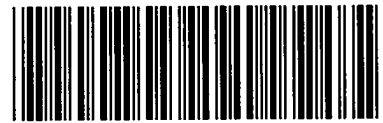


REGISTERED NO: OC307988

O'MELVENY & MYERS LLP
REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2014

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**O'MELVENY & MYERS LLP
FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2014**

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O'MELVENY & MYERS LLP
MEMBERS' REPORT
YEAR ENDED 31 DECEMBER 2014

The Management Committee of O'Melveny & Myers LLP ("the LLP") presents this report on behalf of the members together with the audited financial statements for the year ended 31 December 2014.

PRINCIPAL ACTIVITY

The principal activity of the LLP in the year was the provision of professional legal advisory services.

The UK LLP is part of the wider O'Melveny & Myers association of firms, which is headquartered in the United States of America. The US LLP operates from the following offices: Beijing, Brussels, Century City, Hong Kong, Los Angeles, Newport Beach, New York, San Francisco, Seoul, Shanghai, Silicon Valley, Singapore, Tokyo and Washington D.C.

FIRM STRUCTURE

The LLP has been established to carry on the practice of law as a limited liability partnership in the United Kingdom in accordance with the applicable professional regulations. It is a condition of admission as a member of the LLP that such a member shall also be a member of the LLP's associated US firm, also called O'Melveny & Myers LLP ("the US LLP"), which is a limited liability partnership organised and existing under the laws of the State of California.

DESIGNATED MEMBERS

The designated members of the LLP during the year and up to the date of signing the financial statements were as follows:

- John Daghlian
- Solomon Wifa (resigned as a member on 12 June 2015)
- Janet Birtwell (appointed designated member on 12 June 2015)

MEMBERS' SUBSCRIPTION AND REPAYMENT OF MEMBERS' CAPITAL

Under the terms of the Members' Agreement relating to the LLP, the members of the LLP can be required to make capital contributions to the LLP as determined from time to time by the Management Committee. It is intended that any member's capital so contributed will be repayable to the contributing member within 30 days following the date on which that member ceases to be a member of the LLP. Members' capital is classified within the accounts as a liability.

ALLOCATION OF PROFITS AND LOSSES AND DRAWINGS

Members can be remunerated out of the profits of the LLP (and can also be remunerated separately from the profits of the associated US LLP in their capacity as members in that firm) and are required to make their own provision for pensions and other benefits. Profits are allocated and divided between the members after finalisation of the financial statements. Certain members, as designated from time to time in a separate agreement between such members and the US LLP, hold such portion of the interest allocated to them in the profits of the LLP for the benefit of the members of the US LLP. Members' profit shares will normally comprise:

- a base component, reflecting the role and seniority of each member;
- an allocation of residual profits not retained for future investment in the business.

Where allocations of profits are made to members, to the extent that there is insufficient cash in the business to fund the distributions from the LLP, the US LLP by agreement with the members will provide the required funding consistent with such allocations.

O'MELVENY & MYERS LLP
MEMBERS' REPORT (CONTINUED)
YEAR ENDED 31 DECEMBER 2014

PRIOR YEAR ADJUSTMENT

During the course of preparing the financial statements for the year ended 31 December 2014, it became apparent that an error was made in the preparation of the financial statements for the prior year. As a result, the comparative amounts for the year ended 31 December 2013 have been restated in order to correct the error.

The revenue in 2013 included the value of income accrued in the financial statements in the year ended 31 December 2012. It arose through the use of a report which included detail of all time billed in the year rather than only the time billed in respect of time worked in the year. The firm has worked with the auditors to understand how the error was made and to confirm that this was an isolated instance.

Further details of the impact of the prior year adjustment are provided in Note 18 to the financial statements.

RESPONSIBILITIES OF THE MEMBERS

The members are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law, as applied to LLPs, requires the Members to prepare financial statements for each financial year. Under that law, the members have selected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law, as applied to LLPs, the members must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the LLP and of the profit or loss of the LLP for that period. In preparing these financial statements, the Members are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on a going concern basis unless it is inappropriate to assume that the LLP will continue in business.

