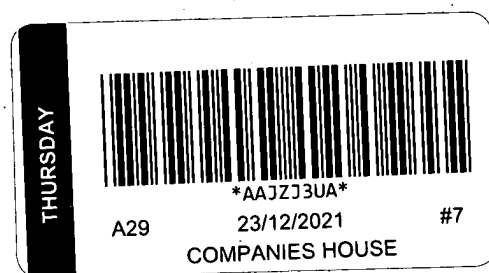


Registered Number: OC319841

PricewaterhouseCoopers Legal LLP

**Members' report and financial statements
for the financial year ended 30 June 2021**



PricewaterhouseCoopers Legal LLP

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PricewaterhouseCoopers Legal LLP

Members' report for the financial year ended 30 June 2021

The members present their report and the audited financial statements of PricewaterhouseCoopers Legal LLP (the 'LLP') for the financial year ended 30 June 2021.

Principal activities and business review

Prior to 12 November 2020, the principal activity of the LLP was to act as a member of PricewaterhouseCoopers Legal Middle East LLP ('PwC Legal ME'), a limited liability partnership registered in the United Kingdom. On 12 November 2020, the LLP disposed of its membership interest in PwC Legal ME as part of a group reorganisation. Further details are disclosed in note 4.

The LLP is not expected to resume trading. The members consider that the LLP's financial position at the end of the financial year is adequate.

The LLP made a profit for the financial year of £2,488,000 (2020: £97,000). The LLP's net asset position at 30 June 2021 was £5,693,000 (2020: £3,205,000).

In the assessment of going concern, the members have considered the economic environment, including the potential ongoing impacts of the COVID-19 pandemic. The LLP has maintained an adequate working capital position and the members have no reason to believe that a material uncertainty exists that may cast significant doubt on the ability of the LLP to continue as a going concern.

Having regard to the above, 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, they continue to adopt the going concern basis of accounting in preparing the annual 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

The LLP's key performance indicator is the net assets position as disclosed in the statement of financial position.

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 as follows:

EJ Stacey
PricewaterhouseCoopers LLP.

Members' capital

The LLP is financed through a combination of members' capital and undistributed profits.

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.

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 22 November 2021 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 2021, 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 Financial Reporting Standards ('IFRS'), in conformity 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.

In our opinion, the financial statements:

- give a true and fair view of the state of the LLP's affairs at 30 June 2021 and of its profit and cash flows for the financial year then ended;
- have been properly prepared in accordance with IFRS, 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 located 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.



Richard Baker
(Senior Statutory Auditor)

For and on behalf of
Crowe U.K. LLP
Statutory Auditor
London
22 November 2021

PricewaterhouseCoopers Legal LLP

Statement of comprehensive income for the financial year ended 30 June 2021

	Note	2021 £'000	2020 £'000
Income from investment in subsidiary		1,173	–
Other operating income	3	1,315	97
Profit for the financial year available for division among members		2,488	97

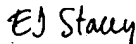
All current and prior financial year activity arises from discontinued operations.

PricewaterhouseCoopers Legal LLP

Statement of financial position at 30 June 2021

	Note	2021 £'000	2020 £'000
Current assets			
Trade and other receivables	5	6,693	4,205
Total assets		6,693	4,205
Non-current liabilities			
Members' capital	7	(1,000)	(1,000)
Total liabilities		(1,000)	(1,000)
Net assets		5,693	3,205
Equity			
Members' reserves	8	5,693	3,205
Total equity		5,693	3,205
Members' interests			
Members' capital	8	1,000	1,000
Members' reserves	8	5,693	3,205
Total members' interests		6,693	4,205

The financial statements on pages 5 to 13 were authorised for issue and signed on 22 November 2021 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 2021

	Members' reserves £'000
Balance at beginning of prior financial year	3,108
Profit for the financial year	97
Balance at end of prior financial year	3,205
Profit for the financial year	2,488
Balance at end of financial year (note 8)	5,693

Statement of cash flows for the financial year ended 30 June 2021

	2021 £'000	2020 £'000
Cash flows from operating activities		
Profit for the financial year	2,488	97
Gain on disposal of investment in subsidiary	(1,544)	-
Income from investment in subsidiary	(1,173)	-
Changes in working capital:		
Increase in trade and other receivables	(2,488)	(97)
Net cash flow 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 flow 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 continued

1 Accounting policies

Basis of preparation

The financial statements of PricewaterhouseCoopers Legal LLP (the 'LLP') have been prepared in accordance with International Financial Reporting Standards ('IFRS') and IFRS Interpretations Committee ('IFRIC') interpretations, in conformity with the requirements of the Companies Act 2006. On 31 December 2020, IFRS as adopted by the European Union was brought into United Kingdom ('UK') law and became international accounting standards as adopted by the UK, with future changes subject to endorsement by the UK Endorsement Board.

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 financial statements have been prepared under the historical cost convention, except as otherwise described in the accounting policies.

In the assessment of going concern, the members have considered the economic environment, including the potential ongoing impacts of the COVID-19 pandemic. The LLP has maintained an adequate working capital position and the members have no reason to believe that a material uncertainty exists that may cast significant doubt on the ability of the LLP to continue as a going concern.

