



# Mazars LLP

Consolidated financial statements  
For the year ended 31 August 2022

Registration Number: OC308299

mazars

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# Foreword

## Mazars focused on delivering quality work for clients and continuing to build the team of the future.

This year, thanks to the talent, commitment and hard work of our people, we achieved remarkable results:

- Growth of 23% to revenue of £288m (2021: £234m)
- Over 1,000 new team members joined the firm
- A record intake of 450 trainees between September and December 2022
- 980 promotions as our team members build their careers with the firm

### Preparing our firm for the future

To deliver the innovative, high-quality services that will allow us and our clients to thrive in the years ahead, we must continue to build and develop our team. So, we have invested heavily in growing our team capacity and capability: our average headcount for the financial year was 2,933, representing 18.4% growth on the previous year.

Growth creates opportunity, and we are harnessing this positive momentum to invest in building the team of the future. Our goal is that our team members can develop and grow both as professionals and as people at Mazars. To that end we have significantly increased the amount of time dedicated to learning and development across the firm, while also enhancing career pathways and implementing a formal mentorship programme. We're investing now to build a team with the skills and resources to succeed in the future.

Our relationships with our clients, the level of support that we offer, and the quality of work that we deliver, remain key priorities. We increased the number of people in our Audit & Assurance service line to 1,110 with significant investment in our Audit support team, which grew to 106 people. Our Advisory Service lines continued to thrive in response to the developing needs of our clients.

### Strengthening our firm

We recognise that a strong and coherent culture is the foundation of success. Over the past year, we have embarked on a firmwide culture programme which is helping to define, articulate and embed our target culture alongside our new employer value proposition. Both are based on shared values which underpin our relationships and the work we deliver for our clients.

We continued to work towards an inclusive culture where each individual can bring their whole selves to work, and which is representative of the communities in which we operate. We have provided extensive firmwide training in areas such as unconscious bias and we have taken the lead from our diversity networks in designing our approach. We are proud of our progress towards more diverse representation, including greater numbers of female and ethnic minority partners, while remaining conscious that diversity is multi-faceted: our goal remains to maintain an inclusive environment for all.

And in line with our purpose to build the economic foundations of a fair and prosperous world, we have dedicated far greater time to wellbeing and volunteering projects across the firm, an increase of 132% since FY21 and a total of 9,000 hours across the firm for this financial year.

As we have embraced hybrid working, one constant has been the value of collaboration and building relationships. So, following moves to modern and adaptable offices in locations such as Leeds, and Birmingham in recent years we have been excited to move into our new London home, 30 Old Bailey. Not only does our new office reflect the character of our firm – flexible, dynamic, innovative – but the move itself was achieved with a clear focus on sustainability and achieved with 98.5% of waste diverted from landfill.

All these investments in supporting our team are foundational to our shared success. They enable us to better serve our clients, which translates into enhanced growth and the ability to continue to invest in our organisation and in our people: a virtuous circle helping us grow into an ever stronger and more purposeful firm.



# Statement of members' responsibilities

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

The Limited Liability Partnerships (Application of Companies Act 2006) Regulations 2008 ('LLP Regulations') require the members to prepare financial statements for each financial period. The members have elected to prepare consolidated financial statements for Mazars LLP and its subsidiary undertakings ('the Group') in accordance with UK adopted International Financial Reporting Standards (IFRS). Mazars LLP ('the LLP') meets the definition of a qualifying entity under FRS100 issued by the Financial Reporting Council and has prepared individual accounts in accordance with FRS101 'Reduced Disclosure Framework'.

The financial statements are required by law to give a true and fair view of the state of affairs of the Group and the LLP and of the profit or loss of the Group for that period. In preparing these financial statements, the members are required to:

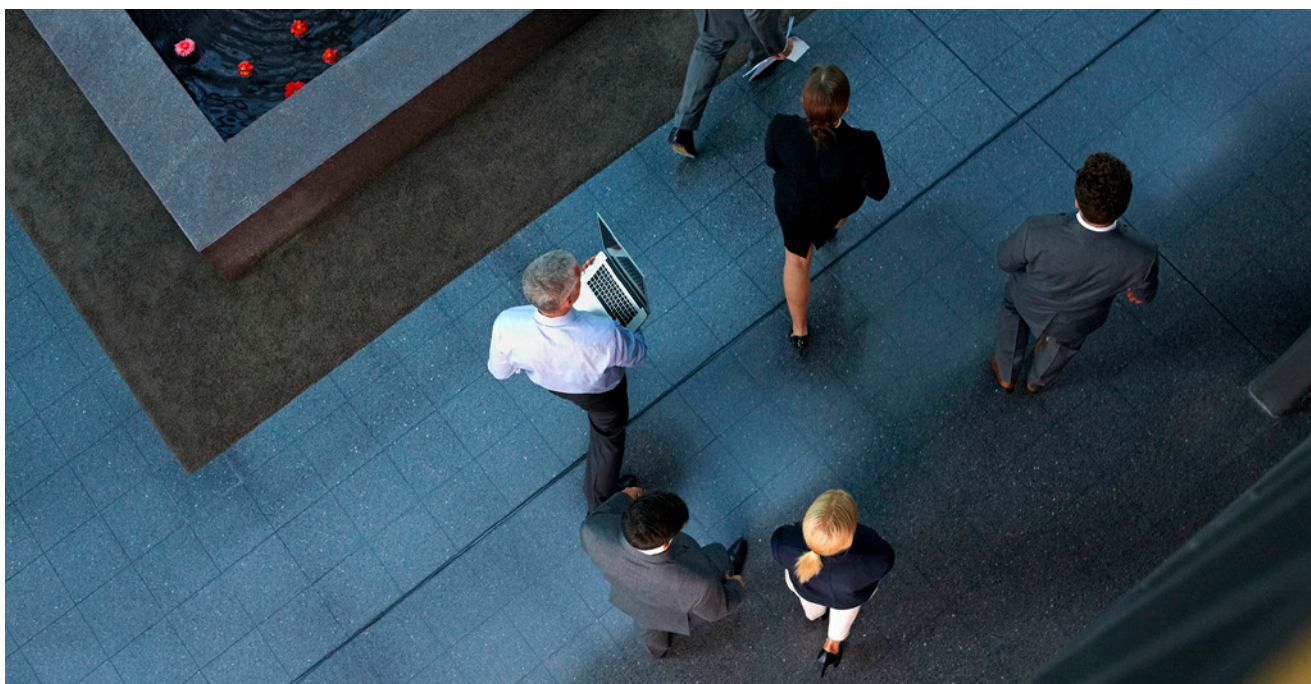
- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;

- state whether, for the consolidated financial statements, they have been prepared in accordance with UK adopted IFRS and for the individual accounts of the LLP they have been prepared in accordance with FRS101; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the LLP and Group will continue in business.

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

The members are responsible for the maintenance and integrity of the LLP's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The members' responsibilities set out above are discharged by the Designated Members and the Governance Council on behalf of the members.



