

**Company Registration No: 04585190**

# **Deloitte Management Services Limited**

**Annual Report and Financial Statements**

**For the year ended 31 May 2022**



## **Deloitte Management Services Limited**

### **Annual Report and Financial Statements 2022**

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**Annual Report and Financial Statements 2022**

**Officers and Professional Advisers**

|                          |   |
|--------------------------|---|
| <b>Directors</b>         | D L Ward<br>G Bunting<br>S Griggs                         |
| <b>Company secretary</b> | Stonecutter Limited<br>1 New Street<br>London<br>EC4A 3HQ |
| <b>Registered office</b> | 1 New Street Square<br>London<br>EC4A 3HQ                 |
| <b>Bankers</b>           | Bank of Scotland<br>The Mound<br>Edinburgh<br>EH1 1YZ     |
| <b>Auditors</b>          | BDO LLP<br>55 Baker Street<br>London<br>W1U 7EU           |

**Annual Report and Financial Statements 2022**

**Strategic Report  
For the Year Ended 31 May 2022**

The Directors present their Strategic Report for Deloitte Management Services Limited (the 'Company') for the year ended 31 May 2022, which complies with section 414C of the Companies Act 2006.

**REVIEW OF THE BUSINESS**

The principal activity of the Company is to act as a holding company for Deloitte LLP Group's operations and investments in Switzerland. In addition, the Company holds investments in a Financial Advisory Services business in India, and two service companies in Romania: Deloitte ERDC Limited and Deloitte European Support Services Limited.

There have been no significant changes in the Company's principal activities during the year under review. The Directors are not aware, at the date of this report, of any likely major changes in the Company's activities in the next year.

At 31 May 2022 shareholders' funds were £3,336,582 (2021: £4,776,582).

The Company had no employees during the current or preceding financial year.

Overall, the Directors consider the performance of the Company satisfactory and expect it to continue to perform satisfactorily.

**SECTION 172(1) STATEMENT**

This statement describes how the members of the board of Directors of the Company (the "Board") fulfil their obligations under section 172 of the Companies Act 2006.

Section 172 requires that a Director of a Company act in the way he or she considers, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to the following factors:

- (a) the likely consequences of any decision in the long term;
- (b) the need to foster the Company's business relationships with suppliers, clients and others;
- (c) the impact of the Company's operations on the community and the environment;
- (d) the desirability of the Company maintaining a reputation for high standards of business conduct; and
- (e) the need to act fairly as between members of the Company.

The Directors confirm that during the year under review, they have acted to promote the long-term success of the Company for the benefit of its shareholder, having due regard to the likely consequences of any decision in the long term and the broader interests of other stakeholders.

**Annual Report and Financial Statements 2022**

**Strategic Report  
For the Year Ended 31 May 2022 (continued)**

***Decision-making in practice***

As described above, the principal activity of the Company is to act as a holding company for Deloitte LLP Group's operations and investments in Switzerland. The Company does not conduct business and is not engaged in providing services to clients. As a holding company, Board decisions relate predominantly to internal governance matters. Decisions made by the Board during this fiscal year include the approval of a dividend payment to the Company's parent entity.

This and other decisions made by the Board are appropriately informed by consideration of the section 172 factors through the mechanisms described below.

***Consequence of any decision in the long term***

Where conflicts arise between the short term and long term consequences of a decision these consequences are weighed carefully. Whilst precedence is given to long term benefits, the Directors will consider whether these are outweighed by short term impacts in reaching their conclusions. As the principal activity of the Company is to act as a holding company, the Company has had no commercial business or customers other than transactions with other Group companies during the period.

The Company is part of Deloitte NSE LLP (Deloitte NSE LLP and its subsidiaries are hereinafter referred to as 'Deloitte NSE'), a member firm of Deloitte Touche Tohmatsu Limited ('DTTL'). As part of Deloitte NSE, the Company has adopted the Deloitte Shared Values which demonstrate how the Company will realise its ambition and grow value for all its stakeholders.

***Stakeholders***

The Company's principal stakeholders are its subsidiaries, Deloitte Consulting AG and Deloitte AG; its immediate parent, Deloitte LLP and its ultimate parent, Deloitte NSE LLP.

