Registered Number: 04503175

PRPi Consulting Ltd

Directors' report and financial statements

for the year ended 30 June 2017

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PRPi Consulting Ltd

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Directors' report for the year ended 30 June 2017

The directors present their report and the audited financial statements for the financial year ended 30 June 2017.

Principal activities
The company's principal activity is the provision of human resources consultancy services.

Business review
The directors consider that the company's position at the end of the financial year is adequate.

The company made a profit after tax expense for the financial year of £355,000 (2016: £263,000). The company's net asset position at 30 June 2017 was £651,000 (2016: £296,000).

On 31 December 2016, the whole of the company's share capital was transferred by PricewaterhouseCoopers Services Limited to PwC Holdings (UK) Limited.

The directors have no reason to believe that a material uncertainty exists that may cast significant doubt on the ability of the company to continue as a going concern. On the basis of their assessment of the company's financial position, the company's directors have a reasonable expectation that the company will be able to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

The principal risks and uncertainties that the company faces relate to the provision of suitable services to clients and the ability to meet its financial obligations when they fall due. The directors are responsible for maintaining systems of internal control to manage and mitigate these risks. Financial risk management disclosures are given in note 10.

The company's key performance indicators are revenue and profit as disclosed in the statement of comprehensive income.

Dividends
During the prior financial year, on 23 March 2016, the directors approved an interim dividend of £700,000, being £6,364 per share.

The directors do not recommend the payment of a final dividend in respect of the financial year to 30 June 2017 (2016: nil). Details of dividends paid and proposed are disclosed in note 9.

Directors
WE Hunt was a director of the company throughout the financial year and up to the date of signing the financial statements.

On 1 July 2016, AJB Cope was appointed as a director and KJD Ellis and KJ Nicholson resigned as directors.

On 6 September 2017, DY Schwarzmann was appointed as a director and RPC Parkhouse and T Gosling resigned as directors.

PRPi Consulting Ltd

Directors' report continued

Statement of directors' responsibilities in respect of the financial statements
The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable laws and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with International Financial Reporting Standards ('IFRS') as adopted by the European Union. Under company law the directors 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 company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable IFRS as adopted by the European Union have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006.

The directors are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In the case of each director in office at the date the directors' report is approved:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

By order of the Board

P Higgins
Company Secretary
2 March 2018

PRPi Consulting Ltd

Independent auditor's report to the members of PRPi Consulting Ltd

Opinion
We have audited the financial statements of PRPi Consulting Ltd for the financial year ended 30 June 2017, which comprise the statement of comprehensive income, statement of financial position, statement of changes in equity, statement of cash flows and the related notes numbered 1 to 12. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards ('IFRS') as adopted by the European Union.

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2017 and of its profit and cash flows for the year then ended;
- have been properly prepared in accordance with IFRS as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters that 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 company and the company's members as a body, for our audit work, for this report, or for the opinion we have formed.

Basis for opinion
We conducted our audit in accordance with International Standards on Auditing (UK) ('ISAs (UK)') and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern
We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you when:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information
The directors are responsible for the other information. The other information comprises the information included in the directors' report and financial statements, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matter prescribed by the Companies Act 2006
In our opinion based on the work undertaken in the course of our audit:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

Independent auditor's report continued

Matters on which we are required to report by exception
In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

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

- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of the directors for the financial statements
As explained more fully in the statement of directors' responsibilities set out on page 2, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements
Our objectives are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Richard Baker (Senior Statutory Auditor)
For and on behalf of
Crowe Clark Whitehill LLP
Chartered Accountants and Statutory Auditors
London
2 March 2018

PRPi Consulting Ltd

Statement of comprehensive income for year ended 30 June 2017

	Note	2017 £'000	2016 £'000
Revenue		**639**	506
Other operating charges	3	**(200)**	(180)
Operating profit		**439**	326
Finance income	4	**4**	5
Profit before tax expense		**443**	331
Tax expense	5	**(88)**	(68)
Profit and total comprehensive income for the financial year		**355**	263

PRPi Consulting Ltd

Statement of financial position as at 30 June 2017

	Note	2017 £'000	2016 £'000
Current assets			
Trade and other receivables	6	956	602
Total assets		956	602
Current liabilities			
Trade and other payables	7	(217)	(240)
Corporation tax		(88)	(66)
Total liabilities		(305)	(306)
Net assets		651	296
Equity			
Share capital	8	–	–
Retained earnings		651	296
Total equity		651	296

