

Mazars Limited

Registered number: 05380971

Annual report

For the year ended 31 August 2022

MAZARS LIMITED

COMPANY INFORMATION

Directors	J M Berry E M C Maxwell S M Saville T J Stanbrook P A Verity I G Wrightson
Registered number	05380971
Registered office	30 Old Bailey London EC4M 7AU
Auditor	Crowe U.K. LLP Statutory Auditor 55 Ludgate Hill London EC4M 7JW

MAZARS LIMITED

CONTENTS

	Page
Strategic report	1 - 3
Directors' report	4 - 6
Independent auditor's report	7 - 10
Statement of comprehensive income	11
Statement of financial position	12
Statement of changes in equity	13
Notes to the financial statements	14 - 25

MAZARS LIMITED

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 AUGUST 2022**

Business review

As stated in the Directors' report, the principal activity of the company is to provide staff and support services to Mazars LLP and its subsidiaries. Turnover for the company is generated by charging a management fee to Mazars LLP for the provision of its services based on a mark-up of the costs incurred. The factors and trends that determine the success of the company are based on the performance of the controlling party - Mazars LLP. For the year ended 31 August 2022, turnover for the company and Mazars LLP increased by 27.0% and 24.4% respectively.

The company does not provide services to other clients.

Principal risks and uncertainties

As the company only provides services to Mazars LLP and its subsidiaries the principal risk faced by the company is the continued ability of Mazars LLP to use the services provided by the company and reimburse the company for those services. The directors are confident that the risks faced by the company are adequately managed.

Financial and non-financial KPIs

The main financial KPIs are revenue and profit before tax whilst the main non-financial KPI is headcount.

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022**

Section 172(1) Statement

In 2018 the Companies (Miscellaneous Reporting Regulations) introduced a requirement for large companies to publish a statement describing how the directors have had regard to the matters set out in section 172(1)(a) to (f) of the Companies Act 2006.

Section 172(1) (a) to (f) requires each director to act in the way he or she considers would be most likely to promote the success of the company for the benefit of its members as a whole. As the principal activity of the company is to provide staff and support services to Mazars LLP and its subsidiaries, the directors' consider their responsibilities, decisions and reputation in regards of the company aligned to the members and executive board of its ultimate controlling party Mazars LLP.

This statement takes into consideration the following matters:

(a) The likely consequences of any decision in the long-term

The strategy of Mazars LLP and its subsidiaries in regards of client service delivery and promotion of the interests of our employees forms the basis of long term decision making by the directors of the company.

The company, in conjunction with the members of Mazars LLP, prepare short and long-term forecasts and ongoing performance against targets and is comprehensively reviewed and updated on a regular basis.

(b) The interests of the company's employees

The welfare of the company's people remains a central focus of Mazars LLP's strategy. The impact of the pandemic reinforced the importance of supporting the welfare and wellbeing of our team members. We continue to create innovative new approaches, including regular all-team webinars, run as open forums for the whole firm, newsletters, surveys, socials and Teams communities have transformed the way that our people interact with each other. The company also places significant focus upon mental health and wellbeing, offering a wide range of resources, webinars, apps, and trained Mental Health First Aiders accessible to all its employees.

We have fully reopened all of our offices which has been approached in a safe and responsible way. We have invested in all of our offices, and significantly, within the new London office emphasising our commitment to provide our employees a world class working environment promoting innovation and collaboration. That said, we promote hybrid working to ensure that our employees have continued and sustainable balance within their work and home environments.

(c) The need to foster the company's business relationships with suppliers, customers and others

The directors' primary business relationship is with its ultimate controlling party Mazars LLP and its members. The company continues to ensure our staff are provided the resources and training to support Mazars LLP to strengthen and develop close working business relationships with its clients and suppliers.

(d) The impact of the company's operations on the community and environment

The company understands the significance of its environmental responsibilities, monitors its impact on the environment and implements policies to reduce any damage that might be caused by the company's activities. Information on the company and group initiatives relating to the environment is reported in the Streamlined energy and carbon report in the group financial statements of Mazars LLP.