# Independent auditor's report to the members of Mazars LLP

## Opinion

We have audited the Consolidated financial statements of Mazars LLP for the year ended 31 August 2022 which comprise the Consolidated statement of comprehensive income, Consolidated statement of financial position, Consolidated statement of changes in members' equity and members' interests, Consolidated statement of cash flows and the related notes numbers 1 to 23, including a summary of significant accounting policies. The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and UK adopted international accounting standards in conformity with the requirements of the Companies Act 2006.

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's affairs as at 31 August 2022 and its profit for the year then ended;
- have been properly prepared in accordance with UK adopted international accounting standards in conformity with the Companies Act 2006; and
- have been prepared in accordance with the requirements of the Companies Act 2006 as applied to LLPs.

## Basis for opinion

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

## Conclusions relating to going concern

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

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

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





# Independent auditor's report to the members of Mazars LLP (continued)

## Other information

The members 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 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 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.

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

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

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

## Responsibilities of members

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

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



# Independent auditor's report to the members of Mazars LLP (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.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

## Use of our report

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

Matthew Stallabross  
Senior Statutory Auditor  
For and on behalf of  
**Crowe U.K. LLP**  
Statutory Auditor  
55 Ludgate Hill  
London  
EC4M 7JW

9 February 2023

# Consolidated statement of comprehensive income

## For the year ended 31 August 2022

	Notes	2022 £m	2021 £m
<b>Revenue</b>	<b>3</b>	<b>287.8</b>	<b>234.0</b>
Employee benefit expenses	4	(154.3)	(122.8)
Depreciation and amortisation		(8.3)	(9.1)
Other operating expenses		(64.0)	(57.1)
<b>Operating profit</b>	<b>5</b>	<b>61.2</b>	<b>45.0</b>
Finance costs	6	(1.0)	(0.7)
<b>Profit for the financial year before taxation</b>		<b>60.2</b>	<b>44.3</b>
Tax on profit on ordinary activities in corporate subsidiaries	7	(2.5)	(1.5)
<b>Profit for the financial year before members' remuneration and profit shares available for discretionary division among members</b>		<b>57.7</b>	<b>42.8</b>
<b>Other comprehensive income</b>			
<i>Items that will not be reclassified to profit or loss</i>			
Remeasurements of defined benefits plan	19	(0.4)	(0.1)
Translation of foreign subsidiaries on consolidation		0.1	-
<b>Total comprehensive income for the financial year</b>		<b>57.4</b>	<b>42.7</b>

The notes on pages 12 to 36 form part of these financial statements.



# Consolidated statement of financial position

## At 31 August 2022

OC308299

	Notes	2022		2021	
		£m	£m	£m	£m
<b>Non-current assets</b>					
Goodwill	9		4.6		4.6
Other intangible assets	9		3.8		4.3
Property, plant and equipment	10		14.3		8.0
Right of use assets	11		46.0		17.5
Deferred tax asset	18		0.4		0.3
			<b>69.1</b>		<b>34.7</b>
<b>Current assets</b>					
Trade and other receivables	12	95.3		76.5	
Cash and cash equivalents	13	34.0		18.3	
			129.3		94.8
<b>Total assets</b>			<b>198.4</b>		<b>129.5</b>
<b>Equity and liabilities</b>					
<b>Current liabilities</b>					
Interest bearing loans and borrowings	14	2.1		1.9	
Lease liabilities	15	1.4		4.2	
Trade and other payables	16	57.7		42.9	
Corporation tax	7	0.1		0.1	
			<b>61.3</b>		<b>49.1</b>
<b>Non-current liabilities</b>					
Provisions	17		9.9		6.8
Lease liabilities	15		48.2		16.5
Loans and other debts due to members			61.2		47.0
<b>Total liabilities</b>			<b>180.6</b>		<b>119.4</b>
<b>Members' interests classified as equity</b>			<b>17.8</b>		<b>10.1</b>
<b>Total liability and equity</b>			<b>198.4</b>		<b>129.5</b>

The financial statements were approved and authorised for issue on 9 February 2023 on behalf of the members of Mazars LLP by:

**Jacqueline Berry**  
Designated Member

**Ian Wrightson**  
Designated Member

The notes on pages 12 to 36 form part of these financial statements.

