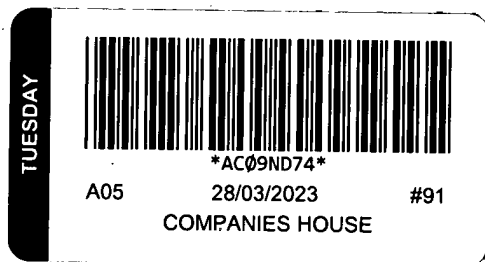


Registered Number: 02319585

PricewaterhouseCoopers Consulting Services UK Limited
Directors' report and financial statements
for the financial year ended 30 June 2022



PricewaterhouseCoopers Consulting Services UK Limited

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PricewaterhouseCoopers Consulting Services UK Limited

Directors' report for the financial year ended 30 June 2022

The directors present their report and the audited financial statements of PricewaterhouseCoopers Consulting Services UK Limited ('the Company') for the financial year ended 30 June 2022.

Principal activities and business review

The Company's principal activity is the provision of research and marketing strategy-related consultancy services to clients.

The Company ceased trading on 30 June 2022. The directors do not anticipate any significant changes in the Company's position.

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

The Company made a loss after tax credit for the financial year ended 30 June 2022 of £45,000 (2021 profit after tax expense: £26,000). The Company's net liability position at 30 June 2022 was £109,000 (2021: £64,000).

The Company is not expected to resume trading and the directors intend to place the Company into Members' Voluntary Liquidation in the foreseeable future. The financial statements have therefore been prepared on a cessation basis.

Principal risks and uncertainties

The principal risks and uncertainties that the Company faces relate to the ability to meet its financial obligations when they fall due. The directors take responsibility for maintaining systems of internal control to manage and mitigate these risks. Financial risk management disclosures are given in note 14.

Key performance indicators

The Company's key performance indicators are revenue and profit or loss, as disclosed in the statement of comprehensive income.

Dividends

The directors do not recommend the payment of a final dividend in respect of the financial year ended 30 June 2022 (2021: nil).

Directors

The directors of the Company who held office throughout the financial year and up to the date of signing the financial statements, were as follows:

AJB Cope
PA Terrington.

On 31 December 2021, MCE Robinson resigned as a director of the Company.

On 1 January 2022, MCM Thomas was appointed as a director of the Company.

On 31 March 2022, WE Hunt resigned as a director of the Company.

PricewaterhouseCoopers Consulting Services UK Limited

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 Accounting Standards ('IAS') as adopted by the United Kingdom ('UK') and the requirements of the Companies Act 2006. 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, 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 Company will continue in business.

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

The directors are responsible for keeping adequate accounting records that 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 consider that the directors' report and the financial statements, taken as a whole, are fair, balanced and understandable and provide the information necessary to assess the Company's financial position and performance, business model and strategy.

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 auditor is 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 auditor is aware of that information.

By order of the Board

DocuSigned by:

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P Patterson
Company Secretary
20 March 2023

PricewaterhouseCoopers Consulting Services UK Limited

Independent auditor's report to the members of PricewaterhouseCoopers Consulting Services UK Limited

Opinion

We have audited the financial statements of PricewaterhouseCoopers Consulting Services UK Limited ('the Company') for the financial year ended 30 June 2022, which comprise the statement of comprehensive income, statement of financial position, statement of changes in equity, statement of cash flows 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.

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs at 30 June 2022 and of its loss and cash flows for the financial year then ended;
- have been properly prepared in accordance with IAS as adopted by the UK and the requirements of the Companies Act 2006; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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.

Emphasis of matter – basis of preparation

We draw attention to note 1 to the financial statements which explains that the directors intend to liquidate the Company and therefore do not consider it to be appropriate to adopt the going concern basis of accounting in preparing the financial statements. As described in note 1, the financial statements have been prepared on the cessation basis.

Our opinion is not modified in respect of this matter.

Other information

The directors are responsible for the other information. The other information comprises the directors' 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 themselves. 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 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:

- proper 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
- we have not received all the information and explanations we require for our audit.

PricewaterhouseCoopers Consulting Services UK Limited

Independent auditor's report continued

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 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 about 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 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.