(e) The desirability of the company maintaining a reputation for high standards of business conduct

High standards of business conduct are critical for the reputation of the company and Mazars LLP.

As the employees of the company provide financial services for the clients of Mazars LLP, our ethics are aligned with those from accounting bodies such as ICAEW and the FCA and is applied across the business. This covers

MAZARS LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022**

conflicts of interest, our anti-bribery policy, our anti-money laundering policy, our whistleblowing policy, and in relation to confidentiality. All of our people are expected to read and understand our ethics and e-learning is provided on a regular basis.

The company has an established Code of Conduct which sets out how the company's values operate in practice.

We perform internal reviews across all areas of the business to ensure compliance in the provision of services to clients of Mazars LLP.

(f) The need to act fairly as between members of the company

As the company has only one shareholder, Mazars LLP, there is no present obligation to take this section into consideration.

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

J M Berry
Director

Date: 9 December 2022

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2022**

The directors present their report and the audited financial statements for the year ended 31 August 2022.

Principal activity

The company provides staff and support services to Mazars LLP and its fellow subsidiary companies.

Results and dividends

The profit for the year, after taxation, amounted to £7,841,079 (2021: of £8,017,735).

During the year, the directors recommended the payment of a dividend of £6,375,000 (2021: £5,900,000).

Directors

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

J M Berry
E M C Maxwell
S M Saville
T J Stanbrook
P A Verity
I G Wrightson

Future developments

The company will continue to provide staff and support services to Mazars LLP and its fellow subsidiaries.

Engagement with employees

The company communicates and consults employees on a variety of business and employment matters through regular staff meetings and information provided in the company's intranet covering operations, health and safety, quality management and other areas. Where appropriate, such communications involve financial and economic factors affecting the performance of the company, Mazars LLP and its fellow subsidiaries.

Disabled employees

The company regards itself as an "equal opportunities" employer and will give full and fair consideration to applications for employment made by disabled persons, having regard to their particular aptitudes and abilities.

Disabled employees receive appropriate training to promote their career development within the company. Employees who become disabled are retained in their existing posts where possible or retrained for suitable alternative posts.

Streamlined energy and carbon report

The company understands the significance of its environmental responsibilities, monitors its impact on the environment and implements policies to reduce any damage that might be caused by the company's activities. Information on the company and group initiatives relating to the environment is reported in the Streamlined Energy and Carbon Report in the group financial statements of Mazars LLP.

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022**

Matters covered in the Strategic report

As permitted by paragraph 1A of Schedule 7 to the Large and Medium sized Companies and Groups (Accounts and reports) Regulations 2008 certain matters which are required to be disclosed in the Directors' report have been omitted as they are included in the Strategic report on page 1. These matters relate to business review, principal risks and uncertainties and financial and non financial KPIs.

Directors' responsibilities statement

The directors are responsible for preparing the Strategic report, the Directors' report and the audited financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare audited financial statements for each financial year. Under that law the directors have elected to prepare the audited 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 audited 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 audited 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 audited 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.

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.

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022**

Going concern

The directors continue to closely monitor and evaluate the market post the Covid-19 pandemic and as the UK moves into recession. Along with heightening inflation and cost of living pressures, the directors are committed to retaining staff and ensuring that a high level of service to clients is maintained during this time. Detailed budgets and cash flow forecasts are completed in conjunction with the company's ultimate 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 to continue in operational existence for the foreseeable future.

The directors of the company, based upon the above, at the time of approval of the financial statements, have concluded that the company has adequate resources to continue in operational existence for the foreseeable future. Thus, the going concern basis has been adopted in preparing the financial statements.

Post balance sheet events

There have been no significant events affecting the company since the year end.

Auditor

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

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

J M Berry

Director

Date: 9 December 2022

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MAZARS LIMITED

Opinion

We have audited the financial statements of Mazars Limited (the "company") for the year ended 31 August 2022 which comprise the Statement of comprehensive income, Statement of financial position, Statement of changes in equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 August 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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

In auditing the financial statements, we have concluded that the directors' 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..

