

Registered number: OC342572

**PKF Littlejohn LLP**

**Annual report and financial statements**

**For the year ended 31 May 2024**

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# PKF Littlejohn LLP

## Information

**Designated Members** A D Roberts  
I Cowan  
T Herbert

**LLP registered number** OC342572

**Registered office** 15 Westferry Circus  
Canary Wharf  
London  
E14 4HD

**Independent auditors** Price Bailey LLP  
Statutory Auditors  
Tennyson House  
Cambridge Business Park  
Cambridge  
CB4 0WZ

**Bankers** HSBC  
20 Eastcheap  
London  
EC3M 1ED

## **PKF Littlejohn LLP**

### **Members' report for the year ended 31 May 2024**

The members present their annual report and the audited financial statements of PKF Littlejohn LLP ('the LLP') and its subsidiary undertakings (together 'the Group') for the year ended 31 May 2024.

#### **Principal activity**

The principal activity of the LLP and the Group is the provision of professional services.

#### **Designated members**

A D Roberts was a designated member of the LLP during the year and to the date of signing the financial statements. I Cowan and T Herbert were appointed designated members on 1 February 2024. C Papa and M R Ling resigned as designated members on 1 February 2024.

#### **Members' interests**

The Group is financed through a combination of members' capital, undistributed profits and banking facilities. Members' capital contributions are determined by the members, having regard to the working capital needs of the business. Members receive monthly drawings as an advance of their estimated share of profits for each year, considering the need to maintain sufficient funds to settle members' income tax liabilities and the working capital needs of the business.

#### **Statement of members' responsibilities in respect of the financial statements**

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

Company law (as applied by The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008) requires the members to prepare financial statements for each financial year. Under that law the members have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law (as applied by The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008) the members must not approve the financial statements unless they are satisfied that they 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 period.

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

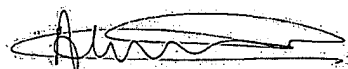
- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;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

The members are responsible for keeping adequate accounting records that are sufficient to show and explain the LLP's transactions and disclose with reasonable accuracy at any time the financial position of the LLP and the Group, and to enable them to ensure that the financial statements comply with the Companies Act 2006 (as applied by The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008). They are also responsible for safeguarding the assets of the LLP and the Group, and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### **Auditors**

The auditors, Price Bailey LLP, have indicated their willingness to continue in office. The Designated members will propose a motion re-appointing the auditors at a meeting of the members.

This report was approved by the members on 23 December 2024 and signed on their behalf by:



**A D Roberts**  
Designated member

## **PKF Littlejohn LLP**

### **Independent auditor's report to the members of PKF Littlejohn LLP**

#### **Opinion**

We have audited the financial statements of PKF Littlejohn LLP ('the LLP') and its subsidiaries (together 'the Group') for the year ended 31 May 2024 which comprise the Consolidated Statement of Comprehensive Income, the Group and the LLP Balance Sheets, the Group and the LLP Reconciliation of Members' Interests, the Consolidated Statement of Cash Flows and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

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 as at 31 May 2024, and of the Group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 as applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Our approach to the audit**

Our Group audit was scoped by obtaining an understanding of the Group and its environment. We determined materiality and assessed the risk of material misstatement in the financial statements. In particular we looked at where the members had made subjective judgements within accounting estimates. We addressed the risk of management override of internal controls including whether there was evidence of bias by the members that represented a risk of material misstatements due to fraud.

The group has operating entities based in the UK and abroad. All significant components were subject to a full scope audit by the group auditor at component materiality levels.

#### **Key audit matters**

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant addressed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on the overall audit strategy, the allocation of resources in the audit, and 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, we do not provide a separate opinion on these matters.

We have determined the matters described below to be key audit matters to be communicated in our report.

Independent auditor's report to the members of PKF Littlejohn LLP continued

| Key audit matters  | How our scope addressed this matter   |
|--|---|
| <p><b>Revenue recognition (note 3)</b></p> <p>In our assessment of audit risk, we determined that the existence and timing of revenue recognition give rise to a significant risk of material misstatement. The principal source of revenue for the Group and the LLP is professional services fees. The risk is that income has failed to be recognised in the appropriate period and revenue has not been recognised in line with the accounting policy.</p> | <p>We focused on timing of revenue recognition in accordance with stated accounting policies and its subsequent presentation in the statement of comprehensive income.</p> <p>Our procedures included:</p> <p>Analytical procedures and depth testing on a sample of transactions to confirm the validity of sales recorded and if they were in line with the financial reporting framework, considering if the performance obligations have been met.</p> <p>Gaining an understanding of the systems and procedures implemented to ensure revenue is recognised in the appropriate accounting period, testing a sample of entries where necessary.</p> <p>Reviewing the recognition at the year end to assess the validity of their recognition and carrying values as at 31 May 2024.</p> <p>Our work did not identify any items that could not be substantiated.</p> |
| <p><b>Amounts recoverable on contracts - valuation (note 14)</b></p> <p>The Group and the LLP hold material balances of amounts recoverable on contracts. The main risk is ensuring that the balances are held at the appropriate value and are considered recoverable.</p>  | <p>We focused on the valuation of amounts recoverable on contracts and recognition in accordance with stated accounting policies.</p> <p>Our procedures included:</p> <p>Reviewing a sample of balances and tracing to post year end fee notes raised and supporting documentation to gain assurance over valuation. A sample of engagements completed during the year were reviewed to ensure recoverability was reasonable in the prior year and thus provide assurance on management's ability to make accurate estimates over recoverability of the balances. The rationale for recoverability and valuation of these balances was discussed with management.</p> <p>Our work did not identify any items that could not be substantiated.</p>   |
| <p><b>Trade debtors - accuracy and valuation (note 14)</b></p> <p>The Group and the LLP hold material trade debtor balances. There is a risk that the balances may not be recoverable and may be subject to impairment.</p>  | <p>Our procedures included:</p> <p>Reviewing a sample of balances and tracing them to post year-end receipts and supporting documentation to ensure they have been correctly valued. Reviewing credit notes raised post year-end and assessing the effect on the year-end trade debtor balances. Reviewing the bad debt provision to gain assurance over the appropriateness of the balances. Discussing with management the rationale for recoverability and valuation of these balances.</p> <p>Our work did not identify any items that could not be substantiated.</p>  |

## **PKF Littlejohn LLP**

### **Independent auditor's report to the members of PKF Littlejohn LLP continued**

#### **Our application of materiality**

We consider materiality to be the magnitude by which misstatements, including omissions, could influence the economic decisions of reasonable knowledgeable users that are taken on the basis of financial statements. Materiality provides a basis for determining the nature and extent of our audit procedures.

We based materiality for the Group's financial statements as a whole on turnover for the Group and concluded materiality to be £1,191,000. We consider that turnover provides us with the most relevant performance measure to stakeholders of the Group, given that this is a key performance indicator and key driver of the financial statements.

We assessed materiality for the LLP's financial statements as a whole on the basis of 1.5% of turnover and restricted at 90% of Group materiality, being £1,071,000.

We apply the concept of materiality both in the planning and performance of the audit, and in evaluating the effects of misstatements.

During the course of the audit we reassessed materiality from planning to reflect the final reported performance of the Group. There was no change made to our planning materiality.

We set performance materiality at a level lower than materiality to reduce the probability that, in aggregate, uncorrected and undetected misstatements exceed the materiality for the financial statements as a whole.