The Members are responsible for keeping proper accounting records that are sufficient to show and explain the entity's transactions and disclose with reasonable accuracy at any time the financial position of the LLP and to enable it to ensure that the financial statements comply with the Companies Act 2006, as applied to LLPs. They are also responsible for safeguarding the assets of the LLP and hence for taking reasonable steps for prevention and detection of fraud and other irregularities.

These responsibilities are fulfilled by the Management Committee on behalf of the members. The Management Committee confirms that, to the best of its knowledge, it has complied with the above requirements in preparing the financial statements.

O'MELVENY & MYERS LLP
MEMBERS' REPORT (CONTINUED)
YEAR ENDED 31 DECEMBER 2014

AUDITOR

The auditor, Crowe Clark Whitehill LLP, has indicated its willingness to be reappointed as statutory auditor.

Approved by the Management Committee and signed on their behalf:


Janet Birtwell
Designated Member

Date: 23rd September 2015

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF O'MELVENY & MYERS LLP

We have audited the financial statements of O'Melveny & Myers LLP (the LLP) for the year ended 31 December 2014 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet, the Cash Flow Statement, and the related notes numbered 1 to 18.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the LLP's members as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 as applied to limited liability partnerships (LLPs). 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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the LLP and the LLP's members as a body, for our audit work, for this report, or for the opinion we have formed.

Respective responsibilities of members and auditor

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

Scope of the audit of the financial statements

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

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the LLP's affairs as at 31 December 2014 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Companies Act 2006, as applied to LLPs.

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF O'MELVENY & MYERS LLP (CONTINUED)**

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Steve Gale .

Steve Gale FCA
Senior Statutory Auditor

For and on behalf of
Crowe Clark Whitehill LLP
Statutory Auditor
London

Date: *23 September 2015*

O'MELVENY & MYERS LLP
PROFIT AND LOSS ACCOUNT
YEAR ENDED 31 DECEMBER 2014

	Notes	2014 £	2013 <i>Restated</i> £
TURNOVER	2	11,857,872	13,005,949
Staff costs	5	(4,652,063)	(4,476,011)
Depreciation		(103,358)	(263,378)
Other operating charges		(4,482,435)	(3,502,208)
OPERATING PROFIT	3	2,620,016	4,764,352
Interest receivable		151	25
Interest payable and similar charges	4	(5,619)	(7,525)
PROFIT FOR THE FINANCIAL YEAR BEFORE MEMBERS' REMUNERATION AND PROFIT SHARES AVAILABLE FOR DISCRETIONARY DIVISION AMONG MEMBERS		<u>2,614,548</u>	<u>4,756,852</u>
PROFIT FOR THE FINANCIAL YEAR BEFORE MEMBERS' REMUNERATION AND PROFIT SHARES AVAILABLE FOR DISCRETIONARY DIVISION AMONG MEMBERS		2,614,548	4,756,852
Members' remuneration charged as an expense		(190,882)	(192,490)
RESULT FOR THE FINANCIAL YEAR AVAILABLE FOR DISCRETIONARY DIVISION AMONG MEMBERS	12	<u>2,423,666</u>	<u>4,564,362</u>

All amounts relate to continuing operations.

The profit and loss account contains all the gains and losses recognised in the current year and prior period.

The notes on pages 8 to 15 form part of these financial statements

O'MELVENY & MYERS LLP
STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
YEAR ENDED 31 DECEMBER 2014

	Notes	2014 £	2013 <i>Restated</i> £
PROFIT FOR THE FINANCIAL YEAR		2,614,548	4,756,852
Prior year adjustment	18	<u>(2,242,760)</u>	<u>-</u>
TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR		<u>371,788</u>	<u>4,756,852</u>