Other information

The directors are responsible for the other information contained within the annual report. 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 LIMITED

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 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.

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 Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Directors' report have 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 Strategic report or 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 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MAZARS LIMITED

Responsibilities of the Directors

As explained more fully in the directors' responsibilities statement set out on page 5, 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.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

We obtained an understanding of the legal and regulatory frameworks within which the company operate, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006 and UK Corporate Tax Legislation.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be the override of controls by management and inappropriate revenue recognition. Our audit procedures to respond to these risks included enquiries of management about their identification and assessment of the risk of irregularities, sample testing on the appropriate journals, reviewing accounting estimates for biases, corroborating balances recognised to supporting documentation on a sample basis and ensuring accounting policies are appropriate under the United Kingdom Generally Accepted Accounting Practice and applicable law.

Owing to the inherent limitations of an audit, there is an unavoidable risk that some material misstatements of the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK). We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

These inherent limitations are particularly significant in the case of misstatement resulting from fraud as this may involve sophisticated schemes designed to avoid detection including deliberate failure to record transactions, collusion or the provision of intentional misrepresentations.

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

MAZARS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MAZARS LIMITED

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 Stallabross (Senior statutory auditor)

for and on behalf of

Crowe U.K. LLP

Statutory Auditor

55 Ludgate Hill
London
EC4M 7JW

9 December 2022

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 AUGUST 2022**

	Note	2022 £	2021 £
Turnover	4	149,635,406	117,779,538
Gross profit		<u>149,635,406</u>	<u>117,779,538</u>
Administrative expenses		(142,696,703)	(111,446,272)
Other operating income	10	-	(1,009,990)
Operating profit		<u>6,938,703</u>	<u>5,323,276</u>
Income from fixed assets investments	7	2,555,000	3,800,000
Profit before tax		<u>9,493,703</u>	<u>9,123,276</u>
Tax on profit	8	(1,652,624)	(1,105,541)
Profit for the financial year		<u><u>7,841,079</u></u>	<u><u>8,017,735</u></u>
Other comprehensive income		-	-
Total comprehensive income for the year		<u><u>7,841,079</u></u>	<u><u>8,017,735</u></u>

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

The notes on pages 14 to 25 form part of these financial statements.

STATEMENT OF FINANCIAL POSITION
AS AT 31 AUGUST 2022

	Note	2022 £	2022 £	2021 £	2021 £
Fixed assets					
Investments	11		6,903,761		6,803,761
			<u>6,903,761</u>		<u>6,803,761</u>
Current assets					
Debtors: amounts falling due within one year	12	22,773,434		18,772,042	
Cash and cash equivalents	13	28,470		21,005	
		<u>22,801,904</u>		<u>18,793,047</u>	
Creditors: amounts falling due within one year	14	(20,980,624)		(18,337,846)	
Net current assets			1,821,280		455,201
Total assets less current liabilities			<u>8,725,041</u>		<u>7,258,962</u>
Net assets			<u>8,725,041</u>		<u>7,258,962</u>
Capital and reserves					
Called up share capital	17		3,020,216		3,020,216
Profit and loss account			5,704,825		4,238,746
Total equity			<u>8,725,041</u>		<u>7,258,962</u>

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

J M Berry
Director

Date: 9 December 2022

The notes on pages 14 to 25 form part of these financial statements.

MAZARS LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 AUGUST 2022**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 September 2020	3,020,216	2,121,011	5,141,227
Comprehensive income for the year			
Profit for the year	-	8,017,735	8,017,735
Dividends: Equity capital	-	(5,900,000)	(5,900,000)
At 1 September 2021	3,020,216	4,238,746	7,258,962
Comprehensive loss for the year			
Profit for the year	-	7,841,079	7,841,079
Dividends: Equity capital	-	(6,375,000)	(6,375,000)
At 31 August 2022	<u>3,020,216</u>	<u>5,704,825</u>	<u>8,725,041</u>

The notes on pages 14 to 25 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

1. General information

Mazars Limited is a company limited by shares, incorporated and registered in England and Wales. The registered number of the company is 05380971. The address of its registered office is 30 Old Bailey, London, EC4M 7AU.

