Annual Report 2024

PricewaterhouseCoopers LLP

Members’ report and financial statements for the financial year ended 30 June 2024

Registered Number: OC303525

Contents

Members' report for the financial year ended 30 June 2024

The members present their report and the audited consolidated financial statements of PricewaterhouseCoopers LLP ('the LLP') and its subsidiary undertakings (together 'the Group') for the financial year ended 30 June 2024.

Principal activity

The principal activity of the Group is the provision of professional services, including audit, tax and legal, deal and risk advisory and consulting in the United Kingdom, the Middle East and the Channel Islands.

Governance

The governance structure of the LLP primarily comprises the following:

- A Management Board, responsible for the policies, strategy, direction and management of the LLP. The Management Board is assisted by a Partner Matters Committee, responsible for certain human resource matters relating to members.
- A Supervisory Board, which considers, reviews and gives guidance to the Management Board on matters which the Supervisory Board considers to be of concern to the members, having regard to the interests and wellbeing of the LLP as a whole.
- A Public Interest Body, the purpose of which is to enhance stakeholder confidence in the public interest aspects of the LLP's activities through the involvement of independent non-executives. The Public Interest Body enables the LLP to fulfil certain responsibilities set out in the Audit Firm Governance Code (as updated from time to time). The Audit Oversight Body, a committee of the Public Interest Body, oversees the obligations of the LLP with respect to the pursuit of the Financial Reporting Council's objectives, outcomes and principles for operational separation of audit practices, insofar as they are within the control of the audit practice, and enhance the LLP's ability to fulfil certain responsibilities set out in the Audit Firm Governance Code.

The integrity of the Group's financial statements is monitored and reviewed by the Audit Committee, a committee of the Supervisory Board.

Designated members

Kevin Ellis, Marco Amitrano and Marissa Thomas were designated members (as defined in the Limited Liability Partnerships Act 2000) of the LLP for the whole of the financial year ended 30 June 2024. Kevin Ellis resigned as a designated member on 30 June 2024.

Members' capital

The Group is financed through a combination of members' capital, undistributed profits and borrowing facilities. Members' capital contributions, totalling £297m (2023: £286m), are determined by the Management Board with the approval of the Supervisory Board, having regard to the working capital needs of the business. They are set by reference to an individual member's equity unit profit share and are repayable following the member's retirement.

Members' profit shares and drawings

Members receive a distribution out of the profits of the LLP after adjusting for their obligations to make annuity payments to certain former partners and other equity adjustments. The final allocation and distribution of profit to individual members is made by the Management Board once their individual performance has been assessed and the annual financial statements have been approved. The Supervisory Board approves the process and oversees its application.

Each member's profit share comprises three interrelated components dependent upon the overall profitability of the LLP:

- Responsibility income – reflecting the member's sustained contribution and responsibilities.
- Performance income – reflecting how a member and their team(s) have performed.
- Equity unit income – reflecting the member's capital contribution.

Each member's performance income is determined by assessing achievements against an individually tailored balanced scorecard of objectives, based on the member's role. These objectives include ensuring the delivery of quality services, managing risk effectively and maintaining independence and integrity. There is transparency among the members over the total income allocated to each individual.

The overall policy for members' monthly drawings is to divide a proportion of the profit during the financial year, taking into account the need to maintain sufficient funds to settle members' income tax liabilities and to finance the working capital and other needs of the business. The Management Board, with the approval of the Supervisory Board, sets the level of members' monthly drawings, based on a percentage of their individual responsibility income.

Going concern

These financial statements have been prepared on a going concern basis.

The Group has continued to demonstrate strong resilience and has shown itself to be an adaptable and well-diversified business across various service offerings, client industry segments, and geographic locations. The Group continues to maintain substantial financial resources, including members' capital, undistributed profits, and borrowing facilities. This, coupled with a broad and diverse range of clients and suppliers, as well as a comprehensive risk assessment and mitigation framework overseen by the Management Board, positions the Group well to manage the financial impact of business risks.

As of 30 June 2024, the Group's net assets totalled £1,192m (2023: £1,332m), with total members' capital and reserves amounting to £1,243m (2023: £1,422m). The Group held cash and cash equivalents and term deposits of £773m (2023: £1,073m) and had undrawn borrowing facilities of £661m (2023: £660m).

The Group's facilities at 30 June 2024, totalling £678m, were predominantly held with 11 leading international banks, with £170m of facilities due to expire within one financial year, £83m within two financial years, and £425m within five financial years. Since 30 June 2024, £75m of the Group's facilities expiring within one financial year have been renewed, on satisfactory terms, for a further full year. It is expected that the remainder of these facilities will also be renewed on satisfactory terms when they expire. The Group arranges committed facilities to ensure a minimum headroom of 25% of forecast peak borrowing levels.

In evaluating the Group's ability to continue as a going concern, the Management Board has taken into account the economic environment of the markets in which the Group operates. This includes considering prevailing macroeconomic conditions such as geopolitical tensions, inflationary pressures, interest rate volatility, and skills availability. The Management Board has also considered the potential impact of a loss of significant clients, the effects of Basis Period Reform legislation in the United Kingdom impacting the cash flows of the Group, and the risks and opportunities arising from new and emerging technologies. The Management Board's assessment includes forecasting two core planning scenarios up to 30 June 2026, in alignment with the business plan, and planning appropriate responses for each, alongside reverse stress testing.

Central scenario – The central assumption for the United Kingdom is that economic activity will gain momentum in the 2025 financial year, leading to a steady increase in revenue, as interest rates decline and activity levels and demand for services grow. This positive trend is expected to persist into the 2026 financial year although, for modelling purposes, a conservative growth estimate relative to the 2025 baseline has been adopted. The central assumption for the Middle East is that revenue growth will remain robust in both the 2025 and 2026 financial years, although it may not reach the levels achieved in the 2024 financial year.

Severe but plausible downside scenario – The Management Board's severe but plausible downside scenario anticipates a significant decline in the level of demand for the Group's services during the 2025 financial year, accompanied by a deterioration in cash collections. This decline could stem from macroeconomic factors, regulatory requirements, reputational issues, or other market-related developments. The scenario projects a gradual but modest recovery from the 2026 financial year. A moderate level of cost mitigation measures has been assumed.

The Group's financial modelling indicates that the position remains manageable across both scenarios. In the downside scenario, the United Kingdom would need to utilise its borrowing facilities for the first three quarters of the 2026 financial year, while the Middle East would need to do so in one quarter of 2026. However, headroom against banking facilities and related covenants would remain substantial, even at peak borrowing levels. Reverse stress testing of a number of other scenarios indicates that if the trading environment were to deteriorate significantly, the Management Board could implement additional mitigating measures to sustain cash flow. These measures include postponing or reducing expenditures such as profit distributions, staff bonuses, and investments.

Having regard to all of the above, the Management Board has, at the time of approving the financial statements, a reasonable expectation that the Group and the LLP will be able to continue in operational existence for the foreseeable future. Thus, the going concern basis has been adopted in preparing the consolidated financial statements.

Statement of members' responsibilities in respect of the financial statements

The Companies Act 2006, as applied to limited liability partnerships, requires members to prepare financial statements for each financial year which give a true and fair view of the state of affairs of both the LLP and the Group and of the profit or loss of the Group for that financial year. In preparing those 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.
- Prepare the financial statements on the going concern basis, unless it is inappropriate to assume that the LLP or the Group will continue in business.

The members are responsible for safeguarding the assets of the LLP and the Group, 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 the Group and enable them to ensure that the financial statements comply with the Companies Act 2006, as applied to limited liability partnerships.

The members are also responsible for the maintenance and integrity of the LLP's website on which the financial statements are available. Legislation governing the preparation and dissemination of financial statements may differ in other jurisdictions from that in the United Kingdom.

These responsibilities are fulfilled by the Management Board on behalf of the members.

The Management Board confirms that it has complied with the above requirements in preparing the financial statements.

Signed on 15 August 2024 on behalf of the Management Board by:

Marco Amitrano
Senior Partner

Marissa Thomas
Designated Member

Report on the audit of the financial statements

Opinion

We have audited the financial statements of PricewaterhouseCoopers LLP ('the LLP') and its subsidiaries (together 'the Group') for the financial year ended 30 June 2024, which comprise:

- The consolidated income statement and consolidated statement of comprehensive income of the Group for the financial year ended 30 June 2024.
- The statements of financial position of the Group and the LLP at 30 June 2024.
- The statements of cash flows and statements of changes in equity of the Group and the LLP for the financial year ended 30 June 2024.
- The notes to the financial statements, which include a summary of accounting policies and other explanatory information.

The financial reporting framework that has been applied in their preparation is applicable law and International Accounting Standards as adopted by the UK and with the provisions of the Companies Act 2006, as applied to limited liability partnerships.

In our opinion:

- The financial statements give a true and fair view of the state of the Group's and of the LLP's affairs at 30 June 2024 and of the Group's profit for the financial year then ended.
- The financial statements have been properly prepared in accordance with International Accounting Standards as adopted by the UK.
- The financial statements have been properly prepared in accordance with the requirements of the Companies Act 2006, as applied to limited liability partnerships.

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 below in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements, including the Financial Reporting Council's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We consider 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.

In our work we have assessed the key assumptions feeding into the models used by management to assess going concern. We performed sensitivity analysis around the key inputs to the model to determine the adequacy and sensitivity of the model, and discussed with management whether there were any circumstances beyond the period of assessment that may cast significant doubt on the Group's and LLP's ability to continue as a going concern.

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 Group's and LLP's ability to continue as a going concern for a period of at least 12 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.

Overview of our audit approach

Materiality

In planning and performing our audit we applied the concept of materiality. An item is considered material if it could reasonably be expected to change the economic decisions of a user of the financial statements. We used the concept of materiality to both focus our testing and evaluate the impact of misstatements identified.

Based on our professional judgement, we determined overall materiality for the Group's and LLP's financial statements as a whole to be £61m (2023: £40m) and £40m (2023: £34m) respectively. In determining this, we have used 5% of profit before tax and the division of profit for the financial year (whether charged in arriving at profit before tax or through equity) (2023: revenue: 0.75% of Group and LLP revenue, and profit for the financial year: 5% of Group and LLP profit). We considered this benchmark given the relevance of profit to the users of the financial statements (being primarily, the members).

Overview of our audit approach continued

Materiality continued

We use a different level of materiality ('performance materiality') to determine the extent of our testing for the audit of the financial statements. Performance materiality is set based on the audit materiality as adjusted for the judgements made as to the entity risk and our evaluation of the specific risk of each audit area having regard to the internal control environment. The performance materiality figures for the Group and the LLP were determined to be £43m (2023: £28m), and £28m (2023: £24m) respectively.

Where considered appropriate, performance materiality may be reduced to a lower level, such as for related party transactions.

We agreed with the Audit Committee to report to it all identified errors in excess of £1.5m (2023: £0.5m). Errors and misstatements below that threshold would also be reported if, in our opinion as auditor, disclosure was required on qualitative grounds.

Overview of the scope of our audit

The financial reporting function for the Group and its material subsidiaries is centralised in one operating location in the UK, with the exception of the Middle East group of subsidiaries (the Middle East group). Our audit was conducted from the main operating location and all material subsidiaries, including the Middle East group, were within the scope of our audit testing.

For the Middle East group, the audit was led by a separate team and key audit partner. Under their direction and supervision, a member firm of the Crowe Global network undertook specified audit procedures in the Middle East. We planned the work following a series of planning meetings with local management and the local audit team. The Middle East group audit team visited the Middle East at both the planning and completion stage of the audit to review the work of the local audit team and to discuss matters with both them and local management.

In our audit, we tested and examined information, using sampling and other auditing techniques, to the extent we considered necessary to provide a reasonable basis for us to draw conclusions. We obtained audit evidence through testing the operating effectiveness of controls, substantive procedures or a combination of both.

In preparing the financial statements, the Management Board, on behalf of the members, have made a number of subjective judgements, for example in respect of critical accounting estimates that involved making assumptions and considering future events that are inherently uncertain. We focused our work primarily on these areas by assessing the Management Board's judgements against available evidence, forming our own judgements and evaluating the disclosures in the financial statements. We also addressed the risk of management override of controls, including evaluating whether there was evidence of bias by the Management Board, which may represent a risk of material misstatement, especially in areas of critical accounting estimates and key judgements as outlined in note 1.

Key audit matters

Key audit matters are those matters we identified that, in our professional judgement, were of most significance in our audit of the financial statements of the current financial year and included the most significant assessed risks of material misstatement, whether or not due to fraud. These matters are those that had the greatest effect on the overall audit strategy, the allocation of resources on the audit, and on directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In determining the key audit matters, we noted that there have been no changes in the Group's operations during the financial year that significantly impacted upon our audit. Our assessment of the most significant risks of material misstatement and resulting key audit matters are as detailed below.

These key audit matters relate to both the Group and the LLP. This is not a complete list of all risks identified by our audit.

Key audit matter	How the scope of our audit addressed the key audit matter
Revenue recognition and the valuation of contract assets The Group enters into a broad range of client contract types. The timing of revenue recognition on these contracts is dependent on the fulfilment of contractual terms that can be complex and involve subjective judgements on contract completeness and recoverability. Estimates are also required in assessing the fair value of contract assets. Revenue recognition and the valuation of contract assets are included within note 1 as areas of critical accounting estimate. The accounting policy for revenue is outlined in note 2. The disclosure of contract assets and contract liabilities is included within notes 14 and 16 respectively.	We tested the operating effectiveness of controls in relation to revenue recognition. We selected a sample of client assignments focusing on material contracts, contracts that met certain identified risk criteria and others. Our testing focused on ensuring that revenue was recognised in accordance with the accounting policy and included obtaining details of the underlying contract, agreeing key engagement terms regarding enforceable rights to payment for work performed to date, obtaining evidence of fulfilment and the justification for the stage of completeness, and agreement to cash receipts. As part of our work we challenged a range of areas including whether identified performance obligations were distinct, performance obligations had been satisfied for revenue recognised, the right to payment for work performed to date was enforceable in certain situations, assessments of costs to complete were appropriate and consistent with other evidence and whether the Group was acting as principal or agent. We reviewed provisions carried against the value of accrued income, ensuring a suitable assessment had been performed considering provisions held at both engagement and portfolio levels. We found no material misstatements arising from our testing. We consider the disclosure in notes 2, 14 and 16 to the financial statements to be appropriate having given specific regard to this being an area of critical accounting estimate.
Provisions for claims and regulatory proceedings Disputes and regulatory proceedings arise in the normal course of business. We focused on this area because of the potential financial impact that a major claim or regulatory proceeding could have on the Group and because of the uncertainties involved, including the need to exercise judgement. Provisions in respect of claims and regulatory proceedings are included within note 1 as an area of critical accounting estimate. The disclosure of provisions for claims and regulatory proceedings is included in note 19.	We met with the Group's Deputy General Counsel to discuss claims and actions by regulatory bodies. We examined these matters and considered the processes for ensuring the completeness of the reporting of claims and for assessing the risk of unrecorded claims. We reviewed external legal advice and details of judgements where relevant, and reviewed the controls operating around the completeness of reporting. We examined the Group's insurance arrangements and considered the impact of those terms and the level of cover on the provisions made. We consider the estimates made by management in determining the provisions for claims and regulatory proceedings to be reasonable in light of the evidence available to the date of this report. We consider the disclosure in note 19 to the financial statements to be appropriate having given specific regard to this being an area of critical accounting estimate.

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

Other information

The members are responsible for the other information. The other information comprises the members' report and the energy and carbon reporting, 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 we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether it 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 the 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 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.
- Adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us.
- The financial statements are not in agreement with the accounting records and returns.

Responsibilities of the members for the financial statements

As explained more fully in the Statement of members' responsibilities in respect of the financial statements set out on page 3, the members are responsible for the preparation of the Group's and LLP's 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 Group's and LLP's ability to continue as a going concern and for using the going concern basis of accounting unless the members either intend to liquidate the Group or 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, the improper application of the revenue recognition accounting policy and the risk of inappropriate judgements surrounding the recognition of liabilities arising from claims relating to litigation or regulatory sanction.

We obtained an understanding of the legal and regulatory frameworks that are applicable to the Group and LLP and the procedures in place for ensuring compliance in the jurisdictions where the Group and LLP operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006 as applied to limited liability partnerships and those regulations related to the firm's activities as a firm of chartered accountants and statutory auditors.

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

Auditor's responsibilities for the audit of the financial statements continued

Our audit procedures to respond to these risks included enquiries of management about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, use of data analytics in the analysis of journals, reviewing accounting estimates for biases, a review and assessment of the revenue recognised on a selection of client engagements to ensure appropriate application of revenue recognition policies and discussions with in-house General Counsel around the provisions held for claims, litigation and sanctions.

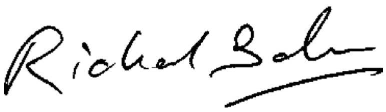
Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected a material misstatement in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. We are not responsible for preventing, and 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 set out on the Financial Reporting Council's website at: www.frc.org.uk/auditscopeukprivate. 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 limited liability partnerships. 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

15 August 2024

Consolidated income statement for the financial year ended 30 June 2024

	Note	2024 £m	2023 £m
Revenue	2	**6,326**	5,792
Expenses and disbursements on client assignments		**(670)**	(635)
Net revenue		**5,656**	5,157
Staff costs	3	**(3,325)**	(2,834)
Depreciation, amortisation and impairment of non-financial assets	4	**(142)**	(134)
Other operating charges	4	**(891)**	(776)
Gains on disposal of businesses	5	**11**	4
Net impairment losses on financial assets	4	**(24)**	(11)
Operating profit		**1,285**	1,406
Finance income	6	**43**	40
Finance expense	6	**(31)**	(28)
Profit before taxation		**1,297**	1,418
Tax expense	7	**(160)**	(93)
Profit for the financial year		**1,137**	1,325
Profit for the financial year attributable to:			
Members	24	**902**	934
Non-controlling interests	24	**235**	391
Profit for the financial year		**1,137**	1,325

The above consolidated income statement should be read in conjunction with the accompanying notes.

Consolidated statement of comprehensive income for the financial year ended 30 June 2024

	Note	2024 £m	2023 £m
Profit for the financial year		**1,137**	1,325
Other comprehensive expense			
Items that may be reclassified subsequently to profit or loss:			
Cash flow hedges	24	**(1)**	(1)
Translation of foreign operations	24	**(1)**	(24)
Items that will not be reclassified to profit or loss:			
Remeasurements of retirement benefits	23	**(20)**	(219)
Other comprehensive expense for the financial year		**(22)**	(244)
Total comprehensive income for the financial year		**1,115**	1,081
Total comprehensive income for the financial year attributable to:			
Members		**887**	723
Non-controlling interests		**228**	358
Total comprehensive income for the financial year		**1,115**	1,081

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

Cash flow hedges are disclosed net of tax in the consolidated statement of comprehensive income. There is no tax on any other component reported as other comprehensive expense in the current or prior financial years.

Statements of financial position at 30 June 2024

	Note	Group 2024 £m	Group 2023 £m	LLP 2024 £m	LLP 2023 £m
Non-current assets					
Property, plant and equipment	8	**204**	211	**–**	–
Right-of-use assets	9	**568**	619	**–**	–
Goodwill	10	**75**	77	**6**	6
Other intangible assets	10	**7**	10	**2**	3
Deferred tax assets	22	**8**	12	**–**	–
Investments in subsidiaries	11	**–**	–	**57**	57
Interests in joint ventures and associates	12	**5**	3	**–**	–
Other investments	13	**111**	104	**66**	66
Retirement benefit assets	23	**171**	153	**171**	153
		1,149	1,189	**302**	285
Current assets					
Trade and other receivables	14	**2,005**	1,759	**1,094**	1,064
Other investments	13	**61**	–	**–**	–
Cash and cash equivalents	15	**712**	1,073	**479**	721
		2,778	2,832	**1,573**	1,785
Total assets		**3,927**	4,021	**1,875**	2,070
Non-current liabilities					
Borrowings	17	**–**	(16)	**–**	–
Lease liabilities	9	**(553)**	(614)	**–**	–
Deferred tax liabilities	22	**(34)**	(21)	**–**	–
Retirement benefit obligations	23	**(81)**	(67)	**–**	–
Provisions	19	**(155)**	(152)	**(17)**	(33)
Other liabilities	21	**(230)**	(187)	**–**	–
Members' capital	20	**(290)**	(277)	**(290)**	(277)
		(1,343)	(1,334)	**(307)**	(310)
Current liabilities					
Trade and other payables	16	**(1,190)**	(1,183)	**(1,037)**	(1,125)
Taxes payable		**(70)**	(52)	**–**	(3)
Borrowings	17	**(17)**	(11)	**–**	–
Lease liabilities	9	**(93)**	(90)	**–**	–
Provisions	19	**(4)**	(2)	**–**	–
Other liabilities	21	**(11)**	(8)	**–**	–
Members' capital	20	**(7)**	(9)	**(7)**	(9)
		(1,392)	(1,355)	**(1,044)**	(1,137)
Total liabilities		**(2,735)**	(2,689)	**(1,351)**	(1,447)
Net assets		**1,192**	1,332	**524**	623
Equity					
Members' reserves	24	**946**	1,136	**524**	623
Non-controlling interests	24	**246**	196	**–**	–
Total equity		**1,192**	1,332	**524**	623
Members' interests					
Members' capital	20	**297**	286	**297**	286
Members' reserves	24	**946**	1,136	**524**	623
Total members' interests	24	**1,243**	1,422	**821**	909

The above statements of financial position should be read in conjunction with the accompanying notes.

The exemption under section 408 of the Companies Act 2006, as applied to limited liability partnerships, from presenting the LLP's income statement has been taken. The LLP's profit for the financial year ended 30 June 2024 was £993m (2023: £801m).