The notes on pages 8 to 15 form part of these financial statements

O'MELVENY & MYERS LLP
REGISTERED NUMBER: OC307988
BALANCE SHEET
31 DECEMBER 2014

	Notes	2014	2013
		£	£
FIXED ASSETS			
Tangible assets	7	<u>119,088</u>	<u>196,867</u>
CURRENT ASSETS			
Debtors	8	<u>3,838,911</u>	<u>4,469,356</u>
Cash at bank and in hand		<u>1,903,371</u>	<u>3,343,591</u>
		5,742,282	7,812,947
CREDITORS: Amounts falling due within one year	9	<u>(1,245,368)</u>	<u>(469,028)</u>
NET CURRENT ASSETS		<u>4,496,914</u>	<u>7,343,919</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		4,616,002	7,540,786
CREDITORS: Amounts falling due after more than one year	10	<u>(2,721,010)</u>	<u>(5,457,796)</u>
PROVISIONS FOR LIABILITIES	11	<u>(500,000)</u>	<u>(479,166)</u>
NET ASSETS ATTRIBUTABLE TO MEMBERS		<u>1,394,992</u>	<u>1,603,824</u>
LOANS AND OTHER DEBTS DUE TO MEMBERS			
Members' capital classified as debt under FRS 25	12	108,900	40,000
EQUITY			
Members' other interests - Other reserves classified as equity under FRS 25	12	<u>1,286,092</u>	<u>1,563,824</u>
MEMBERS' FUNDS EMPLOYED		<u>1,394,992</u>	<u>1,603,824</u>
Loans and other debts due to members	12	108,900	40,000
Members' other interests	12	<u>1,286,092</u>	<u>1,563,824</u>
TOTAL MEMBERS' INTERESTS		<u>1,394,992</u>	<u>1,603,824</u>

The financial statements were approved and authorised for issue by the Management Committee on *23rd September* 2015 and were signed on behalf of the members by:


Janet Birtwell
 Designated Member

The notes on pages 8 to 15 form part of these financial statements

O'MELVENY & MYERS LLP
CASH FLOW STATEMENT
YEAR ENDED 31 DECEMBER 2014

	Notes	2014 £	2013 <i>Restated</i> £
Net cash inflow from operating activities	14	1,180,062	6,880,675
Returns on investments and servicing of finance	15(a)	(5,468)	(7,500)
Capital expenditure and financial investment	15(b)	(25,579)	(20,554)
Transactions with members and former Members	15(c)	<u>(2,589,235)</u>	<u>(4,952,765)</u>
INCREASE / (DECREASE) IN CASH		<u>(1,440,220)</u>	<u>1,899,856</u>

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

	2014 £	2013 £
(Decrease) / Increase in cash	(1,440,220)	1,899,856
Net funds at 1 January 2014	<u>3,343,591</u>	<u>1,443,735</u>
Net funds at 31 December 2014	<u>1,903,371</u>	<u>3,343,591</u>

The notes on pages 8 to 15 form part of these financial statements

O'MELVENY & MYERS LLP
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2014

1. ACCOUNTING POLICIES

a) Basis of accounting

The financial statements have been prepared under the historical cost convention, in accordance with applicable accounting standards and the Statement of Recommended Practice 'Accounting by Limited Liability Partnerships' (the LLP SORP).

The Management Committee considers that the financial resources available to the business from the US LLP are adequate to meet its operational needs for the foreseeable future. Consequently the going concern basis has been adopted in preparing these financial statements.

b) Tangible fixed assets

Tangible fixed assets are stated at cost, including incidental costs of acquisition, less accumulated depreciation. Cost includes the original purchase price of the asset and the costs attributable to bringing the assets to its working condition for its intended use. Depreciation is calculated so as to write off the cost of tangible fixed assets, less their estimated residual values, on a straight-line basis over the following estimated useful economic lives:

Fixtures and fittings	5 -7 years
Office furniture and equipment	5 years
Short term leasehold property	Over the life of the lease

c) Remuneration of Members

Members can be remunerated out of the profits of the LLP (and can also be remunerated separately out of the profits of the associated US LLP in their capacity as members in that firm) and are required to make their own provision for pensions and other benefits. Profits are allocated and divided between the members after finalisation of the financial statements. Certain members, as designated from time to time in a separate agreement between such members and the US LLP, hold such portion of the interest allocated to them in the profits of the LLP for the benefit of the members' of the US LLP. Members' profit shares will normally comprise:

- a base component, reflecting the role and seniority of each member;
- an allocation of residual profits not retained for future investment in the business.