We assessed performance materiality for the Group's financial statements as a whole at 75% of materiality and concluded performance materiality to be £893,250.

We assessed performance materiality for the LLP's financial statements as a whole at 75% of materiality and concluded performance materiality to be £803,250.

In determining our performance materiality we have also considered the nature, quantum and volume of corrected and uncorrected misstatements in prior periods and our expectation that misstatements from prior periods would not likely recur in the current period.

#### **Conclusions relating to going concern**

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

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

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

#### **Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The members are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## **PKF Littlejohn LLP**

### **Independent auditor's report to the members of PKF Littlejohn LLP continued**

#### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 as applied to LLPs by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 requires us to report to you if, in our opinion:

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

#### **Responsibilities of members**

As explained more fully in the members' responsibilities statement set out on page 2, the members are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the members are responsible for assessing the Group's and the LLP's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the members either intend to liquidate the 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 about whether the financial statements, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We gained an understanding of the legal and regulatory framework applicable to the Group and the LLP and the industry in which it operates and considered the risk of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations. This included those regulations directly related to the financial statements, including financial reporting, tax legislation and industry regulations including GDPR.

We communicated the identified laws and regulations with the audit team and remained alert to any indications of non-compliance throughout the audit. We carried out specific procedures to address the risks identified. These included the following:

- agreeing the financial statement disclosures to underlying supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiries of management including those responsible for key regulations;
- reviewing minutes from board meetings;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud; and
- reviewing the risk management processes and mitigating actions in place.

## PKF Littlejohn LLP

### Independent auditor's report to the members of PKF Littlejohn LLP continued

In addition, our procedures included the following to address the risks identified above:

- enquiry of management including those responsible for key regulations for any actual and potential litigation and claims, and any known instances of non-compliance;
- agreeing the financial statement disclosures to underlying supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- reviewing minutes of meetings of those charged with governance and any correspondence with regulators;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud; and
- reviewing our work throughout the audit file for evidence of non-compliance.

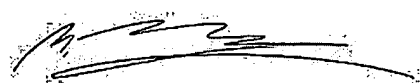
In addressing the risk of management override of controls, we carried out testing of journal entries and other adjustments for appropriateness, assessing whether the judgements made in making accounting estimates are indicative of a potential bias and evaluating the business rationale of significant transactions outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the FRC's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

#### Use of our report

This report is made solely to the LLP's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 as applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008. Our audit work has been undertaken so that we might state to the LLP's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the LLP and the LLP's members as a body, for our audit work, for this report, or for the opinions we have formed.



Martin Clapson FCA (Senior Statutory Auditor)

For and on behalf of

**Price Bailey LLP**

Chartered Accountants and Statutory Auditors

Tennyson House

Cambridge Business Park

Cambridge

CB4 0WZ

23 December 2024

## PKF Littlejohn LLP

### Consolidated statement of comprehensive income for the year ended 31 May 2024

|   | Note | 2024<br>£                | 2023<br>£                |
|---|------|--------------------------|--------------------------|
| Turnover  | 3    | 86,305,865               | 67,024,914               |
| External charges incurred on client assignments                 |      | <u>(5,733,596)</u>       | <u>(4,954,350)</u>       |
| <b>Net income</b>   |      | <b>80,572,269</b>        | <b>62,070,564</b>        |
| Operating expenses  |      | <u>(54,371,873)</u>      | <u>(41,189,020)</u>      |
| <b>Operating profit</b>   | 4    | <b>26,200,396</b>        | <b>20,881,544</b>        |
| Income from interests in associated undertakings                | 13   | 145,816                  | 64,364                   |
| Interest receivable and similar income                          | 7    | 472,338                  | 115,522                  |
| Interest payable and similar charges                            | 8    | <u>-</u>                 | <u>(31)</u>              |
| <b>Profit on ordinary activities before taxation</b>            |      | <b>26,818,550</b>        | <b>21,061,399</b>        |
| Tax on profit in subsidiary undertakings                        | 9    | <u>(158,252)</u>         | <u>(172,443)</u>         |
| <b>Profit for the year available for division among members</b> |      | <b><u>26,660,298</u></b> | <b><u>20,888,956</u></b> |
| <b>Other comprehensive income</b>                               |      |                          |                          |
| Remeasurement (loss) / gain on defined benefit pension scheme   |      | <u>(800,000)</u>         | <u>1,846,000</u>         |
| <b>Total comprehensive income for the year</b>                  |      | <b><u>25,860,298</u></b> | <b><u>22,734,956</u></b> |

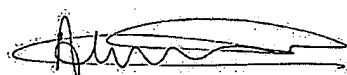
# PKF Littlejohn LLP

## Balance sheets as at 31 May 2024

|   | Note | Group             |                   | LLP               |                   |
|---|------|-------------------|-------------------|-------------------|-------------------|
|   |      | 2024              | 2023              | 2024              | 2023              |
|   |      | £                 | £                 | £                 | £                 |
| <b>Fixed assets</b>   |      |                   |                   |                   |                   |
| Tangible fixed assets                                       | 11   | 1,417,714         | 1,504,159         | 1,411,341         | 1,490,422         |
| Investments in subsidiary undertakings                      | 12   | -                 | -                 | 25,500            | 25,500            |
| Investments in associated undertakings                      | 13   | 534,872           | 389,056           | -                 | -                 |
| Defined benefit pension scheme                              | 16   | 3,783,000         | 3,944,000         | 3,783,000         | 3,944,000         |
|   |      | <u>5,735,586</u>  | <u>5,837,215</u>  | <u>5,219,841</u>  | <u>5,459,922</u>  |
| <b>Current assets</b>                                       |      |                   |                   |                   |                   |
| Debtors: amounts falling due within one year                | 14   | 34,429,736        | 28,221,419        | 31,881,828        | 25,918,014        |
| Cash at bank and in hand                                    |      | 9,175,757         | 7,020,601         | 8,370,730         | 6,185,438         |
|   |      | <u>43,605,493</u> | <u>35,242,020</u> | <u>40,252,558</u> | <u>32,103,452</u> |
| <b>Current liabilities</b>                                  |      |                   |                   |                   |                   |
| Creditors: amounts falling due within one year              | 15   | (8,086,326)       | (7,186,307)       | (10,098,185)      | (9,373,303)       |
| <b>Net current assets</b>                                   |      | <u>35,519,167</u> | <u>28,055,713</u> | <u>30,154,373</u> | <u>22,730,149</u> |
| <b>Total assets less current liabilities</b>                |      | <u>41,254,753</u> | <u>33,892,928</u> | <u>35,374,214</u> | <u>28,190,071</u> |
| Provisions  | 17   | (1,398,266)       | (1,442,121)       | (1,398,266)       | (1,442,121)       |
| <b>Net assets attributable to members</b>                   |      | <u>39,856,487</u> | <u>32,450,807</u> | <u>33,975,948</u> | <u>26,747,950</u> |
| <b>Represented by:</b>                                      |      |                   |                   |                   |                   |
| <b>Loans and other debts due to members within one year</b> |      |                   |                   |                   |                   |
| Members' capital classified as a liability                  | 18   | 4,235,333         | 3,480,710         | 4,235,333         | 3,480,710         |
| Other amounts   | 18   | 21,429            | 30,670            | 21,429            | 30,670            |
|   |      | <u>4,256,762</u>  | <u>3,511,380</u>  | <u>4,256,762</u>  | <u>3,511,380</u>  |
| <b>Members' other interests</b>                             |      |                   |                   |                   |                   |
| Other reserves classified as equity                         |      | 35,599,725        | 28,939,427        | 29,719,186        | 23,236,570        |
|   |      | <u>35,599,725</u> | <u>28,939,427</u> | <u>29,719,186</u> | <u>23,236,570</u> |
| <b>Total members' interests</b>                             |      |                   |                   |                   |                   |
| Loans and other debtors due to members                      |      | 4,256,762         | 3,511,380         | 4,256,762         | 3,511,380         |
| Members' other interests                                    |      | 35,599,725        | 28,939,427        | 29,719,186        | 23,236,570        |
|   |      | <u>39,856,487</u> | <u>32,450,807</u> | <u>33,975,948</u> | <u>26,747,950</u> |

The exemption under section 408 of the Companies Act 2006 from presenting the LLP's income statement has been taken. The LLP's profit for the year ended 31 May 2024 was £26,482,616 (2023: £20,173,555).

