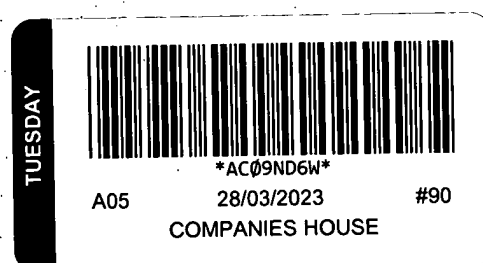


Registered Number: OC319841

PricewaterhouseCoopers Legal LLP

Members' report and financial statements

for the financial year ended 30 June 2022



PricewaterhouseCoopers Legal LLP

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PricewaterhouseCoopers Legal LLP

Members' report for the financial year ended 30 June 2022

The members present their report and the audited financial statements of PricewaterhouseCoopers Legal LLP ('the LLP') for the financial year ended 30 June 2022.

Principal activities and business review

During the prior financial year, on 12 November 2020, the LLP disposed of its membership interest in another group undertaking, PricewaterhouseCoopers Legal Middle East LLP ('PwC Legal ME'), as part of a group reorganisation. Prior to that date, the principal activity of the LLP was to act as a member of PwC Legal ME. Further details are disclosed in note 4. Since that date, the LLP has not undertaken, and does not expect to resume, any trading activity.

The members consider that the LLP's financial position at the end of the financial year is adequate. The LLP made neither a profit nor a loss in the current financial year (2021: profit of £2,488,000) and had a net asset position at 30 June 2022 of nil (2021: £5,693,000). Total members' interests at 30 June 2022 was £1,000,000 (2021: £6,693,000).

The members have, at the time of approving the financial statements, a reasonable expectation that the LLP will be able to continue in operational existence for the foreseeable future. Thus, the going concern basis has been adopted in preparing the financial statements.

Principal risks and uncertainties

The principal risks and uncertainties that the LLP faces relate to the recoverability of amounts receivable and the ability to meet its financial obligations when they fall due. The members take responsibility for maintaining systems of internal control to manage and mitigate these risks. Financial risk management disclosures are given in note 9.

Key performance indicators

Given the nature of the LLP, an analysis using key performance indicators is not considered necessary.

Designated members

The designated members (as defined in the Limited Liability Partnerships Act 2000) of the LLP during the whole of the financial year and up to the date of signing the financial statements were PricewaterhouseCoopers LLP and EJ Stacey.

Management Board

The members of the Management Board throughout the financial year and up to the date of signing the financial statements were:

EJ Stacey
PricewaterhouseCoopers LLP.

Members' capital

The LLP is financed through members' capital.

Members' profit shares and drawings

The profits of the LLP shall be payable by the LLP to its members in proportions as unanimously agreed by the members.

Members' drawings are determined by common agreement of the members, considering the working capital and other needs of the business.

During the current financial year, on 23 November 2021, the members approved and paid an interim distribution of £5,693,000 (2021: nil). The members do not recommend the payment of a final distribution in respect of the financial year ended 30 June 2022 (2021: nil).

PricewaterhouseCoopers Legal LLP

Members' report continued

Statement of members' responsibilities in respect of the financial statements

The Companies Act 2006, as applied to limited liability partnerships, requires the members to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the LLP and of the profit and loss of the LLP for that financial period.

In preparing the financial statements, the members are required to:


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

The members are responsible for safeguarding the assets of the LLP and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The members are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the LLP and enable them to ensure that the financial statements comply with the Companies Act 2006, as applied to limited liability partnerships.

The members confirm that they have complied with the above requirements in preparing the financial statements.

Approved by the members and signed on their behalf on 24 March 2023 by:

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EJ Stacey
Designated member

PricewaterhouseCoopers Legal LLP

Independent auditor's report to the members of PricewaterhouseCoopers Legal LLP

Opinion

We have audited the financial statements of PricewaterhouseCoopers Legal LLP ('the LLP') for the financial year ended 30 June 2022, which comprise the statement of comprehensive income, statement of financial position, statement of cash flows, statement of changes in members' equity and notes to the financial statements, including a summary of significant accounting policies and other explanatory information. The financial reporting framework that has been applied in their preparation is applicable law and International Accounting Standards ('IAS'), as adopted by the United Kingdom ('UK') and the requirements of the Companies Act 2006 as applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008.