Where allocations of profits are made to members, to the extent that there is insufficient cash in the business to fund the distributions from the LLP, the US LLP (by agreement with the members) will provide the required funding consistent with such allocations.

Unallocated profits and losses are included in other reserves within members' other interests.

d) Post retirement benefits and pensions

The LLP operates a defined contribution pension scheme for staff, the assets of which are held separately from those of the LLP. Contributions to the pension scheme are charged to the profit and loss account as incurred.

O'MELVENY & MYERS LLP
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 DECEMBER 2014

e) Revenue recognition

Turnover represents amounts chargeable to clients for professional services provided during the year, inclusive of direct expenses incurred but excluding value added tax. Revenue is recognised for all work performed in the year where the recoverability of the consideration can be assessed with reasonable certainty except where the consideration is contingent. Where revenue cannot be assessed with reasonable certainty or is contingent on a future event, no turnover is recognised.

Unbilled turnover on individual client assignments, or revenue recognised in excess of payments received on account, is included in accrued income within debtors

f) Leases

Rentals under operating leases are charged to the profit and loss account in equal instalments over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

g) Foreign Currency Transactions

Transactions denominated in foreign currencies are recorded at the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated at the rates prevailing at that date. Translation differences are included in the profit and loss account. Where there are long term funding balances denominated in foreign currencies, these are retranslated annually with any exchange gain or loss being taken to reserves.

h) Provisions

Provision is made for the estimated value of unavoidable dilapidation costs payable at the end of the firm's leases.

i) Taxation

Taxation payable on the LLP's profits is solely the personal liability of individual members and consequently neither taxation nor related deferred taxation arising in respect of O'Melveny & Myers LLP is accounted for in these financial statements.

j) Capital

Under the terms of the Members' Agreement relating to the LLP, the members of the LLP can be required to make capital contributions to the LLP as determined from time to time by the Management Committee. It is intended that any member's capital so contributed will be repayable to the contributing member within 30 days following the date on which that member ceases to be a member of the LLP. Members' capital is classified within the accounts as a liability.

2. TURNOVER

All turnover arose within the United Kingdom. The turnover arises from one activity, being the provision of legal advisory services.

O'MELVENY & MYERS LLP
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 DECEMBER 2014

3. OPERATING PROFIT BEFORE INTEREST AND TAXATION

This is stated after charging or (crediting):

	2014	2013
	£	<i>Restated</i> £
Depreciation - owned assets	103,358	263,378
Loss on disposal of tangible fixed assets	-	-
Auditor's remuneration - audit	23,000	22,500
Operating lease rentals:		
- Land and buildings	1,297,651	1,023,721
- Other	-	1,349
Difference on foreign exchange	<u>199,988</u>	<u>361,879</u>

4. INTEREST PAYABLE

	2014	2013
	£	£
Bank loans and overdrafts	<u>5,619</u>	<u>7,525</u>

5. STAFF COSTS

	2014	2013
	£	£
Wages and salaries	3,836,588	3,680,921
Social security and other costs	493,670	467,803
Other pension costs	<u>321,805</u>	<u>327,287</u>
	<u>4,652,063</u>	<u>4,476,011</u>

The average monthly number of employees, during the year was as follows:

	No.	No.
Fee earners	22	23
Secretaries and support staff	<u>18</u>	<u>18</u>
	<u>40</u>	<u>41</u>

O'MELVENY & MYERS LLP
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 DECEMBER 2014

6. MEMBERS' REMUNERATION

Profits are shared among members after the end of the financial year in accordance with agreed profit sharing arrangements and include interest on members' funds.

	2014	2013
	£	Restated £
Average number of members	<u>8</u>	<u>9</u>
Paid under the terms of the LLP agreement	<u>190,882</u>	<u>192,490</u>
Average profit per member	<u>326,819</u>	<u>528,539</u>

Allocation of profits may include an allocation to certain members who will hold them for the benefit of the members of the US LLP as noted in Note 1 (Allocation of profits) and some allocated directly to certain UK resident members.