The financial statements on pages 8 to 26 were authorised for issue and signed on 23 December 2024 on behalf of the members of PKF Littlejohn LLP, registered number OC342572, by:



**A D Roberts**  
Designated member

## PKF Littlejohn LLP

### Reconciliation of members' interests

| Group  | Equity              |   | Debt               |                  | Total members' interests<br>£ |
|--|---------------------|---|--------------------|------------------|-------------------------------|
|  | Other reserves<br>£ | Members' capital classified as a liability<br>£ | Other amounts<br>£ | Total<br>£       |                               |
| <b>Balance at 1 June 2022</b>                            | <b>23,804,471</b>   | <b>2,998,530</b>                                | <b>53,053</b>      | <b>3,051,583</b> | <b>26,856,054</b>             |
| Profit for the year available for division among members | 20,888,956          | -   | -                  | -                | 20,888,956                    |
|  | <u>44,693,427</u>   | <u>2,998,530</u>                                | <u>53,053</u>      | <u>3,051,583</u> | <u>47,745,010</u>             |
| Allocated profit   | (17,600,000)        | -   | 17,600,000         | 17,600,000       | -                             |
| Remeasurement gain on defined benefit pension scheme     | 1,846,000           | -   | -                  | -                | 1,846,000                     |
| Amounts introduced by members                            | -                   | 627,930   | -                  | 627,930          | 627,930                       |
| Amounts withdrawn by members                             | -                   | (145,750)                                       | (17,622,383)       | (17,768,133)     | (17,768,133)                  |
| <b>Balance at 1 June 2023</b>                            | <b>28,939,427</b>   | <b>3,480,710</b>                                | <b>30,670</b>      | <b>3,511,380</b> | <b>32,450,807</b>             |
| Profit for the year available for division among members | 26,660,298          | -   | -                  | -                | 26,660,298                    |
|  | <u>55,599,725</u>   | <u>3,480,710</u>                                | <u>30,670</u>      | <u>3,511,380</u> | <u>59,111,105</u>             |
| Allocated profit   | (19,200,000)        | -   | 19,200,000         | 19,200,000       | -                             |
| Remeasurement loss on defined benefit pension scheme     | (800,000)           | -   | -                  | -                | (800,000)                     |
| Amounts introduced by members                            | -                   | 853,723   | -                  | 853,723          | 853,723                       |
| Amounts withdrawn by members                             | -                   | (99,100)  | (19,209,241)       | (19,308,341)     | (19,308,341)                  |
| <b>Balance at 31 May 2024</b>                            | <b>35,599,725</b>   | <b>4,235,333</b>                                | <b>21,429</b>      | <b>4,256,762</b> | <b>39,856,487</b>             |

## PKF Littlejohn LLP

### Reconciliation of members' interests continued

| LLP  | Equity              |   |                    | Debt             |  | Total members' interests<br>£ |
|--|---------------------|---|--------------------|------------------|--|-------------------------------|
|  | Other reserves<br>£ | Members' capital classified as a liability<br>£ | Other amounts<br>£ | Total<br>£       |  |                               |
| <b>Balance at 1 June 2022</b>                            | <b>18,817,015</b>   | <b>2,998,530</b>                                | <b>53,053</b>      | <b>3,051,583</b> |  | <b>21,868,598</b>             |
| Profit for the year available for division among members | 20,173,555          | -   | -                  | -                |  | 20,173,555                    |
|  | <u>38,990,570</u>   | <u>2,998,530</u>                                | <u>53,053</u>      | <u>3,051,583</u> |  | <u>42,042,153</u>             |
| Allocated profit   | (17,600,000)        | -   | 17,600,000         | 17,600,000       |  | -                             |
| Remeasurement gain on defined benefit pension scheme     | 1,846,000           | -   | -                  | -                |  | 1,846,000                     |
| Amounts introduced by members                            | -                   | 627,930   | -                  | 627,930          |  | 627,930                       |
| Amounts withdrawn by members                             | -                   | (145,750)                                       | (17,622,383)       | (17,768,133)     |  | (17,768,133)                  |
| <b>Balance at 1 June 2023</b>                            | <b>23,236,570</b>   | <b>3,480,710</b>                                | <b>30,670</b>      | <b>3,511,380</b> |  | <b>26,747,950</b>             |
| Profit for the year available for division among members | 26,482,616          | -   | -                  | -                |  | 26,482,616                    |
|  | <u>49,719,186</u>   | <u>3,480,710</u>                                | <u>30,670</u>      | <u>3,511,380</u> |  | <u>53,230,566</u>             |
| Allocated profit   | (19,200,000)        | -   | 19,200,000         | 19,200,000       |  | -                             |
| Remeasurement loss on defined benefit pension scheme     | (800,000)           | -   | -                  | -                |  | (800,000)                     |
| Amounts introduced by members                            | -                   | 853,723   | -                  | 853,723          |  | 853,723                       |
| Amounts withdrawn by members                             | -                   | (99,100)  | (19,209,241)       | (19,308,341)     |  | (19,308,341)                  |
| <b>Balance at 31 May 2024</b>                            | <b>29,719,186</b>   | <b>4,235,333</b>                                | <b>21,429</b>      | <b>4,256,762</b> |  | <b>33,975,948</b>             |

## PKF Littlejohn LLP

### Consolidated statement of cash flows for the year ended 31 May 2024

|   | Note | 2024<br>£                  | 2023<br>£                  |
|---|------|----------------------------|----------------------------|
| <b>Cash flow from operating activities</b>                    | 19   | <b>21,671,896</b>          | <b>15,800,955</b>          |
| Taxation paid   |      | <u>(388,464)</u>           | <u>(138,544)</u>           |
| <b>Net cash flow from operating activities</b>                |      | <b><u>21,283,432</u></b>   | <b><u>15,662,411</u></b>   |
| <b>Cash flow from investing activities</b>                    |      |                            |                            |
| Payments to acquire tangible fixed assets                     |      | <u>(673,658)</u>           | <u>(298,780)</u>           |
| <b>Net cash flow from investing activities</b>                |      | <b><u>(673,658)</u></b>    | <b><u>(298,780)</u></b>    |
| <b>Cash flow from financing activities</b>                    |      |                            |                            |
| Capital introduced by members                                 |      | <b>853,723</b>             | <b>627,930</b>             |
| Repayment of capital or debt to members                       |      | <b>(19,308,341)</b>        | <b>(17,768,133)</b>        |
| Repayment of obligations under finance leases                 |      | <u>-</u>                   | <u>(14,071)</u>            |
| <b>Net cash flow from financing activities</b>                |      | <b><u>(18,454,618)</u></b> | <b><u>(17,154,274)</u></b> |
| <b>Net increase / (decrease) in cash and cash equivalents</b> |      | <b>2,155,156</b>           | <b>(1,790,643)</b>         |
| <b>Cash and cash equivalents at 1 June 2023</b>               |      | <b><u>7,020,601</u></b>    | <b><u>8,811,244</u></b>    |
| <b>Cash and cash equivalents at 31 May 2024</b>               |      | <b><u>9,175,757</u></b>    | <b><u>7,020,601</u></b>    |
| <b>Cash and cash equivalents consists of:</b>                 |      |                            |                            |
| Cash at bank and in hand                                      |      | <u>9,175,757</u>           | <u>7,020,601</u>           |