The financial statements on pages 10 to 58 were authorised for issue and signed on 15 August 2024 on behalf of the members of PricewaterhouseCoopers LLP, registered number OC303525, by:

Marco Amitrano
Senior Partner

Marissa Thomas
Designated Member

Statements of cash flows for the financial year ended 30 June 2024

	Group		LLP	
	2024 £m	2023 £m	**2024 £m**	2023 £m
Cash flows from operating activities				
Profit for the financial year	**1,137**	1,325	**993**	801
Tax on profits	**160**	93	**2**	3
Adjustments for:				
Depreciation, amortisation and impairment of non-financial assets	**142**	134	**1**	1
Loss (gain) on disposal of property, plant and equipment	**1**	(1)	**–**	–
Gain on disposal of business	**(11)**	(4)	**(11)**	–
Remeasurement gains on other investments	**(3)**	–	**–**	–
Share of profits in joint ventures and associates	**(2)**	–	**–**	–
Foreign-exchange movements	**(3)**	(23)	**–**	–
Income from investments in subsidiaries	**–**	–	**(197)**	(8)
Finance income	**(43)**	(40)	**(33)**	(34)
Finance expense	**31**	28	**–**	–
Changes in working capital (excluding the effects of acquisitions and disposals):				
Increase in trade and other receivables	**(235)**	(220)	**(18)**	(73)
(Decrease) increase in trade and other payables	**(12)**	134	**(88)**	169
Increase (decrease) in provisions	**47**	16	**(16)**	(24)
Movement in retirement benefits	**(19)**	(31)	**(24)**	(31)
Cash generated from operations	**1,190**	1,411	**609**	804
Tax paid	**(125)**	(91)	**(5)**	–
Net cash inflow from operating activities	**1,065**	1,320	**604**	804
Cash flows from investing activities				
Purchase of business	**–**	(3)	**–**	–
Proceeds from sale of business	**–**	26	**–**	9
Purchase of property, plant and equipment	**(48)**	(57)	**–**	–
Proceeds from sale of property, plant and equipment	**2**	3	**–**	–
Purchase of intangible assets	**(3)**	(5)	**–**	(4)
Purchase of other investments	**(77)**	(14)	**–**	–
Proceeds from redemption of other investments	**12**	15	**–**	2
Interest received	**33**	27	**23**	20
Income received from investments in subsidiaries	**–**	–	**197**	8
Net cash (outflow) inflow from investing activities	**(81)**	(8)	**220**	35
Cash flows from financing activities				
Repayment of borrowings	**(10)**	(28)	**–**	–
Lease liabilities:				
Finance charges on lease liabilities	**(16)**	(17)	**–**	–
Principal payments of lease liabilities	**(88)**	(73)	**–**	–
Interest paid	**(6)**	(5)	**–**	–
Capital contributions by members	**40**	33	**40**	33
Capital repayments to members	**(29)**	(21)	**(29)**	(21)
Payments to members	**(1,077)**	(945)	**(1,077)**	(945)
Capital contributions by non-controlling interest partners	**101**	98	**–**	–
Capital repayments to non-controlling interest partners	**(83)**	(63)	**–**	–
Payments to non-controlling interests	**(178)**	(336)	**–**	–
Net cash outflow from financing activities	**(1,346)**	(1,357)	**(1,066)**	(933)
Net decrease in cash and cash equivalents	**(362)**	(45)	**(242)**	(94)
Foreign-exchange movements	**1**	(10)	**–**	–
Cash and cash equivalents at beginning of financial year	**1,073**	1,128	**721**	815
Cash and cash equivalents at end of financial year (note 15)	**712**	1,073	**479**	721

The above statements of cash flows should be read in conjunction with the accompanying notes.

Statements of changes in equity for the financial year ended 30 June 2024

	Group			LLP
	Available for division among members £m	Attributable to non-controlling interests £m	Total £m	Total £m
Balance at beginning of prior financial year (note 24)	**1,358**	**174**	**1,532**	**976**
Profit for the financial year	934	391	1,325	801
Other comprehensive expense for the financial year	(211)	(33)	(244)	(209)
Total comprehensive income	**723**	**358**	**1,081**	**592**
Profit divided in the financial year	(945)	(336)	(1,281)	(945)
Transactions with owners	**(945)**	**(336)**	**(1,281)**	**(945)**
Balance at end of prior financial year (note 24)	**1,136**	**196**	**1,332**	**623**
Profit for the financial year	902	235	1,137	993
Other comprehensive expense for the financial year	(15)	(7)	(22)	(15)
Total comprehensive income	**887**	**228**	**1,115**	**978**
Profit divided in the financial year	(1,077)	(178)	(1,255)	(1,077)
Transactions with owners	**(1,077)**	**(178)**	**1,255)**	**(1,077)**
Balance at end of financial year (note 24)	**946**	**246**	**1,192**	**524**

The above statements of changes in equity should be read in conjunction with the accompanying notes.

1. Basis of preparation

These financial statements consolidate the results and financial position of PricewaterhouseCoopers LLP ('the LLP') and its subsidiary undertakings (together 'the Group').

The financial statements 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 as applicable to limited liability partnerships ('LLPs') reporting under IAS.

Accounting policies that relate to the financial statements as a whole are set out below, while those that relate to specific areas of the financial statements are shown in the corresponding note. 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 on a going concern basis under the historical cost convention, except as otherwise described in the accounting policies and the detailed notes to these financial statements.

The Group has continued to demonstrate strong resilience and has shown itself to be an adaptable and well-diversified business across various service offerings, client industry segments, and geographic locations. The Group continues to maintain substantial financial resources, including members' capital, undistributed profits, and borrowing facilities. This, coupled with a broad and diverse range of clients and suppliers, as well as a comprehensive risk assessment and mitigation framework overseen by the Management Board, positions the Group well to manage the financial impact of business risks.

As of 30 June 2024, the Group's net assets totalled £1,192m (2023: £1,332m), with total members' capital and reserves amounting to £1,243m (2023: £1,422m). The Group held cash and cash equivalents and term deposits of £773m (2023: £1,073m) and had undrawn borrowing facilities of £661m (2023: £660m).

The Group's facilities at 30 June 2024, totalling £678m, were predominantly held with 11 leading international banks, with £170m of facilities due to expire within one financial year, £83m within two financial years, and £425m within five financial years. Since 30 June 2024, £75m of the Group's facilities expiring within one financial year have been renewed, on satisfactory terms, for a further full year. It is expected that the remainder of these facilities will also be renewed on satisfactory terms when they expire. The Group arranges committed facilities to ensure a minimum headroom of 25% of forecast peak borrowing levels.

In evaluating the Group's ability to continue as a going concern, the Management Board has taken into account the economic environment of the markets in which the Group operates. This includes considering prevailing macroeconomic conditions such as geopolitical tensions, inflationary pressures, interest rate volatility, and skills availability. The Management Board has also considered the potential impact of a loss of significant clients, the effects of Basis Period Reform legislation in the UK impacting the cash flows of the Group, and the risks and opportunities arising from new and emerging technologies. The Management Board's assessment includes forecasting two core planning scenarios up to 30 June 2026, in alignment with the business plan, and planning appropriate responses for each, alongside reverse stress testing.

Central scenario – The central assumption for the UK is that economic activity will gain momentum in the 2025 financial year, leading to a steady increase in revenue, as interest rates decline and activity levels and demand for services grows. This positive trend is expected to persist into the 2026 financial year although, for modelling purposes, a conservative growth estimate relative to the 2025 baseline has been adopted. The central assumption for the Middle East is that revenue growth will remain robust in both the 2025 and 2026 financial years, although it may not reach the levels achieved in the 2024 financial year.

Severe but plausible downside scenario – The Management Board's severe but plausible downside scenario anticipates a significant decline in the level of demand for the Group's services during the 2025 financial year, accompanied by a deterioration in cash collections. This decline could stem from macroeconomic factors, regulatory requirements, reputational issues, or other market-related developments. The scenario projects a gradual but modest recovery from the 2026 financial year. A moderate level of cost mitigation measures has been assumed.

The Group's financial modelling indicates that the position remains manageable across both scenarios. In the downside scenario, the UK would need to utilise its borrowing facilities for the first three quarters of the 2026 financial year, while the Middle East would need to do so in one quarter of 2026. However, headroom against banking facilities and related covenants would remain substantial, even at peak borrowing levels. Reverse stress testing of a number of other scenarios indicates that if the trading environment were to deteriorate significantly, the Management Board could implement additional mitigating measures to sustain cash flow. These measures include postponing or reducing expenditures such as profit distributions, staff bonuses, and investments.

1. Basis of preparation continued

Having regard to all of the above, the Management Board has, at the time of approving the financial statements, a reasonable expectation that the Group and the LLP will be able to continue in operational existence for the foreseeable future. Thus, the going concern basis has been adopted in preparing the consolidated financial statements.

New standards and interpretations adopted in the financial year

During the financial year ended 30 June 2024, the Group adopted the Amendments to IAS 1 'Presentation of Financial Statements' –Disclosure of Accounting Policies, Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' – Definition of Accounting Estimates, and Amendments to IAS 12 'Income Taxes' – Deferred Tax related to Assets and Liabilities arising from a Single Transaction. These changes have not had a material impact on these financial statements.

New standards and interpretations not yet adopted

There are two new standards that have been published by the International Sustainability Standards Board. IFRS S1 'General requirements for disclosure of sustainability-related financial information' and IFRS S2 'Climate-related disclosures' fully incorporate the recommendations of the Task Force on Climate-related Financial Disclosures and provide a set of disclosure requirements in respect of the effect of the sustainability-related risks and opportunities entities face over the short, medium and long term. These standards are currently under assessment by the UK Endorsement Board. Subject to endorsement, along with requirements for large LLPs in the UK to apply these, they are expected to become effective for the Group for the accounting period ending 30 June 2027.

Other new accounting standards, amendments to accounting standards and interpretations have been published that are not mandatory for 30 June 2024 reporting periods and have not been early adopted by the Group. These standards, amendments or interpretations are not expected to have a material impact on the Group in the current or future reporting periods or on foreseeable transactions.

Critical accounting estimates and key judgements

The preparation of consolidated financial statements in conformity with IAS 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.

Set out below is a summary of the critical accounting estimates that could have a significant impact on the Group's financial results:

- Revenue recognition (note 2) and the valuation of contract assets (note 14) – assessing the likely engagement outcome and the recoverable value of contract assets where estimation of the stage of contract completion, including the costs still to be incurred, is required. A 5% movement in contract assets would result in a change in revenue of £35m.
- Provisions for claims and regulatory proceedings (note 19) – assessing the probable outcome of claims and regulatory proceedings and estimating the level of costs likely to be incurred in defending and concluding such matters. Amounts provided for are based on management's judgement in assessing the specific circumstances and likely outcome of each individual matter, including assessing the potential outcome and timing of future events, taking into consideration all available evidence, including the opinion of experts where relevant. Additional sensitivity disclosures are provided when management assesses that a material adjustment to the carrying amount of provisions for claims and regulatory matters may arise as a result of a future change in estimate.
- Defined benefit and end-of-service benefit schemes (note 23) – determining the actuarial assumptions to be applied in estimating the defined benefit obligation for each scheme, with the key actuarial assumptions being discount rate, inflation and life expectancy.

The above critical accounting estimates also include elements of key judgements in applying the Group's accounting policies. Further details of significant estimates and judgements are set out in the related notes to the financial statements.

1. Basis of preparation continued

Consolidation

Subsidiary undertakings are entities over which the Group has control. Control is defined as the power to direct the entity's relevant activities, exposure to variable returns from involvement with the entity and the ability to use this power to affect the amount of the returns. Subsidiary undertakings are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases. On consolidation, intercompany transactions, balances and unrealised gains and losses on transactions between Group entities are eliminated. Accounting policies of subsidiary undertakings have been amended, where necessary, to ensure consistency with the policies adopted by the Group.

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 income statement.

For the purpose of these consolidated financial statements, the results and financial position of each subsidiary undertaking are expressed in sterling, which is the functional currency of the LLP and the presentation currency for the financial statements.

The assets and liabilities of the Group's foreign undertakings are translated at exchange rates prevailing on the reporting date. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising on consolidation on the retranslation of foreign undertakings are recognised in other comprehensive income.

Impairment of non-financial assets

Assets that are subject to depreciation or amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Non-financial assets, other than goodwill, that have suffered impairment are reviewed for possible reversal of the impairment at each reporting date. The budgets and forecasts that form the basis for the value in use models used for impairment testing include forecast capital investment and operational impacts related to sustainability initiatives.

2. 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 Group satisfies performance obligations by transferring control of services to clients. This occurs as follows for the Group's various contract types:

- Time-and-materials contracts are recognised as services and 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 service 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 Group has become entitled to the revenue.
- Licence-fee contracts that provide a right to use the Group'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 Group'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.

2. Revenue continued

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 the 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 income statement 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 Group exceeds the amounts billed, a contract asset is recognised. Conversely, 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 Group's standard payment terms require settlement of invoices within 14 days of receipt.

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

Disaggregation of revenue

The Group derived revenue from the provision of professional services across the following lines of service:

Line of service	**2024 £m**	2023 £m
Consulting	**2,031**	1,725
Audit	**1,491**	1,351
Tax	**1,251**	1,208
Deals	**1,014**	962
Risk	**539**	546
	6,326	5,792

The Group derived revenue from the provision of professional services across the following industry segments:

Industry segment	**2024 £m**	2023 £m
Financial services	**1,979**	1,983
Government and health industries	**1,379**	1,083
Industrial manufacturing and services	**963**	894
Consumer markets	**796**	751
Technology, media and telecommunications	**657**	620
Energy, utilities and resources	**552**	461
	6,326	5,792

The table below disaggregates revenue from external clients by managed territory within the Group:

	2024 £m	2023 £m
United Kingdom	**4,257**	4,139
Middle East	**1,973**	1,565
Channel Islands	**96**	88
	6,326	5,792

2. Revenue continued

Assets and liabilities related to contracts with customers

Details of the Group's and the LLP's trade receivables and contract assets are disclosed in note 14 and contract liabilities in note 16.

Unsatisfied long-term contracts

The aggregate amount of the transaction price allocated to fixed-price, long-term contracts that were partially or fully unsatisfied at 30 June was:

		Group		Group
	2024 £m	**2024 %**	2023 £m	2023 %
Within one financial year	**198**	**65**	120	68
1–2 financial years	**72**	**24**	29	22
2–3 financial years	**22**	**7**	6	5
3–4 financial years	**6**	**2**	3	3
4–5 financial years	**6**	**2**	2	2
	304	**100**	160	100

In accordance with IFRS 15 'Revenue from Contracts with Customers', these amounts do not include variable consideration which is constrained. All other contracts with customers are for periods of one year or less, or carried a right to consideration directly aligned to the 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 the performance completed to date, the Group has applied the practical expedient set out in IFRS 15 in respect of the presentation of the transaction price allocated to partially or fully unsatisfied contracts with customers.

3. Staff costs

		Group		LLP
	2024 £m	2023 £m	**2024 £m**	2023 £m
Salaries	**2,878**	2,411	**118**	119
Social security costs	**219**	212	**14**	15
Pension costs in respect of defined contribution schemes (note 23)	**212**	195	**20**	20
Past service cost in respect of defined benefit schemes (note 23)	**–**	3	**–**	3
Current service cost in respect of end-of-service benefit schemes (note 23)	**16**	13	**–**	–
	3,325	2,834	**152**	157

Salaries include wages and salaries, bonuses, employee benefits and termination benefits. For the financial year ended 30 June 2024, staff costs also include the salary component of Middle East partners' remuneration (note 11).

The Group recognises termination benefits when it is demonstrably committed to terminating the employment of current employees before their retirement or providing termination benefits as a result of voluntary severance. During the financial year ended 30 June 2024, the Group recognised £69m (2023: £23m) and the LLP recognised £7m (2023: £1m) of termination benefits within salaries.

The average monthly number of employees during the financial year was:

		Group		LLP
	2024 Number	2023 Number	**2024 Number**	2023 Number
Client support staff	**28,907**	26,585	**449**	534
Practice support staff	**7,099**	6,055	**652**	670
	36,006	32,640	**1,101**	1,204

4. Other operating charges

	2024 £m	2023 £m
Depreciation, amortisation and impairment of non-financial asset		
Depreciation of right-of-use assets (note 9)	**81**	74
Depreciation of property, plant and equipment (note 8)	**52**	51
Amortisation of other intangible assets (note 10)	**7**	7
Impairment of goodwill (note 10)	**2**	2
	142	134
Net impairment losses on financial assets		
Trade receivables and contract assets (note 14)	**24**	11

Other operating charges

Other operating charges comprise firmwide overheads including technology and marketing, people-related costs, such as recruitment and training, gains and losses on the disposal of property, plant and equipment, intangible assets and other investments, charges relating to claims and regulatory proceedings, occupancy costs, including property service charges and lease-related expenditure.

Auditor's remuneration

Total fees and expenses payable to the auditor, Crowe U.K. LLP, and its associates for the financial year ended 30 June 2024 were £0.9m (2023: £0.6m). This comprised audit fees of £0.4m (2023: £0.2m) relating to the LLP and Group consolidation and other service fees of £0.5m (2023: £0.2m) relating to the audit of subsidiary companies and audit-related assurance.

5. Gains on disposal of businesses

The gain or loss on disposal of a business, including subsidiary undertakings, is calculated as the difference between the fair value of the consideration received or receivable, including any contingent consideration, and the previous carrying value of the attributable assets and liabilities, reflecting the conditions at the date of the disposal and the attributable terms agreed with the purchaser. Transaction costs incurred in connection with the disposal, such as legal fees, that represent direct incremental costs are also deducted, otherwise they are recognised in the income statement as incurred.

During the financial year ended 30 June 2024, the Group entered into two business disposal contracts within the Risk and Tax lines of service. The total consideration receivable in respect of these transactions was £14m, resulting in a net gain on disposal of £11m after adjusting for the carrying value of £3m.

During the prior financial year, on 1 July 2022, the Group disposed of the investment in a subsidiary undertaking, Regnology TIR UK Ltd. (formerly PwC Tax Information Reporting Limited), which offered specialised tax software for wealth advisors, for consideration of £7m, resulting in a gain on disposal of £4m after adjusting for the derecognition of the carrying value of £3m.

6. Finance income and expense

	2024 £m	2023 £m
Finance income		
Interest receivable	**34**	27
Net interest income on defined benefit schemes (note 23)	**9**	13
	43	40
Finance expense		
Finance charges on lease liabilities (note 9)	**(16)**	(17)
Interest payable	**(6)**	(5)
Unwinding of discount on provisions (note 19)	**(5)**	(4)
Interest expense on end-of-service benefit schemes (note 23)	**(4)**	(2)
	(31)	(28)
Net finance income	**12**	12

7. Tax expense

Income tax payable on the profits of the LLP and other LLPs consolidated within the Group is the personal liability of the individual members of those LLPs, with the only exception being in respect of certain overseas permanent establishments, and consequently is not dealt with in these financial statements.

Subsidiary entities and overseas permanent establishments are subject to income taxes on their profits in numerous jurisdictions during the ordinary course of business. These tax expenses are reported in these financial statements and are the sum of the current and deferred tax charges, calculated using tax rates that have been enacted or substantively enacted by the relevant jurisdiction at the reporting date. Any differences between the final tax determination and initially recorded liabilities are recognised in the relevant financial year in which they arise.

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 also recognised in other comprehensive income. 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.

The tax expense included within the consolidated income statement comprises:

	2024 £m	2023 £m
Current tax on income of subsidiary entities for the financial year	**143**	92
Deferred tax movements (note 22)	**17**	1
	160	93

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

	2024 £m	2023 £m
Profit of corporate subsidiaries and permanent establishments before taxation	**502**	603
Tax expense at UK standard rate of 25% (2023: 20.5%)	**126**	124
Adjustments to tax charge inrespect of prior financial years:		
UK subsidiaries	**(3)**	(2)
Overseas subsidiaries	**18**	1
Impact of items notdeductible for tax purposes	**2**	3
Effect of different overseas tax rates across the Group	**17**	(33)
	160	93

Pillar Two of the Organisation for Economic Co-operation and Development's ('OECD') Global Tax Deal is designed to ensure that multinational enterprises pay a minimum level of tax on the income arising in each of the jurisdictions in which they operate. The OECD Pillar Two ('Pillar Two') legislation was enacted in the UK on 11 July 2023, the jurisdiction in which the LLP is incorporated, and the Group will be within the scope of the Pillar Two model for the financial year ending 30 June 2025.

The Pillar Two legislation seeks to apply a global minimum effective tax rate of 15%. Under the legislation, the Group may be required to pay a top-up tax for the difference between their Global Anti-Base Erosion ('GloBE') effective tax rate per jurisdiction and the 15% minimum rate. Although the statutory tax rates in certain jurisdictions are below 15%, specific adjustments envisaged in the Pillar Two legislation, in its current form, are expected to result in a higher effective tax rate. At 30 June 2024, it is not certain that the Group will be subject to additional Pillar Two income taxes.

There is no current tax impact on the Group as Pillar Two legislation was not effective for the year ended 30 June 2024. The Group has applied the exemption available in accordance with the Amendments to IAS 12 'Income Taxes', adopted by the United Kingdom on 19 July 2023, with respect to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes.

8. Property, plant and equipment

Group

	Freehold property £m	Leasehold property £m	Fittings, furniture and equipment £m	Total £m
Cost				
At beginning of prior financial year	**2**	**121**	**326**	**449**
Exchange differences	–	(2)	(2)	(4)
Additions	–	6	51	57
Disposals	–	–	(29)	(29)
At end of prior financial year	**2**	**125**	**346**	**473**
Additions	2	13	33	48
Disposals	–	(1)	(26)	(27)
At end of financial year	**4**	**137**	**353**	**494**
Accumulated depreciation/impairment				
At beginning of prior financial year	**–**	**53**	**187**	**240**
Exchange differences	–	(1)	(1)	(2)
Depreciation charge for the financial year	–	9	42	51
Disposals	–	–	(27)	(27)
At end of prior financial year	**–**	**61**	**201**	**262**
Depreciation charge for the financial year	–	9	43	52
Disposals	–	(1)	(23)	(24)
At end of financial year	**–**	**69**	**221**	**290**
Net book amount at end of prior financial year	2	64	145	211
Net book amount at end of financial year	**4**	**68**	**132**	**204**

Property, plant and equipment is measured at cost less accumulated depreciation and any recognised impairment loss. Depreciation is primarily provided on a straight-line basis from the point the asset is available for use over the following estimated useful economic lives:

Freehold property	50 years
Leasehold property	50 years or shorter leasehold term
Fittings	10 years or shorter leasehold term
Furniture	10 years
Equipment	5 years

Repairs and maintenance costs arising on property, plant and equipment are charged to the income statement as incurred.

There were £48m of capital commitments relating to property, plant and equipment contracted but not provided for at 30 June 2024 in the Group (2023: £1m). There were £14m (2023: £13m) of assets under construction included within fittings, furniture and equipment and £9m (2023: £nil) within leasehold property. The assets under construction relate principally to the fit-out of office accommodation.

LLP

During the financial year ended 30 June 2024, there were no property, plant or equipment assets or capital commitments within the LLP (2023: £nil).

9. Right-of-use assets and lease liabilities

Group

Payments associated with all short-term leases and leases of low-value assets are recognised on a straight-line basis as operating costs in the income statement. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise office-related 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 Group. 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
- any 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. Right-of-use assets are depreciated over the lease term on a straight-line basis.

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 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 Group 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.

Where the Group is an intermediate lessor and has assessed those leases to be operating leases, it accounts for its interests in the head lease and the sub-lease separately and recognises lease payments received as income on a straight-line basis over the lease term in the income statement. Such leases are not material to the Group.