***Maintaining high standards of business conduct***

Each of the member firms of DTTL is required to conduct business in accordance with applicable laws, regulations and professional standards.

The Board therefore takes all decisions with the aim of maintaining the highest standards of business conduct and regulatory conduct.

***Impact of operations on the community and the environment***

The Company operates in accordance with Deloitte NSE's environmental policies and as such recognises its responsibility to help address environmental sustainability, a critical component of its operations, strategic initiatives and senior-level agendas.

***Acting fairly as between members***

The Company's direct sole shareholder is Deloitte LLP and the ultimate parent undertaking and controlling party is Deloitte NSE LLP. As these entities are part of the DTTL group, the interests of these entities are generally very closely aligned.

**Annual Report and Financial Statements 2022**

**Strategic Report  
For the Year Ended 31 May 2022 (continued)**

**KEY PERFORMANCE INDICATORS**

The Company's sole purpose is to act as a holding company for its subsidiaries. Therefore, the Company's Directors do not believe that key performance indicators for the Company are necessary or appropriate for an understanding of the development, performance or position of the business.

**PRINCIPAL RISKS AND UNCERTAINTIES**

The Company's process of risk acceptance and risk management is addressed by the Enterprise Risk Framework ('ERF') of Deloitte NSE.

The ERF sets out the Deloitte NSE Executives' assessment of the risks facing Deloitte NSE, and specifically, those that could impact on the ability of Deloitte NSE to meet its strategy and those that could impact upon the reputation of Deloitte NSE.

Given that the Company is a holding company, the Company is exposed to the deterioration in business performance of its subsidiaries. This may have an adverse effect on the carrying value of the Company's investments.

Risks are discussed in the Deloitte LLP, the immediate parent entity, Audit Transparency Report for the year ended 31 May 2022, which does not form part of this report. The Deloitte LLP Audit Transparency Report can be found here:

<https://www2.deloitte.com/content/dam/Deloitte/uk/Documents/about-deloitte/deloitte-uk-annual-review-2022-audit-transparency-report.pdf>

**FUTURE DEVELOPMENTS**

Other than disclosed in Note 13, there are no events since the balance sheet date which would require disclosure in these financial statements.

The Directors expect the level of activity during 2023 to remain consistent with 2022.

Approved by the Board of Directors on 1 December 2022  
and signed behalf of the Board of Directors:



D L Ward  
Director

**Annual Report and Financial Statements 2022**

**Directors' Report  
For the year ended 31 May 2022**

The Directors present their annual report and the financial statements for Deloitte Management Services Limited (the 'Company') for the year ended 31 May 2022.

**DIRECTORS AND THEIR INTERESTS**

The name of the Directors who held office during the year are shown below. All Directors served throughout the year and to the date of this report:

D L Ward  
G Bunting  
S Griggs

No Director had any beneficial interest in the share capital of the Company or any group company except for the fact that all of the Directors are members of Deloitte NSE, the ultimate controlling party at 31 May 2022, and, therefore, had an indirect beneficial interest in the share capital of the Company at 31 May 2022.

**DIVIDENDS**

The Directors recommend a final dividend payment of £Nil (2021: £Nil) be made in respect of the financial year ended 31 May 2022.

An interim dividend of £1,441,944 (2021: £Nil) was declared on 28 March 2022 and subsequently distributed. See Note 8.

**DIRECTORS' INDEMNITY**

Deloitte LLP, the immediate parent entity, has made qualifying third party indemnity provisions for the benefit of the Directors of the Company that remain in force at the date of this report.

**DISCLOSURE AS PART OF STRATEGIC REPORT**

Information regarding the Company's environmental responsibilities, likely future developments, and risk management objectives and policies, have been disclosed in the Strategic Report on page 2 to 4.

**GOING CONCERN**

The going concern basis has been considered at Group level, as the company is part of the Deloitte LLP Group (hereinafter referred to as the 'Group'),

In its assessment of going concern, the UK Executive Group and UK Oversight Board ('UKOB') have considered the economic environment and the markets in which the Group operates, as well as considering plausible downside scenarios. The financial modelling shows that the Group's financial position remains robust under all scenarios.