# PKF Littlejohn LLP

## Notes to the financial statements for the year ended 31 May 2024

### 1. Accounting policies

#### 1.1 General information and basis of preparation of financial statements

The financial statements consolidate the results of PKF Littlejohn LLP ('the LLP') and its subsidiary undertakings (together 'the Group'). The LLP is a limited liability partnership incorporated and domiciled in England & Wales. The registered office is 15 Westferry Circus, Canary Wharf, London, E14 4HD.

The financial statements have been prepared in accordance with applicable accounting standards including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102"), the Statement of Recommended Practice: Accounting by Limited Liability Partnerships and the Companies Act 2006 (as applied to LLPs). The financial statements have been prepared on a going concern basis under the historical cost convention and are prepared in sterling which is the functional currency of the LLP.

The LLP is a qualifying entity for the purposes of FRS 102 and has elected to take the exemption under FRS 102, para 1.12 (b) not to present the LLP's statement of cash flows.

The exemption under section 408 of the Companies Act 2006 from presenting the LLP's income statement has been taken.

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

#### 1.2 Going concern

Having considered the working capital requirements of the Group alongside cash flow projections and budgets, the members believe that the Group will continue in existence for at least twelve months following the approval of these financial statements.

Therefore, in the opinion of the members, the financial statements of the Group have been appropriately prepared on a going concern basis.

#### 1.3 Consolidation

Subsidiary undertakings are entities over which the Group has control. Control is defined as the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. 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.

All intra-group transactions, balances, income and expenses are eliminated on consolidation. Adjustments are made to eliminate the profit or loss arising on transactions with associated undertakings to the extent of the Group's interest in the entity.

#### 1.4 Turnover and income recognition

Turnover represents amounts chargeable to clients for the provision of professional services that have been provided during the year. These amounts include recoverable external expenses incurred on client assignments but exclude Value Added Tax. The LLP recognises income at the point when it obtains the right to consideration. The excess of the rights to consideration over invoiced amounts is shown as amounts recoverable on contracts.

Profit on long term contracts is taken as the work is carried out if the final outcome can be assessed with reasonable certainty. The profit included is calculated to reflect the proportion of the work carried out at the year end, by recording turnover and related costs as contract activity progresses. Turnover is calculated as that proportion of total contract value which costs incurred to date bear to total expected costs for that contract. Revenues derived from variations on contracts are recognised only when they have been accepted by the customer. Full provision is made for losses on all contracts in the year in which they are first foreseen.

# PKF Littlejohn LLP

## Notes to the financial statements continued

### 1. Accounting policies continued

#### 1.5 Investments

##### (i) Subsidiary undertakings

Investments in subsidiaries are valued at cost less provision for impairment.

##### (ii) Other investments

Investments held as fixed assets are shown at cost less provision for impairment.

#### 1.6 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following basis:

|                                |   |  |
|--------------------------------|---|--|
| Leasehold improvements         | - | 7 years straight line or lease term where less than 10 years |
| Furniture and office equipment | - | 5 years straight line  |
| Computer equipment             | - | 3 years straight line  |

#### 1.7 Intangible fixed assets and amortisation

Goodwill is the difference between amounts paid on the acquisition of a business and the fair value of the identifiable assets and liabilities. It is amortised to comprehensive income over its estimated economic life of 4 years.

#### 1.8 Debtors

Short term debtors are measured at transaction price, less any impairment.

#### 1.9 Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### 1.10 Creditors

Short term trade creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

#### 1.11 Leases

##### 1.11.1 Operating leases

Leases that do not transfer all the risks and rewards of ownership are classified as operating leases. Payments under operating leases are charged to the statement of comprehensive income in equal instalments over the lease term.

Lease incentives are credited to the statement of comprehensive income on a straight-line basis over the period of the lease.

##### 1.11.2 Finance leases

Leases of assets that transfer substantially all the risks and rewards incidental to ownership are classified as finance leases. Finance leases are capitalised at commencement as assets at the lower of the fair value of the leased asset or the present value of the minimum lease payments.

# PKF Littlejohn LLP

## Notes to the financial statements continued

### 1. Accounting policies continued

#### 1.12 Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. All differences are taken to comprehensive income.

#### 1.13 Taxation

Taxation on the profits of the LLP falls as a personal liability of the members, and accordingly, no provision for taxation on the profits of the LLP is made in the financial statements.

Corporate subsidiary entities within these consolidated financial statements are subject to corporation tax based on their profits for the financial year.

#### 1.14 Pension benefits

The LLP operates a defined benefit pension scheme for certain employees. That scheme closed to future accrual on 30 November 2010. Up until that date contributions were paid by the LLP and employees. The funds of the scheme are administered by Trustees and are separate from the LLP. The Independent actuary completes a valuation every three years. In accordance with his recommendations annual contributions are paid to the scheme so as to secure benefits set out in the rules and to allow periodic augmentation of current pensions.

A liability for the LLP's obligations under the plan is recognised net of plan assets. The net change in the net defined benefit liability is recognised as the cost of the defined benefit scheme during the period. Pension plan assets are measured at fair value and the defined benefit obligation is measured on an actuarial basis using the projected unit method.

The LLP also operates defined contribution schemes for certain Group employees. Contributions to the defined contribution schemes are charged to comprehensive income when they become payable.

Differences between contributions payable in the year and contributions actually paid are included within accruals or prepayments within the balance sheet.

#### 1.15 Provisions

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 of the obligation can be estimated reliably.

Provisions are measured at the present value of the expected expenditure required to settle the obligation.

# PKF Littlejohn LLP

## Notes to the financial statements continued

### 1. Accounting policies continued

#### 1.16 Members' participations

Members' participations give rise to a number of rights, obligations and entitlements which result in the recognition by the LLP of various assets, liabilities and residual interest in its net assets (i.e. equity) as set out below.

##### 1.16.1 Allocation of profits

Profits are allocated for division amongst members at the discretion of the members. Amounts paid to members in advance of profit allocation are recoverable from them and are recognised as a financial asset. Profit allocations are recognised as a deduction from equity when payment is no longer discretionary.

##### 1.16.2 Members' interests

Members' other interests include profits to be divided and other equity reserves. In the event of a winding up, members' other interests rank after unsecured creditors.