# Consolidated statement of cash flows

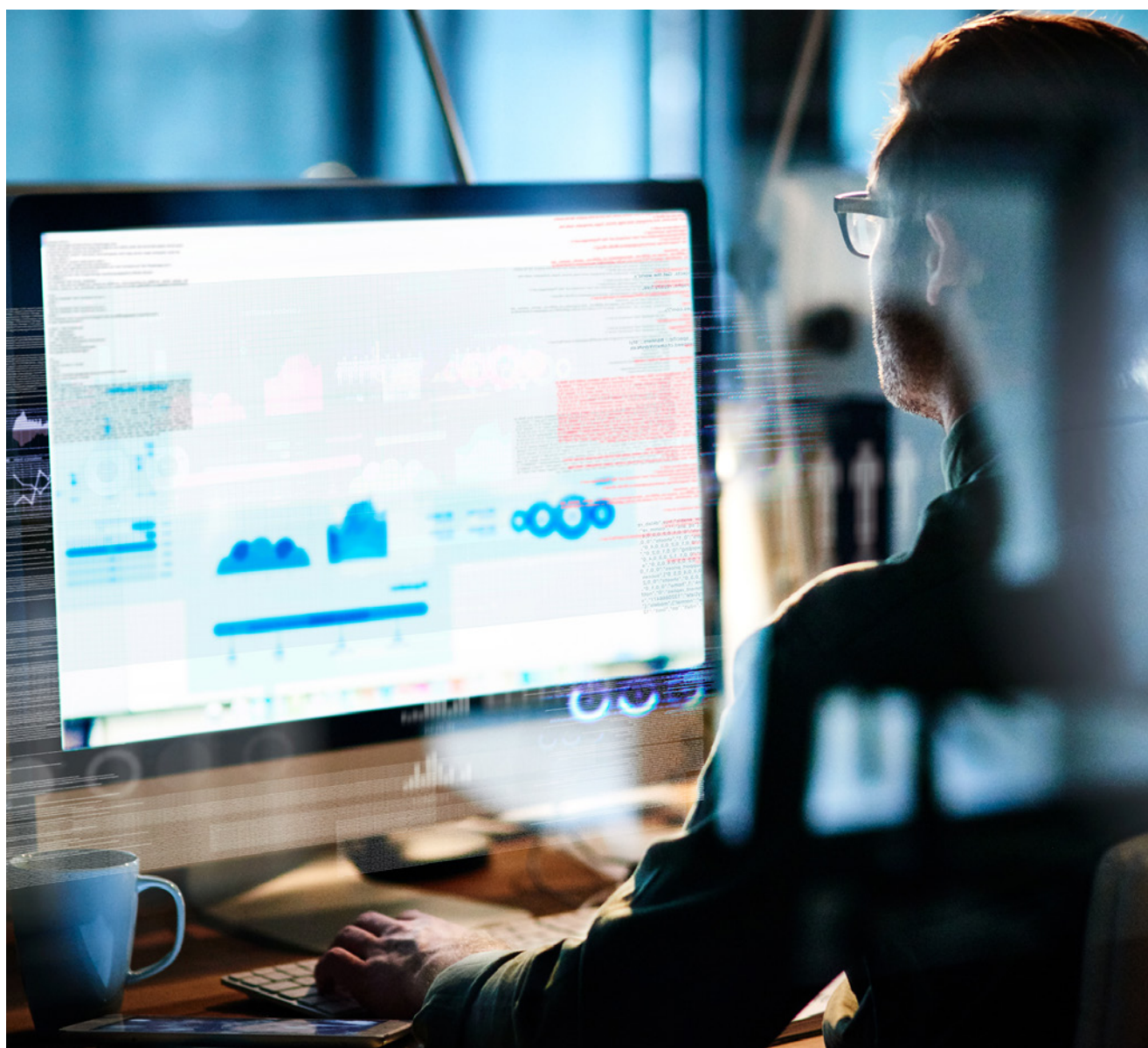
## For the year ended 31 August 2022

	Notes	2022 £m	2021 £m
<b>Profit for the financial year before members' remuneration and profit shares available for discretionary division among members</b>		<b>57.7</b>	<b>42.8</b>
Taxation charge	7	2.5	1.5
Finance costs	6	1.0	0.7
Depreciation	5	3.5	3.7
Depreciation of right of use assets	5	3.7	4.3
Amortisation	5	1.1	1.1
Increase in trade and other receivables		(18.8)	(15.0)
Increase in trade and other payables		14.8	16.8
Increase in provisions		2.7	1.8
Contribution to pension scheme		(0.7)	(0.7)
Past service cost of pension scheme		0.6	2.6
Cash generated from operations		68.1	59.6
Corporation tax paid		(2.6)	(1.5)
<b>Net cash inflow from operating activities</b>		<b>65.5</b>	<b>58.1</b>
Purchase of property, plant and equipment	10	(9.8)	(2.6)
Purchase of other intangible assets	9	(0.6)	(0.1)
<b>Net cash used in investing activities</b>		<b>(10.4)</b>	<b>(2.7)</b>
<b>Financing activities</b>			
Payment to and on behalf of members		(41.8)	(35.5)
Contributions by members		9.1	4.7
Capital repayments to members		(2.6)	(3.4)
Interest paid		(0.1)	(0.1)
Lease payments	15	(4.2)	(3.6)
<b>Net cash flow used in financing activities</b>		<b>(39.6)</b>	<b>(37.9)</b>
<b>Net increase in cash and cash equivalents</b>		<b>15.5</b>	<b>17.5</b>
<b>Cash and cash equivalents at beginning of year</b>		<b>16.4</b>	<b>(1.1)</b>
<b>Cash and cash equivalents at year end</b>		<b>31.9</b>	<b>16.4</b>

## Consolidated statement of cash flows (continued) For the year ended 31 August 2022

	Notes	2022 £m	2021 £m
<b>Cash and cash equivalents comprises:</b>			
Cash and bank balances	13	34.0	18.3
Less loans and overdraft	14	(2.1)	(1.9)
Cash and cash equivalents		<b>31.9</b>	<b>16.4</b>

The notes on pages 12 to 36 form part of these financial statements.





# Consolidated statement of changes in members' equity and members' interests

## For the year ended 31 August 2022

	Loans and other debts due to members			Members' other interests – Other Reserves classified as Equity £m	Total £m
	Members' capital £m	Other amounts £m	Total £m		
Members' interests at 1 September 2021	36.2	10.8	47.0	10.1	57.1
Profit for the financial year available for discretionary division among members	-	-	-	57.7	57.7
Members' interests after profit for the year	36.2	10.8	47.0	67.8	114.8
Allocated profits	-	49.5	49.5	(49.5)	-
Introduced by members	9.1	-	9.1	-	9.1
Repayments	(2.6)	-	(2.6)	-	(2.6)
Other comprehensive income	-	-	-	(0.3)	(0.3)
Foreign exchange movements	-	-	-	(0.2)	(0.2)
Drawings	-	(41.8)	(41.8)	-	(41.8)
Members' interests at 31 August 2022	<b>42.7</b>	<b>18.5</b>	<b>61.2</b>	<b>17.8</b>	<b>79.0</b>

Other amounts represent profits allocated to members however not drawn at the balance sheet date. In the event of winding up, the other amounts and debts due to members rank after unsecured creditors.

Members' other interests – other reserves classified as equity represents profits and losses not yet allocated and divided to Members.

# Consolidated statement of changes in members' equity and members' interests (continued)

## For the year ended 31 August 2022

	Loans and other debts due to members			Members' other interests – Other Reserves classified as Equity £m	Total £m
	Members' capital £m	Other amounts £m	Total £m		
Members' interests at 1 September 2020	34.9	10.0	44.9	3.7	48.6
Profit for the financial year available for discretionary division among members	-	-	-	42.8	42.8
Members' interests after profit for the year	34.9	10.0	44.9	46.5	91.4
Allocated profits	-	36.3	36.3	(36.3)	-
Introduced by members	4.7	-	4.7	-	4.7
Repayments	(3.4)	-	(3.4)	-	(3.4)
Other comprehensive income	-	-	-	(0.1)	(0.1)
Drawings	-	(35.5)	(35.5)	-	(35.5)
Members' interests at 31 August 2021	<b>36.2</b>	<b>10.8</b>	<b>47.0</b>	<b>10.1</b>	<b>57.1</b>

The notes on pages 12 to 36 form part of these financial statements.

# Notes to the consolidated financial statements

## For the year ended 31 August 2022

### 1. Accounting policies

#### 1.1 General information

The LLP is a limited liability partnership registered in England and Wales with registered number OC308299. Its registered office and principal place of business is Mazars, 30 Old Bailey, London EC4M 7AU. The financial statements have been presented in millions of Pounds Sterling as this is the currency of the primary economic environment that the Group operates in.

#### 1.2 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with UK adopted International Financial Reporting Standards (IFRSs) and IFRS Interpretation Committee interpretations (IFRIC). The consolidated financial statements have been prepared under the historical cost convention except as described in the accounting policies and in accordance with those parts of the Companies Act 2006 as applied by LLPs.

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

#### 1.3 Basis of consolidation

These financial statements consolidate those of the LLP and all entities over which the LLP has control as at 31 August 2022 ("the Group"). All subsidiary entities have a reporting date of 31 August. The LLP is the Group's ultimate parent entity.

All transactions and balances between Group entities are eliminated on consolidation, including unrealised gains and losses on transactions between Group entities. Amounts reported in the financial statements of Group entities have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

Revenue, costs and other comprehensive income of subsidiary entities acquired or disposed of during the year are recognised from the effective date of acquisition, or up to the effective date of disposal, as applicable.

