

**DELOITTE SERVICES LIMITED**

**Report and Financial Statements**

**31 May 2011**



**REPORT AND FINANCIAL STATEMENTS 2011**

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**REPORT AND FINANCIAL STATEMENTS 2011**

**OFFICERS AND PROFESSIONAL ADVISERS**

**DIRECTORS**

S Griggs  
R W Warburton

**SECRETARY**

Stonecutter Limited  
Hill House  
1 Little New Street  
London EC4A 3TR  
United Kingdom

**REGISTERED OFFICE**

Hill House  
1 Little New Street  
London EC4A 3TR  
United Kingdom

**BANKERS**

Barclays Bank  
Bedford Square Branch  
50 Pall Mall  
London SW1Y 5AX  
United Kingdom

**AUDITORS**

Grant Thornton UK LLP  
Grant Thornton House  
Melton Street  
Euston Square  
London  
NW1 2EP

## **DIRECTORS' REPORT**

The directors present their annual report and the audited accounts of the company for the year ended 31 May 2011

### **BUSINESS REVIEW AND PRINCIPAL ACTIVITY**

The company is a wholly owned subsidiary of Deloitte LLP and operates as part of the group's audit division

The principal activity is the provision of audit related services to member firms of the Deloitte Touche Tohmatsu organisation

The company had been dormant as defined in section 1169 of the Companies Act 2006 up to 31 May 2010. With effect from 1 June 2010 the company started trading

As shown in the company's profit and loss account on page 6, the company received revenues of £634,000 (2010 £nil) which is in line with expectations

The balance sheet on page 7 of the financial statements shows that the company's financial position, in net asset terms, is £2 (2010 £2)

Overall, the directors consider the performance of the company to be in line with expectations

Deloitte & Touche Holdings Limited is itself a wholly owned subsidiary of Deloitte LLP and in turn manages its operations on a group basis. For this reason the company's directors believe that further key performance indicators for the company are not necessary or appropriate for an understanding of the development, performance or position of the company

### **PRINCIPAL RISKS AND UNCERTAINTIES**

The company is exposed to the movement in the US Dollar exchange rates on any revenue and costs generated. The company does not hedge or enter into forward or derivative transactions and is exposed to translation and transaction foreign currency exchange risk

The company has no third party debt and therefore no interest rate exposure

### **RESULTS AND DIVIDENDS**

Turnover for the year was £634,000. The profit for the year before taxation was £nil (2010 £nil)

The directors do not recommend the payment of a dividend for the year (2010 £nil)

### **DIRECTORS AND THEIR INTERESTS**

The names of the directors are shown below. All directors served throughout the year except as noted below

S R Counsell (resigned 30 June 2011)

S Griggs (appointed 1 June 2011)

R W Warburton

The directors had no beneficial interest in the share capital of the company, or other group companies, except as noted below

None of the directors had a beneficial interest in the share capital of the company at 31 May 2011 or any other group company apart from as members, except R W Warburton, of Deloitte LLP and therefore had an indirect beneficial interest in the share capital of the company

S R Counsell was remunerated as a member of Deloitte LLP and received no remuneration, from any source, for services as director of the company during the current or preceding financial year. S Griggs is remunerated as a member of Deloitte LLP and will not receive any remuneration, from any source, for his services as a director

**DIRECTORS' REPORT**

R W Warburton was remunerated by Deloitte Limited for his services as a director of a number of entities owned, either directly or indirectly, by Deloitte LLP. It is not practicable to allocate his remuneration between that earned between the entities in which he served as a director. Therefore Deloitte Limited did not make any charge to other group companies in respect of his directorship or his services provided during the current or preceding financial year.

**ENVIRONMENT**

The Deloitte LLP group recognises the importance of its environmental responsibilities, monitors its impact on the environment, and designs and implements policies to reduce any damage that might be caused by the group's activities. The company operates in accordance with group policies, which are described in the group's Annual Report for the year ended 31 May 2011 which does not form part of this report. Initiatives designed to minimise the group's impact on the environment include recycling, waste management, energy procurement and consumption, and greening the supply chain.

**EMPLOYEES**

Details of number of employees and related costs can be found in note 3 to the financial statements on page 9.

**DISABLED EMPLOYEES**

The company gives full consideration to applications for employment from disabled persons where the requirements of the job can be adequately fulfilled by a handicapped or disabled person.