Movements in right-of-use assets during the financial year ended 30 June 2024 were as follows:

	Land and buildings £m	Other assets £m	Total £m
Cost			
At beginning of prior financial year	**837**	**17**	**854**
Exchange differences	(4)	–	(4)
Additions	17	15	32
Disposals	(6)	(6)	(12)
At end of prior financial year	**844**	**26**	**870**
Exchange differences	(1)	–	(1)
Additions	16	14	30
Disposals	(6)	(6)	(12)
At end of financial year	**853**	**34**	**887**
Accumulated depreciation/impairment			
At beginning of prior financial year	**186**	**5**	**191**
Exchange differences	(2)	–	(2)
Depreciation charge for the financial year	67	7	74
Disposals	(6)	(6)	(12)
At end of prior financial year	**245**	**6**	**251**
Exchange differences	(1)	–	(1)
Depreciation charge for the financial year	71	10	81
Disposals	(6)	(6)	(12)
At end of financial year	**309**	**10**	**319**
Net book amount at end of prior financial year	599	20	619
Net book amount at end of financial year	**544**	**24**	**568**

9. Right-of-use assets and lease liabilities continued

Movements in lease liabilities during each financial year were as follows:

	2024 £m	2023 £m
Balance at beginning of financial year	**704**	749
Exchange differences	**–**	(4)
Additions	**30**	32
Finance charges (note 6)	**16**	17
Payments	**(104)**	(90)
Balance at end of financial year	**646**	704

Disclosed as:

	2024 £m	2023 £m
Current	**93**	90
Non-current	**553**	614
	646	704

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

	2024 £m	2023 £m
Within one financial year	**103**	95
1–2 financial years	**93**	88
2–3 financial years	**92**	80
3–4 financial years	**88**	77
4–5 financial years	**87**	75
More than five financial years	**359**	381
	822	796

During the financial year ended 30 June 2024, total cash outflows in respect of leases were £107m (2023: £92m), including £4m (2023: £2m) on short-term leases and leases of low-value assets. The value recognised in the income statement in respect of these short-term leases and leases of low-value assets during the financial year ended 30 June 2024 was £4m (2023: £2m).

LLP

During the financial year ended 30 June 2024, there were no right-of-use assets or lease liabilities held by the LLP (2023: £nil).

10. Goodwill and other intangible assets

Group

	Goodwill £m	Computer software £m	Customer relationships £m	Total other intangible assets £m
Cost				
At beginning of prior financial year	**103**	**66**	**25**	**91**
Exchange differences	(1)	–	(1)	(1)
Additions	2	4	1	5
Disposals	(3)	(3)	–	(3)
At end of prior financial year	**101**	**67**	**25**	**92**
Exchange differences	–	–	1	1
Additions	–	3	–	3
Disposals	–	(3)	–	(3)
At end of financial year	**101**	**67**	**26**	**93**
Accumulated amortisation/impairment				
At beginning of prior financial year	**22**	**59**	**21**	**80**
Exchange differences	–	–	(2)	(2)
Amortisation charge for the financial year	–	4	3	7
Impairment charge for the financial year	2	–	–	–
Disposals	–	(3)	–	(3)
At end of prior financial year	**24**	**60**	**22**	**82**
Amortisation charge for the financial year	–	4	3	7
Impairment charge for the financial year	2	–	–	–
Disposals	–	(3)	–	(3)
At end of financial year	**26**	**61**	**25**	**86**
Net book amount at end of prior financial year	77	7	3	10
Net book amount at end of financial year	**75**	**6**	**1**	**7**

There were £1m of computer software assets under development within other intangible assets in the Group at 30 June 2024 (2023: £nil).

LLP

	Goodwill £m	Computer software £m
Cost		
At beginning of prior financial year	**6**	**–**
Additions	–	4
At end of prior and current financial year	**6**	**4**
Accumulated amortisation/impairment		
At beginning and end of prior financial year	**–**	**1**
Amortisation charge for the financial year	–	1
At end of current financial year	**–**	**2**
Net book amount at end of prior financial year	6	3
Net book amount at end of financial year	**6**	**2**

There were no assets under development in the LLP at 30 June 2024 (2023: £nil).

10. Goodwill and other intangible assets continued

Acquisitions and goodwill

The acquisition method of accounting is used to account for business combinations by the Group. The consideration transferred for the acquisition of a subsidiary undertaking is the fair value of the assets transferred and the liabilities incurred by the Group, including those from any contingent consideration arrangement. Acquisition related costs are charged to the income statement as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are initially measured at their fair values at the acquisition date.

Goodwill arises where the fair value of the consideration transferred for a business exceeds the fair value of identifiable assets, liabilities and contingent liabilities. If the consideration is less than the fair value of the identifiable assets, in the case of a bargain purchase, the difference is recognised immediately in the income statement. Goodwill arising on acquisitions is capitalised with an indefinite useful economic life and tested annually for impairment. Assets are grouped at the lowest levels for which there are separately identifiable cash flows ('cash generating units'). For the purposes of assessing impairment, goodwill is allocated to the group of cash generating units which represents the lowest level at which goodwill is monitored for internal management purposes.

Impairment reviews

The largest element of goodwill held within the Group is £54m (2023: £54m) in respect of the Group's strategic alliance in the Middle East. The recoverable amount for goodwill has been determined based on value in use, being the present value of future cash flows based on two-year financial budgets, together with cash flows for the periods beyond existing budgets that have been extrapolated using a 3% long-term GDP annual regional growth rate (2023: 3%). The discount rate applied against the anticipated future cash flows is based on a pre-tax estimated weighted average cost of capital of 11% (2023: 11%).

The remaining goodwill represents UK acquisitions and relates primarily to the provision of consulting services. The discount rate applied against the anticipated future cash flows is based on a pre-tax estimated weighted average cost of capital of 13% (2023: 12%). During the financial year ended 30 June 2024, impairment charges of £2m (2023: £2m) were recognised against this goodwill in relation to a business acquired in a prior financial year, having given consideration to its value in use.

A reasonable change in the key assumptions used in assessing the goodwill for impairment, such as revenue growth, cost base growth and the discount rate, would not had a significant impact on the difference between value in use and the carrying value.

Customer relationships

Customer relationships recognised on the acquisition of a business are initially measured at fair value and amortised on a straight-line basis over the expected useful economic life of the relationship, typically three to ten years.

Computer software

Costs directly associated with the purchase or development of computer software are stated at cost less accumulated amortisation and amortised on a straight-line basis over the expected useful economic life of the software, typically three to five years.

Costs directly attributable to the development of identifiable software are recognised as intangible assets only if development costs can be reliably measured, the product or process is technically and commercially feasible, future economic benefits are probable, and the Group has adequate resources available to complete the development and use or sell the software. Directly attributable costs that are capitalised as part of the asset include employee costs and an appropriate portion of direct overheads. Other development expenditures that do not meet these criteria are recognised as an expense as incurred.

Expenditure on research and costs associated with maintaining computer software are recognised as an expense as incurred.

Software as a service

Software as a service cloud computing arrangements are treated as service contracts and recognised as an expense in the income statement over the contract term unless the Group has both a contractual right to take possession of the software at any time without significant penalty and the ability to run the software independently of the host vendor.

Configuration and customisation costs incurred in a cloud computing arrangement are recognised as an expense in the income statement when the related services are received unless the configuration and customisation costs create a separately identifiable asset and meet the recognition criteria of an intangible asset, in which case they are capitalised as computer software and amortised over the contract term.

11. Investments in subsidiaries

Group

The financial statements consolidate the results and financial position of the Group, including all subsidiary undertakings listed in note 27.

When the Group no longer controls a subsidiary undertaking, the subsidiary is deconsolidated.

LLP

Investments in subsidiaries are measured at cost less impairment.

	Investments in subsidiaries £m
Shares in subsidiary undertakings	
Cost at beginning and end of prior and current financial year	**68**
Accumulated impairment at beginning and end of prior and current financial year	**11**
Net book amount at end of prior financial year	57
Net book amount at end of financial year	**57**

Non-controlling interests in subsidiary undertakings

The non-controlling interest profits attributable to the individuals who are members of PricewaterhouseCoopers CI LLP and to the Middle East partners of PricewaterhouseCoopers (Middle East Group) Limited are shown as non-controlling interests in the consolidated financial statements.

PricewaterhouseCoopers (Middle East Group) Limited is the only subsidiary with a non-controlling interest that is material to the Group. The Group owns 100% of the ordinary shares of PricewaterhouseCoopers (Middle East Group) Limited and the local Middle East partners own I, R and V shares, which provide the partners with certain income access rights. The pre-consolidated reserves of this company and its subsidiaries at 30 June 2024 attributable to non-controlling interests amounted to £209m (2023: £159m). At 30 June 2024, the Middle East partners had also provided capital loans totalling £235m (2023: £192m).

From 1 July 2023, the partnership remuneration arrangements for the Middle East partners were revised. These changes have resulted in a large component of Middle East partner remuneration becoming employment income pursuant to local employment contracts, which are therefore recognised as staff costs in the consolidated income statement. The profit allocated to non-controlling interest partners from equity is also lower for the year ended 30 June 2024 than that reported in the prior financial year.

11. Investments in subsidiaries continued

Set out below is summarised consolidated financial information for PricewaterhouseCoopers (Middle East Group) Limited and its subsidiaries, before intercompany eliminations with the remainder of the Group:

Summarised consolidated statement of financial position

	2024 £m	2023 £m
Current		
Assets	**1,074**	903
Borrowings	**(17)**	(11)
Lease liabilities	**(13)**	(14)
Local partner capital	**(11)**	(8)
Other liabilities	**(411)**	(356)
Total current net assets	**622**	514
Non-current		
Assets	**144**	144
Borrowings	**–**	(16)
Lease liabilities	**(47)**	(55)
Local partner capital	**(224)**	(184)
Other liabilities	**(153)**	(125)
Retirement benefits	**(81)**	(67)
Total non-current net liabilities	**(361)**	(303)
Net assets	**261**	211
Equity		
Share capital	**52**	52
Reserves	**209**	159
Total equity	**261**	211
Shareholder and local partners' interests		
Share capital	**52**	52
Local partner capital	**235**	192
Reserves	**209**	159
Total shareholder and local partners' interests	**496**	403

Summarised consolidated income statement

	2024 £m	2023 £m
Revenue	**2,005**	1,604
Profit before income tax expense	**345**	446
Income tax expense	**(119)**	(58)
Other comprehensive expense	**(8)**	(7)
Total comprehensive income	**218**	381
Total comprehensive income attributable to members	**7**	5
Total comprehensive income attributable to non-controlling interests	**211**	376

11. Investments in subsidiaries continued

Summarised consolidated statement of cash flows

	2024 £m	2023 £m
Cash generated from operations	**293**	573
Income tax paid	**(84)**	(65)
Net cash generated from operating activities	**209**	508
Net cash outflow from investing activities	**(97)**	(32)
Net cash outflow from financing activities	**(199)**	(402)
Net (decrease) increase in cash and cash equivalents	**(87)**	74
Foreign-exchange movements	**1**	(10)
Cash and cash equivalents at beginning of financial year	**294**	230
Cash and cash equivalents at end of financial year	**208**	294

12. Interests in joint ventures and associates

	2024 £m	2023 £m
Value at beginning of financial year	**3**	3
Share of profit	**2**	–
Value at end of financial year	**5**	3

The Group's interests in joint ventures and associates are consolidated using the equity method of accounting. The investment is initially recognised at cost and the carrying value adjusted to recognise the Group's share of the profit or loss of the joint venture or associate after the date of acquisition. The Group's share of profit or loss is recognised in the income statement with a corresponding adjustment to the carrying value of the investment.

At 30 June 2024, the Group held interests in the following three joint ventures and associates: PricewaterhouseCoopers Service Delivery Centre Holdings (Katowice) B.V., a holding company for a delivery centre that provides services to PwC network firms, PwC Poland Services Limited, a holding company for a delivery centre that provides specialised cloud-based solutions and transformational services, and PwC Service Delivery Centre South Africa Holdings Proprietary Limited, a holding company for a delivery centre that provides services to PwC network firms.

During the financial year ended 30 June 2024, PricewaterhouseCoopers Mobility Technology Services LLC, a dormant entity that previously offered international mobility services, was dissolved with no gain or loss on liquidation.

13. Other investments

	Group		LLP	
	2024 £m	2023 £m	2024 £m	2023 £m
Non-current assets				
Reservoir trust restricted assets held at amortised cost	**60**	60	**60**	60
Other investments held at amortised cost	**47**	31	**6**	6
Other investments held at fair value through profit or loss	**4**	13	**–**	–
	111	104	**66**	66
Current assets				
Other investments held at amortised cost	**61**	–	**–**	–

Other investments are measured at amortised cost less impairment where the investment is held to collect contractual cash flows that represent solely payments of principal and interest. Otherwise, they are measured at fair value. Income from investments is recognised in the income statement when entitlement is established.

13. Other investments continued

Reservoir trust restricted assets held at amortised cost

	Group		LLP	
	2024 £m	2023 £m	**2024 £m**	2023 £m
Value at beginning and end of prior and current financial year	**60**	60	**60**	60

The LLP has entered into a deed with the trustees of its two defined benefit pension schemes establishing a reservoir trust. Under the terms of the deed, the assets in the reservoir trust are restricted and are reserved to be used to meet any deficit, calculated in accordance with the terms of the deed, in the schemes at 31 March 2026, being the end of the trust term, or earlier if certain triggers are met. The trust assets will only be available to the LLP to the extent that they are not needed to meet any deficit in the schemes at that date. Notwithstanding these conditions, the trust assets do not constitute plan assets under IAS 19 'Employee benefits' and are therefore presented as restricted assets within other investments.

The LLP has also entered into an additional deed with the trustees of its two defined benefit pension schemes to establish a second reservoir trust. The Group has undertaken to contribute up to £33m over the period from 1 July 2024 to 31 July 2026, dependent on the size of the funding deficit. Under the terms of the deed, the assets in this reservoir trust will also be restricted and reserved to be used to meet any deficit, calculated in accordance with the terms of the deed, in the schemes at certain designated dates, being: 31 March 2026, 31 March 2027, 31 March 2028 and 31 March 2029, or earlier if certain triggers are met.

The LLP did not make any contributions into this trust during the financial year ended 30 June 2024 (2023: £nil) and it does not expect to be required to do so over the remainder of the trust term.

Reservoir trust restricted assets, primarily comprising UK gilts, are considered to have a low credit risk and the loss allowance is therefore limited to the 12 month expected credit loss. The Group and the LLP have assessed the expected credit loss on these assets and no loss allowance has been recognised in the financial year ended 30 June 2024 (2023: £nil). No other impairment charges were recognised in the financial year ended 30 June 2024 (2023: £nil).

Other investments held at amortised cost

	Group		LLP	
	2024 £m	2023 £m	**2024 £m**	2023 £m
Value at beginning of financial year	**31**	30	**6**	6
Additions	**77**	14	**–**	–
Redemption of investments	**–**	(13)	**–**	–
Value at end of financial year	**108**	31	**6**	6

During the financial year ended 30 June 2024, the Group invested in £61m (2023: £nil) of deposits held with banks with maturities of between three and twelve months.

During the financial year ended 30 June 2024, the Group invested in £16m (2023: £14m) of repayable interest-bearing subordinated loan notes issued by an entity in the PwC global network. During the prior financial year ended 30 June 2023, the Group received a redemption of £13m in respect of these loans. At 30 June 2024, the Group's total investment in repayable interest-bearing subordinated loan notes from entities in the PwC global network, after foreign exchange movements, was £37m (2023: £21m), which is primarily denominated in US dollars, with £7m in euros (2023: £7m). At 30 June 2024, the LLP held £6m (2023: £6m) of these loans, denominated in euros.

At 30 June 2024, the Group's total investment in repayable interest-bearing preference shares issued by PwC Poland Services Limited, a joint venture entity (note 12), after foreign-exchange movements, was £10m (2023: £10m), denominated in euros.

The amortised cost of repayable interest-bearing subordinated loan notes and preference shares is calculated as the present value of the expected future cash flows from these instruments, discounted at the relevant market-related rate of interest.

The repayable interest-bearing subordinated loan notes and preference shares are considered to have a low credit risk and the loss allowance is therefore limited to the 12 month expected credit loss. The Group and the LLP have assessed the expected credit loss on these assets and no loss allowance has been recognised in the financial year ended 30 June 2024 (2023: £nil).

13. Other investments continued

Other investments held at fair value through profit or loss

	Group		LLP	
	2024 £m	2023 £m	**2024 £m**	2023 £m
Value at beginning of financial year	**13**	15	**–**	2
Remeasurement gains	**3**	–	**–**	–
Redemption of investments	**(12)**	(2)	**–**	(2)
Value at end of financial year	**4**	13	**–**	–

During the financial year ended 30 June 2024, the Group recognised remeasurement gains of £3m (2023: £nil) in respect of equity investments in entities in the PwC global network and received a redemption of £12m of preference shares issued by the PwC Central and Eastern European firm. No profit or loss was recognised on redemption of these preference shares. During the financial year ended 30 June 2023, the Group and the LLP had benefitted from the redemption of £2m of equity investments in entities in the PwC global network.

The fair values of investments in entities in the PwC global network have been determined using the dividend discount model. The key assumption used is the discount rate applied against anticipated future returns. A reasonable change in the key assumption used in assessing the fair values would not have had a significant impact on the carrying value.

14. Trade and other receivables

	Group		LLP	
	2024 £m	2023 £m	**2024 £m**	2023 £m
Client receivables	**1,066**	991	**570**	572
Due from PwC network firms	**100**	96	**80**	69
Trade receivables	**1,166**	1,087	**650**	641
Contract assets	**708**	544	**409**	374
Trade receivables and contract assets	**1,874**	1,631	**1,059**	1,015
Amounts due from subsidiary undertakings	**–**	–	**10**	5
Other receivables	**43**	60	**24**	41
Prepayments	**88**	68	**1**	3
	2,005	1,759	**1,094**	1,064

Group and LLP trade receivables and contract assets are carried at amortised cost less provisions for lifetime estimated credit losses and impairments. Estimated future credit losses, subsequent to the initial recognition of a receivable, are based on the ageing of the receivable 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. Further details on credit risk are disclosed in note 25.

Contract assets are reclassified as trade receivables when billed to clients and the consideration has become unconditional because only the passage of time is required before payment is due.

The expected loss rates for trade receivables and contract assets, as presented below, are based on the payment profile and the shared credit risk characteristics arising in the different regions and industries in which the Group operates, including assessments incorporating forward-looking information based on client industries and financial position.

		30 days or less	31 to 90 days	91 to 180 days	181 to 270 days	271 to 365 days	More than 365 days
United Kingdom and Channel Islands	Current financial year	0.1%	0.2%	1.1%	3.8%	11.5%	54.0%
	Prior financial year	0.1%	0.4%	1.9%	7.1%	22.5%	65.4%
Middle East	Current financial year	0.8%	1.4%	4.4%	14.4%	30.2%	75.0%
	Prior financial year	0.8%	1.2%	3.6%	11.3%	22.1%	75.9%

14. Trade and other receivables continued

The ageing of trade receivables and contract assets and the resulting provisions are presented below:

	Group		LLP	
	2024 £m	2023 £m	**2024 £m**	2023 £m
30 days or less	**600**	582	**402**	402
31 to 90 days	**359**	325	**181**	170
91 to 180 days	**155**	136	**51**	55
181 to 270 days	**41**	42	**8**	15
271 to 365 days	**19**	10	**3**	4
More than 365 days	**34**	26	**13**	5
Gross trade receivables	**1,208**	1,121	**658**	651
Gross contract assets	**710**	546	**409**	374
	1,918	1,667	**1,067**	1,025
Expected credit losses	**(37)**	(33)	**(8)**	(7)
Other impairment provisions	**(7)**	(3)	**–**	(3)
	(44)	(36)	**(8)**	(10)
Trade receivables and contract assets	**1,874**	1,631	**1,059**	1,015

Movements in lifetime expected credit losses and other impairment provisions on trade receivables and contract assets were as follows:

	Group		LLP	
	2024 £m	2023 £m	**2024 £m**	2023 £m
Balance at beginning of financial year	**(36)**	(42)	**(10)**	(12)
Income statement:				
Charge for the financial year	**(40)**	(31)	**(4)**	(12)
Released unused during the financial year	**16**	20	**–**	10
Exchange differences	**–**	1	**–**	–
Utilised during the financial year	**16**	16	**6**	4
Balance at end of financial year	**(44)**	(36)	**(8)**	(10)

Amounts due from subsidiary 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 2024 (2023: £nil).

The other classes of assets within trade and other receivables do not contain impaired assets.

The carrying value of trade and other receivables in the Group and the LLP 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 Group does not hold any collateral as security.

15. Cash and cash equivalents

	Group		LLP	
	2024 £m	2023 £m	**2024 £m**	2023 £m
Cash at bank and in hand	**220**	255	**74**	9
Short-term deposits	**492**	818	**405**	712
Total cash and cash equivalents	**712**	1,073	**479**	721

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less. Fair values of cash and cash equivalents approximate to carrying value owing to the short maturity of these instruments.

Bank overdrafts are classified within borrowings, in current liabilities, in the statement of financial position. There were no bank overdrafts at 30 June 2024 (2023: £nil).

16. Trade and other payables

	Group		LLP	
	2024 £m	2023 £m	**2024 £m**	2023 £m
Trade payables	**176**	198	**–**	–
Amounts owed to subsidiary undertakings	**–**	–	**818**	873
Social security and other taxes	**181**	184	**15**	7
Other payables	**54**	56	**39**	39
Accruals	**576**	497	**38**	55
Contract liabilities	**203**	248	**127**	151
	1,190	1,183	**1,037**	1,125

Trade and other payables are measured at amortised cost.

During the financial year ended 30 June 2024, £232m of the Group's £248m and £136m of the LLP's £151m recorded contract liabilities at 30 June 2023 were recognised as revenue. During the prior financial year ended 30 June 2023, £209m of the Group's £224m and £146m of the LLP's £164m recorded contract liabilities at 30 June 2022 were recognised as revenue.

Due to the short maturity of trade and other payables in the Group and the LLP, the carrying value is consistent with fair value in the current and prior financial year. Group current trade payables include £124m of amounts owing to PwC network firms (2023: £139m).

17. Borrowings

	Group		LLP	
	2024 £m	2023 £m	**2024 £m**	2023 £m
Non-current	**–**	16	**–**	–
Current	**17**	11	**–**	–
	17	27	**–**	–

Borrowings are initially measured at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds, net of transaction costs, and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs and charged to the income statement from draw-down. Where there is no evidence that any of the facility will be drawn down, the fee is charged to the income statement over the period of the facility.