#### 1.4 Going concern

The Group is financed by capital from the members, profits retained in the business and bank facilities.

The members 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 members are committed to retaining staff and ensuring that a high level of service to clients is maintained during this time. Detailed budgets, cash flow forecasts, sensitivity analysis and scenario testing are completed. Ongoing performance against targets is comprehensively reviewed with forecasts updated on a regular basis. The members are satisfied that the Group has adequate working capital resources to continue in operational existence for the foreseeable future.

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

#### 1.5 New standards and interpretations adopted in the financial year

The Group has not adopted any new or amended standards or interpretations in the current year.

#### 1.6 Amendments to existing or new standards and interpretations not yet adopted

- Amendments to IAS8: Accounting Policies, Changes in Accounting Estimates and Errors - effective for periods commencing on or after 1 January 2023
- Amendments to IAS12: Income Taxes: Deferred Tax - effective for periods commencing on or after 1 January 2023
- Amendments to IAS1: Presentation of Financial Statements regarding classification of liabilities as current or non-current - effective for periods commencing on or after 1 January 2024

The Group does not expect that any standards, interpretations and amendments issued by the IASB, but not yet effective, will have a material impact on the financial statements once adopted.

#### 1.7 Foreign currency transactions

Transactions in foreign currencies are initially recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities that are denominated in foreign currencies at the balance sheet date are translated into sterling at foreign exchange rates ruling at that date. Foreign exchange differences arising from translation are recognised in the income statement. Non-monetary assets and liabilities measured at cost in a foreign currency are translated using exchange rates as at the date of the initial transactions.



# Notes to the consolidated financial statements (continued)

## For the year ended 31 August 2022

### 1.8 Foreign subsidiaries

On consolidation, the assets and liabilities of foreign subsidiaries with a functional currency other than Pounds Sterling are translated into Pounds Sterling at the exchange rate at the reporting date. Income and expenses of such subsidiaries are translated into Pounds Sterling at the average exchange rate over the reporting period, or the average rate during the reporting period in which the foreign undertaking was a subsidiary. Exchange differences arising are recognised in Other comprehensive income in the Consolidated statement of comprehensive income and in the currency translation reserve within Members' other interests - other reserves classified as equity.

### 1.9 Revenue recognition

The Group recognises revenue from the provision of a wide variety of contracts to provide professional services. Performance obligations are identified for each contract with a client and the timing of revenue recognition is assessed based on the control of the service being transferred to the client.

All performance obligations are satisfied over time since either clients receive and consume the benefit provided by the Group's performance as the Group provides services or the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

Revenue is measured at the fair value of the right to consideration, including expenses and disbursements, but excluding VAT. Revenue is recognised over time by reference to time and costs incurred to the end of the reporting period compared to the expected total time and costs to complete the performance obligations. Variable consideration is constrained to the extent it is highly probable that a significant reversal of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

Revenue recognised that has not been billed to clients is included as contract assets in trade and other receivables and amounts billed in excess of revenue recognised are included as contract liabilities in trade and other payables.

Revenue generated by the management of funds is recognised as fees calculated based on the level of funds management in the period in which the services are provided.

As a practical expedient permitted by IFRS15 no disclosure has been made of amounts allocated to performance obligations that are unsatisfied (or partially unsatisfied) at the end of the financial year where contracts have an original expected duration of less than one year or where the right to consideration corresponds directly with the performance completed to date. Revenue in respect of contingent fee assignments (over and above any agreed minimum fee) is only recognised when the contingent event occurs and collection of the fee is assured.

### 1.10 Government Grants

Grants are accounted under the accruals model as permitted by IAS 20 – Accounting for Government Grants and Disclosure of Government Assistance. The grant income received is netted against the associated expenditure incurred and disclosed in note 4. There are no unfulfilled conditions or contingencies attached to Grants received.

### 1.11 Goodwill

Goodwill arising on an acquisition represents the excess of the cost of the acquisition over the Group's interest in the fair value of the identifiable assets and liabilities acquired at the date of the acquisition. Goodwill is recognised as an intangible asset with an indefinite useful life. Associated costs of acquisition are recognised as an expense as incurred. Goodwill is tested annually for impairment. If the Group's interest in the fair value of the identifiable assets and liabilities acquired exceeds the cost of the acquisition as at the date of the acquisition, the excess is recognised in the Consolidated statement of comprehensive income as a gain.

### 1.12 Other intangible assets

#### Brand assets

Brand assets arising on an acquisition represents the cost of the consideration paid. Brand assets are recognised as an intangible asset with an indefinite useful life. Brand assets are tested annually for impairment.

# Notes to the consolidated financial statements (continued)

## For the year ended 31 August 2022

### Contracts and client relations

Intangible assets including contracts and client relations acquired in a business combination are initially recognised at their fair value at the acquisition date (which is regarded as their cost). Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

### Computer software

Computer software comprises the cost of purchased software licences and costs directly associated with the development of software for use by the Group that will generate probable future economic benefits, excluding software which is integral to related hardware. Computer software is recognised as an intangible asset and stated at cost less accumulated amortisation and any accumulated impairment losses. Amortisation is recognised as an expense in the Consolidated statement of comprehensive income on a straight line basis over the estimated useful lives of the intangible assets. Intangible assets are amortised from the date they are available for use.

The estimated useful lives fall within the following ranges:

Contracts and client relations	5-10 years
Computer software	3-5 years

When an intangible asset is disposed of, the gain or loss on disposal is determined as the difference between the proceeds and the carrying amount of the asset, and is recognised in the Consolidated statement of comprehensive income within other income or other operating expenses.

### 1.13 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment losses. The initial cost of an asset comprises its purchase price and any costs directly attributable to bringing the asset into operation. Depreciation is provided at rates calculated to write off the cost, less estimated residual value, of each asset over its expected useful life using the straight line method.

The expected useful lives are as follows:

Leasehold property improvements	The lease period
Furniture and equipment	5-10 years
Computer equipment	3-5 years
Motor vehicles	4 years

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognising the asset is included in the Consolidated statement of comprehensive income. The residual values, useful lives and depreciation methods of assets are reviewed, and adjusted if appropriate, in each financial period.

### 1.14 Leases

The Group and LLP recognises a right of use asset and a corresponding lease liability on the lease commencement date.

In accordance with IFRS16, the lease liability is measured at the present value of expected future lease payments which are discounted at the interest rate implicit in the lease if this can be determined or the Group's incremental borrowing rate. Payments included in the liability calculation are fixed payments and payments from options which the Group reasonably expects to exercise.

The right of use asset is measured at cost which is made up of the lease liability, any initial direct costs, any lease payments made in advance of the lease commencement date including any lease incentives received and an estimate of the restoration costs at the end of the lease. The right of use assets are depreciated on a straight line basis over the lease term.