The estimated share of the profits attributable to the highest paid individual member (excluding those individuals that take a share of profit on trust for the US members of the US LLP) was £414,252 (2013: £495,218 restated). This amount is estimated using the proportion of prior year profits allocated in the year.

7. TANGIBLE FIXED ASSETS

	Short term leasehold property £	Fixtures and fittings £	Office furniture and equipment £	Total £
Cost				
At 1 January 2014	2,239,922	927,867	237,320	3,405,109
Additions	-	17,528	8,051	25,579
Disposals	-	(129,757)	(53,663)	(183,420)
At 31 December 2014	<u>2,239,922</u>	<u>815,638</u>	<u>191,708</u>	<u>3,247,268</u>
Depreciation				
At 1 January 2014	2,184,237	854,478	169,527	3,208,242
Charge for the year	55,685	30,880	16,793	103,358
Disposals	-	(129,757)	(53,663)	(183,420)
At 31 December 2014	<u>2,239,922</u>	<u>755,601</u>	<u>132,657</u>	<u>3,128,180</u>
Net Book Value				
31 December 2014	<u>-</u>	<u>60,037</u>	<u>59,051</u>	<u>119,088</u>
31 December 2013	<u>55,685</u>	<u>73,389</u>	<u>67,793</u>	<u>196,867</u>

O'MELVENY & MYERS LLP
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 DECEMBER 2014

8. DEBTORS		2014	2013
		£	£
Trade debtors		849,137	986,853
Accrued income		2,604,816	2,786,809
Other debtors		13,520	86,375
Prepayments		371,438	609,319
		<u>3,838,911</u>	<u>4,469,356</u>

All debtors fall due within one year.

9. CREDITORS: Amounts falling due within one year		2014	2013
		£	£
Trade creditors		39,198	56,323
Social security and other taxes		128,295	124,268
Other creditors		387,810	-
Accruals and deferred income		690,065	288,437
		<u>1,245,368</u>	<u>469,028</u>

10. CREDITORS: Amounts falling due after more than one year		2014	2013
		£	£
Amounts owed to associated law firm		<u>2,721,010</u>	<u>5,457,796</u>

11. PROVISIONS			Property
			£
At 1 January 2014			479,166
Charged to profit and loss account			<u>20,834</u>
At 31 December 2014			<u>500,000</u>

Dilapidations are provided on properties to the extent that they are expected to be incurred.

O'MELVENY & MYERS LLP
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 DECEMBER 2014

12. RECONCILIATION OF MEMBERS' INTERESTS

	Loans and other debts due to			Members'	Total
	Members' Capital	Members Other Reserves	Total	Other Interests Other Reserves	Members' Interests Total
	£	£	£	£	£
Members' interests at 1 January 2013	40,000	-	40,000	1,660,802	1,700,802
Members' remuneration charged as an expense	-	192,490	192,490	-	192,490
Profit for the financial period available for division among members	-	-	-	4,564,362	4,564,362
Members' interests after profit for the year	40,000	192,490	232,490	6,225,164	6,457,654
Allocated profits (as restated)	-	4,760,275	4,760,275	(4,760,275)	-
Drawings and amounts withdrawn (as restated)	-	(4,952,765)	(4,952,765)	-	(4,952,765)
Foreign exchange	-	-	-	98,935	98,935
Members' interests at 31 December 2013	40,000	-	40,000	1,563,824	1,603,824
Members' remuneration charged as an expense	-	190,882	190,882	-	190,882
Profit for the financial year available for division among members	-	-	-	2,423,666	2,423,666
Members' interests after profit for the year	40,000	190,882	230,882	3,987,490	4,218,372
Allocated profits	-	2,467,253	2,467,253	(2,467,253)	-
Capital introduced	83,900	-	83,900	-	83,900
Drawings and amounts withdrawn	(15,000)	(2,658,135)	(2,673,135)	-	(2,673,135)
Foreign exchange	-	-	-	(234,145)	(234,145)
Members' interests at 31 December 2014	108,900	-	108,900	1,286,092	1,394,992

Amounts due to Members will rank pari passu with other unsecured creditors in the event of a winding up.