The company provides staff and support services to Mazars LLP and its fellow subsidiary companies.

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).

The company is itself a subsidiary company and is exempt from the requirement to prepare group accounts by virtue of section 400 of the Companies Act 2006. These financial statements therefore present information about the company as an individual undertaking and not about its group.

The financial statements have been presented in Pound Sterling as this is the currency of the primary economic environment in which the company operates and is rounded to the nearest pound.

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, 30 Old Bailey, London, EC4M 7AU. 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 2022

2. Accounting policies (continued)

2.3 Going concern

The directors continue to closely monitor and evaluate the market post the Covid-19 pandemic and as the UK moves into recession. Along with heightening inflation and cost of living pressures, the directors are committed to retaining staff and ensuring that a high level of service to clients is maintained during this time. Detailed budgets and cash flow forecasts are completed in conjunction with the company's ultimate 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 to continue in operational existence for the foreseeable future.

The directors of the company, based upon the above, at the time of approval of the financial statements, have concluded that the company has adequate resources to continue in operational existence for the foreseeable future. Thus, the going concern basis has been adopted in preparing the financial statements.

2.4 Turnover

Turnover represents recharges of costs incurred plus a mark-up for the provision of staff and support services.

2.5 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated 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.

2.7 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

2. Accounting policies (continued)

2.8 Financial instruments

The company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of comprehensive income.

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 Creditors

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

2.10 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

2.11 Operating leases

Rentals paid under operating leases are charged to profit or loss on a straight-line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight-line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.12 Termination benefits

All the costs in relation to the termination benefits were accounted in the period to which they relate.

2.13 Pensions

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 profit or loss when they fall due. Amounts not paid are shown in other creditors as a liability in the Statement of financial position. The assets of the plan are held separately from the company in independently administered funds.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

2. Accounting policies (continued)

2.14 Government Grants

Grants are accounted under the accruals model as permitted by FRS 102. Details of grants are disclosed in note 10. There are no unfulfilled conditions or contingencies attached to Grants received.

2.15 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 reporting 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

The critical judgements that the directors have made in the process of applying the company's accounting policies that have the most significant effect on the amounts recognised in the statutory financial statements are discussed below.

Assessing indicators of impairment of investment

In assessing whether there have been any indicators of impairment of investment, the directors have considered both external and internal sources of information such as market conditions, counterparty credit ratings and experience of recoverability. There have been no indicators of impairments identified during the current financial year.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

4. Turnover

The whole of the turnover is attributable to the principal activity of the company.

Analysis of turnover by country of destination:

	2022	2021
	£	£
United Kingdom	<u>149,635,406</u>	<u>117,779,538</u>

5. Auditor's remuneration

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

6. Employees

Staff costs were as follows:

	2022	2021
	£	£
Wages and salaries	117,340,497	93,829,523
Social security costs	11,797,969	8,259,305
Cost of defined contribution scheme	6,329,241	5,076,505
	<u>135,467,707</u>	<u>107,165,333</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2022	2021
	No.	No.
Client facing	2,184	1,848
Support services	264	215
	<u>2,448</u>	<u>2,063</u>

7. Income from investments

	2022	2021
	£	£
Dividends received from subsidiaries	<u>2,555,000</u>	<u>3,800,000</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

8. Taxation

	2022 £	2021 £
Corporation tax		
Current tax on (losses)/profits for the year	1,436,514	1,013,825
Adjustments in respect of previous periods	250,998	84,823
	<u>1,687,512</u>	<u>1,098,648</u>
Group taxation relief	7,120	21,138
	<u>1,694,632</u>	<u>1,119,786</u>
Deferred tax		
Origination and reversal of timing differences	(42,008)	(14,245)
	<u>(42,008)</u>	<u>(14,245)</u>
Taxation on (loss)/profit on ordinary activities	<u>1,652,624</u>	<u>1,105,541</u>