Both the lease liability and right of use asset are remeasured to reflect any reassessments of modifications to the lease.

Lease payments associated with short term leases and leases of low value assets are recognised as an expense on a straight line basis over the lease term. Short term leases are leases with a lease term of 12 months or less and low value assets comprise office equipment. Lease payments on these assets are expensed to the income statement as incurred.

# Notes to the consolidated financial statements (continued)

## For the year ended 31 August 2022

### 1.15 Impairment of non-financial assets

At each statement of financial position date, the LLP reviews the carrying amounts of its non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods. A reversal of an impairment loss is recognised as income immediately.



### 1.16 Financial instruments

The Group recognises financial instruments when it becomes party to the contracts that give rise to them and they are derecognised on settlement. They are measured initially at fair value, adjusted for transaction costs. The subsequent accounting treatment depends on the classification of an instrument as set out below.

#### Financial assets

Financial assets are carried at amortised cost using the effective interest method if the time value of money is significant, less provision for impairment. Client debtors are generally carried at the original invoiced amount, less provision for impairment. Impairment provision for client receivables and contract assets are recognised based on the simplified approach in IFRS9. Estimated future credit losses are based on the ageing of receivable balances from clients, historical credit loss experience and forward looking considerations. Amounts due from other Member Firms of the Mazars worldwide organisation are considered to have a low credit risk and no material loss allowance has been recognised at 31 August 2022 on these assets.

For client receivables the impairment provisions are recorded separately within the Consolidated statement of comprehensive income. If a client receivable is confirmed as not recoverable it is written off against the provision. Under the previous accounting policy impairment provisions were based on the historical incurred credit losses.

#### Financial liabilities

Financial liabilities, including members' capital, borrowings and trade and other payables, are carried at amortised cost using the effective interest method if the time value of money is significant. Trade payables are generally carried at the original invoiced amount.

#### Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, current balances with banks and short-term deposits with an original maturity of less than three months that are readily convertible to known amounts of cash.

For the purpose of the Consolidated statement of cash flows, cash and cash equivalents are as defined above, net of outstanding bank borrowings.



# Notes to the consolidated financial statements (continued)

## For the year ended 31 August 2022

### 1.17 Components of equity

Members' other interests – other reserves classified as equity represents profits and losses not yet allocated and divided to Members.

### 1.18 Provisions and contingencies

Provision is made for obligations in relation to properties held under leases which require properties to be returned in a certain condition at the end of the lease where it is probable that an outflow of economic resources will be required from the Group and amounts can be estimated reliably.

Provision is made, on a case by case basis, in respect of client claims. Provision is made for all such matters where costs of defending or concluding claims are likely to be incurred, net of anticipated related insurance recoveries. No separate disclosure is made of the amounts covered by insurance as doing so could seriously prejudice the position of the Group.

Provisions are measured at the estimated expenditure required to settle the present obligations, discounted to their present values if the time value of money is significant.

Contingent liabilities, including liabilities that are not probable or which cannot be measured reliably, are not recognised, but are disclosed unless the possibility of settlement is considered remote.

Contingent assets are not recognised, but are disclosed where an inflow of economic benefits is probable.

### 1.19 Pensions

The LLP operates a closed occupational defined benefit pension scheme. No further benefits are accrued in this scheme.

The scheme is recognised as a liability in the Consolidated Statement of financial position to the extent that the present value of the Defined Benefit Obligation (“DBO”) of the scheme exceeds the fair value of the scheme’s assets. An annual valuation of the DBO is carried out by a qualified actuary in accordance with IAS 19 “Employee Benefits” and IFRIC 14, based on assumptions made regarding, in particular, the discount rate, future inflation rates and mortality. The net interest cost on the net defined benefit liability is recognised as an expense in the Consolidated statement of comprehensive income. Actuarial gains and losses and remeasurements arising from changes in

assumptions are recognised as income or an expense in the Consolidated statement of comprehensive income as other comprehensive income or expense.

Contributions payable by the Group to employees' personal pension plans are recognised as an expense in the Consolidated statement of comprehensive income in the period in which the related employee services are received. Members are responsible for making their own provision for pensions.

### 1.20 Short-term employee benefits

Short-term employee benefits, including holiday entitlement, are liabilities included in other payables, measured at the undiscounted amount that the Group expects to pay as a result of the unused entitlement.

### 1.21 Taxation

Income taxation payable on all LLP profits is solely the personal liability of individual members. Consequently, neither income tax nor related deferred taxation is accounted for in the financial statements. A retention from profits is made which is subsequently released to members to assist in funding payments of taxation. The balance retained at the reporting date is reflected in loans and other debts due to members.

The subsidiary companies consolidated in these financial statements are subject to corporation tax based on their profit for the reporting periods. Deferred tax relating to subsidiaries is provided as an asset in the Consolidated statement of financial position in full at tax rates that are expected to apply in the periods in which the temporary differences between the treatment of certain items for taxation and accounting purposes are expected to reverse. Deferred tax assets are only recognised where recoverability is probable.

## 2. Significant judgements in applying accounting policies and uncertainty of estimates

In preparing the financial statements, management is required to make judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses. Estimates and judgements are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates.

# Notes to the consolidated financial statements (continued)

## For the year ended 31 August 2022

### Key judgements

#### a) Revenue recognition

Certain judgements relating to the degree of completion of contracts with clients and recoverability of unbilled amounts for client work are undertaken by management.

#### b) Client claims and regulatory proceedings

The Group has the benefit of insurance policies to protect itself against professional negligence claims and the costs associated with regulatory proceedings which include policy excesses. A judgement is made on a case by case basis to identify if there is a probable outcome that costs are likely to be incurred for defending and concluding such matters.

#### c) Leases

In determining the lease term of a lease which commenced during the year, the Group assessed whether it is reasonably certain to exercise, or not to exercise, options to extend or terminate a lease and concluded that the Group would not exercise the options to extend or terminate. The assessment was made at the commencement of the lease and will be reassessed if there is a significant event or change in circumstances that is within the Group's control.



# Notes to the consolidated financial statements (continued)

## For the year ended 31 August 2022

### Key estimates

#### a) Defined benefit pension schemes

The accounting valuation of the surplus or deficit of the closed defined pension scheme is based on assumptions made regarding, in particular, the discount rate, future inflation rates and mortality.

#### b) Client claims and regulatory proceedings

An estimate of the level of provision on claims or regulatory proceedings where it has been judged costs are likely to be incurred.

#### c) Impairment provision for receivables

Provision is made against trade receivables based on estimated future credit losses as explained in Note 1.15.

#### d) Dilapidations

The Group makes estimates around future costs of restoring leased assets to the condition required under the terms and conditions of the lease, and with regards to the level of discounting applied and the time frame over which it is then unwound.





# Notes to the consolidated financial statements (continued)

## For the year ended 31 August 2022

### 3. Revenue

The revenue of the Group during the year arose from continuing operations. The turnover for the year is derived from the following classes of business.