In our opinion, the financial statements:

- give a true and fair view of the state of the LLP's affairs at 30 June 2022 and of its result for the financial year then ended;
- have been properly prepared in accordance with IAS as adopted by the UK, in conformity with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the requirements of the Companies Act 2006 as applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008.

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 LLP 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

In auditing the financial statements, we have concluded that the members' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the LLP's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the members with respect to going concern are described in the relevant sections of this report.

Other information

The members are responsible for the other information. The other information comprises the members' report, which is published with 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.

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.

Matters on which we are required to report by exception

We have no exceptions to report in respect of the following matters in relation to which the Companies Act 2006, as applied to limited liability partnerships requires us to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the LLP, or returns adequate for our audit have not been received from branches not visited by us; or
- the LLP's financial statements are not in agreement with the accounting records and returns.

PricewaterhouseCoopers Legal LLP

Independent auditor's report continued

Responsibilities of members

As explained more fully in the Statement of members' responsibilities in respect of the financial statements set out on page 2, the members are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the members 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 members are responsible for assessing the LLP'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 members either intend to liquidate the LLP 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.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be the override of controls by management.

Our audit procedures to respond to these risks included enquiries of management about their own identification and assessment of the risks of irregularities and sample testing on the posting of journals.

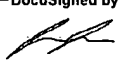
Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected a material misstatement in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. We are not responsible for preventing, and cannot be expected to detect, non-compliance with all laws and regulations.

These inherent limitations are particularly significant in the case of misstatement resulting from fraud as this may involve sophisticated schemes designed to avoid detection, including deliberate failure to record transactions, collusion or the provision of intentional misrepresentations.

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

Use of our report

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 LLPs by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008. 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 opinions we have formed.

DocuSigned by:

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Ryan Ketteringham
(Senior Statutory Auditor)

For and on behalf of
Crowe U.K. LLP
Statutory Auditor
London
24 March 2023

PricewaterhouseCoopers Legal LLP

Statement of comprehensive income for the financial year ended 30 June 2022

| | Note | 2022 £'000 | 2021 £'000 |
|---------------------------------------------------------------------------|------|---------------|---------------|
| Income from investment in subsidiary | | — | 1,173 |
| Other operating income | 3 | — | 1,315 |
| Profit for the financial year available for division among members | | — | 2,488 |

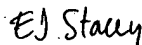
All current and prior financial year activity arises from discontinued operations.

PricewaterhouseCoopers Legal LLP

Statement of financial position at 30 June 2022

| | Note | 2022 £'000 | 2021 £'000 |
|---------------------------------|------|----------------|----------------|
| Current assets | | | |
| Trade and other receivables | 5 | 1,000 | 6,693 |
| Total assets | | 1,000 | 6,693 |
| Non-current liabilities | | | |
| Members' capital | 7 | (1,000) | (1,000) |
| Total liabilities | | (1,000) | (1,000) |
| Net assets | | – | 5,693 |
| Equity | | | |
| Members' reserves | 8 | – | 5,693 |
| Total equity | | – | 5,693 |
| Members' interests | | | |
| Members' capital | 8 | 1,000 | 1,000 |
| Members' reserves | 8 | – | 5,693 |
| Total members' interests | | 1,000 | 6,693 |

The financial statements on pages 5 to 12 were authorised for issue and signed on 24 March 2023 on behalf of the members of PricewaterhouseCoopers Legal LLP, registered number OC319841, by:

DocuSigned by:

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EJ Stacey
Designated member

PricewaterhouseCoopers Legal LLP

Statement of changes in members' equity for the financial year ended 30 June 2022

| | Members' reserves £'000 |
|----------------------------------------------|----------------------------|
| Balance at beginning of prior financial year | 3,205 |
| Profit for the financial year | 2,488 |
| Balance at end of prior financial year | 5,693 |
| Distributions to members | (5,693) |
| Balance at end of financial year (note 8) | – |

Statement of cash flows for the financial year ended 30 June 2022

| | 2022 £'000 | 2021 £'000 |
|------------------------------------------------------------------------|---------------|---------------|
| Cash flows from operating activities | | |
| Profit for the financial year | – | 2,488 |
| Income from investment in subsidiary | – | (1,173) |
| Gain on disposal of investment in subsidiary | – | (1,544) |
| Changes in working capital: | | |
| Decrease (increase) in trade and other receivables | – | (2,488) |
| Net cash outflow from operating activities | – | (2,717) |
| Cash flows from investing activities | | |
| Proceeds from disposal of investment in subsidiary | – | 1,544 |
| Income from investment in subsidiary | – | 1,173 |
| Net cash inflow from investing activities | – | 2,717 |
| Net movement in cash and cash equivalents in the financial year | – | – |
| Cash and cash equivalents at beginning of financial year | – | – |
| Cash and cash equivalents at end of financial year | – | – |

PricewaterhouseCoopers Legal LLP

Notes to the financial statements for the financial year ended 30 June 2022

1 Accounting policies

Basis of preparation

The financial statements of PricewaterhouseCoopers Legal LLP ('the LLP') have been prepared in accordance with International Accounting Standards ('IAS') as adopted by the United Kingdom ('UK') and the requirements of the Companies Act 2006. On 31 December 2020, International Financial Reporting Standards ('IFRS') as adopted by the European Union was brought into UK law and became IAS as adopted by the UK, with future changes subject to endorsement by the UK Endorsement Board. On 1 July 2021, the LLP transitioned to IAS as adopted by the UK. The resulting change in the accounting framework during the financial year has not had an impact on the recognition, measurement or disclosures in these financial statements.

The principal accounting policies adopted in the preparation of these financial statements are set out below. All accounting policies have been consistently applied to all the financial years presented. The new standards and interpretations adopted during the financial year, as set out below, have not had an impact on the financial statements.

The members have, at the time of approving the financial statements, a reasonable expectation that the LLP will be able to continue in operational existence for the foreseeable future. Thus, the going concern basis has been adopted in preparing the financial statements.

New standards and interpretations adopted in the financial year

During the financial year ended 30 June 2022, the LLP adopted the Interest Rate Benchmark Reform – Phase 2 amendments to IFRS 7, IFRS 4, IFRS 16, Amendments to IFRS 4 'Insurance Contracts – deferral of IFRS 9' and IFRS 16 'Leases – COVID-19-Related Rent Concessions – Extension of the practical expedient'. These changes have not had an impact on the financial statements.

New standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for reporting periods ended 30 June 2022 and have not been early adopted by the LLP. None of these are expected to have an impact on the LLP in current or future reporting periods and on foreseeable future transactions.

Critical accounting estimates and key judgements

The preparation of financial statements in conformity with IAS as adopted by the UK 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 to the carrying value of assets and liabilities. Where appropriate, present values are calculated using discount rates reflecting the currency and maturity of the items being valued.

The members do not consider that there are any critical accounting estimates and key judgements that could have a significant effect on the LLP's financial result.

PricewaterhouseCoopers Legal LLP

Notes to the financial statements continued

1 Accounting policies continued

Allocation of profits and drawings

The profits of the LLP are payable by the LLP to its members in proportions as unanimously agreed by the members.

Members' drawings are determined by common agreement of the members, taking into account the working capital and other needs of the business.

