

Mazars CYB Services Limited

Registered number: SC296467

Directors' report and financial statements

For the year ended 31 August 2020

MAZARS CYB SERVICES LIMITED

COMPANY INFORMATION

Directors	E Ritchie J M Berry P A Verity T J Stanbrook
Registered number	SC296467
Registered office	100 Queen Street Glasgow G1 3DN
Auditor	Crowe U.K. LLP Statutory Auditor 55 Ludgate Hill London EC4M 7JW

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**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2020**

The directors present their report and the audited financial statements for the year ended 31 August 2020.

Principal activity

The principal activity of the company is the provision of tax and trustee services.

Results and dividends

The loss for the year, after taxation, amounted to £33,116 (2019: £17,251).

The directors did not recommend the payment of a dividend in the year (2019: £nil).

Directors

The directors who served during the year and to the date of this report were:

A J Fraser (resigned 30 September 2019)
E Ritchie
J M Berry (appointed 7 November 2019)
P A Verity
T J Stanbrook

Directors' responsibilities statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the company's financial statements 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 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 to 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.

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020**

Provision of information to auditor

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed 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 ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Going concern

The company made a loss during the year and at year end had net current liabilities. The impact of the COVID-19 pandemic continues to give rise to economic and financial uncertainties. However, the directors continue to monitor Government advice to protect the safety and wellbeing of staff, and to ensure that client service is maintained during these challenging and unprecedented times. Detailed budgets and cash flow forecasts have been completed, in conjunction with the company's controlling party, Mazars LLP, and its subsidiaries. Ongoing performance against targets is comprehensively reviewed with forecasts updated on a regular basis. The directors are satisfied that the company has adequate working capital resources and group support to continue in operational existence for the foreseeable future. The company has obtained a letter of support from the ultimate parent company, Mazars LLP, to enable it to continue as a going concern for at least the next twelve months.

The directors of the company, based upon the above, believe it is appropriate to prepare the financial statements on a going concern basis.

Auditor

The auditor, Crowe U.K. LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board and signed on its behalf.

J M Berry
Director

Date: 18 February 2021

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MAZARS CYB SERVICES LIMITED

Opinion

We have audited the financial statements of Mazars CYB Services Limited (the 'company') for the year ended 31 August 2020 which comprise the Statement of comprehensive income, the Statement of financial position, 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 FRS 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 company's affairs as at 31 August 2020 and of its loss 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.

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MAZARS CYB SERVICES LIMITED

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In 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 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, 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the Directors' Report and from the requirement to prepare a Strategic Report.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MAZARS CYB SERVICES LIMITED

Responsibilities of Directors

As explained more fully in the directors' responsibilities statement set out on page 2, 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 intend to liquidate the company 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of the audit report

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 to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body for our audit work, for this report, or for the opinions we have formed.

Matthew Stallabrass (Senior Statutory Auditor)

For and on behalf of

Crowe U.K. LLP

Statutory Auditor

55 Ludgate Hill
London
EC4M 7JW

18 February 2021

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 AUGUST 2020**

	Note	2020 £	2019 £
Turnover		29,490	271,531
Gross profit		29,490	271,531
Administrative expenses		(70,374)	(307,359)
Operating loss		(40,884)	(35,828)
Tax on loss		7,768	18,577
Loss for the financial year		<u>(33,116)</u>	<u>(17,251)</u>
Other comprehensive income		-	-
Total comprehensive loss for the year		<u>(33,116)</u>	<u>(17,251)</u>

The Statement of comprehensive income has been prepared on the basis that all operations are continuing operations.

The notes on pages 9 to 15 form part of these financial statements.