DocuSigned by:



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Ryan Ketteringham
(Senior Statutory Auditor)

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

PricewaterhouseCoopers Consulting Services UK Limited

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


	Note	2022 £'000	2021 £'000
Revenue	2	130	171
Expenses and disbursements on client assignments		(27)	(27)
Net revenue		103	144
Other operating charges	4	(156)	(109)
Operating (loss) profit		(53)	35
Finance expense	5	(1)	(3)
(Loss) profit before tax expense		(54)	32
Tax credit (expense)	6	9	(6)
(Loss) profit and total comprehensive (expense) income for the financial year		(45)	26

PricewaterhouseCoopers Consulting Services UK Limited

Statement of financial position at 30 June 2022

	Note	2022 £'000	2021 £'000
Non-current assets			
Deferred tax assets	6	15	6
Current assets			
Trade and other receivables	8	37	351
Cash and cash equivalents	9	28	29
		65	380
Total assets		80	386
Current liabilities			
Trade and other payables	10	(189)	(277)
Lease liabilities	7	–	(67)
Provisions	11	–	(100)
Corporate tax payable		–	(6)
Total liabilities		(189)	(450)
Net liabilities		(109)	(64)
Equity			
Share capital	13	1	1
Share premium	13	28	28
Accumulated losses		(138)	(93)
Total equity		(109)	(64)

The financial statements on pages 5 to 17 were approved and authorised for issue by the Board of Directors on 20 March 2023 and were signed on its behalf by:

DocuSigned by:

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AJB Cope
 Director

PricewaterhouseCoopers Consulting Services UK Limited

Registered Number: 02319585

PricewaterhouseCoopers Consulting Services UK Limited

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

	Share capital £'000	Share premium £'000	Accumulated losses £'000	Total equity £'000
Balance at beginning of prior financial year	1	28	(119)	(90)
Profit for financial year	—	—	26	26
Balance at end of prior financial year	1	28	(93)	(64)
Loss for financial year	—	—	(45)	(45)
Balance at end of financial year	1	28	(138)	(109)

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

	Note	2022 £'000	2021 £'000
Cash flows from operating activities			
(Loss) profit after taxation		(45)	26
Tax (credit) expense		(9)	6
Adjustments for:			
Finance expense		1	3
Changes in working capital:			
Decrease (increase) in trade and other receivables		314	(36)
(Decrease) increase in trade and other payables		(88)	179
Decrease in provisions		(100)	(74)
Cash generated from operations		73	104
Corporation tax paid		(6)	—
Net cash inflow from operating activities		67	104
Cash flows from financing activities			
Lease liabilities:			
Finance charges on lease liabilities		(1)	(3)
Principal repayments of lease liabilities		(67)	(101)
Net cash outflow from financing activities		(68)	(104)
Net decrease in cash and cash equivalents in financial year		(1)	—
Cash and cash equivalents at beginning of financial year		29	29
Cash and cash equivalents at end of financial year	9	28	29

PricewaterhouseCoopers Consulting Services UK Limited

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

1 Accounting policies

Basis of preparation

The financial statements of PricewaterhouseCoopers Consulting Services UK Limited ('the Company') 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 Company 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 Company ceased trading on 30 June 2022 and the financial statements have been prepared on a cessation basis as the directors intend to place the Company into Members' Voluntary Liquidation in the foreseeable future. The financial statements have been prepared under the historical cost convention, except as otherwise described in these accounting policies.

New standards and interpretations adopted in the financial year

During the financial year ended 30 June 2022, the Company adopted the Interest Rate Benchmark Reform – Phase 2 amendments to IFRS 7, IFRS 4, 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 these 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 Company. None of these are expected to have a material impact on the Company 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 critical accounting estimates in applying the Company's accounting policies that could have a significant effect on the Company's financial results relate to revenue recognition (note 2) and the valuation of contract assets (note 8), in respect of estimating the stage of contract completion, including estimating the costs still to be incurred and assessing the likely engagement outcome. A 5% movement in contract assets would result in a change in revenue of £2,000.

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

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.

PricewaterhouseCoopers Consulting Services UK Limited

Notes to the financial statements continued

1 Accounting policies continued

Leases

Payments associated with all short-term leases and certain leases of low-value assets are recognised on a straight-line basis as an operating expense in the income statement. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise office-related and technology equipment.

All other leases are recognised as right-of-use assets and corresponding lease liabilities at the date at which the leased assets are available for use by the Company.

Lease liabilities are initially measured at an amount equal to the present value of the expected future lease payments for the underlying right-of-use assets during the lease term. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined, or the Company's relevant incremental borrowing rate. The lease term is a non-cancellable period of the lease; periods covered by options to extend and terminate the lease are only included in the lease term if it is reasonably certain that the lease will be extended or not terminated. Where the Company has the option to extend the lease term beyond the non-cancellable period, or of not exercising a termination option, all facts and circumstances that create an economic incentive to exercise an extension option or not exercise a termination option are considered.

Each lease payment is allocated between a repayment of the liability and a finance cost. Lease liabilities are subsequently measured using the effective interest method. The carrying amount of the liability is remeasured to reflect reassessments and lease modifications.