	2022 £m	2021 £m
Assurance and internal audit	136.4	98.4
Taxation and financial planning	53.6	48.1
Financial advisory, consulting and outsourcing	97.8	87.5
	<b>287.8</b>	<b>234.0</b>

	2022 £m	2021 £m
<b>Analysis of revenue by country:</b>		
Revenue in the United Kingdom and Channel Islands	282.7	228.4
Revenue in USA, Canada or its territories	2.9	2.9
Revenue in Australia	2.2	2.7
	<b>287.8</b>	<b>234.0</b>

### 4. Employee benefit expenses

	2022 £m	2021 £m
Salaries	132.8	103.5
Social security costs	13.9	9.9
Pension costs	7.0	5.7
Past service cost on defined benefit pension scheme (note 19)	0.6	2.6
CJRS income*	-	1.1
	<b>154.3</b>	<b>122.8</b>

\*As the pandemic hit its peak in Spring 2020, there was a reduction in trading within some service lines. In order to preserve jobs at this uncertain time the Group participated in the Government's Coronavirus Job Retention Scheme (CJRS) for two months in April and May 2020. Based on greater resilience in trading, no further CJRS claims were made. Furthermore, in December 2020 In light of trading results during the year ended August 2020, the Group subsequently repaid all the support received. The total claimed and subsequently repaid was £1.1m.



# Notes to the consolidated financial statements (continued)

## For the year ended 31 August 2022

### 4. Employee benefit expenses (continued)

	2022 No	2021 No
<b>The average monthly number of employees during the year was:</b>		
Client facing	2,485	2,100
Support services	297	239
	<b>2,782</b>	<b>2,339</b>

The average number of members was 151 (2021: 139). The full-time equivalent number of members serving on the Executive Board during the year to 31 August 2022 was 8 (2021: 8). The estimated profit attributable to the members of the Executive Board, who are considered to be key management personnel, amounts to £5.5m (2021: £4.6m estimated, final allocation £5.2m), and to the member with the highest entitlement was £0.9m (2021: £0.7m estimated, final allocation: £0.8m). During the year, the Group incurred costs amounting to £0.2m (2021: £nil) in respect of an individual, serving on the Executive Board but who is not a member of Mazars LLP.

### 5. Operating profit

	2022 £m	2021 £m
<b>Operating profit is stated after charging:</b>		
Depreciation of property, plant and equipment (note 10)	3.5	3.7
Depreciation of right of use assets (note 11)	3.7	4.3
Amortisation of intangible assets (note 9)	1.1	1.1
Auditor's remuneration	0.1	0.1
Lease expense - low value leases	0.5	0.5
(Gain) / loss on foreign currency translation	(0.8)	0.4

### 6. Finance costs

	2022 £m	2021 £m
Interest expense	0.1	0.1
Lease liability interest	0.9	0.6
Net interest expense on defined benefit pension scheme (note 19)	-	-
	<b>1.0</b>	<b>0.7</b>

# Notes to the consolidated financial statements (continued)

## For the year ended 31 August 2022

### 7. Tax on profit on ordinary activities in corporate subsidiaries

The charge to tax which arises in the corporate subsidiaries included in the financial statements is:

	2022 £m	2021 £m
Current UK tax charge	2.3	1.4
Under provision in respect of prior year	0.3	0.1
Deferred tax	(0.1)	-
<b>Tax expense in corporate subsidiaries</b>	<b>2.5</b>	<b>1.5</b>

Factors affecting the total tax charge for the year:

	2022 £m	2021 £m
Profit on ordinary activities of corporate subsidiaries before tax	14.7	11.8
<b>Profit on ordinary activities multiplied by the standard rate of UK</b>		
Corporation tax of 19% (2021: 19%).	2.8	2.2
Non-taxable income	(0.6)	(0.8)
Non-qualifying items not deductible for tax purposes	0.2	-
Other disallowable expenditure for tax purposes	(0.1)	-
Under provision in respect of prior year	0.3	0.1
Deferred tax	(0.1)	-
<b>Total tax charge</b>	<b>2.5</b>	<b>1.5</b>

The UK Government announced in the 2021 budget that from 1 April 2023, the rate of corporation tax in the United Kingdom will increase from 19% to 25%. The change in rate was substantively enacted on 24 May 2021. Deferred tax has been calculated at 19%. The effect of remeasuring deferred tax to 25% would increase the deferred tax assets at 31 August 2022 by £0.1m to £0.5m and will be recognised in the accounts made up to 31 August 2023.

# Notes to the consolidated financial statements (continued)

## For the year ended 31 August 2022

### 8. Subsidiary undertakings

The subsidiary undertakings throughout the year, except where noted, were:

Name of undertaking	% held directly	% held via subsidiary	Nature of business
<b>Registered Office: Mazars, 30 Old Bailey, London EC4M 7AU</b>			
ARX Investments Limited		100	Holding company
CompetitionRX Ltd		100	Monitoring Trustee Services
Mazars Corporate Finance Limited		100	Corporate Finance
Mazars Financial Planning Limited		100	Financial Planning
Mazars Holdings (Australia) Limited	100		Holding company
Mazars Holdings (US) Limited	100		Holding company
Mazars Limited	100		Service Company
Mazars MR Limited		100	Professional Services
Mazars Public Sector Internal Audit Limited		100	Internal Audit
Mazars UK Limited		100	Professional Services
Rowanmoor Consultancy Limited		100	Financial Planning
<b>Registered Office: 90 Arthur Street, North Sydney, NSW 2060</b>			
Mazars Global Infrastructure Finance (Australia) PTY Ltd		100	Financial Modelling & Training
<b>Registered Office: Level 14, 135 West, 50th Street, New York NY 10020</b>			
Mazars Global Infrastructure (US) LLC		100	Financial Modelling & Training
<b>Registered Office: Suite 2300, Bentall 5, 550 Burrard Street, Vancouver BC V6C 2B5</b>			
Mazars Global Infrastructure Canada Inc		100	Financial Modelling & Training
<b>Registered Office: 100 Queen Street, Glasgow G1 3DN</b>			
Mazars CYB Services Limited		100	Trustee administration services
<b>Registered Office: Mielles House, Rue des Mielles, St Helier, Jersey JE2 3QD</b>			
Mazars Channel Islands Limited	100		Non trading
Mazars Corporate Services Limited		100	Dormant
<b>Registered Office: Apex 2 97 Haymarket Terrace, Edinburgh, EH12 5HD</b>			
Mazars Solutions Limited		100	Dormant

# Notes to the consolidated financial statements (continued)

## For the year ended 31 August 2022

### 8. Subsidiary undertakings (continued)

Name of undertaking	% held directly	% held via subsidiary	Nature of business
<b>Registered Office: Suite 3, Second Floor, ICOM House, 1/5 Irish Town, Gibraltar</b>			
Mazars (Gibraltar) Limited		100	Non trading
<b>Registered Office: Park View House, 58 The Ropewalk, Nottingham, NG1 5DW</b>			
Cartwright House Licencing Limited		100	Dormant
<b>Registered Office: 30 Old Bailey, London EC4M 7AU</b>			
Hall Liddy Limited	100		In members voluntary liquidation
Independent Women Limited		100	Dormant
Mazars Company Secretaries Limited		100	Dormant
Mazars GB Limited		100	Dormant
Mazars Trust Corporation Limited		100	Trustee
Mazars Trustee Company Limited		100	Trustee
Mazars Trustee Company (London) Limited		100	Trustee
Neville Russell Nominees	100		Nominee
Sarah Butler Associates Limited		100	Dormant
Wool Quay Nominees Limited		100	Nominee

On 5 April 2022 Mazars Financial Planning Limited incorporated a dormant entity Independent Women Limited.