The financial statements on pages 5 to 13 were approved and authorised for issue by the Board of Directors on 2 March 2018 and were signed on its behalf by:

AJB Cope
Director

PRPi Consulting Ltd

Statement of changes in equity for the year ended 30 June 2017

	Share capital £'000	Retained earnings £'000	Total equity £'000
Balance at beginning of prior year	–	733	733
Profit for the financial year	–	263	263
Dividends paid	–	(700)	(700)
Balance at end of prior year	–	**296**	**296**
Profit for the financial year	–	355	355
Balance at end of year	–	**651**	**651**

Statement of cash flows for the year ended 30 June 2017

	2017 £'000	2016 £'000
Cash flows from operating activities		
Profit after taxation	**355**	263
Tax on profits	**88**	68
Adjustments for:		
Finance income	**(4)**	(5)
Changes in working capital:		
(Increase) decrease in trade and other receivables	**(354)**	549
Decrease in trade and other payables	**(23)**	(146)
Adjustment for non-cash items:		
Corporation tax paid by other group undertaking	**(66)**	(34)
Interest capitalised on loan due from other group undertaking	**4**	5
Dividends paid	–	(700)
Net cash flow from operating activities	–	–
Net movement in cash and cash equivalents in the year	–	–
Cash and cash equivalents at beginning of year	–	–
Cash and cash equivalents at end of year	–	–

PRPi Consulting Ltd

Notes to the financial statements for the year ended 30 June 2017

1 Accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the financial years presented.

Basis of preparation
These financial statements have been prepared in accordance with International Financial Reporting Standards ('IFRS') and IFRS Interpretation Committee ('IFRS IC') interpretations, as adopted by the European Union, and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS.

The financial statements have been prepared on a going concern basis under the historical cost convention, except as otherwise described in these accounting policies.

New standards and interpretations adopted in the year
During the financial year, the company adopted amendments to IFRS 5 'Non-current assets held for sale and discontinued operations', IFRS 11 'Joint arrangements', IAS 1 'Presentation of financial statements', IAS 16 'Property, plant and equipment', IAS 19 'Employee benefits', IAS 27 'Separate financial statements' and IAS 38 'Intangible assets'. These changes have not had a significant impact on the financial statements.

New standards and interpretations not yet adopted
The following IFRS standards and IFRS IC interpretations issued by the IASB have not been early adopted and are not expected to have a material impact on the company's results:

- IFRS 9 'Financial instruments' addresses the classification, measurement and recognition of financial assets and financial liabilities and replaces the guidance in IAS 39. The standard requires the implementation of the expected loss model for impairment and requires all investments, other than investments in subsidiaries, associates and joint ventures, to be measured at fair value. IFRS 9 will become effective for the accounting period to June 2019.
- IFRS 15 'Revenue from contracts with customers' addresses the recognition and measurement of revenue and replaces IAS 18 'Revenue' and IAS 11 'Construction contracts'. IFRS 15 requires revenue to be recognised only to the extent that it is highly probable that the revenue will not subsequently be reversed. This is broadly in line with the company's current accounting policy. The most significant impact on the company is the requirement for more detailed segmentation of contracts to allow separate performance obligations to be tracked. IFRS 15 will become effective for the accounting period to June 2019.
- IFRS 16 'Leases' replaces IAS 17 and addresses the definition, recognition and measurement of leases. The key change arising from IFRS 16 is that most operating leases will be accounted for on balance sheet as a right-of-use asset and a lease liability based on discounted future lease payments. The asset will be depreciated over its useful economic life while the lease payment will be apportioned between a capital repayment of the lease liability and a finance charge. IFRS 16 will become effective for the accounting period to June 2020.
- IFRS 17 'Insurance contracts', IFRIC 22 'Foreign currency transactions and advance consideration' and IFRIC 23 'Uncertainty over income tax treatments' become effective for the accounting periods to June 2022, June 2019 and June 2020 respectively, subject to EU endorsement.

Critical accounting estimates and judgements
The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities and the disclosure of contingent assets and liabilities.