Right-of-use assets are measured initially at cost comprising:

- the amount of the initial measurement of the lease liability;
- any lease payments less lease incentives at or before the lease commencement date;
- any initial direct costs; and
- restoration costs.

Subsequently, the right-of-use assets are measured at cost less accumulated depreciation and any accumulated impairment losses, and adjusted for remeasurements of the lease liability due to reassessments or lease modifications. The right-of-use assets are depreciated over the lease term on a straight-line basis.

Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Non-current provisions are measured at their present value. The discount rates used are based on risk-free rates.

Provisions are recognised for obligations under property-related contracts that are onerous ('onerous provision') and to restore premises to their original condition upon vacating them, where such an obligation exists under the lease ('dilapidations provision'). The provisions are based on estimated future cash flows that have been discounted to present value, with the unwinding of that discount presented in the statement of comprehensive income as a finance expense.

The onerous provision covered the estimated unavoidable non-rental costs of leased properties, including service charges, up to the end of the lease term.

PricewaterhouseCoopers Consulting Services UK Limited

Notes to the financial statements continued

1 Accounting policies continued

Revenue

Revenue is measured as the fair value of consideration received or receivable for satisfying performance obligations contained in contracts with clients, including expenses and disbursements but excluding discounts and Value Added Tax. Variable consideration is included in the transaction price only to the extent that it is highly probable that a significant reversal will not be required when the uncertainties determining the level of variable consideration are subsequently resolved. Revenue is recognised when, or as, the Company satisfies performance obligations by transferring control of services to clients. This occurs as follows for the Company's various contract types:

- Time-and-materials contracts are recognised as services are provided at the fee rate agreed with the client where there is an enforceable right to payment for performance completed to date.
- Fixed-fee contracts are recognised over time based on the actual services provided to the end of the reporting period as a proportion of the total services to be provided where there is an enforceable right to payment for performance completed to date. This is determined based on the actual inputs of time and expenses relative to total expected inputs.
- Performance-fee contracts are recognised when the right to consideration arises on having met the relevant performance-related elements.
- Contingent-fee contracts, over and above any agreed minimum fee, are recognised when the contingent event occurs and the Company has become entitled to the revenue.
- Licence-fee contracts that provide a right to use the Company's intellectual property ('IP'), as it exists at the date the licence is granted, are recognised when the licence agreement is entered into and the licensee is able to use and benefit from the licence. Licence-fee contracts that provide a right of access to the Company's IP, as it exists throughout the licence period, are recognised over time to reflect the pattern in which the benefits of access transfer to the client over the licence period.

Where contracts include multiple performance obligations, the transaction price is allocated to each performance obligation based on its stand-alone selling price. Where these are not directly observable, they are estimated based on expected cost plus margin. Adjustments are made to allocate discounts proportionately relative to the stand-alone selling price of each performance obligation.

Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in the statement of comprehensive income in the period in which the circumstances that give rise to the revision become known.

For time-and-materials, fixed-fee and licence-fee contracts, fees are usually billed on account based on a payment schedule. For performance-fee and contingent-fee contracts, fees are usually billed and paid when entitlement to the revenue has been established. If the revenue recognised by the Company exceeds the amounts billed, a contract asset is recognised. If the amounts billed exceed the revenue recognised, a contract liability is recognised. Contract assets are reclassified as trade receivables when billed and the consideration has become unconditional because only the passage of time is required before payment is due. The Company's standard payment terms require settlement of invoices within 14 days of receipt.

The Company does not adjust the transaction prices for the time value of money as it does not have any contracts where the period between the transfer of the promised services to the client and the payment by the client exceeds one year.

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 with original maturities of three months or less.

Trade and other receivables, including contract assets, 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 these assets and are based on the ageing of the asset balance, historical credit loss experience and forward-looking considerations. Individual trade receivables and contract assets are written off when management deem them not to be collectible. Contract assets are reclassified as trade receivables when billed and the consideration has become unconditional because only the passage of time is required before payment is due.

Trade and other payables are measured at amortised cost.

PricewaterhouseCoopers Consulting Services UK Limited

Notes to the financial statements continued

1 Accounting policies continued

Tax expense

Current tax assets and tax 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 tax 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. Deferred tax assets are recognised for tax losses carried forward to the extent that the realisation of the related tax benefit is probable.

Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. Deferred tax assets and tax liabilities are offset when there is a legally enforceable right to offset related current tax assets and tax liabilities and when the deferred tax balances relate to the same taxation authority.