STATEMENT OF FINANCIAL POSITION
AS AT 31 AUGUST 2020

	Note	2020 £	2019 £
Current assets			
Debtors: amounts falling due within one year	6	2,401,420	2,463,324
Cash at bank and in hand	7	24,178	9,649
		<u>2,425,598</u>	<u>2,472,973</u>
Creditors: amounts falling due within one year	8	(2,446,139)	(2,460,398)
Net current (liabilities)/assets		<u>(20,541)</u>	<u>12,575</u>
Total assets less current liabilities		<u>(20,541)</u>	<u>12,575</u>
Net (liabilities)/assets		<u><u>(20,541)</u></u>	<u><u>12,575</u></u>
Capital and reserves			
Called up share capital	10	1	1
Profit and loss account		(20,542)	12,574
Total equity		<u><u>(20,541)</u></u>	<u><u>12,575</u></u>

The company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

J M Berry
Director

Date: 18 February 2021

The notes on pages 9 to 15 form part of these financial statements.

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 AUGUST 2020**

	Called up share capital £	Profit and loss account £	Total equity £
At 1 September 2018	1	29,825	29,826
Comprehensive income for the year			
Loss for the year	-	(17,251)	(17,251)
Total comprehensive income for the year	-	(17,251)	(17,251)
At 1 September 2019	1	12,574	12,575
Comprehensive income for the year			
Loss for the year	-	(33,116)	(33,116)
Total comprehensive income for the year	-	(33,116)	(33,116)
At 31 August 2020	<u>1</u>	<u>(20,542)</u>	<u>(20,541)</u>

The notes on pages 9 to 15 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

1. General information

Mazars CYB Services Limited is a private company, limited by shares and incorporated in Scotland. The address of its registered office is 100 Queen Street, Glasgow, G1 3DN, United Kingdom. The company's registered number is SC296467.

The principal activity of the company is the provision of tax and trustee services.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies (see note 3).

2.2 Financial reporting standard 102 - reduced disclosure exemptions

In preparing these financial statements, the company has taken advantage of the disclosure exemptions, as permitted by FRS 102 paragraph 1.12. The company has therefore complied with the applicable conditions, including providing notification of the use of exemptions to the company's shareholders who have not objected to the use of such disclosure exemptions.

The company has taken advantage of the following exemptions in preparing the company financial statements:

The company's ultimate parent undertaking, Mazars LLP includes the company in its consolidated financial statements. The consolidated financial statements of Mazars LLP are prepared in accordance with IFRS and are available to the public and may be obtained from Mazars LLP, Tower Bridge House, St Katharine's Way, London, E1W 1DD, United Kingdom. In these financial statements, the company is considered to be a qualifying entity and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- from preparing a Cash Flow Statement in accordance with Section 7 'Cash Flow Statements';
- from providing the financial instrument disclosures, required under paragraphs 11.39 to 11.48A and paragraphs 12.26 to 12.29, as this information is provided in the Mazars LLP consolidated financial statements; and
- from disclosing the company's key management personnel compensation, as required by paragraph 7 of Section 33 'Related Party Disclosures'.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

2. Accounting policies (continued)

2.3 Going concern

The company made a loss during the year and at year end had net current liabilities. The impact of the COVID-19 pandemic continues to give rise to economic and financial uncertainties. However, the directors continue to monitor Government advice to protect the safety and wellbeing of staff, and to ensure that client service is maintained during these challenging and unprecedented times. Detailed budgets and cash flow forecasts have been completed, in conjunction with the company's controlling party, Mazars LLP, and its subsidiaries. Ongoing performance against targets is comprehensively reviewed with forecasts updated on a regular basis. The directors are satisfied that the company has adequate working capital resources and group support to continue in operational existence for the foreseeable future. The company has obtained a letter of support from the ultimate parent company, Mazars LLP, to enable it to continue as a going concern for at least the next twelve months.

The directors of the company, based upon the above, believe it is appropriate to prepare the financial statements on a going concern basis.

2.4 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the company and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before turnover is recognised:

Rendering of services

Turnover from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of turnover can be measured reliably;
- it is probable that the company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

Turnover recognised that has not been billed to clients is included in debtors and amounts billed in excess of turnover recognised are included in creditors.

2.5 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.6 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

2. Accounting policies (continued)

2.7 Creditors

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

2.8 Financial instruments

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

Financial assets and liabilities are offset and the net amount reported in the Statement of financial position when there is an 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.

2.9 Foreign currency translation

Functional and presentation currency

The company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of comprehensive income within 'administrative expenses'.