The Group's borrowings at 30 June 2024 and 30 June 2023 were unsecured and denominated in US dollars. Borrowings are subject to floating interest rates, partially swapped to a fixed rate through the use of interest rate swap agreements, and are due to be repaid within the next financial year.

The Group has complied with the financial covenants of its borrowing facilities during the current and prior financial years.

The carrying values of borrowings approximate their fair value.

Further details of the Group's exposure to financial risks arising from borrowings are set out in note 25.

18. Liabilities arising from financing activities

The Group and the LLP's liabilities arising from financing activities were as follows:

	Group		LLP	
	2024 £m	2023 £m	**2024 £m**	2023 £m
Bank borrowings (note 17)	**17**	27	**–**	–
Lease liabilities (note 9)	**646**	704	**–**	–
Members' capital (note 20)	**297**	286	**297**	286
Other liabilities (note 21)	**241**	195	**–**	–
	1,201	1,212	**297**	286

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

	Group		LLP	
	2024 £m	2023 £m	**2024 £m**	2023 £m
Non-cash flows from financing activities				
Interest payable	**6**	5	**–**	–
Finance charges on lease liabilities	**16**	17	**–**	–
Divided profit	**1,255**	1,281	**1,077**	945
Recognition of new lease liabilities in the financial year	**30**	32	**–**	–
Changes in contractual terms (note 19)	**28**	–	**–**	–
Exchange differences	**–**	(9)	**–**	–
	1,335	1,326	**1,077**	945
Cash flows from financing activities				
Repayment of borrowings	**(10)**	(28)	**–**	–
Lease liabilities:				
Finance charges on lease liabilities	**(16)**	(17)	**–**	–
Principal payments of lease liabilities	**(88)**	(73)	**–**	–
Interest paid	**(6)**	(5)	**–**	–
Capital contributions by members	**40**	33	**40**	33
Capital repayments to members	**(29)**	(21)	**(29)**	(21)
Payments to members	**(1,077)**	(945)	**(1,077)**	(945)
Capital contributions by non-controlling interest partners	**101**	97	**–**	–
Capital repayments to non-controlling interest partners	**(83)**	(63)	**–**	–
Payments to non-controlling interests	**(178)**	(336)	**–**	–
	(1,346)	(1,358)	**(1,066)**	(933)
Net (decrease) increase in liabilities arising from financing activities	**(11)**	(32)	**11**	12
Liabilities arising from financing activities at beginning of financial year	**1,212**	1,244	**286**	274
Liabilities arising from financing activities at end of financial year	**1,201**	1,212	**297**	286

19. Provisions and contingent liabilities

Group

	Annuities £m	Property £m	Claims and regulatory proceedings £m	Total £m
Balance at beginning of prior financial year	**62**	**18**	**67**	**147**
Exchange differences	(5)	–	–	(5)
Income statement:				
Charge for the financial year	43	1	30	74
Released unused during the financial year	–	–	(21)	(21)
Unwinding of discount	4	–	–	4
Transfer to accruals	–	–	(8)	(8)
Cash payments	(3)	(1)	(33)	(37)
Balance at end of prior financial year	**101**	**18**	**35**	**154**
Income statement:				
Charge for the financial year	43	4	181	228
Released unused during the financial year	–	–	(16)	(16)
Unwinding of discount	5	–	–	5
Transfer to accruals	–	–	(19)	(19)
Changes in contractual terms	(28)	–	–	(28)
Cash payments	(2)	(1)	(162)	(165)
Balance at end of financial year	**119**	**21**	**19**	**159**

LLP

	Claims and regulatory proceedings £m
Balance at beginning of prior financial year	**65**
Income statement:	
Charge for the financial year	30
Released unused during the financial year	(21)
Transfer to accruals	(8)
Cash payments	(33)
Balance at end of prior financial year	**33**
Income statement:	
Charge for the financial year	181
Released unused during the financial year	(16)
Transfer to accruals	(19)
Cash payments	(162)
Balance at end of financial year	**17**

Disclosed as:

	Group		LLP	
	2024 £m	2023 £m	**2024 £m**	2023 £m
Non-current	**155**	152	**17**	33
Current	**4**	2	**–**	–
	159	154	**17**	33

19. Provisions and contingent liabilities continued

Provisions are recognised when the Group 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.

Annuities

The Group's financial statements consolidate the provision made for the annuities payable by certain subsidiary undertakings to current and former partners in those undertakings, principally in relation to the Middle East. These annuities are unfunded. The provision reflects the present value of the obligations arising from service to date. Any changes in the provision for these annuities arising from changes in entitlements, financial estimates or actuarial assumptions are recognised in the income statement. The unwinding of the discount is presented in the income statement as a finance expense. When the entitled individuals retire and their annuities come into payment, these payments are shown as a movement against the provision.

During the financial year ended 30 June 2024, the terms of certain annuity arrangements were amended, in conjunction with the revision of the partnership remuneration arrangements for Middle East partners from 1 July 2023 (note 11). As a result of the amendments, the relevant obligations are recognised as other liabilities from 1 July 2023 (note 21), representing capital loans provided by non-controlling interest partners in subsidiary undertakings consolidated into the Group.

The principal actuarial assumptions used in calculating the annuities provision are an assumed retirement age of 57 (2023: 57), discount rates of 5.3% for US dollar denominated annuities (2023: 5.3% for US dollar denominated), and inflation rates of 2.5% for US dollar denominated annuities (2023: 2.3% for US dollar denominated). Each annuity is payable for a fixed period of time to the original beneficiary or, in the event of their death, to their surviving beneficiaries. The annuities provision is expected to unwind over 25 years.

Members of the LLP are required to make their own provision for pensions and do so mainly through contributions to personal pension policies and other appropriate investments. Members, in their capacity as partners in the PricewaterhouseCoopers United Kingdom Partnership, have agreed to pay pension annuities and other post-retirement payments to certain former partners of that partnership and the surviving spouses and dependants of deceased former partners. These annuities and other post-retirement payments are personal obligations of the individuals and are not obligations of, or guaranteed by, the LLP or its subsidiary undertakings. Accordingly, these annuities are not recognised within these financial statements.

Property

Provisions are recognised for obligations under property 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 the discount presented in the income statement as a finance expense.

Property provisions at 30 June 2024 and 30 June 2023 comprise substantially dilapidations provisions. The provisions are based on estimated future cash flows that have been discounted to present value at an average rate of 4.8% (2023: 4.9%). The property provisions are expected to unwind over 26 years. The onerous provision covers the estimated unavoidable non-rental costs of leased properties, including service charges, up to the end of the lease term.

Claims and regulatory proceedings

In common with comparable professional service practices, the Group is involved in a number of disputes in the ordinary course of business which may give rise to claims by clients or investigations commenced by regulatory bodies which may lead to regulatory proceedings. The Group defends such claims where appropriate and where costs are likely to be incurred in defending and concluding such matters and can be measured reliably they are provided for in the financial statements.

Amounts provided for are based on management's assessment of the specific circumstances in each case. The Group recognises expected reimbursements from professional indemnity insurance within other receivables on the statement of financial position when it is virtually certain that the reimbursement will be received. No separate disclosure is made of the detail of such claims or proceedings, or the costs recovered by insurance, as to do so could seriously prejudice the position of the Group. Claims are assessed as being settled in full within the next five years.

19. Provisions and contingent liabilities continued

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. In line with the policy above, details of contingent liabilities relating to claims and regulatory proceedings are not disclosed.

Financial guarantee contracts are initially recognised at fair value, which is calculated as the present value of the difference between the net contractual cash flows required under the debt instrument being guaranteed, and the net contractual cash flows that would have been required without the guarantee. Financial guarantees are subsequently measured at the higher of their initial fair value less cumulative amortisation, and the best estimate of the loss allowance determined in accordance with the expected credit loss model. The carrying value of the financial guarantees disclosed below is £nil (2023: £nil).

The Group has entered into US$165m (2023: US$120m) of guarantees with third-party banks in connection with professional services work performed in foreign territories, predominantly in the Middle East. On 23 June 2023, a loan guarantee of US$8m that was provided by the LLP to a third-party bank in connection with a loan to an entity in the PwC global network was cancelled. The Group has also entered into, subject to certain conditions, other cross guarantees and indemnities in respect of other entities in the PwC global network, which are considered remote and therefore not disclosed.

The LLP has provided guarantees in respect of certain future lease commitments of PricewaterhouseCoopers Services Limited, a subsidiary company, totalling £389m over the remaining lease terms (2023: £433m). The majority of these commitments relate to the office premises at 7 More London and 1 Embankment Place. The LLP also guarantees the bank borrowings of PricewaterhouseCoopers Services Limited. At 30 June 2024, PricewaterhouseCoopers Services Limited had not drawn down on any of its banking facilities (2023: £nil).

20. Members' capital

	Group and LLP £m
Balance at beginning of prior financial year	**274**
Contributions by members	33
Repayments to members	(21)
Balance at end of prior financial year	**286**
Contributions by members	40
Repayments to members	(29)
Balance at end of financial year	**297**

Capital attributable to members retiring within one financial year is shown as current as it will be repaid within 12 months of the reporting date. Total members' capital analysed by repayable dates is as follows:

	Group and LLP 2024 £m	Group and LLP 2023 £m
Non-current	**290**	277
Current	**7**	9
	297	286

Members' capital is classified as a financial liability. The carrying value of members' capital is consistent with its fair value in the current and prior financial year.

Members' capital contributions are determined by the Management Board, with the approval of the Supervisory Board, having regard to the working capital needs of the business. Individual member's 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 up to 12 months' notice of retirement.

21. Other liabilities

	Group		LLP	
	2024 £m	2023 £m	**2024 £m**	2023 £m
Non-current	**230**	187	**–**	–
Current	**11**	8	**–**	–
	241	195	**–**	–

The Group's other liabilities represent capital loans provided by non-controlling interest partners in subsidiary undertakings consolidated into the Group, primarily in relation to the Middle East. Non-controlling interest partners are required to provide 12 months' notice of retirement.

These other liabilities are classified as financial liabilities. The carrying value of these liabilities is consistent with its fair value in the current and prior financial year.

22. Deferred tax

	2024 £m	2023 £m
Deferred tax assets	**8**	12
Deferred tax liabilities	**(34)**	(21)
	(26)	(9)

The movements in the Group's net deferred tax (liability) asset balances during the financial year were as follows:

	2024 £m	2023 £m
Balance at beginning of financial year	**(9)**	(8)
Credited to the income statement	**–**	1
Charged to the income statement	**(17)**	(2)
Balance at end of financial year	**(26)**	(9)

Deferred tax assets and liabilities are recognised using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities in the statement of financial position and the corresponding tax bases used in the computation of taxable profit. Temporary differences relating to investments in subsidiaries are only provided for to the extent that it is probable that they will reverse in the foreseeable future. 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 assets and liabilities are offset when there is a legally enforceable right to offset related current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

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 in the current financial year are calculated using a tax rate of 25% (2023: 19% for the period to 31 March 2023 and 25% thereafter). Deferred tax liabilities in the current and prior financial year are calculated using the rates prevailing in the relevant jurisdictions.

Deferred tax assets primarily comprised accumulated tax losses and temporary differences between capital allowances and depreciation. Deferred tax liabilities include temporary timing differences between the recognition of revenue and the timing of billing for work performed, as well as the timing and substance of related party transactions between entities across the regions in which the Group operates, and other temporary timing differences.

At 30 June 2024, the Group had cumulative unrecognised tax losses of £30m (2023: £23m). Deferred tax assets are recognised for tax losses carried forward to the extent that the realisation of the related tax benefit through future taxable profits is probable.

There was no deferred tax arising in the LLP for the financial years ended 30 June 2024 and 30 June 2023.

23. Retirement benefits

Defined contribution schemes

The Group's contributions to defined contribution schemes are charged to the consolidated income statement as they fall due. Costs of £212m (2023: £195m) were recognised by the Group and £20m (2023: £20m) by the LLP in respect of these schemes.

Defined benefit schemes

The Group's two defined benefit schemes in the UK are the PwC Pension Fund ('the Fund') and the DH&S Retirement and Death Benefits Plan ('the Plan'). Both of the Group's defined benefit scheme arrangements are closed to future service accrual, although certain current employee member benefits remain linked to final salary. Both schemes are funded and their assets are held separately from those of the Group. The liabilities arising in the defined benefit schemes have been assessed for accounting purposes using the projected unit credit method and 31 March 2023 individual member data, with allowance for transfers out since this date, rolled forward to the reporting date.

The net surplus or deficit in each scheme is calculated in accordance with IAS 19 'Employee Benefits', based on the difference between the present value of the defined benefit obligation at the reporting date and the fair value of the scheme assets. At each reporting date, any calculated accounting surplus is recognised as an asset in the statement of financial position on the basis of the unconditional right to refund, having given consideration to the powers of the trustees of each scheme, and assuming gradual settlement of each schemes' liabilities over time.

The consolidated income statement includes interest on the net defined benefit asset or obligation. Past service costs arising from changes to scheme benefits are recognised immediately in the consolidated income statement, unless the benefits are conditional on the employees remaining in service for a specified period of time, in which case the past service costs are amortised over the vesting period.

Actuarial gains and losses are recognised in full in other comprehensive income in the financial period in which they arise. Other income and expenses associated with the defined benefit schemes are recognised in the consolidated income statement.

Assumptions

The principal actuarial assumptions used for the purposes of these financial statements are:

	2024	2023	2022
Discount rate	**5.1%**	5.2%	3.8%
Inflation (RPI)	**3.3%**	3.3%	3.3%
Inflation (CPI)	**2.8%**	2.8%	2.7%
Expected rate of increase in salaries	**2.4%**	2.4%	2.4%
Expected average rate of increase in pensions in payment	**2.5%**	2.6%	2.5%

The majority of liabilities for the Fund and the Plan are indexed on an RPI basis, while further increases to deferred member pensions before retirement primarily increase based on CPI, with all subject to annual caps and floors. The salary increase assumption is applied to pre-2003 benefits only for in-service deferred members and is not significant to these financial statements.

Sensitivity analysis

The following table shows the sensitivity of the present value of the defined benefit obligations to changes in each of the individual principal actuarial assumptions:

			2024			2023
	Fund obligation increase £m	**Plan obligation increase £m**	**Total obligation increase £m**	Fund obligation increase £m	Plan obligation increase £m	Total obligation increase £m
0.5% decrease to discount rate	**63**	**37**	**100**	61	34	95
0.5% increase to salary increases	**–**	**–**	**–**	1	–	1
0.5% increase to inflation	**29**	**16**	**45**	30	17	47
One year increase to life expectancy	**32**	**20**	**52**	33	20	53

23. Retirement benefits continued

Defined benefit schemes continued

Sensitivity analysis continued

The figures at 30 June 2024 used in these financial statements assume that the mortality of the schemes' members will be in line with nationally published S3PA mortality tables (mid tables for females), adjusted to reflect the longer life expectancy of the schemes' members versus the standard table by a 93% scaling factor for males and 94% for females. Future improvements are assumed to be in line with Continuous Mortality Investigation ('CMI') 2023 projections, with a 1.25% long-term rate, a smoothing parameter of 7.0, an initial addition to mortality improvements of 0.5% p.a., a w2020 and w2021 parameter of 0% and a w2022 and w2023 parameter of 25%.

The following table illustrates the life expectancy for a current pensioner member aged 65 at 30 June and a future pensioner member aged 45 at 30 June:

		2024		2023
	Fund Years	**Plan Years**	Fund Years	Plan Years
Life expectancy of current pensioners at age 65:				
Male	**22.4**	**22.4**	22.6	22.6
Female	**24.2**	**24.2**	24.4	24.4
Life expectancy of future pensioners at age 65:				
Male	**23.6**	**23.6**	23.9	23.9
Female	**25.7**	**25.7**	25.9	25.9

Income statement

The amounts recognised in the consolidated income statement are as follows:

			2024			2023
	Fund £m	**Plan £m**	**Total £m**	Fund £m	Plan £m	Total £m
Net interest income (note 6)	**6**	**3**	**9**	8	5	13
Past service cost (note 3)	**–**	**–**	**–**	(3)	–	(3)
	6	**3**	**9**	**5**	**5**	**10**

Pensions accrued prior to 6 April 1997 are not required by statute to increase in payment and most such pensions in the Fund have no entitlement to increases. During the prior financial year ended 30 June 2023, the LLP's management chose to apply a 2.5% increase to this element of pension for all applicable pensioners in the Fund. The impact of this discretionary increase was £3m on an IAS 19 basis as at the date of application which was recognised as a past service cost in the consolidated income statement.

In June 2023, the UK High Court in Virgin Media Limited v NTL Pension Trustees II Limited ruled that specific historical amendments to contracted-out defined benefit schemes in the period from 6 April 1997 to 5 April 2016 were invalid if they lacked a confirmation under section 37 of the Pension Schemes Act 1993 from the scheme's actuary. This decision was upheld on appeal in July 2024.

A comprehensive review of relevant deeds relating to the defined benefit pension schemes sponsored by the Group has commenced and is being carried out in collaboration with the pension schemes' trustees. At the date of the approval of these financial statements, this review remains ongoing. Given the ongoing nature of this review, it is not currently possible to assess with any certainty whether there could be a potential financial impact arising and, if there was to be a financial impact, what that impact would amount to. Therefore, no judgmental provision has been made in the financial year ended 30 June 2024.

23. Retirement benefits continued

Defined benefit schemes continued

Scheme assets and defined benefit obligations

The amounts recognised in the Group and the LLP statements of financial position and the analysis of the movement in the defined benefit scheme assets and obligations are as follows:

	Fund			Plan			
	Scheme assets £m	Defined benefit obligation £m	Total £m	Scheme assets £m	Defined benefit obligation £m	Total £m	Total £m
Fair value at beginning of prior financial year	**1,478**	**(1,283)**	**195**	**821**	**(698)**	**123**	**318**
Interest income (expense)	55	(47)	8	30	(25)	5	13
Past service cost	–	(3)	(3)	–	–	–	(3)
Recognised in the income statement	55	(50)	5	30	(25)	5	10
Remeasurements:							
Return on plan assets excluding amounts included in net interest	(290)	–	(290)	(164)	–	(164)	(454)
Changes in financial assumptions	–	206	206	–	115	115	321
Changes in demographic assumptions	–	5	5	–	3	3	8
Experience adjustments on defined benefit obligation	–	(54)	(54)	–	(30)	(30)	(84)
Recognised as other comprehensive (expense) income	(290)	157	(133)	(164)	88	(76)	(209)
Contributions by employer	26	–	26	8	–	8	34
Benefits paid	(60)	60	–	(29)	29	–	–
Fair value at end of prior financial year	**1,209**	**(1,116)**	**93**	**666**	**(606)**	**60**	**153**
Interest income (expense)	62	(56)	6	34	(31)	3	9
Recognised in the income statement	62	(56)	6	34	(31)	3	9
Remeasurements:							
Return on plan assets excluding amounts included in net interest	11	–	11	7	–	7	18
Changes in financial assumptions	–	(23)	(23)	–	(12)	(12)	(35)
Changes in demographic assumptions	–	8	8	–	3	3	11
Experience adjustments on defined benefit obligation	–	(7)	(7)	–	(2)	(2)	(9)
Recognised as other comprehensive income (expense)	11	(22)	(11)	7	(11)	(4)	(15)
Contributions by employer	18	–	18	6	–	6	24
Benefits paid	(65)	65	–	(28)	28	–	–
Fair value at end of financial year	**1,235**	**(1,129)**	**106**	**685**	**(620)**	**65**	**171**

Contributions paid during the financial year ended 30 June 2024 included £21m of deficit reduction contributions (2023: £25m), a £1m dividend from the reservoir trust (2023: £1m) and £2m of other funding costs (2023: £3m). During the prior financial year ended 30 June 2023, additional contributions of £5m were made in respect of discretionary pension increases.

As explained in note 13, the LLP has entered into agreements with the schemes' trustees to establish two reservoir trusts. The LLP did not make any contributions during the financial year ended 30 June 2024 (2023: £nil) to either of the trusts and it does not expect to be required to do so over the remainder of the trusts' terms.

23. Retirement benefits continued

Defined benefit schemes continued

Scheme assets and defined benefit obligations continued

The actual return on scheme assets during the financial year ended 30 June 2024 was an increase of £114m (2023: a decrease of £369m).

The allocation and market value of assets of the defined benefit schemes were as follows:

			2024			2023
	Fund £m	**Plan £m**	**Total £m**	Fund £m	Plan £m	Total £m
Bonds	**701**	**362**	**1,063**	641	332	973
Gilts	**405**	**245**	**650**	290	257	547
Cash	**86**	**59**	**145**	252	65	317
Multi-asset/hedge funds	**67**	**41**	**108**	56	34	90
Derivative financial instruments	**(24)**	**(22)**	**(46)**	(30)	(22)	(52)
Total scheme assets	**1,235**	**685**	**1,920**	1,209	666	1,875
Defined benefit obligations	**(1,129)**	**(620)**	**(1,749)**	(1,116)	(606)	(1,722)
Net retirement benefit assets	**106**	**65**	**171**	93	60	153

Both the Fund and the Plan have significant liability driven investments ('LDIs'), the purpose of which is to reduce exposure to changes in interest rates and inflation. The LDI holdings primarily comprise fixed interest and inflation linked gilts, repurchase and reverse repurchase holdings in these gilts and interest rate and inflation swaps.

Within derivative financial instruments are foreign-exchange contracts, the purpose of which is to reduce the exposure of bonds and multi-asset/hedge funds denominated in US dollars to changes in foreign-exchange.

Future cash funding

The Fund and the Plan are valued formally every three years by a qualified independent actuary. The most recent finalised full actuarial valuations for both the Fund and the Plan were as at 31 March 2023. These valuations were conducted under the Scheme Funding Regulations (Pensions Act 2004) and indicated a combined surplus of £4m at that time on the technical provisions basis.

In agreement with the schemes' trustees, the Group made deficit reduction payments of £25m per annum from 1 April 2017 to 31 March 2024, at which point it was agreed following the most recent actuarial valuation that ongoing deficit reduction payments would cease. The Group currently expects to make no contributions in the financial year ending 30 June 2025. However, as described in note 13, the Group has undertaken to contribute up to £33m in the period from 1 July 2024 to 31 July 2026 into a second reservoir trust arrangement, although the conditions requiring this are not currently being met. The next full actuarial valuation of the schemes will be carried out with an effective date of 31 March 2026 and is expected to be finalised in the financial year ending 30 June 2027.

End-of-service benefit schemes

The Group's end-of-service benefits are for employees in the Middle East, as required by labour laws in certain Middle Eastern countries. The value of these benefits is primarily based on cumulative periods of service and the level of employees' final basic salaries. The end-of-service benefits are unfunded. The liabilities have been assessed for accounting purposes using the projected unit credit method and individual member data at the reporting date.