Current and deferred taxes are recognised in the income statement, except where they relate to items that are recognised in other comprehensive income, in which case they are recognised in other comprehensive income.

Share capital

Ordinary shares are classified as equity.

2 Revenue

Disaggregation of revenue

The Company derives revenue from the provision of consulting services across the following industry segments:

	2022 £'000	2021 £'000
Consumer markets	75	65
Financial services	40	6
Technology, media and telecommunications	15	100
	130	171

Assets and liabilities related to contracts with customers

Details of the Company's contract assets are disclosed in note 8.

Unsatisfied long-term contracts

At 30 June 2022 and 30 June 2021, the Company had no fixed-price, long-term contracts in place with customers. All of the Company's partially or fully unsatisfied contracts with customers at that date were for a period of one year or less, or carried a right to consideration directly aligned to performance completed to date.

Where the contract is for a period of one year or less or where the right to consideration is directly aligned to performance completed to date, the Company has applied the practical expedient set out in IFRS 15 'Revenue from contracts with customers' in respect of the presentation of the transaction price allocated to partially or fully unsatisfied contracts with customers.

PricewaterhouseCoopers Consulting Services UK Limited

Notes to the financial statements continued

3 Staff costs

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

During the current and prior financial years, no directors were employees of the Company and no directors received any emoluments for services to the Company.

4 Other operating charges

Other operating charges

Other operating charges for the current financial year include service charges payable for the use of staff on engagements and occupancy charges, including property service charges and lease-related expenditure. Other operating charges in the prior financial year comprised of service charges payable for the use of staff on engagements.

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 ultimate parent undertaking. There were no fees payable for other services during the financial year (2021: nil).

5 Finance expense

	2022 £'000	2021 £'000
Finance charges on lease liabilities (note 7)	1	3

6 Tax (credit) expense

Tax (credit) expense comprises:

	2022 £'000	2021 £'000
Current tax comprising UK corporation tax (credit) expense at 19% (2021: 19%) based on taxable (losses) profits for the financial year	–	6
Deferred tax credit	(9)	–
	(9)	6

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

	2022 £'000	2021 £'000
(Loss) profit before tax (credit) expense	(54)	32
Tax (credit) expense at UK standard rate of 19% (2021: 19%)	(10)	6
Impact of items not deductible for tax purposes	1	–
	(9)	6

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

PricewaterhouseCoopers Consulting Services UK Limited

Notes to the financial statements continued

6 Tax (credit) expense continued

Deferred tax

Deferred tax is measured at the tax rates that are enacted at the reporting date and expected to apply in the periods in which the temporary differences reverse. Deferred tax is calculated using a rate of 19% for the period to 31 March 2023 and 25% thereafter (2021: 19% for the period to 31 March 2023 and 25% thereafter). At 30 June 2022 deferred tax assets comprised tax losses (2021: temporary differences between capital allowances and depreciation).

The movement in the Company's deferred tax asset balance during the financial year was as follows:

	2022 £'000	2021 £'000
Balance at beginning of financial year	6	6
Charged to the statement of comprehensive income	–	(5)
Credited to the statement of comprehensive income	9	5
Balance at end of financial year	15	6

During the current and prior financial years, there were no deferred tax liabilities in the Company. At 30 June 2022, the Company had no unrecognised deferred tax assets (2021: nil).

7 Leases

Movements in lease liabilities during the financial year ended 30 June 2022 were as follows:

	2022 £'000	2021 £'000
Balance at beginning of financial year	67	168
Finance charges (note 5)	1	3
Payments	(68)	(104)
Balance at end of financial year	–	67

Disclosed as:

	2022 £'000	2021 £'000
Current	–	67

The maturity profile at 30 June 2022 of the undiscounted cash flows required to settle the lease liabilities is as follows:

	2022 £'000	2021 £'000
Within one financial year	–	67

During the financial year ended 30 June 2022, total cash outflows in respect of leases was £67,000 (2021: £104,000).

PricewaterhouseCoopers Consulting Services UK Limited

Notes to the financial statements continued

8 Trade and other receivables

	2022 £'000	2021 £'000
Contract assets	37	6
Amounts due from ultimate parent undertaking	–	345
	37	351

The expected loss rates for trade receivables and contract assets are based on the payment profile and the shared credit risk characteristics arising in the different industries in which the Company operates, incorporating forward-looking information based on the clients' industries and financial position. Based on the Company's assessment, no expected credit loss allowance has been recognised in the financial year ended 30 June 2022 (2021: nil).

The amounts due from the ultimate parent and 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 Company has assessed the expected credit loss on these assets and no loss allowance has been recognised in the financial year ended 30 June 2022 (2021: nil).