Where existing employees become disabled, it is the company's policy wherever practical to provide continuing employment under normal terms and conditions and to provide training and career development and promotion wherever appropriate.

**EMPLOYEE INVOLVEMENT**

The company seeks to inform and consult with managers and staff regularly by way of in-house publications, informal meetings, training courses and staff development seminars, so as to involve them in the success of the business and to reward their efforts accordingly.

## DIRECTORS' REPORT

### DIRECTORS' RESPONSIBILITIES STATEMENT

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have 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 the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments 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 company will continue in business

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

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions. In so far as each of the directors is aware

- there is no relevant audit information of which the company's auditors are unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information

### AUDITORS

Grant Thornton UK LLP have indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditors in the absence of an Annual General Meeting.

Approved by the Board of Directors  
and signed on behalf of the Board



S Griggs  
Duly authorised, for and on behalf of  
Stonecutter Limited  
Secretary

17 October 2011

## **REPORT OF THE INDEPENDENT AUDITOR'S TO THE MEMBERS OF DELOITTE SERVICES LIMITED**

We have audited the financial statements of Deloitte Services Limited for the year ended 31 May 2011 which comprise the profit and loss account, the balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of directors and auditors**

As explained more fully in the Directors' Responsibilities Statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the APB's website at [www.frc.org.uk/apb/scope/private.cfm](http://www.frc.org.uk/apb/scope/private.cfm).

### **Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 May 2011 and of its result 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.

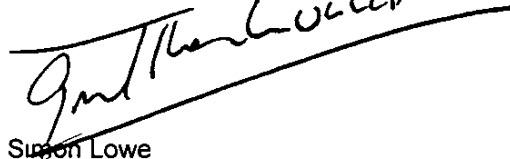
### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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

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

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



Simon Lowe

Senior Statutory Auditor  
for and on behalf of Grant Thornton UK LLP  
Statutory Auditor, Chartered Accountants  
London

17 October 2011

**PROFIT AND LOSS ACCOUNT**  
**For the year ended 31 May 2011**

	Note	2011 £'000	2010 £'000
<b>REVENUE</b>		634	-
Administrative expenses	2	<u>(634)</u>	<u>-</u>
<b>OPERATING PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<u>-</u>	<u>-</u>
Tax on profit on ordinary activities	4	<u>-</u>	<u>-</u>
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>		<u><u>-</u></u>	<u><u>-</u></u>

All amounts are derived from continuing activities

There are no recognised gains or losses for the current or prior year other than as stated above

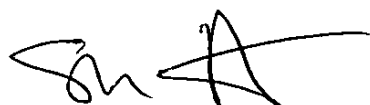


**BALANCE SHEET**  
**31 May 2011**

	Note	2011 £'000	2010 £'000
<b>CURRENT ASSETS</b>			
Debtors	5	469	-
Cash at bank and in hand		68	-
		<u>537</u>	<u>-</u>
<b>CREDITORS - amounts falling due within one year</b>	6	<u>(537)</u>	<u>-</u>
<b>NET ASSETS</b>		<u>-</u>	<u>-</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital – 2 ordinary shares of £1 each	7	-	-
Profit and loss account	8	-	-
<b>TOTAL EQUITY SHAREHOLDER'S FUNDS</b>	9	<u>-</u>	<u>-</u>

These financial statements of Deloitte Services Limited, registered number 04258664, were approved by the Board of Directors and authorised for issue on 17 October 2011

Signed on behalf of the Board of Directors



S Griggs  
Director

**NOTES TO THE ACCOUNTS**  
**For the 31 May 2011**

**1. ACCOUNTING POLICIES**

The financial statements are prepared in accordance with United Kingdom law and accounting standards. The particular accounting policies adopted, which have been applied consistently throughout the year and the preceding, are described below.

**Basis of accounting**

The financial statements have been prepared under the historical cost convention.

**Cash flow statement**

The company has taken advantage of the exemption rules under FRS 1 'Cash Flow Statement' and has not prepared a cash flow statement.

**Revenue**

Revenue represents amounts chargeable for professional services provided during the year including recoverable expenses on client assignments but excluding Value Added Tax.

**Foreign currency**

Transactions undertaken in foreign currencies are translated into US dollars at the rate of exchange ruling at the date of the transaction. Balances outstanding at the period end are translated into US dollars at the exchange rate ruling at the balance sheet date. All translation differences are dealt with in the profit and loss account.