The liability recognised in the consolidated statement of financial position is the present value of the defined benefit obligation calculated at the end of the reporting period in accordance with IAS 19. Estimated future cash outflows are discounted at rates reflecting the market yield of high quality corporate bonds denominated in the currency in which the benefits will be paid and having terms approximating the estimated term of the retirement benefit obligations at the end of the reporting period. Actuarial gains and losses are recognised in full in other comprehensive income in the period in which they arise. Other income and expenses associated with the end-of-service benefit schemes are recognised in the consolidated income statement.

23. Retirement benefits continued

End-of-service benefit schemes continued

Assumptions

	United Arab Emirates	Kingdom of Saudi Arabia	Oman	Qatar	Kuwait	Bahrain
2024						
Discount rate	**6.0%**	**6.5%**	**9.0%**	**6.2%**	**6.5%**	**13.6%**
Expected rate of increase in salaries	**6.0%**	**6.5%**	**9.0%**	**6.2%**	**6.5%**	**13.6%**
2023						
Discount rate	5.9%	6.2%	11.4%	6.2%	6.5%	–
Expected rate of increase in salaries	5.9%	6.2%	11.4%	6.2%	6.5%	–

Sensitivity analysis

The following table shows the sensitivity of the present value of the end-of-service benefit obligations to changes in each of the individual principal actuarial assumptions:

	2024	2023
	Total obligation increase £m	Total obligation increase £m
0.5% decrease to discount rate	**5**	4
0.5% increase to salary increases	**5**	4
One year increase to life expectancy	**1**	–

The figures at 30 June 2024 used in these financial statements assume that the mortality of the schemes' members will be in line with the published Canadian Pensioners' Mortality ('CPM') 1999 mortality table, with improvement factors as per CPM scale B (2000-2030). The valuation would not be materially affected by using a different table with similar rates of mortality.

End-of-service benefit obligations

The amounts recognised in the Group's statement of financial position and the analysis of the movement in the end-of-service benefit obligations is as follows:

	£m
Fair value at beginning of prior financial year	**58**
Exchange differences	(3)
Recognised in the income statement:	
Current service cost	13
Interest expense	2
Recognised as other comprehensive expense	10
Benefits paid	(13)
Fair value at end of prior financial year	**67**
Recognised in the income statement:	
Current service cost	16
Interest expense	4
Recognised as other comprehensive expense	5
Benefits paid	(11)
Fair value at end of financial year	**81**

Remeasurements of retirement benefits recognised in other comprehensive expense:

	2024 £m	2023 £m
Defined benefit schemes	**(15)**	(209)
End-of-service benefit obligations	**(5)**	(10)
	(20)	(219)

24. Total members' interests

The Management Board sets the level of interim profit distributions and members' monthly drawings after considering the working capital needs of the Group. The final division of profits and distribution to members is made after the annual financial statements of the Group are approved. Undivided profits are included in reserves within equity. To the extent that interim profit divisions exceed drawings, the excess profit is included in the statement of financial position under amounts due to members. Where drawings exceed the divided profits, the excess is included in amounts due from members. The same treatment is used for members who retire during the financial year.

Amounts due to (from) members represent dividend profits not yet paid to members and are due within one financial year. In the event of a winding-up, members' reserves rank after unsecured creditors.

Group

	Members' interests				Non-controlling interests	
	Members' capital £m	Reserves £m	Amounts due to (from) members £m	Total £m	Reserves £m	Amounts due to (from) non-controlling interests £m
Balance at beginning of prior financial year	**274**	**1,358**	**–**	**1,632**	**174**	**–**
Profit for the financial year available for division among members	–	934	–	934	391	–
	274	**2,292**	**–**	**2,566**	**565**	**–**
Divided profit	–	(945)	945	–	(336)	336
Movement on cash flow hedges	–	(2)	–	(2)	1	–
Remeasurements of retirement benefits	–	(209)	–	(209)	(10)	–
Translation of foreign operations	–	–	–	–	(24)	–
Contributions by members	33	–	–	33	–	–
Repayments to members	(21)	–	–	(21)	–	–
Drawings and distributions	–	–	(945)	(945)	–	(336)
Balance at end of prior financial year	**286**	**1,136**	**–**	**1,422**	**196**	**–**
Profit for the financial year available for division among members	–	902	–	902	235	–
	286	**2,038**	**–**	**2,324**	**431**	**–**
Divided profit	–	(1,077)	1,077	–	(178)	178
Movement on cash flow hedges	–	–	–	–	(1)	–
Remeasurements of retirement benefits	–	(15)	–	(15)	(5)	–
Translation of foreign operations	–	–	–	–	(1)	–
Contributions by members	40	–	–	40	–	–
Repayments to members	(29)	–	–	(29)	–	–
Drawings and distributions	–	–	(1,077)	(1,077)	–	(178)
Balance at end of financial year	**297**	**946**	**–**	**1,243**	**246**	**–**

24. Total members' interests continued

LLP

	Members' capital £m	Reserves £m	Amounts due to (from) members £m	Total £m
Balance at beginning of prior financial year	**274**	**976**	**–**	**1,250**
Profit for the financial year available for division among members	–	801	–	801
	274	**1,777**	**–**	**2,051**
Divided profit	–	(945)	945	–
Remeasurements of retirement benefits	–	(209)	–	(209)
Contributions by members	33	–	–	33
Repayments to members	(21)	–	–	(21)
Drawings and distributions	–	–	(945)	(945)
Balance at end of prior financial year	**286**	**623**	**–**	**909**
Profit for the financial year available for division among members	–	993	–	993
	286	**1,616**	**–**	**1,902**
Divided profit	–	(1,077)	1,077	–
Remeasurements of retirement benefits	–	(15)	–	(15)
Contributions by members	40	–	–	40
Repayments to members	(29)	–	–	(29)
Drawings and distributions	–	–	(1,077)	(1,077)
Balance at end of financial year	**297**	**524**	**–**	**821**

25. 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.

Derivatives, such as forward foreign-exchange contracts and interest rate swaps, are held or issued in order to manage the Group's currency and interest rate risks arising from its operations and sources of finance. Hedge accounting is applied where the relevant criteria are met. The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income or expense within the statement of comprehensive income. The gain or loss relating to any ineffective portion is recognised immediately in the income statement. Amounts accumulated in equity are reclassified to profit or loss in the financial periods when the hedged item affects profit or loss, for example when the forecast sale that is hedged takes place.

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the income statement. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the income statement.

Financial risk management and management of capital

The Group's objectives when managing capital are to safeguard the Group's ability to operate as a going concern and to maintain an optimal capital structure to cover the expected peak cash requirements of the business. The Group's capital sources primarily comprise members' capital, undistributed profits and borrowing facilities. The Group holds or issues financial instruments in order to finance its operations and manage foreign currency and interest rate risks arising from its operations and sources of finance. The principal financial instruments held or issued by the Group are:

- Other investments (note 13) – investments held at amortised cost, comprising reservoir trust restricted assets, subordinated loan notes and preference shares from entities in the PwC global network, and investments held at fair value through profit or loss, comprising equity holdings in entities in the PwC global network.
- Trade and other receivables (note 14) – primarily trade receivables, in respect of services provided to clients, for which payment has not yet been received.
- Cash and cash equivalents (note 15) – the Group 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 16) – primarily trade payables and accruals in respect of services received from suppliers, including amounts owing to PwC network firms.
- Borrowings (note 17) – primarily amounts drawn down under the Group's facility arrangements.
- Lease liabilities (note 9) – the present value of the Group's expected future lease payments for the underlying right-of-use assets during the lease term.
- Provisions (note 19) – comprising the Group's annuity obligations.
- Members' capital (note 20) – the Group requires members to provide long-term financing, which is classified as a liability.
- Other liabilities (note 21) – comprising capital loans provided by non-controlling interest partners in subsidiary undertakings consolidated into the Group, primarily in relation to the Middle East.

The Management Board determines the treasury policies of the Group. 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. Hedging is undertaken against specific exposures to reduce risk and no speculative trading is permitted. The Group's hedges are in respect of foreign currency risk and interest rate risk.

When measuring the fair value of an asset or liability, the Group uses observable inputs, including quoted prices in active markets for identical assets and liabilities, where possible. The measurement bases are consistent in the current and prior financial year. The fair values of all derivatives are based on observable inputs other than quoted prices in active markets. The other investments classified as fair value through profit or loss are measured using inputs that are not based on observable market data, such as internal models or other valuation methods. For other financial assets and liabilities, fair value approximates their carrying value in the current and prior financial year.

25. Financial instruments continued

Group financial assets and liabilities by category

	2024			2023		
	Fair value through profit or loss £m	**Derivatives used for hedging £m**	**Amortised cost £m**	Fair value through profit or loss £m	Derivatives used for hedging £m	Amortised cost £m
Assets						
Other investments	**4**	**–**	**168**	13	–	91
Trade and other receivables	**–**	**–**	**1,209**	–	–	1,147
Cash and cash equivalents	**–**	**–**	**712**	–	–	1,073
Liabilities						
Trade and other payables	**–**	**–**	**(806)**	–	–	(747)
Borrowings	**–**	**–**	**(17)**	–	–	(27)
Lease liabilities	**–**	**–**	**(646)**	–	–	(704)
Provisions	**–**	**–**	**(119)**	–	–	(101)
Members' capital	**–**	**–**	**(297)**	–	–	(286)
Other liabilities	**–**	**–**	**(241)**	–	–	(195)
Derivative financial instruments						
Cash flow hedges	**–**	**–**	**–**	–	1	–
Total	**4**	**–**	**(37)**	13	1	251

LLP financial assets and liabilities by category

	2024	2023
	Amortised cost £m	Amortised cost £m
Assets		
Other investments	**66**	66
Trade and other receivables	**684**	687
Cash and cash equivalents	**479**	721
Liabilities		
Trade and other payables	**(796)**	(963)
Members' capital	**(297)**	(286)
Total	**136**	225

25. Financial instruments continued

Liquidity risk

The Group's most significant treasury exposures relate to liquidity. The Group manages the risk of uncertainty in its funding operations by spreading the maturity profile of its borrowings and deposits, taking into account expected cash receipts and payments, and arranging committed facilities to provide a minimum headroom of 25% of forecast peak borrowing levels.

The Group's facilities at 30 June 2024 were predominantly held with 11 (2023: 11) leading international banks. The maturity profile at 30 June of the Group's borrowing facilities is as follows:

		2024		2023
Expiry	**Group £m**	**LLP £m**	Group £m	LLP £m
Within one financial year	**170**	**–**	206	–
1 – 2 financial years	**83**	**–**	56	–
4 – 5 financial years	**425**	**–**	425	–
Total	**678**	**–**	687	–

At 30 June 2024, outstanding borrowings of £17m (2023: £27m) related solely to amounts drawn down in the financial year ended 30 June 2020 by PricewaterhouseCoopers (Middle East Group) Limited and its subsidiaries, which are expected to be repaid within the next financial year. The Group did not make any further draw-downs on its facilities during the years ended 30 June 2023 and 30 June 2024. Since 30 June 2024, £75m of the Group's facilities expiring within one financial year have been renewed, on satisfactory terms, for a further full year. It is expected that the remainder of these facilities will also be renewed on satisfactory terms when they expire.

The Group also has US dollar denominated facilities of £137m (2023: £119m) with five (2023: four) banks for the provision of client performance guarantees.

Credit risk

Cash deposits and other financial instruments held with banks and other financial institutions give rise to counterparty risk. The Group manages this risk by reviewing counterparties' credit ratings regularly and limiting the aggregate amount and duration of exposure to any one counterparty, taking into account criteria such as credit rating, market capitalisation and relative credit default swap price. The minimum long-term credit rating of all banks and financial institutions who held the Group's short-term deposits during the financial year ended 30 June 2024 was BBB+.

The Group'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 Group'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 risk

The Group's borrowings and any surplus cash balances held at variable interest rates are referenced to benchmark rates linked to Sterling Overnight Index Average ('SONIA') for sterling denominated instruments or US Secured Overnight Financing Rate ('SOFR') for US dollar denominated instruments.

A portion of the Group's recurring borrowings, arising primarily from the operations of PricewaterhouseCoopers (Middle East Group) Limited and its subsidiaries, were partially swapped to a fixed rate through the use of interest rate swap agreements. Outstanding borrowings at 30 June 2024 are denominated in US dollars, reflecting the composition of the Group's assets that are funded by the borrowings. A movement of 50 basis points in the interest rate on borrowings and surplus cash balances through the financial year would not have had a material impact on the pre-tax profits of the Group.

Foreign currency risk

The majority of the Group's income and expenditure is in sterling, with the exception of the operations of PricewaterhouseCoopers (Middle East Group) Limited and its subsidiaries, which are primarily denominated in US dollars/US dollar linked currencies. Refer to note 11 for summarised consolidated financial information for PricewaterhouseCoopers (Middle East Group) Limited.

Other fees and costs denominated in foreign currencies are mainly in connection with professional indemnity insurance and transactions with PwC global network firms. The Group seeks to minimise its exposure to fluctuations in exchange rates by hedging against foreign currency exposures. These hedges are designated as cash flow hedges where this is deemed necessary and the relevant criteria are met. The Group's policy is to enter into appropriate forward or derivative transactions after a net economic exposure has been identified.

25. Financial instruments continued

Derivative financial instruments

Hedge effectiveness is determined at the inception of the hedge relationship and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument. The Group performs an assessment of effectiveness and if the critical terms of the hedging instrument no longer match with the terms of the hedged item the Group uses the hypothetical derivative method to assess effectiveness.

Foreign-exchange derivative contracts all mature in less than two years and are valued using market prices prevailing at the reporting date. Foreign currency forwards and options are denominated in the same currency as the highly probable future payments, therefore achieving a hedge ratio of 1:1.

During the financial year ended 30 June 2024, the Group's interest rate swaps matured. The durations of the swap agreements matched the duration of the debt instruments, therefore achieving a hedge ratio of 1:1. As a result, there was no amounts reported as ineffective in the income statement in the current and prior financial years.

Group			**2024**			2023
	Foreign-exchange derivative contracts £m	**Interest rate swaps £m**	**Total £m**	Foreign-exchange derivative contracts £m	Interest rate swaps £m	Total £m
Notional principal amount	**109**	**–**	**109**	97	39	136
Effective portion recognised in other comprehensive income (expense)	**–**	**(1)**	**(1)**	(2)	1	(1)
Asset (liability)	**–**	**–**	**–**	–	1	1

Interest rate profile of financial assets and liabilities

			Group		LLP
	Interest rate profile	**2024 £m**	2023 £m	**2024 £m**	2023 £m
Other investments					
Reservoir trust	Fixed	**60**	60	**60**	60
Subordinated loan notes	Floating	**37**	21	**6**	6
Preference shares	Fixed	**10**	10	**–**	–
		107	91	**66**	66
Deposits with banks					
Less than three months	Floating	**492**	818	**405**	712
Three to twelve months	Floating	**61**	–	**–**	–
		553	818	**405**	712
Borrowings					
Current	Floating	**(17)**	(11)	**–**	–
Non-current	Floating	**–**	(16)	**–**	–
		(17)	(27)	**–**	–
Total		**643**	882	**471**	778

25. Financial instruments continued

Group currency profile of financial assets and liabilities

				2024
	Sterling £m	**US dollar/ US dollar linked £m**	**Euro £m**	**Others £m**
Assets				
Other investments	**60**	**95**	**17**	**–**
Trade and other receivables	**597**	**548**	**51**	**13**
Cash and cash equivalents	**500**	**200**	**–**	**12**
Liabilities				
Trade and other payables	**(497)**	**(274)**	**(26)**	**(9)**
Borrowings	**–**	**(17)**	**–**	**–**
Lease liabilities	**(584)**	**(62)**	**–**	**–**
Provisions	**–**	**(119)**	**–**	**–**
Members' capital	**(297)**	**–**	**–**	**–**
Other liabilities	**–**	**(241)**	**–**	**–**
Total	**(221)**	**130**	**42**	**16**

				2023
	Sterling £m	US dollar/ US dollar linked £m	Euro £m	Others £m
Assets				
Other investments	12	26	66	–
Trade and other receivables	615	485	35	12
Cash and cash equivalents	776	296	1	–
Liabilities				
Trade and other payables	(477)	(227)	(34)	(9)
Borrowings	–	(27)	–	–
Lease liabilities	(635)	(69)	–	–
Provisions	–	(101)	–	–
Members' capital	(286)	–	–	–
Other liabilities	(3)	(192)	–	–
Derivative financial instruments				
Cash flow hedges	–	1	–	–
Total	2	192	68	3

25. Financial instruments continued

LLP currency profile of financial assets and liabilities

2024

	Sterling £m	US dollar/ US dollar linked £m	Euro £m	Other £m
Assets				
Other investments	**60**	**–**	**6**	**–**
Trade and other receivables	**578**	**54**	**48**	**4**
Cash and cash equivalents	**479**	**–**	**–**	**–**
Liabilities				
Trade and other payables	**(796)**	**–**	**–**	**–**
Members' capital	**(297)**	**–**	**–**	**–**
Total	**24**	**54**	**54**	**4**

2023

	Sterling £m	US dollar/ US dollar linked £m	Euro £m	Other £m
Assets				
Other investments	60	–	6	–
Trade and other receivables	600	52	32	3
Cash and cash equivalents	721	–	–	–
Liabilities				
Trade and other payables	(963)	–	–	–
Members' capital	(286)	–	–	–
Total	132	52	38	3

26. Related party transactions

The LLP and the PricewaterhouseCoopers United Kingdom Partnership ('United Kingdom Partnership') are related parties because they are both controlled by the same group of individuals. This controlling group of individuals consists of all the members of the LLP, who are also all the members of the United Kingdom Partnership. Related party transactions with the United Kingdom Partnership and other related parties are summarised below.

Services provided to PricewaterhouseCoopers United Kingdom Partnership in respect of client assignments

Arrangements are in place for the LLP to supply services to the United Kingdom Partnership in connection with certain client assignments. For the financial year ended 30 June 2024, the LLP provided services to the United Kingdom Partnership to the value of £101,000 (2023: £92,000) under these arrangements. There were no balances outstanding at 30 June 2024 in respect of these services (2023: £nil).

Administrative support to PricewaterhouseCoopers United Kingdom Partnership

On behalf of its members, the LLP provides certain administrative services to support the United Kingdom Partnership, including the calculation of annuities and paying agent arrangements in connection with the annuity and certain other post-retirement payments due to certain former partners of that partnership. For the financial year ended 30 June 2024, the LLP charged the United Kingdom Partnership £200,000 (2023: £200,000) for these support services. At 30 June 2024, there were no balances due to the LLP from the United Kingdom Partnership (2023: £nil). Amounts paid during the financial year ended 30 June 2024 to the annuitants on behalf of the continuing members in their capacity as partners of the United Kingdom Partnership totalled £100m (2023: £99m).

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 year. The members of the Management Board, as members of the LLP, only receive allocations of profit, which are recognised as distributions in equity.

26. Related party transactions continued

Group transactions with joint ventures and associates

Details of the Group's interests in joint ventures and associates are provided in note 12.

The transactions during the financial year with these related parties were as follows:

	2024 £m	2023 £m
Purchase of services from related parties		
PricewaterhouseCoopers Service Delivery Centre Holdings (Katowice) B.V. and subsidiary undertakings	**30**	22
PwC Poland Services Limited and subsidiary undertakings	**19**	15
PwC Service Delivery Centre South Africa Holdings Proprietary Limited and subsidiary undertaking	**2**	–
Finance income from related parties		
PwC Poland Services Limited	**(1)**	(1)

The Group's receivable (payable) balances at 30 June with related parties were as follows:

	2024 £m	2023 £m
PwC Poland Services Limited and subsidiary undertakings	**10**	8
PricewaterhouseCoopers Service Delivery Centre Holdings (Katowice) B.V. and subsidiary undertakings	**(1)**	(2)

LLP transactions with subsidiary undertakings, joint ventures and associates

The subsidiary undertakings, joint ventures and associates listed in note 27 are related parties of the LLP. The transactions during the financial year with these related parties were as follows:

	2024 £m	2023 £m
Purchase of services from related parties		
PricewaterhouseCoopers Services Limited	**2,840**	2,780
Other subsidiaries, joint ventures and associates	**26**	28
Provision of services to related parties		
PricewaterhouseCoopers (Middle East Group) Limited	**(32)**	(41)
Other subsidiaries, joint ventures and associates	**(5)**	(5)
Income received from investments in related parties		
PwC Holdings (UK) Limited	**(190)**	–
Other subsidiaries	**(7)**	(8)

The LLP's receivable (payable) balances at 30 June with related parties were as follows:

	2024 £m	2023 £m
PricewaterhouseCoopers Services Limited	**(697)**	(856)
PricewaterhouseCoopers (Middle East Group) Limited	**8**	5
PricewaterhouseCoopers Overseas Limited	**(7)**	(2)
PricewaterhouseCoopers Business Services Limited	**(5)**	(4)
Accounting Advisory (UK) LLP	**(4)**	(4)
PricewaterhouseCoopers Advisory Services Limited	**(2)**	–
PwC Business Consulting Services Limited	**(2)**	(2)
PwC Strategy& (UK) Ltd.	**(1)**	(3)
Amounts due from other subsidiaries	**2**	–
Amounts due to other subsidiaries	**(1)**	(2)

Details of movements in investments in subsidiary undertakings are provided in note 11.

27. Subsidiary undertakings and joint ventures

Subsidiary undertakings

The entities listed below are those consolidated in the Group's financial statements, including partnerships, LLPs and other unincorporated entities, some of which have branches operating in overseas territories. There are no entities directly or indirectly held by the LLP that have been excluded from the consolidated financial statements.

All subsidiary undertakings are 100% owned by the Group, with the exception of PwC IT Services Egypt LLC, which is 75% owned.

