

Registered Number: 03359633

PricewaterhouseCoopers Legal (Resources) Limited
Directors' report and financial statements
for the year ended 30 June 2013

FRIDAY



LD7

L2NMGZLD

20/12/2013

#79

COMPANIES HOUSE

PricewaterhouseCoopers Legal (Resources) Limited

Contents	Page
Directors' report	. 1
Independent auditors' report	3
Statement of comprehensive income	4
Statement of financial position	5
Statement of changes in equity	6
Statement of cash flows	6
Notes to the financial statements	. 7

PricewaterhouseCoopers Legal (Resources) Limited

Directors' report for the year ended 30 June 2013

The directors present their report and the audited financial statements of PricewaterhouseCoopers Legal (Resources) Limited for the year ended 30 June 2013

Principal activities and review of business

The company's principal activity is the provision of staff to carry out professional services.

The principal risks and uncertainties that the company faces relate to the recruitment, development and retention of suitable staff. The directors take responsibility for maintaining systems of internal control to manage and mitigate these risks. Financial risk management disclosures are provided in note 10.

The company made a profit after taxation of £377 for the year (2012: £381).

PricewaterhouseCoopers Legal LLP has undertaken to ensure that adequate funds are available to the company for the purpose of its trade for at least another 12 months from the date of signing these financial statements. The directors have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of the company to continue as a going concern or its ability to continue with the current banking arrangements. On the basis of their assessment of the company's financial position, the company's directors have a reasonable expectation that the company will be able to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Dividends

The directors do not recommend the payment of a dividend in respect of the year ended 30 June 2013 (2012: nil).

Directors

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

LD Flavell
R J Edmundson

Statement of directors' responsibilities

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

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

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

PricewaterhouseCoopers Legal (Resources) Limited

Directors' report continued

Disclosure of information to auditors

Each of the directors as at the date of approval of this report confirms, as required by Section 418 of the Companies Act 2006, that to the best of their knowledge and belief

- there is no significant information known to the director relevant to the audit, of which the company's auditor is unaware, and
- each director has taken reasonable steps to make himself aware of such information and to establish that the company's auditor is aware of it

On behalf of the Board

A handwritten signature in black ink, appearing to be 'L. Flavell', written over a horizontal line.

L. Flavell
Director

Date

10 December 2013

PricewaterhouseCoopers Legal (Resources) Limited

Independent auditors' report to the members of PricewaterhouseCoopers Legal (Resources) Limited

We have audited the financial statements of PricewaterhouseCoopers Legal (Resources) Limited for the year ended 30 June 2013, which comprise the statement of comprehensive income, statement of financial position, statement of changes in equity, statement of cash flows and the related notes numbered 1 to 13. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRS) as adopted by the European Union.

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.

Respective responsibilities of directors and auditors

As explained more fully in the directors' responsibilities statement set out on page 1, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

In addition, we read all the financial and non-financial information in the directors' report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies, we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 30 June 2013, and of its profit for the year then ended,
- have been properly prepared in accordance with IFRS as adopted by the European Union,
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the directors' report for the financial year ended 30 June 2013 for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

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



Steve Gale FCA (Senior Statutory Auditor)
For and on behalf of Crowe Clark Whitehill LLP
Statutory Auditor
London

10 December 2013

PricewaterhouseCoopers Legal (Resources) Limited

Statement of comprehensive income for the year ended 30 June 2013

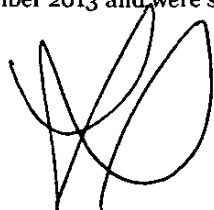
	Note	2013 £	2012 £
Revenue		14,728,125	12,499,250
Staff costs	2	(14,727,134)	(12,498,561)
Other operating charges	3	(83)	(189)
Operating profit		908	500
Finance expense	4	(408)	-
Profit before tax expense		500	500
Tax expense	5	(123)	(119)
Profit and total comprehensive income for the financial year		377	381

PricewaterhouseCoopers Legal (Resources) Limited

Statement of financial position as at 30 June 2013

	Note	2013 £	2012 £
Current assets			
Trade and other receivables	6	2,204,648	1,835,905
Cash and cash equivalents	7	3,617	95,658
Total assets		2,208,265	1,931,563
Current liabilities			
Trade and other payables	8	(2,077,840)	(1,857,478)
Corporation tax		(129,628)	(73,665)
Total liabilities		(2,207,468)	(1,931,143)
Net assets		797	420
Equity			
Share capital	9	2	2
Retained earnings		795	418
Total equity		797	420

The financial statements on pages 4 to 11 were approved and authorised by the Board of Directors on 10 December 2013 and were signed on its behalf by