During each financial year, the level of interim profit allocations and members' monthly drawings are set after considering the working capital needs of the LLP. The final allocation of profits and distribution to members is made after assessing each member's contribution for the financial year and after the annual financial statements have been approved. Unallocated profits are included in reserves within members' equity. To the extent that interim profit allocations exceed drawings, the excess profit is included in the statement of financial position under trade and other payables. Where drawings exceed the allocated profits, the excess is included in trade and other receivables. The same treatment is used for members who retire during the financial year.

Contingent liabilities

Contingent liabilities are possible obligations whose existence depends on the outcome of uncertain future events or present obligations where the outflow of resources is considered less than probable or cannot be measured reliably. Contingent liabilities are not recognised in the financial statements but are disclosed unless they are remote.

Foreign currencies

Transactions 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 are retranslated using the rates of exchange at the reporting date and the gains and losses on translation are included in the statement of comprehensive income.

Investments in subsidiaries

Investments in subsidiaries were measured at cost less impairment. The cost of a subsidiary undertaking was the fair values of the assets transferred and the liabilities incurred by the LLP, including those from any contingent consideration arrangement. Acquisition-related costs were charged to the statement of comprehensive income as incurred.

Investments in subsidiaries were reclassified as held for sale if the carrying amount was recovered principally through a sale transaction rather than through continuing use. Where investments in subsidiaries were held for sale, the subsidiary was held at the lower of the carrying amount and fair value less costs to sell.

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 are carried at amortised cost and include cash at bank and in hand and bank overdrafts with original maturities of three months or less.

Trade receivables and other receivables are carried at amortised cost less provisions for lifetime estimated credit losses and impairments. Estimated future credit losses are first recorded on the initial recognition of a receivable and are based on the ageing of the receivable balance, historical credit loss experience and forward-looking considerations. Individual trade receivables and other receivables are written off when management deem them not to be collectible.

Members' capital is measured at amortised cost.

Tax expense

Income tax payable on the profits of the LLP is solely the personal liability of the individual members of the LLP and consequently is not dealt with in these financial statements.

PricewaterhouseCoopers Legal LLP

Notes to the financial statements continued

2 Employee information

There were no employees in the LLP in the current financial year (2021: nil).

3 Other operating income

| | 2022 £'000 | 2021 £'000 |
|----------------------------------------------|---------------|---------------|
| Gain on disposal of investment in subsidiary | – | 1,544 |
| Foreign exchange loss | – | (229) |
| | – | 1,315 |

Auditor's remuneration

Auditor's remuneration payable to Crowe U.K. LLP in respect of audit fees for the financial years ended 30 June 2022 and 30 June 2021 was borne by the LLP's parent undertaking. There were no fees payable in respect of other services in the current financial year (2021: nil).

4 Investment in subsidiary

| | 2022 £'000 | 2021 £'000 |
|----------------------------------------------|---------------|---------------|
| Value at beginning and end of financial year | – | – |

During the prior financial year, on 12 November 2020, the LLP disposed of its membership interest in PricewaterhouseCoopers Legal Middle East LLP ('PwC Legal ME') as part of a group reorganisation, recognising a gain on disposal of £1,544,000.

Prior to that date, the LLP held a controlling interest in PwC Legal ME, a limited liability partnership incorporated in England and Wales. The principal activity of PwC Legal ME was the provision of legal services and the registered office is 1 Embankment Place, London, WC2N 6DX.

5 Trade and other receivables

| | 2022 £'000 | 2021 £'000 |
|-------------------------------------|---------------|---------------|
| Amounts due from parent undertaking | 1,000 | 6,693 |

Amounts due from the LLP's parent undertaking are considered to have a low credit risk and the loss allowance is therefore limited to the 12 month expected credit loss. The LLP has assessed the expected credit loss on these assets and no loss allowance has been recognised in the current financial year ended 30 June 2022 (2021: nil).

During the current financial year, there has been no impairment charge recognised on any trade and other receivable assets (2021: nil).

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

The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivable mentioned above. The LLP does not hold any collateral as security.

6 Liabilities arising from financial activities

| | 2022 £'000 | 2021 £'000 |
|---------------------------|---------------|---------------|
| Members' capital (note 7) | 1,000 | 1,000 |

There were no movements in liabilities arising from financing activities in the current or prior financial years.