Consequently, the UK Executive Group and the UKOB have, at the time of approving the Group financial statements, a reasonable expectation that the Group will be able to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the Group financial statements.

As a result, the Directors of the Company do not foresee a material uncertainty relating to going concern of the Company and therefore the financial statements continue to be prepared on a going concern basis. See Accounting Policies for more information.

**Annual Report and Financial Statements 2022**

**Directors' Report  
For the year ended 31 May 2022 (continued)**

**AUDITOR**

Each of the persons who is a Director at the date of approval of this report confirms that:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the Director has taken all the steps that he/she ought to have taken as a Director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

The auditor, BDO LLP, have indicated their willingness to continue in office as auditor and appropriate arrangements are being made for them to be deemed reappointed as auditor in the absence of an Annual General Meeting.

**REDUCED DISCLOSURES**

The Company, as a qualifying entity, has taken advantage of the disclosure exemptions in Financial Reporting Standard 102 issued by the Financial Reporting Council, paragraph 1.12.

Approved by the Board of Directors on 1 December 2022 and signed on its behalf by:



D L Ward  
Director



**Annual Report and Financial Statements 2022**

**Statement of Directors' Responsibilities**

The Directors acknowledge their responsibilities 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 apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for 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.

## **Deloitte Management Services Limited**

### **Independent Auditor's Report to the Members of Deloitte Management Services Limited**

#### **Opinion in the 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 2022 and of the Company's profit for the year then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Deloitte Management Services Limited (the 'Company') for the year ended 31 May 2022 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Changes in Equity and notes to the financial statements, including a summary of 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).

#### **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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Independence**

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

In auditing the financial statements, we have concluded that the Director's 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 Company'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 Directors with respect to going concern are described in the relevant sections of this report.

**Independent Auditor's Report to the Members of Deloitte Management Services Limited  
(continued)**

**Other Information**

The Directors are responsible for the other information. The other information comprises the information included in the Annual Report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the 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.

**Other Companies Act 2006 reporting**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Directors' Report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Directors' Report.

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

- adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Company 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; or

**Responsibilities of Directors**

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

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

**Independent Auditor's Report to the Members of Deloitte Management Services Limited  
(continued)**

**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.

*Extent to which the audit was capable of detecting irregularities, including fraud*

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 obtained an understanding of the legal and regulatory frameworks that are applicable to Deloitte Management Services Limited and determined the most significant laws and regulations to be:
  - Those that relate to the reporting framework (FRS 102).
  - Relevant tax compliance regulations in the jurisdictions in which the entity operates.
- We understood how Deloitte Management Services Limited is complying with the relevant legal and regulatory frameworks by making enquiries of management and those charged with governance, internal audit and those responsible for legal and compliance procedures. We corroborated our enquiries through our review of board minutes, legal correspondence and correspondence received from regulatory bodies and we agreed the financial statement disclosures through to underlying supporting documentation.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by meeting with management within various parts of the business to understand where it is considered there was a susceptibility of fraud. We also considered potential fraud drivers including financially linked performance targets or other pressures, opportunity, and personal or corporate motivations. We obtained an understanding of the programmes and controls that the Company has established to address risks identified, or that otherwise prevent, deter and detect fraud; and how senior management monitors those programmes and controls. Where the risk was considered to be higher, we performed audit procedures to address each identified fraud risk. These procedures included testing manual journals by identifying those which met a defined criteria and corroborating these on a sample basis through to supporting documentation and management explanations.
- We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

## **Deloitte Management Services Limited**

### **Independent Auditor's Report to the Members of Deloitte Management Services Limited (continued)**

#### **Use of our report**

This report is made solely to the Parent 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 Parent Company'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 Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

*Lucie Kingdom*

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Lucie Kingdom (Senior Statutory Auditor)  
For and on behalf of BDO LLP, Statutory Auditor  
London, UK

2 December 2022

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

## Deloitte Management Services Limited

### Profit and Loss Account For the year ended 31 May 2022

|                               | Note | 2022<br>£    | 2021<br>£        |
|-------------------------------|------|--------------|------------------|
| Other operating income        | 4    | <u>2,400</u> | <u>1,442,405</u> |
| Profit before tax             |      | 2,400        | 1,442,405        |
| Tax on profit                 | 7    | <u>(456)</u> | <u>(456)</u>     |
| Profit for the financial year |      | <u>1,944</u> | <u>1,441,949</u> |

The above results were derived from continuing operations.