2.10 Pensions

Defined contribution pension plan

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income in the period in which the related employee services are received. Amounts not paid are shown in other creditors as a liability in the Statement of financial position.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

2. Accounting policies (continued)

2.11 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

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 income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of financial position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

Critical judgements in applying the company's accounting policies

Directors consider there to be no critical judgement.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty, that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Recoverability of debtors

The directors establish a provision for debts that are estimated not to be recoverable. When assessing recoverability the directors consider factors such as the ageing of debtors, past experiences of recoverability, and the credit profile of individual or groups of customers.

4. Auditor's remuneration

The auditor's remuneration is paid by and charged to the ultimate parent undertaking and ultimate controlling party, Mazars LLP.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

5. Employees

The Company has no employees other than the directors, who did not receive any remuneration (2019: £nil).

6. Debtors

	2020	2019
	£	£
Trade debtors	1,500	48,515
Amounts owed by group undertakings	2,379,165	2,283,811
Prepayments and accrued income	20,755	130,998
	<u>2,401,420</u>	<u>2,463,324</u>

Amounts owed by group undertakings are unsecured, repayable on demand and interest free.

7. Cash and cash equivalents

	2020	2019
	£	£
Cash at bank and in hand	24,178	9,649
	<u>24,178</u>	<u>9,649</u>

8. Creditors: Amounts falling due within one year

	2020	2019
	£	£
Amounts owed to group undertakings	2,444,491	2,452,205
Other taxation and social security	1,648	8,193
	<u>2,446,139</u>	<u>2,460,398</u>

Amounts owed to group undertakings are unsecured, repayable on demand and interest free.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

9. Financial instruments

	2020 £	2019 £
Financial assets		
Financial assets measured at fair value through profit or loss	24,178	9,649
Financial assets that are debt instruments measured at amortised cost	2,401,420	2,463,324
	<u>2,425,598</u>	<u>2,472,973</u>
Financial liabilities		
Financial liabilities measured at amortised cost	<u>(2,444,491)</u>	<u>(2,452,205)</u>

Financial assets measured at fair value through profit or loss comprise cash and cash equivalents.

Financial assets measured at amortised cost comprise trade debtors, amounts owed by group undertakings and accrued income.

Financial liabilities measured at amortised cost comprise amounts owed to group undertakings.

10. Share capital

	2020 £	2019 £
Allotted, called up and fully paid		
1 (2019: 1) ordinary share of £1	<u>1</u>	<u>1</u>

The company has one class of ordinary shares; each carried one voting right per share but no right to fixed income.

11. Pension commitments

The company makes contributions to staff personal pension plans. The pension cost charge represents contributions payable by the company to the plans and amounted to £nil (2019: £5,981). Contributions totalling £nil (2019: £nil) were payable to the plans at the year end.

12. Related party transactions

The company is a wholly owned subsidiary of Mazars Limited and as such has taken advantage of the exemption permitted by Section 33 'Related party disclosures' not to provide disclosures of transactions entered into with other wholly owned members of the group. The company and its subsidiary undertakings are included within the consolidated financial statements of Mazars LLP, which are publicly available and can be obtained from Tower Bridge House, St Katharine's Way, London, E1W 1DD, United Kingdom.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

13. Controlling party

The company is owned by Mazars Limited which is wholly owned and controlled by Mazars LLP, a limited liability partnership resident in England and Wales, which the directors consider to be the ultimate parent undertaking and controlling party. The group accounts produced by Mazars LLP are available from Mazars LLP, Tower Bridge House, St Katharine's Way, London, E1W 1 DD.

Mazars LLP is part of the Mazars worldwide organisation which comprises all the member entities who have signed a co-operation agreement with Mazars Scrl. Mazars Scrl is a Limited Responsibility Co-operative Company headquartered in Belgium which itself has no professional activity and whose shareholders are partners in the member entities. Mazars Scrl is the largest group where the accounts of Mazars LLP and its subsidiary undertakings are consolidated. The consolidated financial statements of Mazars Scrl are available on the company's website www.mazars.com.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.