PricewaterhouseCoopers Legal LLP

Notes to the financial statements continued

7 Members' capital

| | 2022 £'000 | 2021 £'000 |
|-------------------------------------------------------|---------------|---------------|
| Balance at beginning and end of financial year | 1,000 | 1,000 |

Members' capital contributions are determined by having regard to the working capital needs of the business. Individual members' capital contributions are set by reference to equity unit profit share proportions and are not repayable until the member retires. Members are required to provide one year's notice of retirement.

8 Total members' interests

| | Members' capital £'000 | Members' reserves £'000 | Total members' interests £'000 |
|-----------------------------------------------------|------------------------------|-------------------------------|-----------------------------------------|
| Balance at beginning of prior financial year | 1,000 | 3,205 | 4,205 |
| Profit for the financial year | – | 2,488 | 2,488 |
| Balance at end of prior financial year | 1,000 | 5,693 | 6,693 |
| Distributions to members | – | (5,693) | (5,693) |
| Balance at end of financial year | 1,000 | – | 1,000 |

The basis on which profits are allocated is described in note 1.

In the event of a winding-up, members' reserves rank after unsecured creditors.

9 Financial instruments

Financial assets and liabilities by category

| | 2022 Amortised cost £'000 | 2021 Amortised cost £'000 |
|-----------------------------|------------------------------------|------------------------------------|
| Assets | | |
| Trade and other receivables | 1,000 | 6,693 |
| Liabilities | | |
| Members' capital | (1,000) | (1,000) |

The fair values of financial assets and liabilities approximate their carrying values in the current and prior financial years.

PricewaterhouseCoopers Legal LLP

Notes to the financial statements continued

9 Financial instruments continued

Financial risk management and management of capital

The LLP's capital sources comprise members' capital. The LLP holds or issues financial instruments in order to finance its activities and sources of finance.

The principal financial instruments held or issued by the LLP are:

- Trade and other receivables (note 5) – amounts due from the LLP's parent undertaking.
- Members' capital (note 7) – the LLP requires members to provide financing, which is classified as a liability.

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

Interest rate profile of financial assets and liabilities

All the financial assets and liabilities above are non-interest earning instruments. There was no exposure of financial assets and liabilities to interest rate movements at 30 June 2022 (2021: nil).

Currency profile of financial assets and liabilities

All the financial assets and liabilities above are denominated in sterling. There was no exposure of financial assets and liabilities to foreign exchange movements at 30 June 2022 (2021: nil).

10 Related party transactions

The LLP's parent undertaking and other group undertakings perform the cash management of the LLP.

| The following transactions were carried out with related parties: | 2022 £'000 | 2021 £'000 |
|-------------------------------------------------------------------|---------------|---------------|
| Distribution paid to | | |
| Ultimate parent undertaking | 5,693 | – |
| Distribution received from | | |
| Subsidiary undertakings | – | 1,173 |
| Disposal of interests in | | |
| Subsidiary undertakings | – | 1,544 |

The distribution paid to ultimate parent undertaking was a non-cash transaction which was offset against the amount due from parent undertaking in note 5.

Balances with related parties at the end of the current and prior financial years are disclosed in note 5.

Key management personnel

The Management Board represents key management personnel for the purposes of these financial statements. No remuneration charged as an expense has been paid to the members of the Management Board in the current or prior financial years.

11 Immediate and ultimate parent undertaking

The LLP is incorporated in England and Wales.

The LLP's immediate and ultimate parent undertaking and controlling party is PricewaterhouseCoopers LLP, a UK limited liability partnership, which is the parent undertaking of the smallest and largest group that consolidates these financial statements. The registered office address of PricewaterhouseCoopers LLP is 1 Embankment Place, London, WC2N 6RH.

The registered office address of PricewaterhouseCoopers Legal LLP is 1 Embankment Place, London, WC2N 6DX.