UK group companies	Country of incorporation	Share class	% directly held by the LLP
Registered office: **1 Embankment Place, London, WC2N 6RH**			
AIMS Holdings No. 1 Limited	England	£1.00 ordinary shares	–
AIMS Holdings No. 2 Limited	England	£1.00 ordinary shares	–
Barbinder Executors & Trustees – (an unlimited company)	England	£1.00 ordinary shares	100
Barbinder Freehold – (an unlimited company)	England	£1.00 ordinary shares	100
Barbinder Trust.(The) – (an unlimited company)	England	£1.00 ordinary shares	100
Beyond Food Community Interest Company	England	£1.00 ordinary shares	–
Cooper Brothers & Co. Limited	England	£1.00 ordinary shares	100
Coopers & Lybrand Limited	England	£1.00 ordinary shares	100
Embankment Place Primary Healthcare Limited	England	£1.00 ordinary shares	–
Farringdon Trustees – (an unlimited company)	England	£0.10 ordinary shares	100
Frederick's Place Nominees Limited	England	£1.00 ordinary shares	100
P&D Reservoir Trustee Limited	England	£1.00 ordinary shares	100
Price Waterhouse Limited	England	£1.00 ordinary shares	–
Price Waterhouse MCS UK Holdings B.V.	The Netherlands	EUR 1.00 ordinary shares	100
PricewaterhouseCoopers (UK) Advisory Services (IE) Limited	England	£1.00 ordinary shares	–
PricewaterhouseCoopers (UK) Advisory Services (KU) Limited	England	£1.00 ordinary shares	–
PricewaterhouseCoopers (UK) Advisory Services (FI) Limited	England	£1.00 ordinary shares	–
PricewaterhouseCoopers Advisory Services Limited	England	£1.00 ordinary shares	–
PricewaterhouseCoopers ASM Limited	England	£1.00 ordinary shares	100
PricewaterhouseCoopers Business Advisory Services Limited	England	A and B class ordinary £1.00 shares	–
PricewaterhouseCoopers Business Services Limited	England	£1.00 ordinary shares	–
PricewaterhouseCoopers Consulting Services UK Limited	England	£1.00 ordinary shares	–
PricewaterhouseCoopers CFR Limited	England	£1.00 ordinary shares	–
PricewaterhouseCoopers Corporate Business Services Limited	England	£1.00 ordinary shares	100
PricewaterhouseCoopers Overseas Limited	England	£1.00 ordinary shares	100
PricewaterhouseCoopers Services Limited	England	£1.00 ordinary shares	–
PwC Business Consulting Services Limited	England	A, B and C class ordinary £1.00 shares	–
PwC Change Management Holdings Limited	England	A and B class ordinary £0.10 shares	–
PwC Change Management Limited	England	£1.00 ordinary shares	–
PwC Consulting Associates Limited	England	£1.00 ordinary shares	–
PwC Customs Intermediary Services Limited	England	£1.00 ordinary shares	–

27. Subsidiary undertakings and joint ventures continued

Subsidiary undertakings continued

UK group companies	Country of incorporation	Share class	% directly held by the LLP
Registered office: **1 Embankment Place, London, WC2N 6RH**			
PwC Digital Services (UK) Limited	England	A and C class ordinary £1.00 shares	–
PwC Digital Technology Services Limited	England	£0.01 ordinary shares	–
PwC London Bridge Limited	England	£1.00 ordinary shares	–
PwC Holdings (UK) Limited	England	£1.00 ordinary shares	100
PwC Information Technology Services Limited	England	£1.00 ordinary shares	–
PwC Performance Solutions Limited	England	£0.05 ordinary shares	–
PwC Service Delivery Centre (Egypt) Holdings No. 1 Limited	England	A, B, C and D class USD 1.00 ordinary shares	–
PwC Service Delivery Centre (Egypt) Holdings No. 2 Limited	England	USD 1.00 ordinary shares	–
PwC Strategy& (UK) Ltd.	England	£1.00 ordinary shares	–
PwC Strategy& Services (UK) Limited	England	£1.00 ordinary shares	–
PWSP Limited	England	£1.00 ordinary shares	100
Sustainable Finance Holdings Limited	England	A1, A2, B1, B2, C1 and C2 class ordinary £0.50 shares and £1.00 preference shares	–
Sustainable Finance Limited	England	£1.00 ordinary shares	–
Registered office: **1 Embankment Place, London, WC2N 6DX**			
PricewaterhouseCoopers Legal (Resources) Limited	England	£1.00 ordinary shares	100
PwC Legal (UAE) Limited	England	£1.00 ordinary shares	100
Registered office: **1 Chamberlain Square Cs, Birmingham, B3 3AX**			
Pecten Secretaries Limited	England	£1.00 ordinary shares	–
Petershill Secretaries Limited	England	£1.00 ordinary shares	100
Sunbury Secretaries Limited	England	£1.00 ordinary shares	100
Registered office: **Atria One, 144 Morrison Street, Edinburgh, Scotland, EH3 8EX**			
PricewaterhouseCoopers Assurance UK Limited	Scotland	£1.00 ordinary shares	–
Barbinder Trust (Scotland) (The) – (an unlimited company)	Scotland	£1.00 ordinary shares	–
Registered office: **Office No.2047-2055, Spaces Inspire Hub Western Heights, J.P Road, 4 Bungalows, Andhen (West) Mumbai, Mumbai City, Maharashtra, India – 400053**			
PricewaterhouseCoopers AIMS Support Services India Private Limited	India	INR 500 ordinary shares	–
Registered office: **Royal Bank Place, 1 Glategny Esplanade, Guernsey, GY1 4ND**			
PricewaterhouseCoopers Alliance Limited	Guernsey	£nil ordinary shares	50

27. Subsidiary undertakings and joint ventures continued

Subsidiary undertakings continued

UK group companies	Country of incorporation	Share class	% directly held by the LLP
Registered office: **One International Towers, Watermans Quay, Bangaroo, NSW, Australia, 2000**			
PricewaterhouseCoopers Information Technology Services (Australia) Holdings Pty Ltd	Australia	AUD 1.00 ordinary shares	–
PricewaterhouseCoopers Information Technology Services (Australia) Pty Ltd	Australia	AUD 1.00 ordinary shares	–
Selera Solutions Pty Ltd	Australia	AUD 1.00 ordinary shares	–
Registered office: **Plot No. 211, Second Sector, City Center, New Cairo 11835, Egypt, P.O. Box 170, New Cairo**			
PwC IT Services Egypt LLC	Egypt	USD 1.00 quotas	–

Channel Islands group companies	Country of incorporation	Share class	% directly held by the LLP
Registered office: **P.O. Box 321, Royal Bank Place, 1 Glategny Esplanade, Guernsey, GY1 4ND**			
Midhurst Properties Limited	Guernsey	£1.00 ordinary shares	–
Pembroke House Limited	Guernsey	£1.00 ordinary shares	–
PricewaterhouseCoopers Services (Guernsey) Limited	Guernsey	£1.00 ordinary shares	–
PwC Properties (Guernsey) Limited	Guernsey	£1.00 ordinary shares	–
Registered office: **37 Esplanade, St Helier, Jersey, JE1 4XA**			
PricewaterhouseCoopers Professional Services Limited	Jersey	£1.00 ordinary shares	–
PricewaterhouseCoopers Services (Jersey) Limited	Jersey	£1.00 ordinary shares	–
PwC Channel Islands Limited	Jersey	£1.00 ordinary shares	–
PwC Properties (Jersey) Limited	Jersey	£1.00 ordinary shares	–
PwC Pension Scheme Trustees Limited	Jersey	£1.00 ordinary shares	–

Middle East group companies	Country of incorporation	Share class	% directly held by the LLP
Registered office: **Adool Street, Ben Ashour, P.O. Box 81577, Tripoli, Libya**			
Al Motahedoon Company Chartered Accountants and Registered Auditors LLC	Libya	LYD 20.00 ordinary shares	–
Registered office: **OMC Chambers, Wickams Cay 1, Road Town Tortola, British Virgin Islands**			
HLP Consulting Limited	British Virgin Islands	USD 1.00 ordinary shares	–
Registered office: **3302 Saba 1, Jumeirah Lake Towers, Dubai, UAE**			
PwC Digital Services DMCC	UAE	AED 1,000.00 ordinary shares	–
Registered office: **Tornado Tower, 41st Floor, P.O. Box 6689, Doha, Qatar**			
PricewaterhouseCoopers – Qatar LLC	Qatar	USD 1.00 A class shares	–

27. Subsidiary undertakings and joint ventures continued

Subsidiary undertakings continued

Middle East group companies	Country of incorporation	Share class	% directly held by the LLP
Registered office: **Third Circle, Jabal Amman, 14 Hazza' Al-Majali Street, P.O. Box 5175, Amman 11183, Jordan**			
PricewaterhouseCoopers 'Jordan'	Jordan	JOD 1.00 ordinary shares	–
PricewaterhouseCoopers Middle East Limited Jordan	Jordan	JOD 1.00 ordinary shares	–
Yazan Barghouti Legal Services LLC	Jordan	JOD 1.00 ordinary shares	–
Registered office: **Royal Bank Place, 1 Glategny Esplanade, St Peter Port, Guernsey, GY1 4ND**			
PricewaterhouseCoopers (Holdings) Guernsey Limited	Guernsey	£nil ordinary shares	–
PricewaterhouseCoopers (Middle East Group) Limited	Guernsey	£nil ordinary shares	–
PricewaterhouseCoopers Alliance Limited	Guernsey	£nil ordinary shares	–
PricewaterhouseCoopers Bahrain Holdco Limited	Guernsey	£nil ordinary shares	–
PricewaterhouseCoopers Holdco Middle East Limited	Guernsey	£nil ordinary shares	–
PricewaterhouseCoopers Iraq Holdco Limited	Guernsey	£nil ordinary shares	–
PricewaterhouseCoopers KSA Advisory Limited	Guernsey	£nil ordinary shares	–
PricewaterhouseCoopers Kuwait Holdco Limited	Guernsey	£nil ordinary shares	–
PricewaterhouseCoopers Kuwait Limited	Guernsey	£nil ordinary shares	–
PricewaterhouseCoopers Libya Holdco Limited	Guernsey	£nil ordinary shares	–
PricewaterhouseCoopers Middle East Limited	Guernsey	£nil ordinary shares	–
PricewaterhouseCoopers Oman Holdco Limited	Guernsey	£nil ordinary shares	–
PricewaterhouseCoopers Palestinian Territories Holdco Limited	Guernsey	£nil ordinary shares	–
PricewaterhouseCoopers Jordan Holdco Limited (formerly PricewaterhouseCoopers Qatar Holdco Limited)	Guernsey	£nil ordinary shares	–
PricewaterhouseCoopers Jordan Limited (formerly PricewaterhouseCoopers Qatar Limited)	Guernsey	£nil ordinary shares	–
PricewaterhouseCoopers Middle East Holdco Limited (formerly PricewaterhouseCoopers Saudi Arabia Holdco Limited)	Guernsey	£nil ordinary shares	–
PwC Holdings Guernsey Limited	Guernsey	£nil ordinary shares	–
PwC Holdings Middle East Limited	Guernsey	£nil ordinary shares	–
Registered office: **Kingdom Tower, 21st Floor, P.O. Box 13934, 2239 Al Urubah Road, Al Olaya District, Riyadh, 12214, Kingdom of Saudi Arabia**			
PricewaterhouseCoopers Advisory Limited	Saudi Arabia	SAR 2,000.00 ordinary shares	–
Registered office: **Arraya Tower II, 23rd-24th Floor, Safat 13018, P.O. Box 1753, Al-Shuhada Street, Sharq, Kuwait**			
PricewaterhouseCoopers Advisory Services Co. W.L.L.	Kuwait	KWD 5,000.00 membership units	–
Registered office: **Plot No. 211, Second Sector, City Center, New Cairo 11835, Egypt, P.O. Box 170, New Cairo**			
PricewaterhouseCoopers Financial Consultants S.A.E.	Egypt	EGP 100.00 ordinary shares	–
PricewaterhouseCoopers LLC	Egypt	EGP 100.00 ordinary shares	–
Strategy& (Egypt) LLC	Egypt	EGP 100.00 ordinary shares	–
Registered office: **Salam Square – South 4th Floor, Suites 402-404, Madinat Al Sultan Qaboos, P.O. Box 3075 – Ruwi – P.C. 112, Muscat, Sultanate of Oman**			
PricewaterhouseCoopers L.L.C.	Oman	OMR 1.00 ordinary shares	–

27. Subsidiary undertakings and joint ventures continued

Subsidiary undertakings continued

Middle East group companies	Country of incorporation	Share class	% directly held by the LLP
Registered office: **3rd Floor, Saba House Building, P.O. Box 11-3155, Block B&C, Said Freiha Street, Hazmieh Beirut, Lebanon**			
PricewaterhouseCoopers (Offshore) S.A.L.	Lebanon	LBP 30,000.00 ordinary shares	–
Registered office: **Office 801, Level 8, Al Fattan Currency House, Tower 1, Dubai International Financial Centre, P.O.Box 11987, Dubai, UAE**			
PricewaterhouseCoopers Limited	UAE	AED 1.00 ordinary shares	–
PricewaterhouseCoopers Bahrain Limited	UAE	£nil ordinary shares	–
PricewaterhouseCoopers Holdings ME Limited	UAE	£nil ordinary shares	–
PricewaterhouseCoopers Palestinian Territories Limited	UAE	£nil ordinary shares	–
PwC Holdings MER Limited	UAE	£nil ordinary shares	–
Strategy& (M.E.) Ltd	UAE	AED 1.00 ordinary shares	–
Registered office: **Emaar Square, Building 5, P.O. Box 11987, Dubai, UAE**			
PwC Academy L.L.C	UAE	AED 1.00 ordinary shares	–
Registered office: **Madinat Al Sultan Qaboos Bausher, P.O. Box 3075, 112, Muscat, Oman**			
PWC Academy LLC	Oman	OMR 1.00 ordinary shares	–
Registered office: **Empire Business Complex, Building C5, Section B, 4th Floor, Erbil, Kurdistan Region, Iraq**			
PricewaterhouseCoopers company for Management Consultancy Ltd	Iraq	IQD 1.00 ordinary shares	–
Registered office: **C/o The Corporation Trust Center, 1209 Orange Street, City of Wilmington, County of New Castle, Delaware, 19801, USA**			
PwC Strategy& Services (Middle East) Limited	USA	USD 1.00 ordinary shares	–
Registered office: **1209 Orange Street, City of Wilmington, County of New Castle, Delaware, 19801, USA**			
Strategy& (Lebanon) LLC	USA	Membership units	–
Registered office: **Al Khatem Tower, Level 26, ADGM Square, Al Maryah Island, P.O.Box 43754 Abu Dhabi, UAE**			
Strategy& (Middle East) Ltd.	UAE	USD 1.00 ordinary shares	–
Registered office: **40th and 41st Floor, Tornado Tower, West Bay, Doha, Qatar**			
PwC Legal Middle East LLC	Qatar	USD 1.00 ordinary shares	–
Strategy& (QFC) LLC	Qatar	USD 1.00 ordinary shares	–
Registered office: **2206 King Abdulaziz, Skhirat, Al-Ula, Kingdom of Saudi Arabia**			
PwC Business Services	Saudi Arabia	SAR 1,000.00 ordinary shares	–
PwC Academy for Training LLC	Saudi Arabia	SAR 1,000.00 ordinary shares	–
Registered office: **3074 Riyadh, Prince Mohamed Bin Abdul Aziz Road, Olaya District, Kingdom of Saudi Arabia**			
Strategy& Saudi Arabia	Saudi Arabia	SAR 100.00 ordinary shares	–

27. Subsidiary undertakings and joint ventures continued

Subsidiary undertakings continued

UK group partnerships, limited liability partnerships and other unincorporated entities	Legal form	Registered office and principal place of business
PricewaterhouseCoopers Legal LLP	Limited liability partnership	1 Embankment Place, London, WC2N 6DX
Accounting Advisory (UK) LLP	Limited liability partnership	1 Embankment Place, London, WC2N 6RH
PricewaterhouseCoopers AS LLP	Limited liability partnership	1 Embankment Place, London, WC2N 6RH
PwC Strategy& UK Holdings LLP	Limited liability partnership	1 Embankment Place, London, WC2N 6RH

Channel Islands group partnerships, limited liability partnerships and other unincorporated entities	Legal form	Principal place of business
Registered office: **1 Embankment Place, London, WC2N 6RH**		
PricewaterhouseCoopers CI LLP	Limited liability partnership	37 Esplanade, St Helier, Jersey, JE2 3QE

Middle East group partnerships, limited liability partnerships and other unincorporated entities	Legal form	Registered office and principal place of business
PricewaterhouseCoopers Limited Partnership	Partnership	Office 801, Level 8, Al Fattan,, Currency House, Tower 1, Dubai International Financial Centre, P.O.Box 11987, Dubai, UAE
PricewaterhouseCoopers	Partnership	Saba House Building, Block B&C, Said Freiha Street, Hazmieh, P.O. Box 11-3155, Beirut, Lebanon
PricewaterhouseCoopers – Public Accountants	Partnership	Kingdom Tower, 2239 Al Urubah Road, Al Olaya District, Riyadh 12214, Kingdom of Saudi Arabia
PricewaterhouseCoopers Al Shatti & Co	Sole ownership	Sharq, Block 7, Omar Al Khattab Street, Building No. 6 Al Rayya Tower, Floor No.23, Kuwait
PricewaterhouseCoopers EzzEldeen, Diab & Co	Partnership	Plot No. 211, Second Sector, City Center, New Cairo 11835, Egypt, P.O. Box 170, New Cairo
PricewaterhouseCoopers Legal Middle East LLP (in liquidation)	Partnership	1 Embankment Place, London, WC2N 6DX
PwC Legal Middle East LLP	Partnership	Office 801, Level 8, Al Fattan Currency House, Tower 1, Dubai International Financial Centre, P.O.Box 11987, Dubai, UAE
Saadi & Co – CPA	Partnership	EaShufat Street 5, East Jerusalem, P.O. Box 18366, Palestine

27. Subsidiary undertakings and joint ventures continued

Joint ventures and associates

None of the entities listed below have a material impact on the Group's financial results. All joint ventures and associates are consolidated using the equity method of accounting on the basis that the Group has joint control or significant influence over the entity.

Companies	Country of incorporation	Share class	% directly held by the LLP	% held by the Group
Registered office: **Raamweg 1B, 2596 HL The Hague, The Netherlands**				
PricewaterhouseCoopers Service Delivery Centre Holdings (Katowice) B.V.	The Netherlands	EUR 1.00 C class shares	–	33.33
Registered office: **ul. Lecha Kaczyńskiego, 00-638 Warsaw, Poland**				
PricewaterhouseCoopers Service Delivery Center Poland Sp. z o.o.	Poland	PLN 50.00 ordinary shares	–	33.33
Registered office: **ul. Puławska 182, 02-670 Warsaw, Poland**				
PwC IT Services Sp. z o.o.	Poland	PLN 50.00 ordinary shares	–	50
Registered office: **1 Embankment Place, London, WC2N 6RH**				
PwC Poland Services Limited	England	£1.00 ordinary shares, EUR 1.00 ordinary shares, EUR 1.00 preference shares	–	50
Registered office: **4 Lisbon Lane, Waterfall City, Jukskei View, Midrand, 2090, South Africa**				
PwC Service Delivery Centre South Africa Holdings Proprietary Limited	South Africa	ZAR ordinary shares	–	50
PwC Service Delivery Centre South Africa Proprietary Limited	South Africa	ZAR ordinary shares	–	50

Other investments

The subsidiaries listed below have been placed into Members Voluntary Liquidation and, as a result of the loss of control by the Group, the subsidiaries have been reclassified to other investments held at fair value through profit or loss.

Middle East group companies	Country of incorporation	Share class	% directly held by the LLP
Registered office: **Office No 1, 1st Floor, GHP-CS, Al Markaziyah, Hamdan Street, Abu Dhabi, UAE**			
HLP International Consulting LLC (in liquidation)	UAE	AED 1,000.00 ordinary shares	–
Registered office: **Kingdom Tower, 20th Floor, Al Oruba Road, P.O. Box 3145, Riyadh 12631, Kingdom of Saudi Arabia**			
Wadi Al Marefah Company for Training (in liquidation)	Saudi Arabia	SAR 1,000.00 ordinary shares	–

The LLP is incorporated in England and Wales.

The registered office of PricewaterhouseCoopers LLP is 1 Embankment Place, London, WC2N 6RH.

Climate risk statement for the financial year ended 30 June 2024

In accordance with section 415 of the Companies Act 2006, as amended by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 ('the Climate-related Financial Disclosure Regulations'), the members present the energy and carbon report (referred to as the 'Climate risk statement') of PricewaterhouseCoopers LLP ('PwC LLP') and its subsidiaries (together 'the Group', 'We') for the financial year ended 30 June 2024.

Introduction

We acknowledge the critical importance of addressing the ongoing challenges related to climate and nature: a global issue with ramifications that go beyond implications to our business. Climate change impacts our planet's ecosystems, the resiliency of our economies, the stability of our political systems, our personal security, our health and our prosperity.

Business can play an important role in driving systemic change through collaboration, investment in innovation and the development of new, more sustainable, business models. That is why we've committed to achieve net zero greenhouse gas ('GHG') emissions[1] with near-term 2030 goals, validated by the Science Based Targets initiative ('SBTi'). These goals are set out below and progress against them is detailed further in the 'Metrics and targets' section. We're committed to driving the change to meet these commitments. This includes our active work with regulators and helping corporations to prepare for their own sustainability efforts.

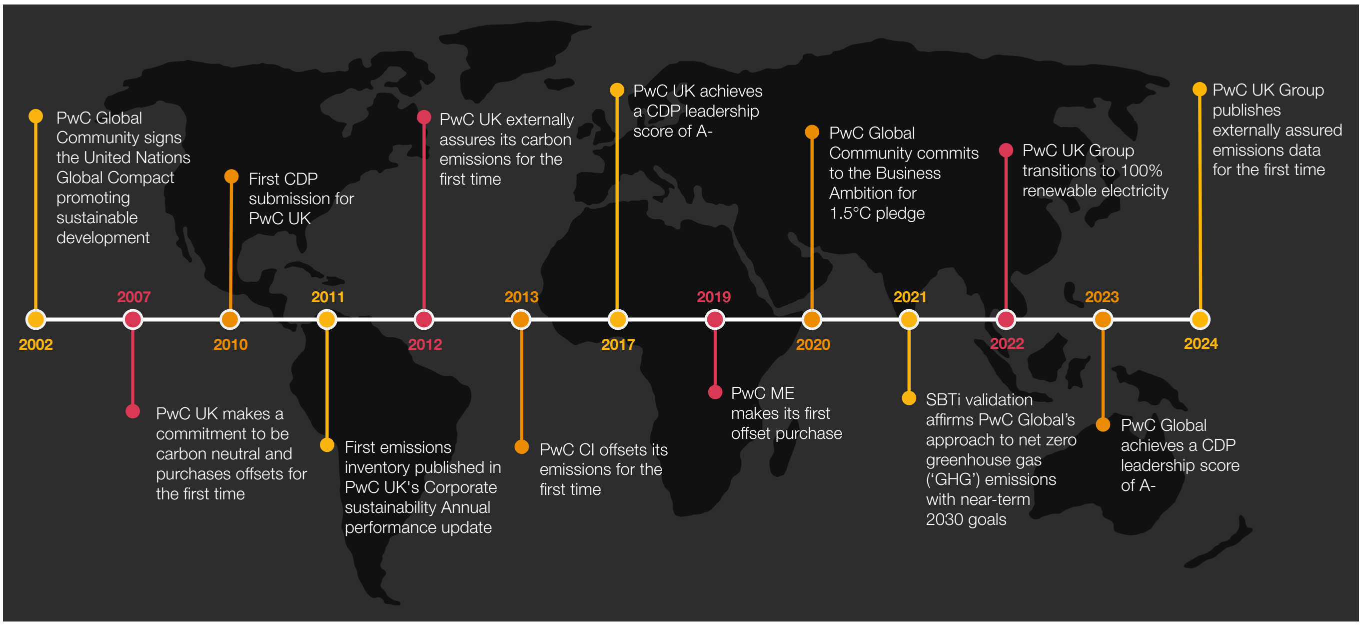
Our net zero targets

Our near-term science-based targets are aligned with a 1.5 degree climate scenario and have been validated by the SBTi. Our targets are to:

- Reduce scope 1 and 2 absolute emissions by 50% from a FY19 base by FY30
- Transition to 100% renewable electricity across the Group by FY30
- Reduce absolute business travel emissions by 50% from a FY19 base by FY30
- Procure 50% of our purchased goods and services (by emissions) from suppliers who have set science-based targets to reduce their own climate impact by FY25

We will continue to offset those emissions we cannot eliminate through high-quality carbon credits, with a FY30 ambition of transitioning the whole of our carbon credit portfolio to more substantive carbon removal and other market solutions as they become available.