### 2. Judgments in applying accounting policies and key sources of estimation uncertainty

The following judgements (apart from those involving estimates) have been made in the process of applying the above accounting policies that have had the most significant effect on amounts recognised in the financial statements:

Management regularly review the recoverability of unbilled amounts recoverable on contracts having regard in particular to the age of the amounts and any specific circumstances in order to determine any provision for irrecoverable amounts.

Management regularly review the recoverability of trade debtor amounts and having regard to their age and any specific circumstances in order to determine any provision for irrecoverable amounts.

### 3. Turnover

The turnover is attributable to the Group's principal activity. The Group operates in the UK and turnover arises predominantly in the UK.

### 4. Operating profit

Operating profit is stated after charging:

|                                       | 2024            | 2023         |
|---------------------------------------|-----------------|--------------|
|                                       | £               | £            |
| Operating lease rentals               | 924,739         | 622,885      |
| Depreciation of tangible fixed assets | 760,103         | 576,114      |
| Foreign exchange gains                | <u>(16,124)</u> | <u>(516)</u> |

Total fees and expenses payable to the Group's auditors for the year ended 31 May 2024 are £52,206 (2023: £51,300). This comprised audit fees of £29,675 (2023: £25,250) relating to the LLP and Group consolidation and other fees of £22,531 (2023: £26,050) relating to the audit of client monies and subsidiary undertakings.

# PKF Littlejohn LLP

## Notes to the financial statements continued

### 5. Employees

Staff costs are as follows:

|                                    | <i>Group</i>      |             | <i>LLP</i>        |             |
|------------------------------------|-------------------|-------------|-------------------|-------------|
|                                    | <b>2024</b>       | <b>2023</b> | <b>2024</b>       | <b>2023</b> |
|                                    | £                 | £           | £                 | £           |
| Wages and salaries                 | <b>29,915,126</b> | 23,289,361  | <b>27,995,596</b> | 21,944,186  |
| National insurance contributions   | <b>3,134,831</b>  | 2,440,033   | <b>2,961,003</b>  | 2,334,699   |
| Defined contribution pension costs | <b>1,728,373</b>  | 1,272,485   | <b>1,643,034</b>  | 1,212,610   |
|                                    | <b>34,778,330</b> | 27,001,879  | <b>32,599,633</b> | 25,491,495  |

The average monthly number of persons employed during the year was as follows:

|                      | <i>Group</i> |             | <i>LLP</i>  |             |
|----------------------|--------------|-------------|-------------|-------------|
|                      | <b>2024</b>  | <b>2023</b> | <b>2024</b> | <b>2023</b> |
|                      | £            | £           | £           | £           |
| Client service staff | <b>471</b>   | 398         | <b>435</b>  | 365         |
| Support staff        | <b>87</b>    | 72          | <b>85</b>   | 70          |
|                      | <b>558</b>   | 470         | <b>520</b>  | 435         |

### 6. Information in relation to members

|   | <b>2024</b>   | <b>2023</b>   |
|---|---------------|---------------|
|   | <b>Number</b> | <b>Number</b> |
| The average number of members during the year was | <b>46</b>     | 36            |

No members remuneration has been charged as an expense (2023: nil).

Based on the profit for the year shown in these financial statements:

|  | <b>2024</b>    | <b>2023</b> |
|--|----------------|-------------|
|  | £              | £           |
| The average members remuneration during the year was | <b>579,572</b> | 580,249     |

The amount of profit attributable to the member with the largest entitlement was

|                  |           |
|------------------|-----------|
| <b>2,267,770</b> | 1,920,349 |
|------------------|-----------|

Each member's actual share of profit is calculated after deducting the LLP's contribution to, and reversing any interest adjustments in relation to, the Group's defined benefit scheme (note 16) and excluding the Group's share of income from interests in associated undertakings. Distributable profit shares are presented on a before tax basis as this is considered a more relevant measure of the Group's profitability. Tax comprises member's personal tax and National Insurance contributions and corporation tax on subsidiary profits. Average distributable profit shares are calculated by dividing total distributable profits by the number of members on a full time equivalent ('FTE') basis, considering member's agreed working patterns.

|   | <b>2024</b>   | <b>2023</b>   |
|---|---------------|---------------|
|   | <b>Number</b> | <b>Number</b> |
| The average number of members on an FTE basis during the year was | <b>44.3</b>   | 35.9          |

|   | <b>2024</b>    | <b>2023</b> |
|---|----------------|-------------|
|   | £              | £           |
| The average distributable profit per member on an FTE basis was | <b>590,961</b> | 573,855     |

The average distributable profit per member on an FTE basis was

|                |                            |
|----------------|----------------------------|
| <b>590,961</b> | <i>Restated</i><br>573,855 |
|----------------|----------------------------|

The average distributable profit per member on an FTE basis for the year to 31 May 2023 has been restated to ensure consistency in the treatment of contributions to the Group's defined benefit scheme.

# PKF Littlejohn LLP

## Notes to the financial statements continued

### 7. Interest receivable

|   | 2024<br>£      | 2023<br>£      |
|---|----------------|----------------|
| Interest receivable on bank deposits          | 248,338        | 50,522         |
| Net interest income on defined benefit scheme | 224,000        | 65,000         |
|   | <u>472,338</u> | <u>115,522</u> |

### 8. Interest payable

|                                    | 2024<br>£ | 2023<br>£ |
|------------------------------------|-----------|-----------|
| Interest payable on finance leases | -         | 31        |
|                                    | <u>-</u>  | <u>31</u> |

### 9. Taxation

|   | 2024<br>£ | 2023<br>£ |
|---|-----------|-----------|
| Current tax on profit of subsidiary entities for the year | 158,252   | 172,443   |

#### Factors affecting tax charge for the year

The difference between the tax expense at the standard rate and the actual tax expense is reconciled as follows:

|   | 2024<br>£      | 2023<br>£      |
|---|----------------|----------------|
| Profit on ordinary activities of corporate subsidiary undertakings before tax                         | <u>524,377</u> | <u>820,049</u> |
| Profit on ordinary activities multiplied by main rate of corporation tax in the UK of 25% (2023: 20%) | 131,094        | 164,010        |
| <b>Effects of:</b>  |                |                |
| Disallowed expenses   | 14,874         | 8,082          |
| Subsidiary undertakings taxed at small profits rate of corporation tax                                | 1,802          | -              |
| Effect of foreign tax rates   | 5,146          | 996            |
| Adjustments in respect of prior years   | 5,336          | (645)          |
|   | <u>158,252</u> | <u>172,443</u> |

### 10. Intangible fixed assets

|                                | Goodwill<br>£  |
|--------------------------------|----------------|
| <b>Group</b>                   |                |
| <b>Cost</b>                    |                |
| At 1 June 2023 and 31 May 2024 | <u>600,000</u> |
| <b>Amortisation</b>            |                |
| At 1 June 2023 and 31 May 2024 | <u>600,000</u> |
| <b>Net Book Value</b>          |                |
| At 1 June 2023 and 31 May 2024 | <u>-</u>       |