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2021: lower than) the standard rate of corporation tax in the UK of 19% (2021: 19%). The differences are explained below:

	2022 £	2021 £
Profit on ordinary activities before tax	<u>9,493,703</u>	<u>9,123,276</u>
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021: 19%)	1,803,804	1,733,422
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	125,282	23,540
Adjustments to tax charge in respect of prior periods	250,998	84,823
Increase or decrease in pension fund prepayment leading to an increase (decrease) in tax	(42,008)	(14,244)
Non-taxable income	(485,452)	(722,000)
	<u>1,652,624</u>	<u>1,105,541</u>
Total tax charge for the year	<u>1,652,624</u>	<u>1,105,541</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

9. Dividends

	2022 £	2021 £
Final dividend paid for on equity capital of 211p (2021: 195p) per ordinary share.	<u>6,375,000</u>	<u>5,900,000</u>

10. Other operating income

	2022 £	2021 £
Government grant	<u>-</u>	<u>(1,009,990)</u>

As the pandemic hit its peak in Spring 2020, trading fell sharply. In order to preserve jobs at this uncertain time the company participated in the Government's Coronavirus Job Retention Scheme (CJRS) for two months in April and May 2020. Based on greater resilience in trading after this time, no further CJRS claims were made. In light of trading results during year ended 31 August 2020, the company subsequently repaid the support in December 2020.

11. Fixed asset investments

	Investments in subsidiary companies £
Cost	
At 1 September 2021	6,803,761
Transfers intra group	100,000
At 31 August 2022	<u>6,903,761</u>
Net book value	
At 31 August 2022	<u>6,903,761</u>
At 31 August 2021	<u>6,803,761</u>

Transfers intra group relate to reclassification of intercompany balance to investment in relation to Mazars Trust Corporation Limited.

MAZARS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

Subsidiary undertakings

The following were subsidiary undertakings of the company:

Name	Registered office	Principal activity	Class of shares	Holding
Mazars Financial Planning Limited	30 Old Bailey, London, EC4M 7AU	Financial Planning	Ordinary	100%
Mazars GB Limited	30 Old Bailey, London, EC4M 7AU	Dormant	Ordinary	100%
Mazars UK Limited	30 Old Bailey, London, EC4M 7AU	Volume personal insolvency services	Ordinary	100%
Mazars Corporate Finance Limited	30 Old Bailey, London, EC4M 7AU	Corporate finance services	Ordinary	100%
Mazars Company Secretaries Limited	30 Old Bailey, London, EC4M 7AU	Non trading	Ordinary	100%
Mazars Trustee Company Limited	30 Old Bailey, London, EC4M 7AU	Non trading	Ordinary	100%
Mazars MR Limited	30 Old Bailey, London, EC4M 7AU	Accounting services	Ordinary	100%
Wool Quay Nominees Limited	30 Old Bailey, London, EC4M 7AU	Dormant	Ordinary	100%
Sarah Buttler Associates Limited	30 Old Bailey, London, EC4M 7AU	Non trading immigration consultancy	Ordinary	100%
Mazars Public Sector Internal Audit Limited	30 Old Bailey, London, EC4M 7AU	Internal audit services	Ordinary	100%
ARX Investments Limited	30 Old Bailey, London, EC4M 7AU	Holding company	Ordinary	100%
CompetitionRX Limited *	30 Old Bailey, London, EC4M 7AU	Management consultancy	Ordinary	100%
Mazars Trust Corporation Limited	30 Old Bailey, London, EC4M 7AU	Non trading	Ordinary	100%
Mazars Trustee Company (London) Limited	30 Old Bailey, London, EC4M 7AU	Non trading	Ordinary	100%
Cartwright House Licensing Limited	Cartwright House Licensing Limited	Non trading	Ordinary	100%
Mazars Solutions Limited	Apex 2 97 Haymarket Terrace, Edinburgh, EH12 5HD	Tax and trustee services	Ordinary	100%
Mazars CYB Services Limited	100 Queen Street, Glasgow, G1 3DN	Tax and trustee administration services	Ordinary	100%
Mazars Corporate Services Limited *	Mielles House, Rue des Mielles, ST Heiler, Jersey JE2 3DQ	Company secretarial services	Ordinary	100%
Mazars (Gibraltar) Limited	Suite 3, Second Floor, ICOM House, 1/5 Irish Town, Gibraltar	Non trading	Ordinary	100%
Rowanmoor Consultancy Ltd	30 Old Bailey, London, EC4M 7AU	Financial Planning	Ordinary	100%
Independent Women Limited *	30 Old Bailey, London, EC4M 7AU	Non trading	Ordinary	100%