# Notes to the consolidated financial statements (continued)

## For the year ended 31 August 2022

### 9. Goodwill and other intangible assets

	Goodwill	Brand asset	Other intangible assets		Total other intangible assets
			Software	Contracts and client relations	
	£m	£m	£m	£m	£m
<b>Cost</b>					
At 31 August 2020	4.6	-	5.2	15.4	20.6
Additions during the year	-	-	0.1	-	0.1
At 31 August 2021	4.6	-	5.3	15.4	20.7
Additions during the year	-	0.6	-	-	0.6
At 31 August 2022	<b>4.6</b>	<b>0.6</b>	<b>5.3</b>	<b>15.4</b>	<b>21.3</b>
<b>Amortisation</b>					
At 31 August 2020	-	-	4.5	10.8	15.3
Charge for the year	-	-	0.4	0.7	1.1
At 31 August 2021	-	-	4.9	11.5	16.4
Charge for the year	-	-	0.4	0.7	1.1
At 31 August 2022	-	-	<b>5.3</b>	<b>12.2</b>	<b>17.5</b>
<b>Net book amount</b>					
At 31 August 2022	<b>4.6</b>	<b>0.6</b>	<b>0.0</b>	<b>3.2</b>	<b>3.8</b>
At 31 August 2021	4.6	-	0.4	3.9	4.3

The Group is required to test, on an annual basis, whether goodwill or brand assets have suffered any impairment. The Group is the cash generating unit used to assess any impairment required. The Group has used the value in use method and concluded that no impairment provision was required against the net book amount at any reporting period end covered by these financial statements.

The addition in relation to the brand asset relates to the acquisition of the Independent Women Limited brand.

Cash flows for a period of four years, using an average earnings growth rate of 13.7%, were used for the value in use calculation. These were based on financial budgets approved by management and based on prior year profit experience. These were discounted by the pre-tax weighted average cost of capital for the Mazars firm which was 12.1%. Management is not currently aware of any probable changes that would necessitate changes in its key assumptions.

# Notes to the consolidated financial statements (continued)

## For the year ended 31 August 2022

### 10. Property, plant and equipment

	Leasehold improvements £m	Furniture and equipment £m	Computer equipment £m	Motor vehicles £m	Total £m
<b>Cost</b>					
At 31 August 2020	6.7	4.1	11.0	0.1	21.9
Additions at cost	0.9	0.5	1.2	-	2.6
Disposals	(0.5)	(0.3)	-	(0.1)	(0.9)
At 31 August 2021	7.1	4.3	12.2	-	23.6
Additions at cost	6.3	1.1	2.4	-	9.8
Disposals	(1.3)	(1.0)	-	-	(2.3)
At 31 August 2022	<b>12.1</b>	<b>4.4</b>	<b>14.6</b>	-	<b>31.1</b>
<b>Depreciation</b>					
At 31 August 2020	3.1	2.5	7.1	0.1	12.8
Charge for the year	0.8	0.7	2.2	-	3.7
In respect of disposals	(0.5)	(0.3)	-	(0.1)	(0.9)
At 31 August 2021	3.4	2.9	9.3	-	15.6
Charge for the year	0.9	0.6	2.0	-	3.5
In respect of disposals	(1.3)	(1.0)	-	-	(2.3)
At 31 August 2022	<b>3.0</b>	<b>2.5</b>	<b>11.3</b>	-	<b>16.8</b>
<b>Net book value</b>					
At 31 August 2022	<b>9.1</b>	<b>1.9</b>	<b>3.3</b>	-	<b>14.3</b>
At 31 August 2021	3.7	1.4	2.9	-	8.0

# Notes to the consolidated financial statements (continued)

## For the year ended 31 August 2022

### 11. Right of use assets

The Group has leases for its offices across the UK which typically have a lease term of 1 - 15 years. With the exception of short-term leases and leases of low value assets, each lease is reflected on the Statement of financial position as a right of use asset and a lease liability (refer to note 15). Short-term and low value lease expenses are disclosed in note 5. All right of use assets are classified as property and the movements on the right of use assets is shown below.

	£m
<b>Cost</b>	
At 31 August 2021	25.8
Additions	32.8
Modifications	<b>(0.6)</b>
Disposals	(6.3)
At 31 August 2022	<b>51.7</b>
<b>Depreciation</b>	
At 31 August 2021	8.3
Charge for the year	3.7
In respect of disposals	(6.3)
At 31 August 2022	<b>5.7</b>
<b>Net book value</b>	
At 31 August 2022	<b>46.0</b>
At 31 August 2021	17.5

### 12. Trade and other receivables

	2022 £m	2021 £m
Trade receivables	41.9	35.9
Less: provision for impairment of trade receivables	(3.1)	(3.6)
Net trade receivables	38.8	32.3
Contract assets	41.8	35.8
Other receivables	6.3	2.0
Prepayments	8.4	6.4
	<b>95.3</b>	<b>76.5</b>

# Notes to the consolidated financial statements (continued)

## For the year ended 31 August 2022

### 12. Trade and other receivables (continued)

All amounts are short-term apart from other receivables totalling £0.3m (2021: £0.5m) which are receivable in instalments up to August 2024. The net carrying value of trade and other receivables is considered a reasonable approximation of fair value.

The increase in contract assets is correlated to and driven by the growth in revenue from the prior year.