**Current taxation**

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

**Deferred taxation**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

**NOTES TO THE ACCOUNTS**  
**For the 31 May 2011**

**2. OPERATING PROFIT ON ORDINARY ACTIVITIES**

	<b>2011</b>	<b>2010</b>
	<b>£'000</b>	<b>£'000</b>
<b>Operating profit on ordinary activities is stated after charging:</b>		
- Audit fees	<u>5</u>	<u>-</u>

**3. INFORMATION REGARDING DIRECTORS AND EMPLOYEES**

**Directors**

S R Counsell was remunerated as a member of Deloitte LLP. He did not receive any remuneration (from any source) for his services as a director of the company during the current or preceding financial year.

S Griggs is remunerated as a member of Deloitte LLP. He will not receive any remuneration (from any source) for his services as a director of the company during the financial year ending 31 May 2012.

R W Warburton was remunerated by Deloitte Limited for his services as a director of a number of entities owned, either directly or indirectly, by Deloitte LLP. It is not practicable to allocate his remuneration between that earned between the entities in which he served as a director. Therefore Deloitte Limited did not make any charge to other group companies in respect of his directorship or his services provided during the current or preceding financial year.

**Employees**

The average number of people employed during the year (including directors) was

	<b>2011</b>	<b>2010</b>
	<b>No</b>	<b>No</b>
Directors	<u>2</u>	<u>-</u>
	<u>2</u>	<u>-</u>

**NOTES TO THE ACCOUNTS**  
**For the 31 May 2011**

**4. TAX ON PROFIT ON ORDINARY ACTIVITIES**

	2011 £	2010 £
<b>Current tax</b>		
UK corporation tax	-	-
Total current tax	-	-
<b>Deferred tax</b>		
Origination and reversal of timing differences	-	-
Total deferred tax	-	-
Total tax on profit on ordinary activities	-	-

The differences between the total current tax charge shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax is as follows

Profit on ordinary activities before taxation	-	-
Tax on profit on ordinary activities at 27.67% (2010: 28%)	-	-
Total current tax	-	-

**5. DEBTORS**

	2011 £'000	2010 £'000
Amounts due from other member firms of the DTTL organisation	432	-
Social security and other taxes	37	-
	469	-

**NOTES TO THE ACCOUNTS**  
**For the 31 May 2011**

**6. CREDITORS – AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>2011</b> <b>£'000</b>	<b>2010</b> <b>£'000</b>
Amounts owed to Deloitte LLP	537	-
	<u>537</u>	<u>-</u>

**7 CALLED UP SHARE CAPITAL**

	<b>2011</b> <b>£'000</b>	<b>2010</b> <b>£'000</b>
Authorised 1,000 ordinary shares of £1 each	1	1
	<u>1</u>	<u>1</u>
Called up, allotted and fully paid 2 ordinary shares of £1 each	-	-
	<u>-</u>	<u>-</u>

**8. STATEMENT OF MOVEMENT ON RESERVES**

	<b>Profit and loss account £'000</b>
At 1 June 2010	-
Retained profit for the financial year	-
	<u>-</u>
At 31 May 2011	<u>-</u>

## NOTES TO THE ACCOUNTS

### For the 31 May 2011

#### 9. RECONCILIATION OF MOVEMENT IN SHAREHOLDER'S FUNDS

	2011 £'000	2010 £'000
Profit for the financial year	-	-
Opening shareholder's funds	-	-
Closing shareholder's funds	-	-

#### 10. CONTINGENT LIABILITIES

There were no contingent liabilities at 31 May 2011 or 31 May 2010

#### 11. RELATED PARTY TRANSACTIONS

As a wholly owned subsidiary, the company has taken advantage of the exemption available under FRS 8 'Related Party Transactions' not to disclose related party transactions with fellow group entities

#### 12. ULTIMATE PARENT AND CONTROLLING PARTIES

The immediate parent company is Deloitte & Touche Holdings Limited. The immediate parent company is itself a wholly owned subsidiary of Deloitte LLP. The largest and smallest group for which consolidated financial statements are prepared is that headed by Deloitte LLP which consolidate Deloitte Limited. The financial statements of Deloitte LLP are publicly available and can be obtained from The Registrar of Companies, Companies House, Maindy, Cardiff.