**PKF Littlejohn LLP**

**Notes to the financial statements continued**

**11. Tangible fixed assets**

| Group                 | Furniture &<br>Office<br>equipment<br>£ | Leasehold<br>improvements<br>£ | Computer<br>equipment<br>£ | Total<br>£       |
|-----------------------|---|--------------------------------|----------------------------|------------------|
| <b>Cost</b>           |   |                                |                            |                  |
| At 1 June 2023        | 6,905                                   | 2,594,123                      | 1,080,344                  | 3,681,372        |
| Additions             | -                                       | 264,383                        | 409,275                    | 673,658          |
| At 31 May 2024        | <b>6,905</b>                            | <b>2,858,506</b>               | <b>1,489,619</b>           | <b>4,355,030</b> |
| <b>Depreciation</b>   |   |                                |                            |                  |
| At 1 June 2023        | 4,333                                   | 1,463,965                      | 708,915                    | 2,177,213        |
| Charge for the year   | 1,270                                   | 474,708                        | 284,125                    | 760,103          |
| At 31 May 2024        | <b>5,603</b>                            | <b>1,938,673</b>               | <b>993,040</b>             | <b>2,937,316</b> |
| <b>Net Book Value</b> |   |                                |                            |                  |
| At 31 May 2024        | <b>1,302</b>                            | <b>919,833</b>                 | <b>496,579</b>             | <b>1,417,714</b> |
| At 31 May 2023        | 2,572                                   | 1,130,158                      | 371,429                    | 1,504,159        |

| LLP                   | Leasehold<br>improvements<br>£ | Computer<br>equipment<br>£ | Total<br>£       |
|-----------------------|--------------------------------|----------------------------|------------------|
| <b>Cost</b>           |                                |                            |                  |
| At 1 June 2023        | 2,594,123                      | 1,044,996                  | 3,639,119        |
| Additions             | 264,383                        | 409,275                    | 673,658          |
| At 31 May 2024        | <b>2,858,506</b>               | <b>1,454,271</b>           | <b>4,312,777</b> |
| <b>Depreciation</b>   |                                |                            |                  |
| At 1 June 2023        | 1,463,963                      | 684,734                    | 2,148,697        |
| Charge for the year   | 474,710                        | 278,029                    | 752,739          |
| At 31 May 2024        | <b>1,938,673</b>               | <b>962,763</b>             | <b>2,901,436</b> |
| <b>Net Book Value</b> |                                |                            |                  |
| At 31 May 2024        | <b>919,833</b>                 | <b>491,508</b>             | <b>1,411,341</b> |
| At 31 May 2023        | 1,130,160                      | 360,262                    | 1,490,422        |

## PKF Littlejohn LLP

### Notes to the financial statements continued

#### 12. Investments

The LLP holds the following investments in subsidiary undertakings:

##### Directly held subsidiary undertakings:

| Entity name                          | Shareholding          | Description                  |
|--------------------------------------|-----------------------|------------------------------|
| PKF London Limited                   | 100% ordinary shares  | Intermediate holding company |
| Anyall Limited                       | 100% ordinary shares  | Dormant                      |
| Avatar Software LLP                  | N/a                   | Dormant                      |
| PKF Littlejohn Corporate Finance LLP | N/a                   | Dormant                      |
| PKF Littlejohn Belgium SA            | 100% ordinary shares  | Professional Services        |
| Littlejohn Advisors LLP              | N/a                   | Dormant                      |
| PKF Littlejohn Canillas Limited      | 50.5% ordinary shares | Audit services               |
| PKF Digital Limited                  | 50% ordinary shares   | Technology services          |

##### Indirectly held subsidiary undertakings:

| Entity name                               | Shareholding              | Description                 |
|---|---------------------------|-----------------------------|
| PKF Littlejohn Payroll Services Limited   | 100% ordinary shares      | Payroll services            |
| PKF Littlejohn Accounts Limited           | 100% ordinary shares      | Dormant                     |
| PKF Littlejohn Financial Services Limited | 75% B class shares        | Dormant                     |
| PKF Littlejohn Advisory Limited           | 100% A and B class shares | Corporate recovery services |
| PKF Littlejohn Business Solutions Limited | 100% ordinary shares      | Dormant                     |
| PKF Littlejohn Corporate Services Limited | 100% ordinary shares      | Dormant                     |
| PKF Advisory Limited                      | 100% ordinary shares      | Dormant                     |
| CLB Littlejohn Frazer Holdings Limited    | 100% ordinary A shares    | Dormant                     |
| Littlejohn Legal Limited                  | 100% ordinary shares      | Legal services              |
| PKF LJ South Africa (Pty) Ltd             | 100% ordinary shares      | Employment of staff         |

Except for the entities listed below, all the above subsidiary undertakings are incorporated in England and have their registered office at 15 Westferry Circus, Canary Wharf, London E14 4HD.

| Entity name                     | Country of incorporation | Registered office   |
|---------------------------------|--------------------------|---|
| PKF Littlejohn Belgium SA       | Belgium                  | Romeinse Steenweg 1022,<br>1780 Wommel, Belgium                         |
| PKF LJ South Africa (Pty) Ltd   | Republic of South Africa | 2nd Floor 12 on, Palm Blvd,<br>Gateway, Umhlanga, 4319,<br>South Africa |
| PKF Littlejohn Canillas Limited | Gibraltar                | 2109 1st Floor Building 2,<br>Eurotowers, Europort Road,<br>Gibraltar   |

# PKF Littlejohn LLP

## Notes to the financial statements continued

### 13. Investments in associated undertakings

The carrying value of the Group's investment in associated undertakings, using the equity accounting method, is as follows:

|                           | 2024<br>£      | 2023<br>£      |
|---------------------------|----------------|----------------|
| At 1 June 2023            | 389,056        | 324,692        |
| Share of profit after tax | 145,816        | 64,364         |
| At 31 May 2024            | <u>534,872</u> | <u>389,056</u> |

The Group holds the following investments in associated undertakings:

| Entity name            | Shareholding          | Description            |
|------------------------|-----------------------|------------------------|
| Escalate Law Limited   | 50% ordinary shares   | Dispute resolution     |
| PKF F&FO Delny Limited | 41.2% ordinary shares | Family Office services |

The Group is party to a cost sharing arrangement in respect of its investment in PKF F&FO Delny Limited. The Group's exposure to these costs is recognised within other provisions (note 17).

### 14. Debtors

|                                    | Group             |                   | LLP               |                   |
|------------------------------------|-------------------|-------------------|-------------------|-------------------|
|                                    | 2024<br>£         | 2023<br>£         | 2024<br>£         | 2023<br>£         |
| Trade debtors                      | 18,094,176        | 15,195,355        | 17,925,592        | 14,962,386        |
| Amounts recoverable on contracts   | 12,874,617        | 11,088,525        | 10,030,420        | 8,395,252         |
| Corporate tax debtor               | 88,050            | -                 | -                 | -                 |
| Amounts owed by group undertakings | -                 | -                 | 543,756           | 616,041           |
| Other debtors                      | 771,201           | 847,781           | 864,880           | 928,161           |
| Prepayments and accrued income     | 2,601,692         | 1,089,758         | 2,517,180         | 1,016,174         |
|                                    | <u>34,429,736</u> | <u>28,221,419</u> | <u>31,881,828</u> | <u>25,918,014</u> |

### 15. Creditors

Creditors: amounts falling due within one year

|                                    | Group            |                  | LLP               |                  |
|------------------------------------|------------------|------------------|-------------------|------------------|
|                                    | 2024<br>£        | 2023<br>£        | 2024<br>£         | 2023<br>£        |
| Trade creditors                    | 1,986,887        | 743,219          | 1,973,733         | 691,628          |
| Amounts owed to group undertakings | -                | -                | 2,351,790         | 2,477,041        |
| Corporate tax creditor             | -                | 142,161          | -                 | -                |
| Other taxation and social security | 2,033,367        | 3,324,804        | 1,807,949         | 3,262,970        |
| Other creditors                    | 332,340          | 301,262          | 319,391           | 292,569          |
| Accruals and deferred income       | 3,733,732        | 2,674,861        | 3,645,322         | 2,649,095        |
|                                    | <u>8,086,326</u> | <u>7,186,307</u> | <u>10,098,185</u> | <u>9,373,303</u> |

The Group and LLP had no outstanding loans at 31 May 2024 or 31 May 2023.