PwC's climate action timeline



1 Net zero emissions refers to the balance between the amount of greenhouse gas (GHG) that's produced and the amount that's removed from the atmosphere. It is achieved through reducing carbon emissions as much as possible first, and only offsetting unavoidable, residual CO_2 as a last resort.

The consolidated Group's Climate risk statement covers the four themes recommended by the Task Force on Climate-related Financial Disclosures ('TCFD'). Whilst we are required to report in accordance with the Climate-related Financial Disclosure Regulations, we have continued to use the TCFD framework as we have historically reported against it and are in close alignment with the framework's requirements. All references to the 'Group' relate to the consolidated PwC LLP Group covering three territories, the UK, Channel Islands and Middle East.

The climate risk and opportunity assessment included in this statement indicates that, in the short, medium and long-term, the direct impacts of climate risk are not material to the Group. Materiality is determined through consideration of the unique identified risks which have the potential to either hamper the achievement of the Group's strategy and business objectives, or fundamentally compromise its future. We recognise, however, the important role that we can play to shape broader societal change in response to climate risk, and we are committed to continuing to monitor and adapt to it.

Governance

The PwC Global Network

Network Leadership Team ('NLT')

Sets the overall strategy for the PwC network and the standards to which member firms agree to adhere. The NLT is made up of the Global Chair of the PwC network and the Territory Senior Partners of the member firms in China, the UK and the US, plus a fifth member appointed by the Global Board (currently the Territory Senior Partner of PwC Germany and Regional Senior Partner of PwC Europe).

Global Leadership Team ('GLT')

Appointed by, and reports to, the NLT. Its members are responsible for leading teams drawn from PwC member firms to coordinate and lead PwC's activities across all areas of the business, including our lines of service and network functional teams.

Global Sustainability Leadership Team (GSLT)

The primary management body relating to our corporate sustainability agenda. It is led by our Global Corporate Sustainability Leader and brings together leaders from our largest member firms, representatives of our regions and subject matter experts to review our corporate sustainability objectives, progress and impact. Its remit covers the network's global environmental and community ambitions.

The Strategy Council

Made up of senior partners of the 21 largest PwC firms and regions, including the UK and Middle East, and agrees on the strategic direction of the network and facilitates alignment for the execution of strategy. The leaders of the Strategy Council have a KPI embedded in their performance objectives relating to their progress towards our net zero commitment. In FY18, the Strategy Council (SC) and Network Leadership Team (NLT) provided their official support and approval for our worldwide commitment to reach net zero greenhouse gas (GHG) emissions with 2030 goals.

The Group

UK Management Board

Has strategic oversight of the Group's approach to climate risk, however each territory within the Group undertakes their own operational responsibilities through their respective governance frameworks.

Net Zero Leaders

The Territory Senior Partner* of each member firm has appointed a Net Zero Business Leader who is responsible for defining and implementing the net zero plan in their territory, and also provides updates to our Global Corporate Sustainability Team. They sit on, or report directly to, their respective executive body; the UK Management Board in the UK, the Middle East Leadership Team in the Middle East and the Territory Leadership Team in the Channel Islands.

* Partner remuneration is determined with reference to each individual's continued contribution and responsibilities, and their associated performance, including the performance of their teams. Delivery against the PwC Network plan, including progress against internally and externally assured metrics and targets, is embedded into the performance metrics of each region's Territory Senior Partner.

Risk management

The Group

The Group's overall risk management processes manage strategic and operational business risks, including climate-related risks and opportunities. The Group identifies and manages reputational risks associated with our environmental data and reporting capabilities using a robust third party software platform. Climate-related reporting is subject to annual assurance processes, incorporating the Group's internal assurance, supplemented by external assurance processes regarding the Group's metrics and targets.

Although the assessments to date indicate that the potential climate-related risks, from climate change, to the Group's operations are not currently material, the risk-exposures continue to be monitored.

The PwC Global Network

At a PwC Global Network level, Key Network Risks ('KNR') are identified as those which have the potential to have a significant impact on the achievement of the PwC Global Network strategy and business objectives, or fundamentally damage the network or compromise its future. For each risk, individual member firms are required to consider the probability of occurrence, the potential operational, forward looking or emerging impact, and develop an appropriate response.

The failure to consider the impact of climate change has been identified as a KNR, reflecting this importance, and includes assessing the implications of meeting the climate-related network targets and preparing for the potential implications from physical and transitional related risks. Each territory has its own boards with delegated responsibility for their risk framework, with systems of risk control. Additionally, each region has firm-wide processes for reviewing new business, monitoring changes in applicable regulatory regimes, reviewing publicly stated sustainability targets, evolving client services and the delivery of quality audit services.

Strategy

The direct effects of climate change and the transition to a low carbon economy are increasingly impacting the Group's value chain, and continuing to take actions to mitigate and adapt is necessary across the Group's operations, as well as the services we offer in support of our clients' net zero and sustainability journeys.

The framework applied to assess the climate risks and opportunities is consistent with the wider PwC Global Network. It distinguishes between those affecting the Group's unique services and regional operations and those to which the Group may be exposed to through its client base, as well as the broader economic impacts arising from climate change.

Through stakeholder consultation with leaders across the Group, including our nominated Net Zero Leaders, we have considered the relevant findings arising from our internal climate risk modelling, qualitative risk assessment of the relevant climate risks and opportunities, our actions to address impacts to date and plans for the future.

Physical risk
The physical impacts of climate change, either from more extreme and frequent weather events, or long-term changes in climate such as temperature rise.

Transition risk
The impacts that result from the transition to a lower carbon economy (impacts could be caused by policy changes, shifts in supply chain, and consumer demand for products or changing public perception of products or companies).

Leveraging the expertise of PwC climate change experts from the PwC UK Sustainability practice, climate-related risk and opportunity impacts to our Group's business have been tested and analysed over the current (2025), medium (2030) and long (2050) time horizons, and across a range of climate scenarios of global warming from a preindustrial baseline[2].

Using our own Climate Risk Modelling digital capabilities, the physical risk analysis for our Group offices, service delivery centres and key technology suppliers was conducted using the Intergovernmental Panel on Climate Change 'IPCC' scenarios and PwC's proprietary Physical Climate Analytics, powered by Jupiter Intelligence[3] tool, supplemented with bespoke modelling and external climate datasets where supply chain data was more limited. This analysis is focused on the no mitigation >4°C scenario which implies greater physical risks to asset values from events related to more extreme weather.

PwC's exposure to transition risk is modelled using our proprietary Climate Excellence Tool[4] which provides an assessment of our exposure to transition risk through our client portfolio using the International Energy Agency ('IEA') climate scenarios. The assessment is centred on a <2°C scenario where greater transition risks in the short to medium-term are likely as markets and regulators adapt to the realities of a low carbon economy.

Both scenario sets present potential risks and opportunities, whether for the Group's business operations or for the services that we provide to clients. The analysis provides a forward-looking approach in assessing the potential risks and opportunities.

2 https://www.ipcc.ch/site/assets/uploads/sites/2/2018/12/SR15_FAQ_Low_Res.pdf
3 https://www.pwc.co.uk/services/sustainability-climate-change/insights/physical-climate-analytics-tool-powered-by-jupiter-intelligence.html
4 https://store.pwc.de/en/products/climate-excellence

Strategy continued

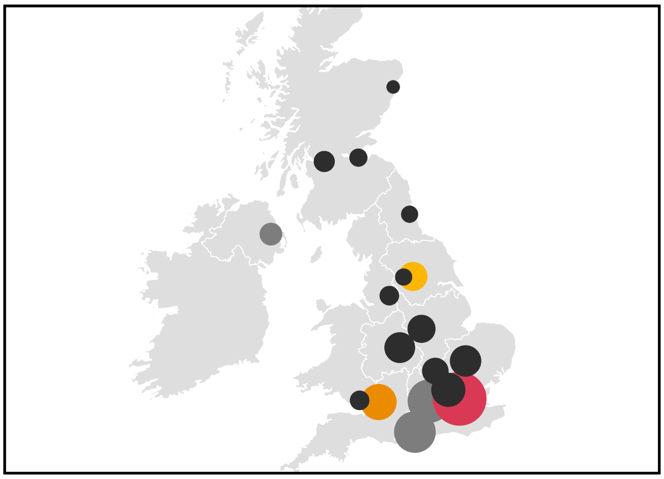
Physical risk assessment

The Group's office infrastructure

Our initial scenario analysis assessed the exposure to different physical hazards at each of our diverse locations across the UK, Middle East and Channel Islands. The hazards analysed and scenarios used include: extreme rainfall, hail and thunderstorm probability, flood risk, extreme wind speeds, drought frequency, wildfire risk, days of high heat, and extreme cold. The Group's physical risk results outlined below are focussed on the potential impacts arising under the >4°C high-warming scenario in order to demonstrate the potential physical risks arising from the most severe acute effects of climate change and the chronic changes which could materialise more significantly over the long-term.

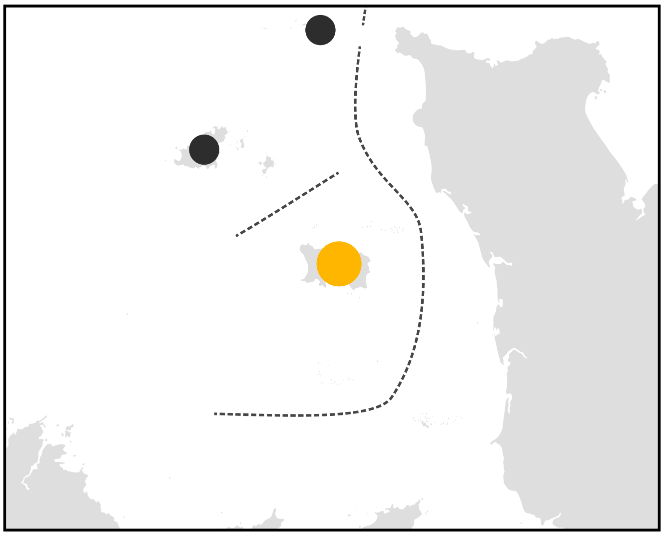
Assessment findings

UK



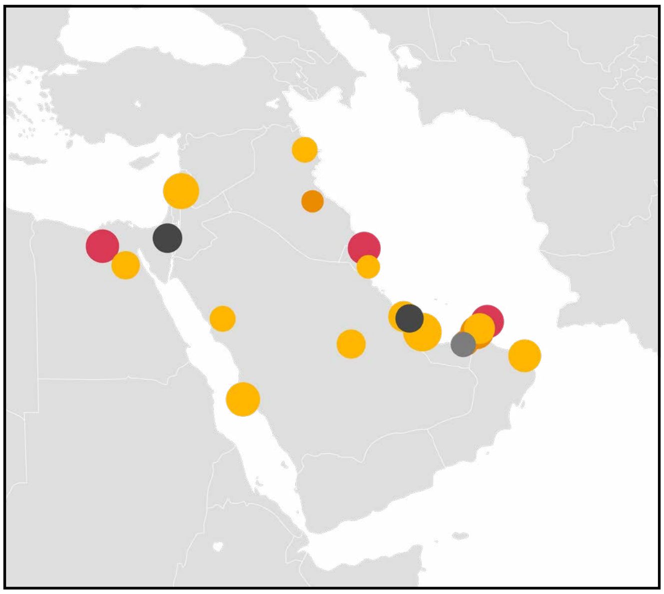
The biggest physical risk exposure in the UK is in London, where current physical risk impact is high and is also predicted to increase until 2050.

Channel Islands

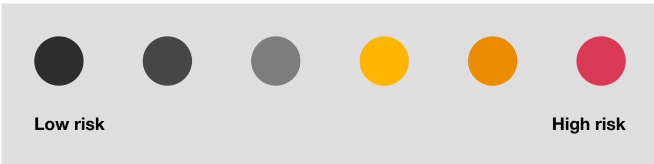


The biggest physical risk exposure in the Channel Islands is Jersey, where current physical risk impact is relatively higher compared to the other Channel Islands sites.

Middle East



The biggest current physical risk exposure in the Middle East is in Iraq, where risks are also expected to grow until 2050. Future physical risks are also expected to increase in Qatar and UAE by 2050



In the illustrations above, colour indicates the level of current physical climate risk. The size of the bubble indicates the expected change in the score between 2020 and 2050.

The Group's footprint is not spread evenly across all sites. Locations in the UK (including London, Birmingham and Manchester), the United Arab Emirates (including Dubai and Abu Dhabi), and the Kingdom of Saudi Arabia (including Riyadh and Jeddah), account for more than 75% of the Group's revenue and more than 60% of our people. Of these locations, the current physical risk exposure is the greatest in the London offices, primarily due to flood risk and with some exposure to drought risk. Most of the current physical risk exposure in the most significant Middle East locations is driven through heat risk and is expected to increase in severity across the region through to 2050.

Strategy continued

Physical risk assessment continued

The Group's office infrastructure continued

Notably in Dubai, there is expected to be increased flood risk by 2050. As an example, during April 2024, an unprecedented precipitation-related flood event occurred in Dubai. Our response was robust and the event did not impact the continuity of the ongoing delivery of client-related or support services. The business response was positive owing to the embedded business continuity plans and supported by hybrid working. The Dubai offices and technology service providers remained operational and connectivity was retained throughout. The majority of the impact arose from the disruption and delays to flights within the region. Corrective actions were taken, at minimal cost, in line with established facilities management and business continuity plans.

In late October to early November 2023, the Channel Islands experienced the record-breaking Storm Ciaran, which brought strong winds and heavy rain. Our response ensured that the storm did not disrupt the continuity of client-related services, with minimal direct cost impact. The positive business response was again due to our embedded business continuity plans and hybrid working model. Although the offices were closed for 24 hours in Guernsey and Alderney and for 48 hours in Jersey, technology services remained operational and connectivity was able to be maintained owing to the source of power from underground cables.

Technology supply chain infrastructure

The Group uses a number of business critical technology suppliers, identified for their essential role in our value chain in providing us with cloud services, digital communications and telecommunications. For the current and longer-term 2050 time horizon, we analysed the physical risks impacting the data centres that our technology provision is reliant on.

Overall, the locations of the data centres that the Group uses are in areas that are at lower risk of experiencing extreme weather events, with the majority of our spend located in north-western European regions. However, the Middle East, which accounts for 7% of the Group's spend, uses data centres located within the local region, where heatwaves are increasingly likely in a 4°C scenario with a 2050 time horizon. There are varying degrees of regulation and requirements in the region relating to data residency, which can limit our ability to influence the locations of data centres.

Service Delivery Centres

The Group utilises offshore specialist delivery centres in its operations to provide tailored, industry-focused services and solutions for our clients, as well as services for our own benefit. For the current and longer-term 2050 time horizon, we analysed the physical risks impacting the delivery centres where the Group has full or partial ownership. These are based in Egypt, India, Poland and South Africa, with the most significant being India and Poland on the basis of hours delivered and the associated costs.

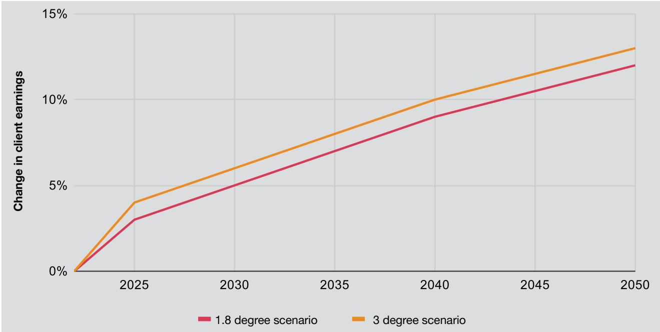
The SDCs in India face the highest risks from climate change, primarily due to flooding, precipitation and heatwave, with some exposure to wildfire. In Egypt, wildfire and heat risks are the greatest, while South Africa faces a moderate level of risk for wildfire.

The delivery centres in Poland face the lowest levels across all physical risks. The physical risks of all key delivery centres are likely to increase in severity over the longer-term 2050 time horizon and we will therefore continue to monitor these risks, particularly those in India, through their respective business continuity plans as required by PwC Network agreements.

Transition risk assessment

As a professional services firm, the impact of climate risk on our own business is likely to materialise as a result of changed circumstances at the clients we serve and the associated revenue we receive for our services. The Group delivers tailored, industry-focused services and solutions for public and private sector clients, across all lines of service, industries and geographies. This diversification allows agility in the Group's revenue streams and reduces the dependency on any individual sector. To the extent that certain revenue streams are impacted, our strategy enables adaptation to mitigate any potential adverse impacts on revenue or disruptive elements to our business plans. It is recognised that the composition of the Group's portfolio mix will also evolve in response to the wider macroeconomic environment. Changes arising from future climate change impacts have the potential to affect the business to varying degrees depending on the services provided to clients across the various operational sectors and the manner in which the Group delivers those services.

The transition risk analysis assumes a level of adaptive capacity by each client, i.e. the effectiveness of companies to anticipate risks and develop mitigation strategies. Our scenario analysis therefore focused on assessing the performance of the Group's clients under each climate scenario.



The upward curves show the overall growth of earnings in line with macro economic growth assumptions that underpin the model. Our analysis shows that in a high transition risk scenario, our clients' earnings are tempered slightly compared to the low transition scenario, due to increased climate policies, taxes and regulation in the short-term to 2030.

Strategy continued

Summary of identified risks and opportunities

The Group has identified a number of risks and opportunities, distinguished between those affecting our own services and our operations, and those to which we may be exposed through our client base and broader economic impacts arising from climate change. The time horizon, business impact and response to each of these are detailed below.

Risks and opportunities identified	Time horizon			Business impact	Business response
	Current	Medium -term	Long -term		
Physical risks					
Physical risks to office infrastructure arising from acute and chronic climate events, specifically flood risk in the UK, storm risk in the Channel Islands and heat risk in the Middle East.		●	●	Disruption to delivery of services, increased costs through property damage, power and telecommunication outages and improving property resilience.	The Group's overall dispersed office footprint reduces the risk of widespread disruption from extreme weather events because in particular areas of high head count, we have alternative office locations enabling business continuity. Investment in business continuity including certified business continuity management systems to the ISO 22301:2019 and 14001 standard, supports the Group's management of the risk of disruption to its core operations and buildings. The Group has invested heavily in technology, enabling our people to work remotely if needed, and to support continued operations should an unexpected climate event materialise. The ability to adapt to such scenarios was tested during the COVID-19 pandemic and the recent precipitation related weather disruption in Dubai and the Channel Islands, when we seamlessly transitioned to a virtual working environment.
Physical risks to the infrastructure, specifically data centres, of business critical technology suppliers arising from acute and chronic climate events.			●	Disruption to cloud services, digital communications and telecommunications.	To ensure service continuity, the Group assesses our supplier's business continuity and disaster recovery procedures, together with our own business disaster recovery framework as part of the climate risk assessment. To address the elevated heatwave risks associated with the Middle East region specifically, we have assessed data centre suppliers' cooling methods, as well as improvements made to their water and energy efficiency.

Strategy continued

Summary of identified risks and opportunities continued

Risks and opportunities identified	Time horizon: Current	Time horizon: Medium-term	Time horizon: Long-term	Business impact	Business response
Physical risks continued					
Physical risk to the infrastructure of service delivery centres arising from acute and chronic climate events.		●	●	The flooding, heat and wildfire physical risks have the potential to result in disruption to delivery of services, inability to access offices, increased costs through property damage, power and telecommunication outages. Extreme heat could also impact the health and productivity of our staff. This is particularly important given the greater reliance on alternative delivery models to deliver client and firm support services, and on cloud hosting and computing.	These risks continue to be actively monitored and mitigated through business continuity plans, which are required by the PwC Network standards, that the service delivery centres must adhere to.
Physical risks to employees' home locations arising from acute and chronic climate events.		●	●	Disruption to delivery of services, impacting the Group's ongoing ability to attract and retain talent, which is critical to ensure the ongoing ability to meet client needs.	Housing, infrastructure, reliable internet and mobile network access and proximity to an office all factor into the capacity of the Group's employees' to continue to work following natural disasters, ultimately impacting the Group's ability to provide services to clients. The Group's strategies provide additional hybrid working options. Employees may work from home, client locations, or elsewhere. Without a nearby office, employees' home locations become increasingly important to the Group's resilience. In the event of a natural disaster, offices can be a safe haven, providing access to a temperature controlled environment or electricity.
Disruption to business travel arising from extreme weather events.		●	●	Travel disruption may impact client services, leading to delays in delivery of our engagements, and impacting revenue.	The Group has a number of initiatives, including infrastructure investment in network capability allowing remote connection and enhanced client connectivity. Through travel response tools, such as International SOS and PwC Security Operations Centre, we are also able to monitor the impact of extreme weather on travel.

Strategy continued

Summary of identified risks and opportunities continued

Risks and opportunities identified	Time horizon: Current	Time horizon: Medium-term	Time horizon: Long-term	Business impact	Business response
Transition risks					
Adapting our core services to embed consideration of climate risk in line with regulatory and legislative changes, and market expectations.	●	●		Reputational damage and possible financial loss arising from the Group's failure to adapt core services in consideration of the impacts of climate change. If the level of quality in the Group's services was deemed to be impaired, reputational damage could lead to loss of market share to competitors, impacting revenue.	The Group provides sustainability consulting and risk advisory services to clients, this enables us to support clients to report on climate issues and also to adapt their businesses in response to climate change impacts. While the demand for these services may be reduced due to decreases in client earnings, the Group has an opportunity to promote its ESG-related services and support its clients to transform and address the impacts from climate change or increased regulations. The transition risk differs across territories due to local regulation requirements. Localised regulation may further change in specific regions such as the Middle East. Continued investment in the Group's ESG-related people, technology and service offerings underpin this response.
The implementation of carbon taxes in the regions in which we operate and increases in the cost of carbon offsetting.		●		Potential loss from the implementation of carbon taxes, and/or higher carbon offsetting prices, increasing our operational expenses.	The Group has a target to continue offsetting its residual emissions every year, with an FY30 ambition of transitioning the whole of its carbon credit portfolio to more substantive carbon removal and other market solutions as they become available. Currently, there are no significant carbon pricing mechanisms in the regions where the Group operates. However, the introduction of emissions trading protocols or carbon taxes could influence the market pricing of offsets. If supply constraints arise due to such protocols and there is an increase in demand from broader global carbon reduction initiatives, the cost of offsets for the Group could rise. While the financial impact is considered immaterial to the overall business in the current to medium-term, a rapid increase in prices of carbon offsets may have a significant impact on our current environmental budget.