The Company has no recognised gains or losses for the year other than the results above.

The notes on pages 15 to 22 form an integral part of these financial statements.

## Deloitte Management Services Limited

### Balance Sheet At 31 May 2022

|   | Note | 2022<br>£           | 2021<br>£           |
|---|------|---------------------|---------------------|
| <b>FIXED ASSETS</b>                                   |      |                     |                     |
| Investments   | 9    | 12,867,600          | 12,867,600          |
| <b>CURRENT ASSETS</b>                                 |      |                     |                     |
| Cash at bank and in hand                              |      | 845,958             | 2,287,902           |
| <b>CREDITORS: amounts falling due within one year</b> | 10   | <u>(10,376,976)</u> | <u>(10,378,920)</u> |
| <b>NET CURRENT LIABILITIES</b>                        |      | <u>(9,531,018)</u>  | <u>(8,091,018)</u>  |
| <b>NET ASSETS</b>                                     |      | <u>3,336,582</u>    | <u>4,776,582</u>    |
| <b>CAPITAL AND RESERVES</b>                           |      |                     |                     |
| Called up share capital                               | 11   | 2,674,400           | 2,674,400           |
| Profit and loss account                               | 11   | <u>662,182</u>      | <u>2,102,182</u>    |
| <b>SHAREHOLDERS' FUNDS</b>                            |      | <u>3,336,582</u>    | <u>4,776,582</u>    |

These financial statements of Deloitte Management Services Limited, registered number 04585190, were approved by the Board of Directors and authorised for issue on 1 December 2022.

Signed on behalf of the Board of Directors



D L Ward  
Director

The notes on pages 15 to 22 form an integral part of these financial statements.

## Deloitte Management Services Limited

### Statement of Changes in Equity For the year ended 31 May 2022

|  | Called up<br>share capital<br>£ | Profit and<br>loss account<br>£ | Total<br>£  |
|--|---------------------------------|---------------------------------|-------------|
| At 1 June 2020                                     | 2,674,400                       | 660,233                         | 3,334,633   |
| Profit and total comprehensive income for the year | -                               | 1,441,949                       | 1,441,949   |
| At 31 May 2021                                     | 2,674,400                       | 2,102,182                       | 4,776,582   |
| Profit and total comprehensive income for the year | -                               | 1,944                           | 1,944       |
| Dividends on equity shares (Note 8)                | -                               | (1,441,944)                     | (1,441,944) |
| At 31 May 2022                                     | 2,674,400                       | 662,182                         | 3,336,582   |

The notes on pages 15 to 22 form an integral part of these financial statements.



**Notes to the Financial Statements  
For the year ended 31 May 2022**

**1 GENERAL INFORMATION**

Deloitte Management Services Limited (the 'Company') is a private company limited by share capital, incorporated in England and Wales.

The address of its registered office is: 1 New Street Square, London, EC4A 3HQ.

The principal activity of the Company is to act as a holding company for Deloitte LLP Group's operations and investments in Switzerland. In addition, the Company holds investments in a Financial Advisory Services business in India, and two service companies in Romania: Deloitte ERDC Limited and Deloitte European Support Services Limited.

There have been no significant changes in the Company's principal activities during the year under review. The Directors are not aware, at the date of this report, of any likely major changes in the Company's activities in the next year.

These financial statements were authorised for issue by the Board of Directors on 1 December 2022.

**2 ACCOUNTING POLICIES**

**Summary of significant accounting policies and key accounting estimates**

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

**Statement of compliance**

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

**Basis of preparation**

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

The Company's financial statements are presented in pounds sterling.

The functional currency of the Company is considered to be pounds sterling because that is the currency of the primary economic environment in which the Company operates.

**Exemptions for qualifying entities under FRS 102**

The Company meets the definition of a qualifying entity under FRS 102 and has, therefore, taken advantage of certain disclosure exemptions, subject to certain conditions, which have been complied with.