# PKF Littlejohn LLP

## Notes to the financial statements continued

### 16. Pension commitments

#### Defined Contribution Pension Plans

The Group operates a defined contribution pension scheme. Contributions made into the scheme are paid by the Group at rates specified in the rules of the scheme. The assets of the scheme are held separately from those of the LLP in independently-administered funds.

Contributions paid by the Group during the year amounted to £1,728,373 (2023: £1,272,485) and have been recognised in comprehensive income. Of this amount £238,594 remained unpaid at 31 May 2024 (2023: £191,727).

#### Defined Benefit Pension Plans

The LLP operates a defined benefit pension scheme providing benefits based on final pensionable pay for certain employees for service up until 30 November 2010, when the scheme closed to future accrual. The assets of the scheme are held separately from those of the LLP. No subsidiary entities operate a defined benefit scheme.

The total contributions paid by the LLP during the year ended 31 May 2024 were £415,000 (2023: £395,000), none of which remained unpaid at the year end.

Contributions to the scheme are assessed in accordance with the advice of an independent qualified actuary at intervals not exceeding three years. The most recent completed actuarial valuation related to the service by members of the scheme up to 31 March 2021. This valuation, which is prepared on a different basis and at a different date to the FRS 102 assessment as used for the financial statements, showed a deficit of £2,465,000. The actuarial valuation related to the service by members of the scheme up to 31 March 2024 is ongoing.

Based on this valuation, the LLP had agreed to make deficit reduction contributions to clear the deficit by 31 May 2027. Under this agreement the LLP is due to make contributions of £435,000 in the year ended 31 May 2025, increasing by £20,000 per annum to £475,000 by the year ended 31 May 2027.

The amount recognised in comprehensive income is as follows:

|                              | 2024<br>£      | 2023<br>£     |
|------------------------------|----------------|---------------|
| Net interest income (note 7) | <u>224,000</u> | <u>65,000</u> |
|                              | <b>224,000</b> | <b>65,000</b> |

The reconciliation of movements in scheme assets and liabilities during the year to 31 May 2024 is as follows:

|   | Scheme<br>assets<br>£    | Scheme<br>liabilities<br>£ | Scheme<br>total<br>£    |
|---|--------------------------|----------------------------|-------------------------|
| <b>At 1 June 2023</b>                           | <b>18,090,000</b>        | <b>(14,146,000)</b>        | <b>3,944,000</b>        |
| Benefits paid                                   | (439,000)                | 439,000                    | -                       |
| Contributions by employer                       | 415,000                  | -                          | 415,000                 |
| Interest income / (expense)                     | 976,000                  | (752,000)                  | 224,000                 |
| Remeasurement gains / (losses):                 |                          |                            |                         |
| Actuarial gains / (losses)                      | -                        | (330,000)                  | (330,000)               |
| Return on plan assets excluding interest income | (470,000)                | -                          | (470,000)               |
| <b>At 31 May 2024</b>                           | <b><u>18,572,000</u></b> | <b><u>(14,789,000)</u></b> | <b><u>3,783,000</u></b> |

# PKF Littlejohn LLP

## Notes to the financial statements continued

### 16. Pension commitments continued

#### Defined benefit schemes continued

The amount that each major class of pension plan assets constitutes of the fair value of the total plan assets are as follows:

|                                    | 2024<br>£         | 2023<br>£         |
|------------------------------------|-------------------|-------------------|
| Equity instruments                 | -                 | 3,041,000         |
| Bonds                              | 11,190,000        | 3,954,000         |
| Insured Immediate annuities        | 3,963,000         | 3,972,000         |
| Insured deferred annuities         | 3,375,000         | 3,351,000         |
| Commodities and other assets       | -                 | 2,811,000         |
| Cash including derivatives premium | 44,000            | 961,000           |
|                                    | <u>18,572,000</u> | <u>18,090,000</u> |

The total return on plan assets during the year to 31 May 2024 is as follows:

|   | 2024<br>£      | 2023<br>£          |
|---|----------------|--------------------|
| Interest income                                 | 976,000        | 721,000            |
| Return on plan assets excluding interest income | (470,000)      | (3,132,000)        |
|   | <u>506,000</u> | <u>(2,411,000)</u> |

The principal actuarial assumptions used are as follows:

|                                     | 2024  | 2023  |
|-------------------------------------|-------|-------|
| Discount rate                       | 5.20% | 5.40% |
| Expected rates of salary increases  | 3.30% | 3.20% |
| Expected rates of pension increases | 2.80% | 2.60% |
| Expected rate of inflation (RPI)    | 3.30% | 3.20% |
| Expected rate of inflation (CPI)    | 2.80% | 2.60% |

The mortality assumptions used for longevity (in years) on retirement at age 65 are:

|                                    | 2024 | 2023 |
|------------------------------------|------|------|
| Retiring at the balance sheet date |      |      |
| - Males                            | 21.5 | 22.3 |
| - Females                          | 23.5 | 23.7 |
| Retiring in 20 years               |      |      |
| - Males                            | 22.8 | 24.1 |
| - Females                          | 25.0 | 25.6 |

### 17. Provisions

| Group and LLP                        | Dilapidations<br>provisions<br>£ | Other<br>provisions<br>£ | Total<br>provisions<br>£ |
|--------------------------------------|----------------------------------|--------------------------|--------------------------|
| <b>At 1 June 2023</b>                | 350,000                          | 1,092,121                | 1,442,121                |
| Capitalised within cost of assets    | 50,000                           | -                        | 50,000                   |
| Movement within comprehensive income | -                                | (93,855)                 | (93,855)                 |
| <b>At 31 May 2024</b>                | <u>400,000</u>                   | <u>998,266</u>           | <u>1,398,266</u>         |

As part of the group's property leasing arrangements there are obligations to remove leasehold improvements and return the property to its pre-occupied state. An estimate of this cost is capitalised within the cost of leasehold improvements. The provision is expected to be utilised during the year ended 31 May 2026 when the leases terminate.

Other provisions comprise the Group's liabilities arising from participation in a cost sharing arrangement in respect of its investment in PKF F&FO Delny Limited and liabilities arising from client matters.

# PKF Littlejohn LLP

## Notes to the financial statements continued

### 18. Loans and other debts due to members

| Group and LLP                              | 2024<br>£        | 2023<br>£        |
|--|------------------|------------------|
| Members' capital classified as a liability | 4,235,333        | 3,480,710        |
| Other amounts                              | 21,429           | 30,670           |
|  | <u>4,256,762</u> | <u>3,511,380</u> |

All loans and other debts due to members are payable in less than one year.

Loans and other debts due are secured by a debenture in favour of the members of the LLP and so would rank ahead of unsecured creditors, but behind the bank's charge, in the event of winding up.