During the financial year, there has been no impairment charge recognised on any 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 Company does not hold any collateral as security. Further details of credit risk are disclosed in note 14.

9 Cash and cash equivalents

	2022 £'000	2021 £'000
Cash at bank and in hand	28	29

Fair values of cash and cash equivalents approximate to carrying value owing to the short maturity of these instruments.

10 Trade and other payables

	2022 £'000	2021 £'000
Trade payables	3	–
Amounts due to other group undertaking	84	210
Social security and other taxes	–	67
Accruals	102	–
	189	277

The Company's had no contract liabilities at the financial year ended 30 June 2022 or 30 June 2021. During the prior financial year ended 30 June 2021, all of the Company's £79,000 recorded contract liabilities at 30 June 2020 were recognised as revenue.

Due to the short maturity of trade and other payables, the carrying value is consistent with fair value in the current and prior financial years.

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Notes to the financial statements continued

11 Provisions

	Property related £'000
Balance at beginning of prior financial year	174
Utilised during the financial year	(74)
Balance at end of prior financial year	100
Utilised during the financial year	(100)
Balance at end of financial year	–

Disclosed as:

	2022 £'000	2021 £'000
Current	–	100

The provisions in the prior financial year, primarily comprised provisions on onerous property-related contracts, based on estimated future cash flows that unwound during the current financial year.

12 Liabilities arising from financing activities

The Company's liabilities arising from financing activities were as follows:

	2022 £'000	2021 £'000
Lease liabilities (note 7)	–	67

The following table illustrates the movements in liabilities arising from financing activities, including both changes arising from cash and non-cash flows:

	2022 £'000	2021 £'000
Non-cash flows from financing activities		
Finance charges on lease liabilities (note 5)	1	3
Cash flows from financing activities		
Lease liabilities:		
Finance charges on lease liabilities (note 5)	(1)	(3)
Principal payments of lease liabilities (note 7)	(67)	(101)
	(68)	(104)
Net decrease in liabilities arising from financing activities	(67)	(101)
Liabilities arising from financing activities at beginning of financial year	67	168
Liabilities arising from financing activities at end of financial year	–	67

13 Share capital

	Number of ordinary shares of £1 each	Share capital £'000	Share premium £'000
Balance at beginning and end of the financial year	1,250	1	28

The whole of the Company's share capital is held by PwC Holdings (UK) Limited.

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Notes to the financial statements continued

14 Financial instruments

Financial risk management

The Company holds or issues financial instruments in order to finance its activities. The principal financial instruments held or issued by the Company are:

- Trade and other receivables (note 8) – comprises trade receivables in respect of services provided to clients and amounts due from the ultimate parent and other group undertakings in respect of transactions.
- Cash and cash equivalents (note 9) – the Company manages its cash resources in order to meet its daily working capital requirements. Cash and any outstanding debt are kept to a minimum and liquid fund deposits are maximised.
- Trade and other payables (note 10) – comprises amounts due to suppliers and other group undertakings and accruals, in respect of transactions.
- Lease liabilities (note 7) – the present value of the Company's expected future lease payments for the underlying right-of-use assets during the lease term.

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, interest rate and foreign currency exposures.

Financial assets and liabilities by category

	2022 Amortised cost £'000	2021 Amortised cost £'000
Assets		
Trade and other receivables	–	345
Cash and cash equivalents	28	29
Liabilities		
Trade and other payables	(189)	(210)
Lease liabilities	–	(67)

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

Credit risk

Cash deposits with banks and other financial institutions give rise to counterparty risk. The Company manages this risk by reviewing the counterparty's credit rating regularly and limiting the aggregate amount and duration of exposure to any one counterparty, taking into account criteria such as credit rating.

The Company's other significant credit risk relates to receivables from clients. Exposure to this 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 clients and by routine billing and cash collection for work performed.

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 and the major part of the Company's income and expenditure is in sterling. There was no exposure of financial assets and liabilities to foreign exchange movements at 30 June 2022 (2021: nil).

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Notes to the financial statements continued

15 Related party transactions

The Company's ultimate parent and other group undertakings perform the cash management of the Company.

The following transactions were carried out with related parties:

	2022 £'000	2021 £'000
Purchase of services from		
Ultimate parent undertaking	–	(2)
Other group undertaking	(70)	(107)

Balances with related parties at the end of the current and prior financial years are disclosed in notes 8 and 10.

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 (2021: nil).

16 Ultimate parent undertaking

The Company is incorporated in England and Wales.

The Company's immediate parent undertaking is 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 of the Company and of PricewaterhouseCoopers LLP is 1 Embankment Place, London, WC2N 6RH.