*Subsidiaries where 100% of share capital is held indirectly.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

12. Debtors: amounts falling due within one year

	2022	2021
	£	£
Amounts owed by group undertakings	22,435,192	18,478,937
Other debtors	9,102	10,945
Prepayments and accrued income	129,281	124,309
Deferred taxation	199,859	157,851
	<u>22,773,434</u>	<u>18,772,042</u>

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

13. Cash and cash equivalents

	2022	2021
	£	£
Cash at bank and in hand	<u>28,470</u>	<u>21,005</u>

14. Creditors: amounts falling due within one year

	2022	2021
	£	£
Trade creditors	38,292	13,716
Amounts owed to group undertakings	5,938,187	8,024,347
Corporation tax	22,183	-
Other taxation and social security	3,318,705	2,526,579
Other creditors	1,083,957	855,895
Accruals	10,579,300	6,917,309
	<u>20,980,624</u>	<u>18,337,846</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 2022

15. Financial instruments

	2022 £	2021 £
Financial assets		
Cash and cash equivalents	28,470	21,005
Financial assets measured at amortised cost	22,573,575	18,614,191
	<u>22,602,045</u>	<u>18,635,196</u>
Financial liabilities		
Financial liabilities measured at amortised cost	<u>(17,639,736)</u>	<u>(15,811,267)</u>

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

Financial liabilities measured at amortised cost comprise trade creditors, amounts owed to group undertakings, other creditors and accruals.

16. Deferred taxation

	2022 £	2021 £
At beginning of year	157,851	143,607
Charged to Statement of comprehensive income	42,008	14,244
At end of year	<u>199,859</u>	<u>157,851</u>

The deferred tax asset is made up as follows:

	2022 £	2021 £
Other short term timing differences	<u>199,859</u>	<u>157,851</u>

17. Share capital

	2022 £	2021 £
Allotted, called up and fully paid		
1,020,217 (2021: 1,020,217) Ordinary shares of £1 each	1,020,217	1,020,217
1,999,999 (2021: 1,999,999) Ordinary redeemable shares of £1 each	1,999,999	1,999,999

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

17. Share capital (continued)

3,020,216 3,020,216

The ordinary shares entitle the holder of each to one voting right and no right to fixed income.

The option to redeem the redeemable shares are at the discretion of the board of directors. In all other respects, both classes of shares rank pari passu.

18. 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 £6,329,241 (2021: £5,076,505). Contributions totalling £1,051,890 (2021: £831,148) were payable to the plans at year end and are included in other creditors.

19. Commitments under operating leases

At 31 August 2022 the company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2022 £	2021 £
Not later than 1 year	156,784	100,530
Later than 1 year and not later than 5 years	246,077	138,970
	<u>402,861</u>	<u>239,500</u>

20. Related party transactions

The company is a wholly owned subsidiary of Mazars LLP 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 30 Old Bailey, London, EC4M 7AU.

21. Post balance sheet events

There have been no significant events affecting the company since the year end.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

22. Controlling party

The ultimate controlling party at the year end was Mazars LLP, a limited liability partnership resident in England and Wales. The Group accounts produced by Mazars LLP are available from 30 Old Bailey, London, EC4M 7AU.

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