Strategy continued

Summary of identified risks and opportunities continued

Risks and opportunities identified	Time horizon			Business impact	Business response
	Current	Medium -term	Long -term		
Transition risks continued					
Risk exposure to particular clients or sectors with highest levels of inherent climate risk.		●		Potential loss of revenue as clients or sectors face disruption, leading to reduced client budget for professional services.	Opportunities to support clients, including at-risk clients and those facing their own inherent risks, exist through existing offerings and through the continued development of the Group's broader service offerings. As a whole the Group's exposure to clients represents a relatively low transition risk. Financial services sector clients do not tend to carry out carbon-intensive activities themselves, although they do typically face climate risk through investments. Greater transition risk exposures lie in manufacturing, energy, utilities and resources companies, together with the pharmaceutical and transportation sectors.
Attracting and retaining talent.	●	●		Reputational impact from the Group's response to the global climate challenge could impact the ongoing ability to attract and retain talent, which is critical to the ongoing ability to serve clients.	Public promotion of the Group's ESG investment and training, and our net zero targets, supports the attraction and retention of talent. Sustainability employee engagement programmes are promoted to align with staff interests and to encourage desired behaviour change. Opportunities for professional growth through an increase in climate-related, innovative, high-quality service offerings also attracts a staff of environmental specialists.
Brand/reputational risk from falling short of contributing in a meaningful way to the climate agenda.		●		Potential reputational damage and/or financial loss.	Remain committed to the climate agenda and continue to report on progress, including through Climate Risk statement and other associated reporting and disclosures. Continue to commit time and expertise to progressing and advocating for the climate agenda through contributions to various climate fora.
Transitional opportunities					
Supporting clients in addressing climate-related risks and opportunities arising for them.	●	●	●	Potential for revenue growth/increasing market share from adapting core services and developing and scaling new services to help clients understand, respond to and report on the implications of climate change for their businesses.	To meet this urgent challenge, we have invested in scaling our Group's sustainability services. These platforms involve our sustainability specialists with a focus on connecting our expertise, capabilities and solutions in an integrated way across our network to support our clients in their climate risks. Key focus areas include supporting clients with net zero transformation and sustainability reporting.

Climate risk statement continued

Strategy continued

Summary of identified risks and opportunities continued

Risks and opportunities identified	Time horizon			Business impact	Business response
	Current	Medium -term	Long -term		
Transitional opportunities continued					
Advocacy and contribution of expertise to wider policy and/or sector-based efforts to solve transition challenges and/or accelerate transition to low carbon alternatives.	●	●	●	Purpose-led responses to support solving of important issues, reputational benefits, and engaging the Group's people.	Through advocacy towards the simplification and improvement of how climate change is reported and measured, the Group can facilitate addressing emerging policy and transition challenges for clients and the broader society.

Metrics and targets

The Group has committed to achieve net zero greenhouse gas (GHG) emissions aligned with a 1.5 degree climate scenario, with 2030 goals against a 2019 baseline. We will continue to offset those emissions we cannot eliminate through high-quality carbon credits, with an FY30 ambition of transitioning the whole of our carbon credit portfolio to more substantive carbon removal and other market solutions as they become available. PwC Global targets have been independently validated by the SBTi. The table below summarises our commitment.

Net zero targets	Group progress
Reduce scope 1 and 2 absolute emissions by 50% from a FY19 base by FY30	The Group is ahead of target with a 84% reduction in Scope 1 and 2 carbon emissions, driven by increased energy efficiency achieved through a combination of improved real estate stock and operational changes. In addition, we are increasingly securing the provision of renewable energy as it becomes available in more markets that we operate in.
Transition to 100% renewable electricity across the Group by FY30	The Group has transitioned to 100% renewable electricity since 2022 and will endeavour to maintain continued security of supply.
Reduce absolute business travel emissions by 50% from a FY19 base by FY30	The Group's business-related travel emissions have increased by 4% year-on-year, as we see a full return from the post-COVID slow down, particularly in the Middle East where clients are more dispersed. Overall, however, we are decoupling our business growth from emissions such that they increase at a slower rate than revenues. The proportion of travel emissions per full-time equivalent employee has decreased across the Group since FY19. We will continue to focus on driving the optimisation of any travel and the modes used to further reduce the carbon impact.
Procure 50% of our purchased goods and services (by emissions) from suppliers who have set science-based targets to reduce their own climate impact by FY25	The Group has 22% of its supplier emissions covered by SBTis. To support our supply chain in each of the markets that we operate in, we continue to advocate the setting of validated carbon reduction targets and the further development of sustainable operations through various methods, including our supplier outreach forums and one-to-one engagement.

Metrics and targets continued

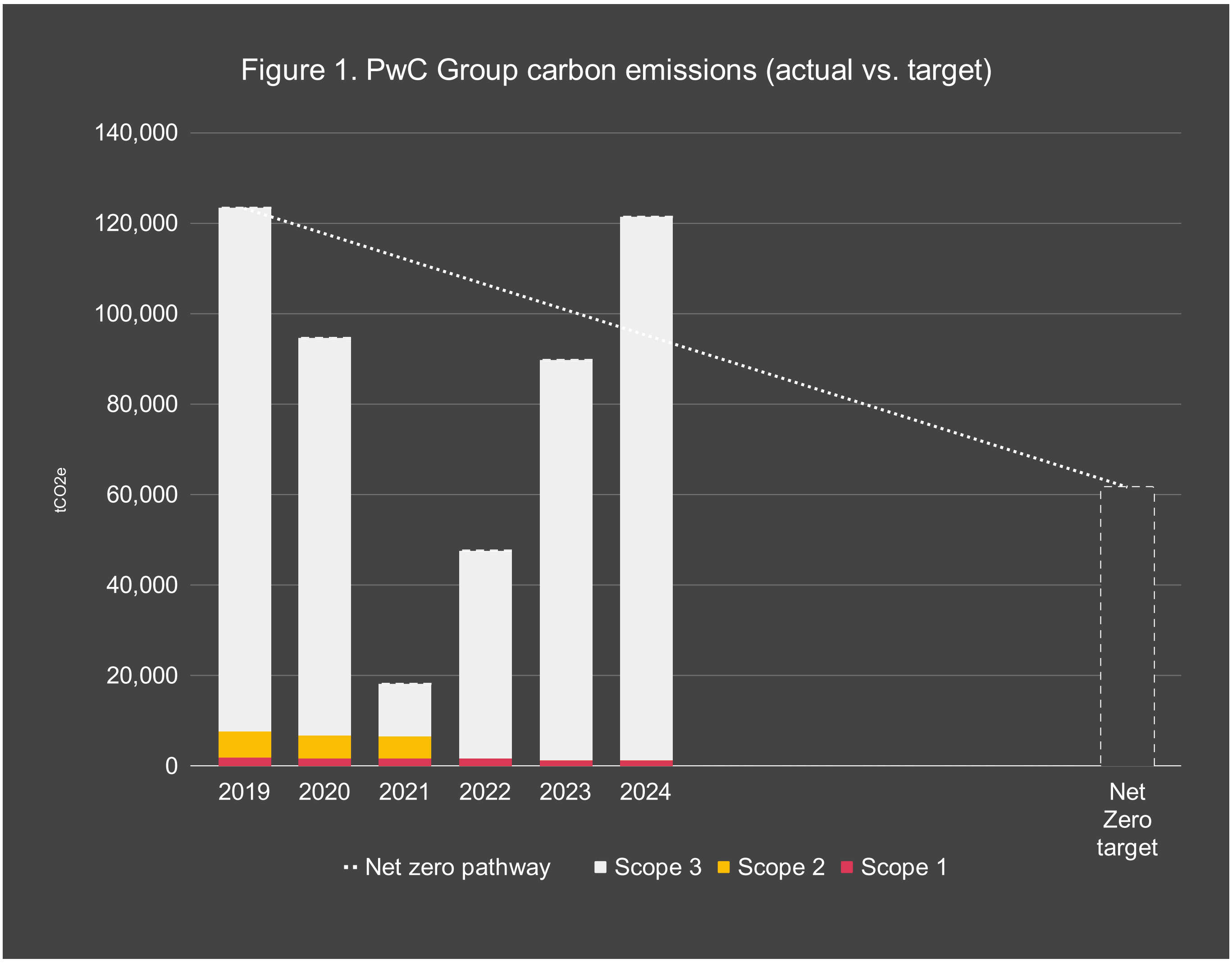
To mitigate the risks inherent in operating in a rapidly evolving market, and to leverage the opportunity to support our clients to adapt to the impacts of climate change, including increased regulation, we also need to continuously transform our own knowledge and skills. The Group has invested in our people undertaking over 150,000 hours of learning since FY21, with over 80% of the population having completed at least one ESG learning module at year end.

GHG emissions

The graph and further commentary below illustrates the Group's emissions reduction progress towards our net zero goals to halve our operational carbon footprint by 2030 against our 2019 baseline. In doing so, the Group considers the following emissions under the Greenhouse Gas Protocol of 2001, which is a way of categorising the different kinds of carbon emissions created in a businesses operations, and in its wider value chain.

Scope 1	Scope 2	Scope 3
Emissions cover the GHG emissions that we make directly, primarily through running boilers to heat and cool our office locations.	Emissions are the indirect emissions which are produced on our behalf, primarily from purchasing the electricity or energy for heating and cooling.	Emissions are those we are indirectly responsible for through our value chain, for example from business travel and waste generated in our operations. Our extended metrics include emissions from the purchased goods and services in our supply chain and our employees commuting and working from home.

Source: GHG Protocol at https://ghgprotocol.org/



Source: Group scope 1, 2 and 3 emissions. This does not include Scope 3 extended emissions (purchased goods and services, employee commuting and employee working from home)

Metrics and targets continued

Group's GHG emissions

	2024 variance against baseline	2024	2023	2019 Base
		Tonnes CO2e[1]		
Scope 1	**-37%**	**1,219**	**1,231**	**1,921**
Gas (natural and biogas)	-30%	666	644	951
Oil	100%	6	4	-
Biodiesel	-100%	-	-	19
Diesel	-51%	83	99	170
Vehicles	-38%	404	413	656
Fugitive emissions	-52%	60	71	125
Scope 2 (market based[2])	**-100%**	**-**	**-**	**5,616**
Electricity consumption (market based[2])	-100%	-	-	5,616
Scope 3	**4%**	**120,151**	**88,522**	**115,715**
Fuel and energy related activities	-7%	2,754	2,872	2,957
Waste generated in operations	21%	544	457	451
Accommodation	18%	25,622	21,810	21,670
Air	0%	81,502	55,867	81,574
Rail	-24%	1,647	1,462	2,153
Road[3]	17%	8,082	6,054	6,910
Total Business travel	4%	116,853	85,193	112,307
Total Scope 1, 2 and 3 emissions (market based[2])	**-2%**	**121,370**	**89,753**	**123,252**
Total emissions offset (percentage)	-	100	100	100
Total emissions intensity (tonnes CO2e/£m revenue)[6]	-34%	19.2	15.5	29.1
Scope 3 (extended)	**31%**	**216,893**	**202,539**	**165,141**
Purchased goods and services[4]	32%	192,974	179,960	146,035
Employee commuting and working from home[5]	25%	23,919	22,579	19,106

1 The emissions presented in this table arise from the Group which includes the emissions in the UK, Middle East and Channel Islands. Emissions relating to services acquired from overseas delivery centres in which the Group has an equity stake are included in the purchased goods and services category.

2 Emissions under the GHG protocol 'Market based' approach, reflecting the use of Energy Attribution Certificates ('EACs').

3 Road travel emissions include company car business mileage and taxi travel.

4 Includes emissions from capital goods, upstream transport and distribution and SDCs. During the financial year ended 30 June 2024, the Group rebased the purchased goods and services emissions to reflect the increased accuracy of underlying emissions factors and improved sector guidance.

5 Includes emissions from employees working from home or commuting to the office and client sites.

6 Our total emissions intensity is based on total Scope 1, 2 and 3 emissions (market based).

Our Group's total emissions were 2% below our 2019 baseline. Owing to the growth in our business, certain emissions have increased year-on-year for the first time, with business-related air travel being the largest contributor. The application of the most recent UK government air emissions multipliers resulted in the Group's air emissions, for 2024, increasing by 27%. We recognise the importance of business travel to our Group's operations, particularly within the Middle East region where our clients are regionally dispersed. Nonetheless, we continue to progress our strategy to decouple our business growth from our emissions, such that they increase at a slower rate than revenues, noting that the proportion of travel emissions per full-time equivalent employee has decreased across the Group since FY19.

Metrics and targets continued

Group's GHG emissions continued

Beyond the current net zero targets, to drive further change within our value chain, the Group engages with its clients, suppliers and regulators to address challenges, these include adopting circular business models by rethinking resource use, enhancing supply chain resilience and developing technological solutions such as the Climate Action Tracker to help organisations monitor their progress towards net zero. There are also a number of initiatives to engage our people to live more sustainably and reduce their respective emissions, such as our Sustainable Living at Home guide, Sustainability Champions, and energy saving webinars.

The Group uses the 'Market based' approach to calculating our Scope 2 emissions from electricity, which reflects its renewable electricity contract. To align with the GHG Protocol, a number of categories included within the Scope 3 emissions have been extended to incorporate those which are not within direct operational control. These relate to commuting, working from home and supplier emissions associated with procured goods and services.

UK's GHG emissions

In the UK, we are required to report on local emissions under local regulations, including the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 on Streamlined Energy and Carbon Reporting ('SECR').

		Tonnes CO2e[1]		
	2024 variance against baseline	**2024**	**2023**	**2019 Base**
Scope 1	**-63%**	**312**	**376**	**841**
Gas (natural and biogas)	-64%	252	305	697
Biodiesel	-100%	-	-	19
Total Stationary combustion of fuels	-65%	252	305	716
Fugitive emissions	-52%	60	71	125
Scope 2 (market based[2])	**-100%**	**-**	**-**	**2,139**
Electricity consumption (market based[2])	-100%	-	-	2,139
Electricity consumption (location based[3])	-42%	3,990	4,002	6,879
Scope 3	**-35%**	**49,319**	**38,151**	**76,214**
Fuel and energy related activities	-25%	1,553	1,699	2,076
Waste generated in operations	-55%	20	16	44
Accommodation	-72%	2,524	2,568	9,043
Air	-32%	39,683	29,910	58,531
Rail	-23%	1,645	1,461	2,149
Road[4]	-11%	3,894	2,497	4,371
Company car (SECR)[5]	-66%	1,258	1,345	3,713
Other road emissions	301%	2,636	1,152	658
Total Business travel	-36%	47,746	36,436	74,094
Total Scope 1, 2 and 3 emissions (market based[5])	-37%	49,631	38,527	79,194
Total Scope 1, 2 and 3 emissions (location based)	-36%	53,621	42,529	83,934
Total Scope 1, 2 and 3 emissions (SECR)[8]	-51%	5,500	5,652	11,308
Total emissions offset (percentage)	100	100%	100%	100%
Total emissions intensity (SECR) (tonnes CO2e/£m revenue)[8]	-61%	1.3	1.4	3.3
Total emissions intensity (tonnes CO2e/£m revenue)[9]	-49%	11.7	9.3	22.9
Scope 3 (extended)	-17%	86,331	86,989	104,452
Purchased goods and services[6]	-20%	72,910	74,062	90,687
Employee commuting and working from home[7]	-2%	13,421	12,927	13,765

Metrics and targets continued

UK's GHG emissions continued

1 The emissions presented in this table arise only in the United Kingdom and exclude the emissions of our subsidiaries activities in the Middle East and Channel Islands reported in the Group GHG metrics disclosed separately. Emissions relating to services acquired from overseas delivery centres in which the UK firm has an equity stake are included in the purchased goods and services category.

2 Emissions under the GHG protocol 'Market based' approach, reflecting the use of Energy Attribution Certificates ('EACs').

3 Emissions under the GHG protocol 'Location based' approach, reflecting the average emissions intensity of the grid on which energy consumption occurs.

4 Road travel emissions include company car business mileage and taxi travel.

5 In line with SECR requirements, company car emissions are fuel reimbursed to employees following claims for business mileage.

6 Includes emissions from capital goods, upstream transport and distribution and SDCs. During the financial year ended 30 June 2024, the Group rebased the purchased goods and services emissions to reflect increased accuracy in underlying emissions factors and improved sector guidance. Carbon emissions disclosed in the prior year statement are 53,002 (FY23) and 51,627 (FY19).

7 Includes emissions from employees working from home or commuting to the office and client sites.

8 The total emissions calculated under the SECR Regulations comprise the stationary combustion of fuels, location based electricity consumption and company car business travel.

9 Our total emissions intensity is based on total Scope 1, 2 and 3 emissions (market based).

We continue to review and enhance the methodology for the calculation of our emissions metrics to adopt best practices. Where enhancements or changes in estimation lead to more accurate data, we will restate comparative information. In FY24, we have done so with respect to the emissions factors used in the calculation of emissions arising from purchased goods and services, resulting in a restatement of the FY19 baseline from 51,627 to 90,687 and FY23 comparative from 53,002 to 74,062. This increase is primarily driven by improved specificity of the emissions factors applied against our spend profile, coupled with incorporation of the impact of purchasing power year-on-year movement. We are striving to transition from spend based estimates to supplier and/or product specific emissions reporting in the future.

	Units	Variance	**2024**	**2023**
Total energy consumption	**Million kWh**	**-9%**	**32**	**35**
Gas (natural and biogas)	Million kWh	-14%	9	10
Electricity	Million kWh	-7%	19	21
Road (company cars)	Million kWh	5%	4	4

In the UK, our energy reduction programme spans all our offices, 19 at 30 June 2024 (2023: 19), and focuses on consolidating and redesigning office space, operating more efficiently, investing in new technology, and encouraging employees to act sustainably.

During the financial year ended 30 June 2024 we continued to meet our UK target of sourcing 100% (2023: 100%) of electricity from renewable sources. We have been measuring, reducing and offsetting our UK operational carbon emissions since 2007. In that time, the total carbon footprint has significantly reduced, with emissions within our operational control declining to 49,631 tCO_2e in the financial year ended 30 June 2024, 37% below our current reporting baseline of 2019. Over the same period, our UK revenue has grown by 3%, whilst total emissions intensity (tCO_2/£m revenue) has fallen from 22.9 in 2019 to 11.7 in 2024.

Our UK energy consumption decreased by 9% in the financial year ended 30 June 2024, and remained lower than the 2019 baseline. The primary drivers for the decrease in energy consumption have been our continued focus on energy optimisation, such as our approaches to lighting and heating our larger offices.

In the UK, we have reduced our total scope 1 and 2 absolute emissions by 90% from a FY19 base to FY24, ahead of the 50% target by FY30. All energy has been procured from 100% renewable sources since FY22, also ahead of the FY25 target. Efforts towards the target of reducing business travel emissions by 50% by FY30 continue, with a 36% reduction against the FY19 baseline to FY24. Year-on-year we saw the number of UK flights increase marginally by 3%, however, application of the most recent UK government air emissions multipliers resulted in our UK air emissions, for 2024, increasing by 30%. The proportion of travel emissions per full-time equivalent employee has decreased in the UK since FY19.

Metrics and targets continued

UK's GHG emissions continued

Tackling the emissions impact arising from our delivery of services to clients, and the management of our own organisation remains central to our approach. This year, we made further updates to our UK travel policy, including making premium economy the default travel option for long haul daytime flights for all our people. Embedding our Thoughtful Travel programme further, we have also integrated the reporting of our business travel emissions into the monthly business performance updates to partners and introduced individual carbon travel statements for partners and directors. Recognising that the emissions from our services are embedded in our value chain for clients, we also launched a tool enabling the proactive assessment of engagement level carbon footprinting. In FY24, 50% of the UK's purchased goods and services suppliers (by emissions) have set near-term science-based targets to reduce their own climate impact, our focus will remain on continued engagement with our suppliers in support of delivering this 50% target through to FY25.

Information on targets and related programmes can be found on our UK website and in our Carbon Reduction Plan. Our UK carbon emissions are also published in the Integrated Reporting Hub: https://www.pwc.co.uk/who-we-are/reporting-hub.html

Management and standards

The Group uses a variety of recognised external environmental standards to help maintain rigour and continuously improve its processes.

The Greenhouse Gas Protocol, Intergovernmental Panel on Climate Change ('IPCC') emission factors, IEA conversion factors, UK Government environmental reporting guidelines and emission factors, including UK Government Department for Energy Security and Net Zero ('DESNZ') factors, and European residual mix factors ('RE-DISS') have been used to calculate the GHG footprint in this report.

Future priorities

The Group strives for continuous improvement in the way we measure and report on climate-related disclosures to ensure we contribute more to this important agenda, to support increased transparency and the development of robust reporting frameworks and standards. The effects of climate change are increasingly being seen throughout our value chain. We recognise the importance of taking actionable steps to contribute towards our purpose of building trust in society and solving important problems for our people, our firm and our planet. In doing so, we will continue to:

- Produce transparent disclosures – we will continue our strategy to deliver trust through appropriate disclosures and help our clients and suppliers to do the same.
- Establish net zero aligned operations – focussing on thoughtful change management and communication throughout our organisation and our value chain.
- Drive clients' climate strategies – supporting our clients to navigate climate-related challenges, including with their own net zero transitional journeys.
- Collaborate with stakeholders – we will only see real impact when we use our collective resources to address climate change, working with companies, regulators and communities.

About this disclosure

These metrics focus on the consumption of energy and the associated carbon emissions in the financial year ended 30 June 2024.

A separate report has been issued by Crowe U.K. LLP on their limited assurance engagement in accordance with ISAE 3410 standard for GHG emissions, there were no reservations.

The Climate risk statement on pages 59 to 68 was authorised for issue and signed on 15 August 2024 on behalf of the members of PricewaterhouseCoopers LLP, registered number OC303525, by:

Marissa Thomas

Designated Member
A complete list of members can be found on the Companies House register.

pwc.co.uk

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