The Company has taken advantage of the following exemptions:

- (a) from preparing a statement of cash flows, on the basis that it is a qualifying entity and the consolidated cash flow statement of Deloitte NSE LLP, includes the Company cash flows;
- (b) from disclosing the Company key management personnel compensations as required by FRS 102 paragraph 33.7; and
- (c) from disclosure requirements relating to financial instruments.

**Notes to the Financial Statements  
For the year ended 31 May 2022 (continued)**

**2 ACCOUNTING POLICIES (continued)**

**Going concern**

Each year the Directors are required, in signing off the financial statements, to assess the appropriateness of the going concern basis of preparation. The Company does not operate on a day to day basis as a standalone entity and its ongoing existence as a going concern is integrally linked to the performance of the immediate group to which it belongs, headed by Deloitte LLP (hereinafter, we have referred to Deloitte LLP and its subsidiaries, as the 'Group'). As such the going concern assessment has been undertaken at the Group level.

Having considered the Group's forecasts and the principal risk faced by the Company (as set out in the Strategic Report), the Directors have a reasonable expectation that the Company will continue in operational existence for the foreseeable future. The Company therefore continues to adopt the going concern basis in preparing its financial statements.

**Consolidation**

The financial statements contain information about Deloitte Management Services Limited as an individual company and do not contain consolidated financial information as the parent of a group.

The company is exempt under section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its ultimate parent, Deloitte NSE LLP, a company incorporated in England and Wales.

**Foreign currency transactions and balances**

Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the respective functional currency of the entity at the rates prevailing on the reporting period date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rate on the date when the fair value is re-measured.

Non-monetary items measured in terms of historical cost in a foreign currency are not retranslated.

**Tax**

Tax is recognised in profit or loss, except that a charge attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.

**Investments**

Investments in equity shares which are not publicly traded and where fair value cannot be measured reliably are measured at cost less impairment.

Dividends on equity securities are recognised in income when receivable.

**Cash at bank and in hand**

Cash at bank and in hand comprise cash on hand and call deposits and are subject to an insignificant risk of change in value.

**Notes to the Financial Statements  
For the year ended 31 May 2022 (continued)**

**2 ACCOUNTING POLICIES (continued)**

**Share capital**

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

**Dividends**

Dividend distribution to the company's shareholders is recognised as a liability in the financial statements in the reporting period in which the dividends are declared.

**Financial Instruments**

*Financial assets*

Financial assets are initially recognised at transaction price (including transaction costs). Financial assets include cash and bank balances and certain other receivables. Such assets are subsequently carried at amortised cost using the effective interest method, less any impairment.

At the end of each reporting period, financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

*Financial liabilities*

Financial liabilities are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form. Financial liabilities are initially measured at transaction price (after deducting transaction costs) and subsequently held at amortised cost, using the effective interest rate method. Financial liabilities include other creditors (excluding certain accruals).

Financial liabilities are derecognised when the liability is extinguished, that is, when the contractual obligation is discharged, cancelled or expires.

*Offsetting*

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

**3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF UNCERTAINTY**

The Directors do not consider there to be any critical judgements, estimates and assumptions about the carrying amounts of assets and liabilities made by the Directors in the application of the Company's accounting policies, which are described in Note 2.

## Deloitte Management Services Limited

### Notes to the Financial Statements For the year ended 31 May 2022 (continued)

#### 4 OTHER OPERATING INCOME

The analysis of the company's other operating income for the year is as follows:

|                              | 2022<br>£    | 2021<br>£        |
|------------------------------|--------------|------------------|
| Investment income            | -            | 1,440,005        |
| Management charge receivable | 2,400        | 2,400            |
|                              | <u>2,400</u> | <u>1,442,405</u> |

During the previous year, the Company received a distribution from Deloitte Global Financial Advisory India Private Limited.

#### 5 AUDITORS' REMUNERATION

Audit fees for the current and previous year have been borne by Deloitte LLP, the immediate parent entity, and not recharged.

#### 6 STAFF NUMBERS AND COSTS

##### Directors

The Directors were remunerated as members of Deloitte LLP, the immediate parent entity, in the current and preceding financial year. The Directors did not receive any remuneration, from any source, for their qualifying services as Director of the Company during the current or preceding financial year.