L Flavell
Director

PricewaterhouseCoopers Legal (Resources)
Limited

Registered Number: 03359633

PricewaterhouseCoopers Legal (Resources) Limited

Statement of changes in equity for the year ended 30 June 2013

	Share capital	Retained earnings	Total
	£	£	£
Balance at beginning of prior year	2	37	39
Comprehensive income			
Profit for the financial year	-	381	381
Balance at beginning of year	2	418	420
Comprehensive income			
Profit for the financial year	-	377	377
Balance at end of year	2	795	797

Statement of cash flows for the year ended 30 June 2013

	Note	2013 £	2012 £
Cash flows from operating activities			
Cash (utilised in) generated from operations	11	(74,566)	20,140
Corporation tax paid		(124,061)	(77,113)
Net cash outflow from operating activities		(198,627)	(56,973)
Cash flows from financing activities			
Interest paid		(408)	-
Compensating payment by members of PricewaterhouseCoopers Legal LLP		106,994	94,782
Net cash inflow from financing activities		106,586	94,782
Net movement in cash and cash equivalents in the year		(92,041)	37,809
Cash and cash equivalents at beginning of year		95,658	57,849
Cash and cash equivalents at end of year	7	3,617	95,658

PricewaterhouseCoopers Legal (Resources) Limited

Notes to the financial statements for the year ended 30 June 2013

1 Accounting policies

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

Basis of preparation

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

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

The Company adopted IAS 1 (revised) 'Presentation of financial statements' during the year. The standard requires items presented in other comprehensive income to be grouped on the basis of whether or not they will be reclassified subsequently to profit or loss.

New standards and interpretations not yet adopted

The following IFRS standards and amendments and IFRIC interpretations have been issued by the IASB, have not been early adopted and are not expected to have a material impact on the Company's results:

- IFRS 11 'Joint arrangements', IFRS 12 'Disclosure of interests in other entities', IAS 27 'Separate financial statements' and IAS 28 (revised) 'Investments in associates and joint ventures' become effective for the accounting period to June 2015.
- Amendment to IAS 32 'Financial instruments: Presentation' clarifies some of the requirements for offsetting financial assets and liabilities. The amendment is expected to be effective for the accounting period to June 2015.
- Amendment to IFRS 7 'Financial instruments: Disclosures' includes new disclosure to facilitate comparison between financial statements prepared in accordance with IFRS and those prepared in accordance with US GAAP. The amendment is expected to be effective for the accounting period to June 2014.
- IFRS 9 'Financial instruments' addresses the classification, measurement and recognition of financial assets and financial liabilities. It replaces parts of IAS 39 that relate to the classification and measurement of financial instruments. The standard is the first step in the project to replace IAS 39, and the IASB also intends to add new requirements on hedge accounting and impairment. IFRS 9 is expected to be effective for the accounting period to June 2016.
- IFRS 13 'Fair value measurement' is effective for the accounting period to June 2014. The standard aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs.

Critical accounting estimates and judgements

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of turnover, expenses, assets and liabilities. The estimates and judgements are based on historical experience and other factors, including 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. The directors do not consider that there are any material principal estimates and assumptions that could have a significant impact upon the company's financial results.

Revenue

Revenue represents the invoiced value of services rendered excluding Value Added Tax. The company recognises revenue when the amount can be reliably measured and it is probable that future economic benefits will flow

PricewaterhouseCoopers Legal (Resources) Limited

Notes to the financial statements for the year ended 30 June 2013

1 Accounting policies continued

Retirement benefit obligations

The company operates a defined contribution pension scheme for its staff. Contributions to the defined contribution scheme are charged to the income statement as they fall due.

Financial instruments

Financial instruments are initially measured at fair value. Fair value is the amount at which such an instrument could be exchanged in an arm's length transaction between informed and willing parties.

Cash and cash equivalents comprise cash at bank and in hand.

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

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

Tax expense

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the statement of financial position date.

Share capital

Ordinary shares are classified as equity.

2 Staff costs

	2013 £	2012 £
Salaries, including termination benefits (2013: £227,000, 2012: £47,000)	12,597,540	10,704,178
Social security costs	1,519,053	1,364,509
Pension costs - defined contribution schemes	610,541	429,874
	14,727,134	12,498,561

The average monthly number of employees during the year was 184 (2012: 169).

3 Other operating charges

Auditors' remuneration in respect of audit fees for 2013 and the prior financial year was borne by PricewaterhouseCoopers Legal LLP, the company's immediate parent undertaking. There were no fees payable for other services (2012: nil).

4 Finance expense

	2013 £	2012 £
Interest payable	408	-

PricewaterhouseCoopers Legal (Resources) Limited

Notes to the financial statements for the year ended 30 June 2013

5 Tax expense

Tax expense comprises

	2013 £	2012 £
Current tax comprising UK corporation tax expense at 23.75% (2012 23.6%) based on taxable profits for the year	180,024	73,665
Compensating payment due from members of PricewaterhouseCoopers Legal LLP	(179,901)	(73,546)
	123	119

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

	2013 £	2012 £
Profit before tax expense	500	500
Tax expense at UK standard rate of 23.75% (2012 23.6%)	118	119
Adjustments to tax charge in respect of previous years	5	-
	123	119

In accordance with UK transfer pricing legislation, the UK corporation tax expense includes an additional amount in respect of the taxable profits of the company. The cost of this is offset by compensating payments made by members of PricewaterhouseCoopers Legal LLP.