Having regard to the above, 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, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

The financial statements contain information about the LLP as an individual LLP, and do not contain consolidated financial information as the parent undertaking of a group. As a LLP included in the European Economic Area ('EEA') financial statements of a larger group, under Section 400 of the Companies Act 2006, as applied to LLPs, the LLP is exempt from the requirement to prepare group financial statements as it is itself a subsidiary undertaking and its immediate parent undertaking is established under the law of an EEA state.

New standards and interpretations adopted in the financial year

During the financial year ended 30 June 2021, the LLP adopted Amendments to IFRS 3 'Business Combinations', IFRS 9, IAS 39 and IFRS 7 'Interest Rate Benchmark Reform', IAS 1 and IAS 8 'Definition of material', IFRS 16 'Leases – COVID-19-Related Rent Concessions' and References to the Conceptual Framework in IFRS Standards. These changes have not had an impact on the financial statements.

New standards and interpretations not yet adopted

There are a number of new IFRS standards, amendments and IFRIC interpretations that have been issued by the International Accounting Standards Board ('IASB') that will require future adoption and are not expected to have an impact on the LLP:

- Amendments to IFRS 4 'Insurance Contracts', IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 'Interest Rate Benchmark Reform – Phase 2' and IFRS 16 'Leases – COVID-19-Related Rent Concessions – Extension of the practical expedient' will become effective for the accounting period to 30 June 2022.
- Amendments to IAS 1 'Presentation of Financial Statements: Classification of Liabilities as Current or Non-Current', IFRS 3 'Business Combinations', IAS 16 'Property, Plant and Equipment', IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' and 'Annual improvements to IFRSs 2018-2020 cycle' will become effective for the accounting period to 30 June 2023, subject to endorsement.
- IFRS 17 'Insurance Contracts', Amendments to IAS 1 and IFRS Practice Statement 2 'Disclosure of accounting policies', IAS 8 'Definition of accounting estimates' and IAS 12 'Deferred tax relating to assets and liabilities arising from a single transaction' will become effective for the accounting period to 30 June 2024, subject to endorsement.

PricewaterhouseCoopers Legal LLP

Notes to the financial statements continued

1 Accounting policies continued

Critical accounting estimates and key 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 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.

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

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

PricewaterhouseCoopers Legal LLP

Notes to the financial statements continued

1 Accounting policies continued

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.

2 Employee information

There were no employees in the LLP in the current financial year (2020: nil).

3 Other operating income

	2021 £'000	2020 £'000
Gain on disposal of investment in subsidiary	1,544	–
Foreign exchange (loss) gain	(229)	97
	1,315	97

Auditor's remuneration

Auditor's remuneration payable to Crowe U.K. LLP in respect of audit fees for the financial year ended 30 June 2021 was borne by the parent undertaking (2020: nil). There were no fees payable in respect of other services in the financial year (2020: nil).

4 Investment in subsidiary

	2021 £'000	2020 £'000
Value at beginning and end of financial year	–	–

Prior to 12 November 2020, the LLP held a controlling interest in PricewaterhouseCoopers Legal Middle East LLP ('PwC Legal ME'), a limited liability partnership incorporated in England and Wales. The principal activity of PwC Legal ME is the provision of legal services and the registered office is 1 Embankment Place, London, WC2N 6DX.

On 12 November 2020, the LLP disposed of its membership interest in PwC Legal ME as part of a group reorganisation, recognising a gain on disposal of £1,544,000.

PricewaterhouseCoopers Legal LLP

Notes to the financial statements continued

5 Trade and other receivables

	2021 £'000	2020 £'000
Amounts due from parent undertaking	6,693	–
Amounts due from subsidiary undertaking	–	4,205
	6,693	4,205

Amounts due from other group undertakings 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 financial year ended 30 June 2021 (2020: nil).

During the financial year, there has been no impairment charge recognised on any trade and other receivable assets (2020: 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

	2021 £'000	2020 £'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.

7 Members' capital

	2021 £'000	2020 £'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	3,108	4,108
Profit for the financial year	–	97	97
Balance at end of prior financial year	1,000	3,205	4,205
Profit for the financial year	–	2,488	2,488
Balance at end of financial year	1,000	5,693	6,693

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.

PricewaterhouseCoopers Legal LLP

Notes to the financial statements continued

9 Financial instruments

Financial assets and liabilities by category

	2021 Amortised cost £'000	2020 Amortised cost £'000
Assets		
Trade and other receivables	6,693	4,205
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.

Financial risk management and management of capital

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

- Trade and other receivables (note 5) – amounts due from other group undertakings.
- 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 2021 (2020: nil).

Currency profile of financial assets and liabilities

	2021 Sterling £'000	Sterling £'000	2020 US dollar £'000
Assets			
Trade and other receivables	6,693	–	4,205
Liabilities			
Members' capital	(1,000)	(1,000)	–
Total	5,693	(1,000)	4,205

PricewaterhouseCoopers Legal LLP

Notes to the financial statements continued

10 Related party transactions

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

During the current financial year, the LLP received a distribution of £1,173,000 from PwC Legal ME and disposed of its membership interest in PwC Legal ME for consideration of £1,544,000. There were no transactions with any related parties during the prior financial year.

Balances at the end of the current and prior financial years with related parties 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.