##### Employees

The Company had no employees during the current or preceding financial year.

#### 7 TAXATION

Tax charged in the income statement comprises:

|                                     | 2022<br>£  | 2021<br>£  |
|-------------------------------------|------------|------------|
| <b>Current taxation</b>             |            |            |
| UK corporation tax                  | 456        | 456        |
| Tax expense in the income statement | <u>456</u> | <u>456</u> |

**Notes to the Financial Statements**  
**For the year ended 31 May 2022 (continued)**

**7 TAXATION (continued)**

The tax on profit before tax for the year is the same as the standard rate of corporation tax in the UK (2021: lower than the standard rate of corporation tax in the UK) of 19% (2021: 19%).

The differences are reconciled below:

|                                  | <b>2022</b><br><b>£</b> | <b>2021</b><br><b>£</b> |
|----------------------------------|-------------------------|-------------------------|
| Profit before tax                | <u>2,400</u>            | <u>1,442,405</u>        |
| Corporation tax at standard rate | 456                     | 274,057                 |
| <b>Effects of:</b>               |                         |                         |
| Income not taxable               | <u>-</u>                | <u>(273,601)</u>        |
| Total tax charge                 | <u>456</u>              | <u>456</u>              |

**8 DIVIDENDS**

|   | <b>2022</b><br><b>£</b> | <b>2021</b><br><b>£</b> |
|---|-------------------------|-------------------------|
| Interim dividend of £0.54 (2021 - £Nil) per each Ordinary share | <u>1,441,944</u>        | <u>-</u>                |

## Deloitte Management Services Limited

### Notes to the Financial Statements For the year ended 31 May 2022 (continued)

#### 9 INVESTMENTS

|                                | Subsidiaries<br>£ | Associates<br>£  | Other<br>investments<br>£ | Total<br>£        |
|--------------------------------|-------------------|------------------|---------------------------|-------------------|
| <b>Cost or valuation</b>       |                   |                  |                           |                   |
| At 31 May 2021 and 31 May 2022 | <u>4,700,504</u>  | <u>5,915,282</u> | <u>2,251,814</u>          | <u>12,867,600</u> |
| <b>Carrying amount</b>         |                   |                  |                           |                   |
| At 31 May 2021 and 31 May 2022 | <u>4,700,504</u>  | <u>5,915,282</u> | <u>2,251,814</u>          | <u>12,867,600</u> |

#### Details of undertakings

Details of the investments (including principal place of business of unincorporated entities) in which the Company holds 20% or more of the nominal value of any class of share capital are as follows:

| Undertaking  | Registered office   | Holding  | Proportion of voting<br>rights and shares held |        |
|--|---|----------|--|--------|
|  |   |          | 2022   | 2021   |
| <b>Subsidiary undertakings - direct holdings</b>           |   |          |  |        |
| Deloitte Consulting AG                                     | Pfingstweidstrasse 11, 8005 Zürich,<br>Switzerland  | Ordinary | 100%   | 100%   |
| Deloitte AG <sup>1</sup>                                   | Pfingstweidstrasse 11, 8005 Zürich,<br>Switzerland  | Ordinary | 100%   | 0%     |
| Deloitte & Touche<br>Management AG <sup>1</sup>            | Pfingstweidstrasse 11, 8005 Zürich,<br>Switzerland  | Ordinary | 0%   | 99.5%  |
| <b>Associates - direct holdings</b>                        |   |          |  |        |
| Deloitte Global Financial<br>Advisory India Private Ltd    | 12, Dr Annie Besant Road, Opp. Shivsagar<br>Estate Worli Mumbai, Maharashtra, 400018<br>India | Ordinary | 33.33%   | 33.33% |
| Deloitte ERDC Limited                                      | Hill House, 1 Little New Street, London,<br>EC4A 3TR  | Ordinary | 37%  | 37%    |
| Deloitte European Support<br>Services Limited <sup>2</sup> | 1 New Street Square, London, EC4A 3HQ   | Ordinary | 51%  | 51%    |

<sup>1</sup> On 1 June 2021, Deloitte AG became a direct and wholly owned subsidiary of Deloitte Management Services Limited following a reorganisation of the Switzerland group. The reorganisation was executed through a merger by absorption between the Company's direct subsidiary, Deloitte & Touche Management AG ("DTMAG") and its indirect subsidiary, Deloitte AG. Prior to the reorganisation, the Company held 99.53% of the ordinary voting shares of DTMAG. After the reorganisation, the remaining entity was Deloitte AG, now a 100% direct subsidiary of the Company.

