest actuarial valuation of the Scheme took place on 1 May 2006.

### Principal assumptions used by the independent qualified actuaries in updating the latest valuation of the Scheme for Financial Reporting Standard 17 purposes

	2009 % p.a.	2008 % p.a.	2007 % p.a.
Inflation	3.4	3.8	3.2
Rate of general long-term increases in salaries	4.9	5.3	4.7
LPI pension increases (benefits accrued before April 2005)	3.3	3.7	3.2
LPI 2.5% pension increases (benefits accrued after April 2005)	2.2	2.4	2.4
Discount rate for Scheme liabilities	6.3	6.6	5.5

	Long term rate of return expected at 30 April 2009 %	Value at 30 April 2009 £'000	Long term rate of return expected at 30 April 2008 %	Value at 30 April 2008 £'000	Long term rate of return expected at 30 April 2007 %	Value at 30 April 2007 £'000
Expected return on assets:						
Equities	7.7	11,081	8.3	14,500	8.3	56,500
Government bonds	4.2	10,935	4.8	12,300	4.8	6,300
Corporate bonds	6.0	8,464	5.8	8,800	5.3	8,300
Dynamic asset allocation	7.2	20,431	-	-	-	-
Broad bonds	6.7	12,488	-	-	-	-
Cash and other	4.0	125	7.6	34,000	4.3	100
Total market value of assets	6.5	63,524	7.0	69,600	7.6	71,200

### Mortality:

The mortality assumptions are based on standard mortality tables which allow for future mortality improvements. The assumptions are that a pensioner member currently aged 65 will live on average for a further 21.6 years if they are male and for a further 24.5 years if they are female. For a current active or deferred member who retires in the future at aged 65 the assumptions are that he will live on average for a further 22.3 years if he is male and for a further 25.1 years after retirement if she is female.

# Notes to the accounts

Year ended 30 April 2009

## 17. Pension schemes (continued)

### Amounts recognised in the balance sheet using these assumptions

	2009 £'000	2008 £'000
Fair value of Scheme assets	63,524	69,600
Present value of funded defined benefit obligations	(77,680)	(75,400)
Liability recognised on the balance sheet	(14,156)	(5,800)

### Charge/(credit) to the profit and loss account

	2009 £'000	2008 £'000
Current service cost	799	1,000
Interest cost	4,889	4,300
Expected return on Scheme assets	(4,871)	(5,400)
Charge/(credit) recognised in the profit and loss account	817	(100)

### Changes to the present value of defined benefit obligations

	2009 £'000	2008 £'000
Opening defined benefit obligation	75,400	77,900
Current service cost	799	1,000
Interest cost	4,889	4,300
Actuarial gains/(losses) on Scheme liabilities	91	(5,900)
Net benefits paid out	(3,499)	(1,900)
Closing defined benefit obligation	77,680	75,400

### Changes in the fair value of Scheme assets

	2009 £'000	2008 £'000
Opening fair value of Scheme assets	69,600	71,200
Expected return on Scheme assets	4,871	5,400
Actuarial losses on Scheme	(9,039)	(6,900)
Contributions by the employer	1,591	1,800
Net benefits paid out	(3,499)	(1,900)
Closing fair value of Scheme assets	63,524	69,600

### Actual return on Scheme assets

	2009 £'000	2008 £'000
Expected return on Scheme assets	4,871	5,400
Actuarial loss on Scheme assets	(9,039)	(6,900)
Actual return on Scheme assets	(4,168)	(1,500)

## 17. Pension schemes (continued)

### Analysis of amount recognised in statement of total recognised gains and losses

	2009 £'000	2008 £'000
Total actuarial loss recognised in statement of total recognised gains and losses	(9,130)	(1,000)
Cumulative amount of (losses)/gains recognised in statement of total recognised gains and losses	(1,330)	(7,800)

### History of experience gains and losses

	2009 £'000	2008 £'000	2007 £'000	2006 £'000	2005 £'000
Experience (losses)/gains on Scheme assets	(8,995)	(6,900)	(400)	10,200	100
Percentage of Scheme assets	(14.2%)	(9.9%)	(0.6%)	15.4%	0.2%
Experience gains/(losses) on Scheme liabilities	915	(300)	4,900	(100)	100
Percentage of Scheme liabilities	(1.2%)	(0.4%)	6.3%	(0.1%)	0.1%
Total experience (losses)/gains	(8,080)	(7,200)	4,500	10,100	200
Percentage of Scheme liabilities	(10.4%)	(9.5%)	5.8%	11.7%	0.3%

The contribution rate for 2009 was 18.5% of pensionable salary (2008: 18.5%).

## 18. Reconciliation of operating profit to net cash flow from operating activities

	2009 £'000	2008 £'000
Operating profit	80,566	97,576
Depreciation charged in the year	7,658	7,379
Increase in debtors	(8,595)	(28,623)
Increase in creditors	10,616	10,808
Decrease in provisions	(1,404)	(1,322)
Loss on disposal of fixed assets	708	58
Net cash inflow from operating activities	89,549	85,876

## Notes to the accounts

Year ended 30 April 2009

### 19. Analysis of cash flows

	2009 £'000	2008 £'000
<b>Returns on investments and servicing of finance</b>		
Interest received	373	452
Interest paid	(1,390)	(2,172)
	(1,017)	(1,720)
<b>Tax paid</b>		
Corporation taxes paid	(3,490)	(1,242)
<b>Capital expenditure and financial investment</b>		
Purchase of tangible fixed assets	(8,607)	(8,682)
<b>Transactions with members and former members</b>		
Payments to members and former members	(77,329)	(75,143)
Contributions by members	10,600	5,205
	(66,729)	(69,938)
<b>Financing</b>		
Members' remuneration charged as an expense	(3,168)	(3,759)
Cash inflow from new long-term loans	6,000	4,800
Cash outflow from repayment of loans	(10,142)	(4,966)
	(7,310)	(3,925)

### 20. Analysis of net debt

	2008 £'000	Cash flow £'000	Exchange movement £'000	2009 £'000
Cash in hand and at bank	12,722	2,396	1,288	16,406
Debt due after one year	(17,525)	2,775	-	(14,750)
Debt due within one year	(5,367)	1,367	-	(4,000)
	(22,892)	4,142	-	(18,750)
Total	(10,170)	6,538	1,288	(2,344)

## 21. Financial commitments

### Capital commitments

	2009 £'000	2008 £'000
Information technology	-	294

### Annual commitments under non-cancellable operating leases

#### Group

	Land and buildings 2009 £'000	Other 2009 £'000	Land and buildings 2008 £'000	Other 2008 £'000
Expiry date:				
Within one year	2,128	37	2,066	66
Between two and five years	7,831	161	7,027	241
After five years	13,366	-	12,289	42
	23,325	198	21,382	349

#### LLP

	Land and buildings 2009 £'000	Other 2009 £'000	Land and buildings 2008 £'000	Other 2008 £'000
Expiry date:				
Within one year	676	20	271	66
Between two and five years	4,141	144	4,274	224
After five years	13,135	-	12,208	1
	17,952	164	16,753	291

## 22. Related party transactions

Some members of the LLP are directors of The Norton Rose Charitable Foundation, a company limited by guarantee whose activities and net assets are not reflected in these financial statements. In the year to 30 April 2009 the LLP donated £387,000 (2008: £350,000) to the Foundation.

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