The estimates and judgements are continually evaluated and are based on historical experience and other factors, including market data and expectations of future events that are believed to be reasonable and constitute management's best judgement at the date of the financial statements. In the future, actual experience could differ from those estimates, and adjustments could be required in future periods. Where appropriate, present values are calculated using discount rates reflecting the currency and maturity of the items being valued.

Set out below is a summary of the principal estimates and judgements that could have a significant effect upon the company's financial results:

- Revenue recognition and the valuation of progress billings for client work (note 7) – estimating the stage of contract completion, including estimating the costs still to be incurred, assessing the likely engagement outcome and assessing the revenue to be recognised during the financial year, where clients are billed in advance.
- Valuation of receivables (note 6) – assessing the recoverability of receivables.

Further details of significant estimates and judgements are set out in the related notes to the financial statements.

Notes to the financial statements continued

1 Accounting policies continued

Revenue
Revenue represents amounts recoverable from clients for professional services provided during the financial year. Revenue is measured at the fair value of consideration received or receivable on each client assignment, including expenses and disbursements but excluding discounts and Value Added Tax. Revenue is recognised when the amount can be reliably measured and it is probable that future economic benefits will flow.

Fixed fee assignments are recognised over a period of time by reference to the stage of completion of the actual services provided at the reporting date, as a proportion of the total services to be provided.

Success or performance fee assignments are recognised when the right to consideration arises on the legal and commercial completion of the engagement or when the performance-related elements have been met and the company becomes entitled to the revenue.

Contingent fee assignments, over and above any agreed minimum fee, are recognised when the contingent event occurs.

Time and materials assignments are recognised as services are provided at the fee rate agreed with the client.

Licence and related support fees are recognised on a straight line basis over the duration of the licence.

Unbilled revenue on individual client assignments is included as unbilled amounts for client work within trade and other receivables. Where individual on-account billings exceed revenue on client assignments and licence and related support fees, the excess is classified as progress billings for client work within trade and other payables.

Financial Instruments
Financial instruments are initially measured at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

In the statement of cash flows, cash and cash equivalents include cash at bank and in hand and bank overdrafts.

Trade and other receivables are initially measured at fair value and held at amortised cost less provisions for impairment. Provisions for impairment represent an allowance for doubtful debts that is estimated, based upon current observable data and historical trends.

Unbilled amounts for client work are initially measured at fair value and held at amortised cost less provisions for impairment.

Trade and other payables are initially measured at fair value and held at amortised cost.

Tax expense
Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are recognised using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities in the statement of financial position and the corresponding tax bases used in the computation of taxable profit. Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Deferred tax is measured at the tax rates that are enacted or substantively enacted at the reporting date and expected to apply in the periods in which the temporary differences reverse.

Share capital
Ordinary shares are classified as equity.

2 Employee information

No directors received any emoluments for services to the company during the financial year (2016: nil). Other than the directors, there were no employees in the company during the current or prior financial year.

Notes to the financial statements continued

3 Other operating charges

Other operating charges include service charges from group undertakings and professional advisory fees.

Auditor's remuneration payable to Crowe Clark Whitehill LLP in respect of audit fees for the financial years ended 30 June 2017 and 30 June 2016 was borne by the ultimate parent undertaking. There were no fees payable for other services during the financial year (2016: nil).

4 Finance income

	2017 £'000	2016 £'000
Interest receivable on loan due from other group undertaking	4	5

5 Tax expense

Tax expense comprises:

	2017 £'000	2016 £'000
Current tax comprising UK corporation tax expense at 19.75% (2016: 20%) based on taxable profits for the financial year	88	66
Adjustment to tax charge in respect of prior financial years	–	2
	88	68

The following table reconciles the tax expense at the standard rate to the actual tax expense:

	2017 £'000	2016 £'000
Profit before tax expense	443	331
Tax expense at UK standard rate of 19.75% (2016: 20%)	87	66
Impact of items not deductible for tax purposes	1	–
Adjustment to tax charge in respect of prior financial years	–	2
	88	68

The company had no deferred tax assets or liabilities at 30 June 2017 or 30 June 2016.

The company is part of a Group Payment Arrangement entered into by another group undertaking, PricewaterhouseCoopers Services Limited, with HM Revenue and Customs. The group undertaking makes corporation tax payments on behalf of the company under this arrangement and recharges the amounts to the company.