In addition to the changes in rates of corporation tax disclosed above, further changes to the UK corporation tax rates were substantively enacted as part of the Finance Bill 2013 on 2 July 2013. These include reductions to the main rate to reduce the rate to 21% from 1 April 2014 and to 20% from 1 April 2015. As the changes had not been substantively enacted at the balance sheet date, their effects are not included in the financial statements.

6 Trade and other receivables

	2013 £	2012 £
Client receivables	252	252
Due from PricewaterhouseCoopers network firms	-	30,677
Amount due from parent undertaking	2,025,913	1,724,435
Amount due from members of PricewaterhouseCoopers Legal LLP	153,448	80,541
Other receivables	25,035	-
	2,204,648	1,835,905

All classes of assets within trade and other receivables are denominated in sterling. During the year there has been no indication of, nor provision made for, impairment (2012 nil). The carrying value of trade and other receivables is consistent with the fair value in the current and prior year.

7 Cash and cash equivalents

	2013 £	2012 £
Cash at bank and in hand	3,617	95,658

PricewaterhouseCoopers Legal (Resources) Limited

Notes to the financial statements for the year ended 30 June 2013

8 Trade and other payables

	2013 £	2012 £
Trade and other payables	65,341	162,424
Taxation and social security	810,232	629,412
Accruals	294,249	1,065,642
Amounts owed to other group undertakings	908,018	-
	2,077,840	1,857,478

All classes of liabilities within trade and other payables are denominated in sterling. The carrying value of trade and other payables is consistent with fair value in the current and prior year.

9 Share capital

	2013 £	2012 £
Balance at beginning and end of the year:		
2 ordinary shares of £1 each	2	2

The company is a limited company. The whole of the share capital is held by PricewaterhouseCoopers Legal LLP.

10 Financial instruments

Financial risk management

The company holds financial instruments in order to finance its operations. The principal financial instruments held by the company are:

- Trade and other receivables – The balance primarily represents amounts due from the company's parent undertaking in respect of services provided, for which payment has not yet been received.
- Cash and cash equivalents – The company manages its cash resources in order to meet daily working capital requirements. Cash and any outstanding debt are kept to a minimum and liquid fund deposits are maximised.
- Trade and other payables – The balance represents amounts due to other group undertakings and services received for which payment has yet to be made.

Financial assets and liabilities by category

	2013		2012	
	Loans and receivables	Other financial liabilities	Loans and receivables	Other financial liabilities
	£	£	£	£
Assets				
Trade and other receivables	2,204,648	-	1,835,905	-
Cash and cash equivalents	3,617	-	95,658	-
Liabilities				
Trade and other payables	-	(1,267,608)	-	(1,228,066)

Interest rate profile of financial assets and financial liabilities

All of the financial assets and liabilities above are non-interest earning instruments and there is no exposure of financial assets and liabilities to interest rate movements as at 30 June 2013.

Currency profile of financial assets and liabilities

All of the company's income and expenditure is in sterling.

PricewaterhouseCoopers Legal (Resources) Limited

Notes to the financial statements for the year ended 30 June 2013

11 Reconciliation of profit before tax to operating cash flows

	2013 £	2012 £
Profit before tax	500	500
Finance costs	408	-
(Increase)/decrease in trade and other receivables	(295,836)	96,646
Increase/(decrease) in trade and other payables	220,362	(77,006)
Cash (utilised in)/generated from operations	(74,566)	20,140

12 Related party transactions

The company provides staff and other services to its parent undertaking to enable it to provide professional services in the normal course of its business.

The following transactions were carried out with related parties:

	2013 £	2012 £
Provision of services		
Parent undertaking	14,728,125	12,499,250

Year end balances with related parties:

	2013 £	2012 £
Amount due from parent undertaking	2,025,913	1,724,435
Amounts owed to other group undertakings	(908,018)	-
	1,117,895	1,724,435

Key management compensation

Key management personnel are the directors, and they received no fees or salaries from the company during the year (2012 nil)

13 Ultimate and immediate parent undertaking

The company was incorporated in England and Wales. Under IAS 27 "Consolidated and separate financial statements", the company's ultimate parent undertaking is PricewaterhouseCoopers LLP, which is the parent undertaking of the largest group that consolidates these financial statements.

The company's immediate parent undertaking and controlling party is PricewaterhouseCoopers Legal LLP, a UK limited liability partnership, which is also the parent undertaking of the smallest 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 both PricewaterhouseCoopers Legal LLP and the company is 1 Embankment Place, London, WC2N 6DX.