O'MELVENY & MYERS LLP
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 DECEMBER 2014

13. FINANCIAL COMMITMENTS

Operating lease commitments

At 31 December 2014, the annual commitments under non-cancellable operating leases were as follows:

	2014 Land and Buildings £	2014 Other £	2013 <i>Land and</i> <i>Buildings</i> £	2013 <i>Other</i> £
Leasing expiring:				
- within one year	-	-	484,897	-
- within two to five years	-	-	-	-
- after five years	1,342,793	1,342,793	1,342,793	1,342,793

Capital commitments

At the year end, the LLP had not contracted for any capital commitments that are not included in the financial statements (2013: £NIL).

14. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2014 £	2013 <i>Restated</i> £
Operating profit	2,620,016	4,764,352
Depreciation	103,358	263,378
Loss/(profit) on disposal of tangible fixed assets	-	-
(Decrease)/increase in creditors	(1,960,446)	2,554,333
Increase in provisions	20,834	50,000
Decrease/(increase) in debtors	630,445	(850,323)
Exchange adjustments	(234,145)	98,935
Net cash inflow from operating activities	1,180,062	6,880,675

O'MELVENY & MYERS LLP
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 DECEMBER 2014

15. ANALYSIS OF GROSS CASH FLOWS	2014	2013
	£	<i>Restated</i> £
a) Returns on investments and servicing of finance		
Interest paid	(5,619)	(7,525)
Interest received	<u>151</u>	<u>25</u>
Net cash outflow from servicing of finance and returns on investments	<u>(5,468)</u>	<u>(7,500)</u>
b) Capital Expenditure and financial investment		
Purchase of tangible fixed assets	(25,579)	(20,554)
Proceeds from disposal of tangible fixed assets	<u>-</u>	<u>-</u>
Net cash outflow from capital expenditure	<u>(25,579)</u>	<u>(20,554)</u>
c) Transactions with Members and former Members		
Capital repaid to Members and former Members	(15,000)	-
Payments to Members and former Members	(2,658,135)	(4,952,765)
Contributions by Members	<u>83,900</u>	<u>-</u>
Net cash outflow from transactions with Members and former Members	<u>(2,589,235)</u>	<u>(4,952,765)</u>

O'MELVENY & MYERS LLP
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 DECEMBER 2014

16. RELATED PARTY TRANSACTIONS

There are regular transactions between the UK LLP and its associated firm in the US. Such transactions may include the provision and repayment of working capital funding and charges for shared overheads. At 31 December 2014, amounts totalling £2,721,010 (2013: £5,457,796) were owed by the UK LLP to the US LLP as a result of these transactions. This amount is due more than one year after the balance sheet date.

17. CONTROLLING PARTY

The ultimate controlling party is considered to be the members of the US LLP, O'Melveny & Myers LLP.

18. PRIOR YEAR ADJUSTMENT

During the financial year, an error in the recognition of revenue in the year ended 31 December 2013 was identified which resulted in an overstatement of the reported profit in the year of £2,242,760. Due to the significance of this error this has been corrected by way of a prior period adjustment.

The reduction in reported profit means that amounts previously classified as drawings now represent payments made to the partners on behalf of the associated firm in the USA.

The effects of these adjustments are set out below.

	Previously reported £	Prior year adjustment £	As restated £
PROFIT AND LOSS ACCOUNT			
Turnover	15,248,709	(2,242,760)	13,005,949
Profit for the financial period available for division among members	<u>6,999,612</u>	<u>(2,242,760)</u>	<u>4,756,852</u>
RECONCILIATION IN MOVEMENTS IN MEMBERS' INTERESTS			
Allocated profits	7,003,036	(2,242,760)	4,760,275
Drawings and amounts withdrawn by members	<u>7,195,526</u>	<u>(2,242,760)</u>	<u>(4,952,765)</u>