6 Trade and other receivables

	2017 £'000	2016 £'000
Loan due from other group undertaking	316	312
Amounts due from ultimate parent undertaking	599	204
Amounts due from other group undertaking	41	86
	956	602

Trade and other receivables are denominated in sterling.

The book value of trade and other receivables is consistent with fair value in the current and prior financial year.

During the financial year there has been no impairment charge recognised on any trade or other receivable assets (2016: nil).

Notes to the financial statements continued

7 Trade and other payables

	2017 £'000	2016 £'000
Progress billings for client work	**217**	240

Trade and other payables are denominated in sterling.

The book value of trade and other payables is consistent with fair value in the current and prior financial years.

8 Share capital

	2017 £	2016 £
Balance at beginning and end of year:		
100 ordinary A shares of £1 each	**100**	100
10 ordinary B shares of £1 each	**10**	10
	110	110

All classes of shares rank pari passu.

Prior to 31 December 2016, the whole of the share capital was held by PricewaterhouseCoopers Services Limited.

On 31 December 2016, the whole of the share capital was transferred to PwC Holdings (UK) Limited.

9 Dividends

During the prior financial year, on 23 March 2016, the directors approved an interim dividend of £700,000, being £6,364 per share.

The directors do not recommend the payment of a final dividend in respect of the financial year ended 30 June 2017 (2016: nil).

10 Financial instruments

Financial risk management
The company holds or issues financial instruments in order to finance its operations and manage foreign currency and interest rate risks arising from its operations and sources of finance. The principal financial instruments held or issued by the company are:

- Trade and other receivables (note 6) – represents amounts due from company's ultimate parent and other group undertakings in respect of transactions for which payment has not yet been received, and in respect of the cash management of the company.
- Trade and other payables (note 7) – represents progress billings to clients.

The Executive Board of the company's ultimate parent undertaking determines the treasury policies of the group, which include those of the company. These policies, designed to manage risk, relate to specific risk areas that management wish to control, including liquidity, credit risk, interest rate and foreign currency exposures.

Credit risk
The company's credit risk relates to receivables from clients. Exposure to that risk is monitored on a routine basis and credit evaluations are performed on clients as appropriate. The company's exposure is influenced mainly by the individual characteristics of each client. Risk is managed by maintaining close contact with each client and by routine billing and cash collection for work performed.

Notes to the financial statements continued

10 Financial instruments continued

Financial assets and liabilities by category:

Loans and receivables	2017 £'000	2016 £'000
Assets		
Trade and other receivables	956	602
Other financial liabilities		
Liabilities		
Trade and other payables	(217)	(240)

Interest rate profile of financial assets and financial liabilities
The financial assets and liabilities above are non-interest earning instruments, with the exception of the £316,000 (2016: £312,000) loan due from another group undertaking included within trade and other receivables, which bears interest at a variable rate.

Currency profile of financial assets and liabilities
The majority of the company's income and expenditure is in sterling and there was no material exposure of financial assets and liabilities to foreign exchange movements as at 30 June 2017 (2016: nil).

11 Related party transactions

The company's ultimate parent and other group undertakings undertake the cash management of the company.

The following transactions were carried out with related parties:

	2017 £'000	2016 £'000
Purchase of services		
Ultimate parent undertaking	(17)	(45)
Other group undertaking	(67)	(106)
Finance income		
Interest receivable on loan due from other group undertaking	4	5
Dividends paid to		
Other group undertaking	–	(700)

	2017 £'000	2016 £'000
Year end balances with related parties:		
Loan due from other group undertaking	316	312
Amounts due from ultimate parent undertaking	599	204
Amounts due from other group undertaking	41	86

Key management personnel
The directors represent key management personnel for the purposes of these financial statements. They received no fees or salaries from the company during the financial year (2016: nil).

12 Immediate and ultimate parent undertaking

The company is incorporated in England and Wales.

Prior to 31 December 2016, the company's immediate parent undertaking was PricewaterhouseCoopers Services Limited. On 31 December 2016, following the transfer of the company's share capital by PricewaterhouseCoopers Services Limited, the company's immediate parent undertaking became PwC Holdings (UK) Limited.

The company's ultimate parent undertaking and controlling party is PricewaterhouseCoopers LLP, which is the parent undertaking of the smallest and largest group that consolidates these financial statements.

The registered office address of both PricewaterhouseCoopers LLP and the company is 1 Embankment Place, London, WC2N 6RH.