<sup>2</sup> A super majority of 84% is required for substantially all decisions related to the relevant activities, therefore the Company does not control the entity.

## Deloitte Management Services Limited

### Notes to the Financial Statements For the year ended 31 May 2022 (continued)

#### 9 INVESTMENTS (continued)

| Undertaking                                 |      |          |   | Registered office                               | Holding  | Proportion of voting rights and shares held |       |
|---|------|----------|---|---|----------|---|-------|
|   |      |          |   |   |          | 2022  | 2021  |
| Subsidiary undertakings - indirect holdings |      |          |   |   |          |   |       |
| Deloitte AG                                 |      |          |   | Pfingstweidstrasse 11, 8005 Zürich, Switzerland | Ordinary | 0%  | 99.5% |
| Other investments                           |      |          |   |   |          |   |       |
| Cybersoc S.L.                               | EMEA | Centre   | Plaza Pablo Ruiz Picasso, n° 1, Torre Picasso, Madrid, Spain      |   | Ordinary | 17.5%                                       | 17.5% |
| Deloitte s.a.r.l. <sup>3</sup>              | EMEA | Holdings | 560 Rue de Neudorf, L-2220, Luxembourg, Grand-Duche de Luxembourg |   | Ordinary | 6.7%  | 6.7%  |

<sup>a</sup> The Company holds voting rights of 6.67% via its holding of ordinary class A shares of Deloitte EMEA Holdings s.a.r.l. In addition, the Company holds 35.64% of the class I non-voting shares.

#### 10 CREDITORS: amounts falling due within one year

|  | 2022<br>£         | 2021<br>£         |
|--|-------------------|-------------------|
| Amounts owed to other group undertakings | 10,376,520        | 10,378,464        |
| Corporation tax                          | 456               | 456               |
|  | <u>10,376,976</u> | <u>10,378,920</u> |

Amounts owed to other group undertakings have no specified interest rate and are payable on demand.

#### 11 CAPITAL AND RESERVES

##### Allotted, called up and fully paid

|                            | 2022             |                  | 2021             |                  |
|----------------------------|------------------|------------------|------------------|------------------|
|                            | No.              | £                | No.              | £                |
| Ordinary shares of £1 each | <u>2,674,400</u> | <u>2,674,400</u> | <u>2,674,400</u> | <u>2,674,400</u> |

##### Rights, preferences and restrictions

The Company has one class of ordinary share which carry no right to fixed income.

The profit and loss account represents the cumulative profit or loss, net of dividends declared.

**Notes to the Financial Statements  
For the year ended 31 May 2022 (continued)**

**12 PARENT AND ULTIMATE PARENT UNDERTAKING**

The Company's immediate parent is Deloitte LLP, incorporated in England and Wales.

The ultimate parent and controlling party is Deloitte NSE LLP, incorporated in England and Wales.

The parent of the largest group in which these financial statements are consolidated is Deloitte NSE LLP, incorporated in England and Wales.

The address of Deloitte NSE LLP is: 1 New Street Square, London, United Kingdom, EC4A 3HQ.

The parent of the smallest group in which these financial statements are consolidated is Deloitte LLP, incorporated in England and Wales.

The address of Deloitte LLP is: 1 New Street Square, London, United Kingdom, EC4A 3HQ.

The financial statements of Deloitte NSE LLP and Deloitte LLP are available upon request from: The Registrar of Companies, Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ.

**13 SUBSEQUENT EVENTS**

In July 2022, the Company received an interim dividend of £1,266,565 from Deloitte Global Financial Advisory India Private Ltd, an associate undertaking. There is no financial impact in the year ended 31 May 2022. The dividend will be recognised in the financial statements for the year ending 31 May 2023.