### 19. Notes to the statement of cash flows

#### Net cash flow from operating activities

|   | 2024<br>£         | 2023<br>£         |
|---|-------------------|-------------------|
| Total comprehensive income for the year             | 25,860,298        | 22,734,956        |
| Income from interests in associated undertakings    | (145,816)         | (64,364)          |
| Interest payable on finance leases                  | -                 | 31                |
| Tax on profit in subsidiary undertakings            | 158,252           | 172,443           |
| Depreciation of tangible fixed assets               | 760,103           | 576,114           |
| Increase in debtors                                 | (6,120,267)       | (6,342,186)       |
| Increase in creditors                               | 1,042,181         | 479,957           |
| Decrease / (increase) in net pension asset          | 161,000           | (2,306,000)       |
| (Decrease) / increase in provisions                 | (43,855)          | 550,004           |
| <b>Net cash generated from operating activities</b> | <u>21,671,896</u> | <u>15,800,955</u> |

#### Analysis of changes in net debt

|   | At 1 June 2023<br>£ | Cash flows<br>£   | Non-cash<br>changes<br>£ | At 31 May 2024<br>£ |
|---|---------------------|-------------------|--------------------------|---------------------|
| Cash at bank and in hand                                    | 7,020,601           | 2,155,156         | -                        | 9,175,757           |
| <b>Net debt before loans and other debts due to members</b> | <b>7,020,601</b>    | <b>2,155,156</b>  | <b>-</b>                 | <b>9,175,757</b>    |
| Members' capital classified as a liability                  | (3,480,710)         | (754,623)         | -                        | (4,235,333)         |
| Other amounts   | (30,670)            | 19,209,241        | (19,200,000)             | (21,429)            |
| <b>Net debt</b>   | <b>3,509,221</b>    | <b>20,609,774</b> | <b>(19,200,000)</b>      | <b>4,918,995</b>    |

# PKF Littlejohn LLP

## Notes to the financial statements continued

### 20. Financial instruments

The carrying amounts of the Group and LLP's financial instruments are as follows:

|   | Group             |                   | LLP               |                   |
|---|-------------------|-------------------|-------------------|-------------------|
|   | 2024              | 2023              | 2024              | 2023              |
|   | £                 | £                 | £                 | £                 |
| <b>Financial assets</b>                           |                   |                   |                   |                   |
| Debt instruments measured at amortised cost:      |                   |                   |                   |                   |
| Trade debtors                                     | 18,094,176        | 15,195,355        | 17,925,592        | 14,962,386        |
| Amounts recoverable on contracts                  | 12,874,617        | 11,088,525        | 10,030,420        | 8,395,252         |
| Amounts owed by group undertakings                | -                 | -                 | 543,756           | 616,041           |
| Other debtors                                     | 771,201           | 847,781           | 864,880           | 928,161           |
|   | <u>31,739,994</u> | <u>27,131,661</u> | <u>29,364,648</u> | <u>24,901,840</u> |
| <b>Financial liabilities</b>                      |                   |                   |                   |                   |
| Financial liabilities measured at amortised cost: |                   |                   |                   |                   |
| Trade creditors                                   | 1,986,887         | 743,219           | 1,973,733         | 691,628           |
| Amounts owed to group undertakings                | -                 | -                 | 2,351,790         | 2,477,041         |
| Other creditors                                   | 332,340           | 301,262           | 319,391           | 292,569           |
| Accruals and deferred income                      | 3,733,732         | 2,674,861         | 3,645,322         | 2,649,095         |
| Loans and other debts due to members              | 4,256,762         | 3,511,380         | 4,256,762         | 3,511,380         |
|   | <u>10,309,721</u> | <u>7,230,722</u>  | <u>12,546,998</u> | <u>9,621,713</u>  |

### 21. Commitments under leases

#### Operating leases

Total future minimum lease payments under non-cancellable operating leases are as follows:

|  | 2024             | 2023             |
|--|------------------|------------------|
|  | £                | £                |
| <b>Payments due</b>                          |                  |                  |
| Not later than 1 year                        | 1,204,030        | 842,754          |
| Later than 1 year and not later than 5 years | 933,915          | 1,421,118        |
| Later than 5 years                           | -                | 339              |
|  | <u>2,137,945</u> | <u>2,264,211</u> |

Operating leases comprise primarily the lease of the Group's offices at 15 Westferry Circus.

## **PKF Littlejohn LLP**

### **Notes to the financial statements continued**

#### **22. Related party transactions**

The LLP has taken advantage of the exemptions provided by FRS 102, Related Party Disclosures, to not disclose transactions with 100% owned subsidiary entities.

The balance owed by PKF Digital Limited to the LLP at 31 May 2024 was £2,645 (2023: £8,929 owed to PKF Digital Limited by the LLP).

The balance owed to PKF Littlejohn Financial Services Limited by the LLP at 31 May 2024 was £107,722 (2023: £58,452).

During the year ended 31 May 2024, the LLP charged PKF F&FO Delny Limited, an associated undertaking, £16,899 (2023: £232,863) for costs incurred on its behalf. The balance owed by PKF F&FO Delny Limited to the LLP at 31 May 2024 was £656,069 (2023: £639,170).

Key management personnel remuneration comprises only the amounts disclosed in note 6.

#### **23. Controlling party**

The LLP has no ultimate controlling party.

## **PKF Littlejohn LLP**

### **Energy and carbon report for the year ended 31 May 2024**

The members present the energy and carbon report of PKF Littlejohn LLP and its subsidiary undertakings (together 'the Group') for the year ended 31 May 2024.

#### **Energy consumption and related emissions**

The Group's energy use and greenhouse gas emissions are assessed on an annual basis and the Group is a carbon neutral organisation. During the year ended 31 May 2024, the Group's energy consumption and related emissions of carbon dioxide equivalent is as follows:

Consumption of fuel for the purposes of transport - 8 tonnes (2023: 4 tonnes)

Purchase of electricity for own use, including for the purposes of transport – 35 tonnes (2023: 30 tonnes)

The Group's emissions of carbon dioxide equivalent per employee was 0.08 tonnes (2023: 0.07 tonnes).

The aggregate annual quantity of energy consumed from activities for which the Group is responsible was 168,945 kWh (2023: 144,800 kWh), equivalent to 303 kWh per employee (2023: 308 kWh per employee). All forms of energy were converted into a common measurement unit and converted into carbon dioxide equivalent tonnes.

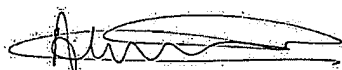
The amounts for energy consumption from the purchase of electricity for own use were obtained from usage statements from property managers. Where statements were not available, usage has been estimated based on historic data, adjusted for seasonal trends. The amounts for consumption of fuel for the purposes of transport relate to fuel used in private cars for business use, where the Group makes a mileage payment to the employee in respect of the journey undertaken. The amounts of consumption were obtained from records of the employees' mileage, converted using the current UK government conversion factors.

#### **Principal energy efficiency actions**

During the year the Group has continued to invest in energy efficient options when replacing plant and equipment and has continued to promote its electric vehicle scheme for use by employees. Partners and staff are encouraged to use remote conferencing technology where appropriate to minimise unnecessary business travel.

The Group offsets all carbon emissions by sponsoring environmentally and socially beneficial projects around the world.

A complete list of the members can be found on the Companies House register. The energy and carbon report was authorised for issue and signed on 23 December 2024 on behalf of the members of PKF Littlejohn LLP, registered number OC342572, by:



**A D Roberts**  
Designated member