The lifetime expected credit losses for trade receivables and contract assets are as follows:

	Expected loss rate 2022 %	2022 £m	Expected loss rate 2021 %	2021 £m
30 days or less	2.3	18.1	1.3	12.7
31 to 90 days	2.8	14.9	1.4	14.8
91 to 180 days	4.0	5.2	20.3	4.1
181 days or more	55.6	3.7	57.2	4.3
Gross trade receivables		41.9		35.9
Gross contract assets		41.8		35.8
Expected credit losses		(3.1)		(3.6)
<b>Trade receivables and contract assets</b>		<b>80.6</b>		<b>68.1</b>

The movement in the impairment provision is as follows:

	2022 £m	2021 £m
Balance 1 September	3.6	4.2
Written off	(0.5)	(1.1)
Charge for the financial year	0.5	1.6
Released unused during the financial year	(0.5)	(1.1)
<b>Balance 31 August</b>	<b>3.1</b>	<b>3.6</b>



# Notes to the consolidated financial statements (continued)

## For the year ended 31 August 2022

### 13. Cash and cash equivalents

Cash and cash equivalents consist of the following:

Cash at bank and in hand	2022 £m	2021 £m
Pounds Sterling	26.0	12.9
Euro	1.8	2.2
US Dollar	4.1	2.6
Australian Dollar	1.9	0.5
Canadian Dollar	0.2	0.1
	<b>34.0</b>	<b>18.3</b>

### 14. Interest bearing loans and borrowings

	2022 £m	2021 £m
Bank overdraft and borrowing	2.1	1.9
	<b>2.1</b>	<b>1.9</b>

### 15. Lease liabilities

	2022 £m	2021 £m
<b>Property leases</b>		
Current lease liabilities	1.4	4.2
Non-current lease liabilities	48.2	16.5
	<b>49.6</b>	<b>20.7</b>
<b>The maturity analysis of lease liabilities is presented below:</b>		
Less than one year	2.4	4.8
One to five years	18.8	9.0
More than five years	35.0	9.9
Future finance interest on lease liabilities	(6.6)	(3.0)
	<b>49.6</b>	<b>20.7</b>

The total cash outflow for leases in 2022 was £4.2m. (2021: £3.6m).

# Notes to the consolidated financial statements (continued)

## For the year ended 31 August 2022

### 16. Trade and other payables

	2022 £m	2021 £m
Trade payables	5.0	4.1
Other taxation and social security costs	7.4	5.4
Other payables	3.9	3.2
Contract Liabilities	14.6	11.9
Accruals	26.1	16.8
Amounts due to former members	0.7	1.5
	<b>57.7</b>	<b>42.9</b>

Trade payables mainly comprise amounts owed for trading purchases and associated costs.

No interest has been charged on the payable balances. The carrying value of trade and other payables is considered a reasonable approximation of fair value.

During the financial year ended 31 August 2022, £10.2m (2021: £6.1m) of the £11.9m (2021: £7.4m) prior year recorded contract liabilities were recognised as revenue.



# Notes to the consolidated financial statements (continued)

## For the year ended 31 August 2022

### 17. Provisions

The carrying amounts and the movements in the provision account are as follows:

	Provision for claims £m	Property £m	Pension £m	Deferred acquisition consideration £m	Total £m
Provision at 31 August 2020	0.6	2.1	-	0.3	3.0
Utilised during the year	(0.5)	(0.3)	-	(0.3)	(1.1)
Charged to the income statement	1.9	1.0	2.0	-	4.9
Provision at 31 August 2021	2.0	2.8	2.0	-	6.8
Additions	-	0.2	-	0.6	0.8
Utilised during the year	(0.9)	(0.3)	(0.7)	(0.3)	(2.2)
Charged to the income statement	2.5	0.9	1.1	-	4.5
<b>At 31 August 2022</b>	<b>3.6</b>	<b>3.6</b>	<b>2.4</b>	<b>0.3</b>	<b>9.9</b>

The claims provision relates to the expected cost of defending and settling claims where such costs are not covered by insurance, any expected reimbursements of which are recognised when material and virtually certain. In the statement of comprehensive income, the expense relating to the provision is presented net of any reimbursement from our insurers. No separate disclosure is made regarding the detail and timing of such claims, or any reimbursement, given that further disclosure could be prejudicial to the Group and is inherently difficult to predict.

The property provision relates to estimated provision for dilapidations, £2.3m of this is expected to be utilised within 12 months.

It is expected that a payment of £0.7m will be made in regards of the pension liability (note 19), and £0.2m will be made in regards to the deferred acquisition consideration, within 12 months.

It is not expected that there will be reimbursement for the property, pension or deferred consideration provisions.

# Notes to the consolidated financial statements (continued)

## For the year ended 31 August 2022

### 18. Deferred tax

	2022 £m	2021 £m
Balance of deferred tax assets at beginning of year	0.3	0.3
Credited to income statement	0.1	–
<b>Balance of deferred tax assets at end of year</b>	<b>0.4</b>	<b>0.3</b>

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. At 31 August 2022, the deferred tax assets comprise temporary differences between capital allowances and depreciation, other timing differences and losses arising in overseas subsidiaries.

UK deferred tax has been measured at the 19% tax rate prevailing at 31 August 2022. The UK Government announced in the 2021 budget that from 1 April 2023, the rate of corporation tax in the United Kingdom will increase from 19% to 25%. The effect of remeasuring deferred tax to 25% would increase the deferred tax assets at 31 August 2022 by £0.1m to £0.5m and will be recognised in the accounts made up to 31 August 2023.

Deferred tax is measured using tax rates between 19% and 30% depending on the country in which the asset arises for the year to 31 August 2022 (between 19% and 30% for the year to 31 August 2021).





# Notes to the consolidated financial statements (continued)

## For the year ended 31 August 2022

### 19. Pension scheme

#### (a) Pension costs

Pension costs are accounted for in accordance with UK adopted international accounting standards 19, "Employee Benefits" ("IAS 19").

The Group makes contributions to staff personal pension plans. Contributions totalling £1.1m (2021: £0.9m) were payable to the plans at year end.

In addition, Mazars LLP operates a pension scheme which is closed to new members and in which accrual of final salary benefits has ceased. The scheme has two sections, a Defined Benefit Section and a Defined Contribution Section. There was no cost in the year (2021: £ nil) in respect of the Defined Contribution Section and no contributions were outstanding or prepaid at the balance sheet date (2021: £nil). A full actuarial valuation was carried out at 31 December 2019. The following disclosures are based on the valuation under IAS19 as at 31 August 2022 prepared by a qualified actuary.

#### (b) Principal actuarial assumptions at the year end

The major assumptions used for IAS 19 purposes were:

	2022 %	2021 %
Rate of increase in pensions in payment	3.0	3.0
Rate of increase in pensions in deferment – GMP	4.8	4.6
Rate of increase in pensions in deferment – Non GMP	3.0	2.8
Inflation – RPI	3.8	3.6
Inflation – CPI	3.0	2.8
Discount rate	4.3	1.7

#### (c) Sensitivity analysis

The sensitivity of the present value of the defined benefit obligation to changes in each of the individual principal actuarial assumptions is shown below:

0.5%	decrease in the discount rate	7% increase
0.5%	increase in the assumed rates of inflation	1% increase
1 year	increase in the assumed long term rate of future mortality improvements	4% increase

#### (d) Reconciliation of funded status to statement of financial position

	2022 £m	2021 £m
Defined benefit obligation	(28.6)	(38.6)
Fair value of plan assets	27.6	39.2
Effect of limit on asset ceiling / IFRIC 14 adjustment	(1.4)	(2.6)
	<b>(2.4)</b>	<b>(2.0)</b>

# Notes to the consolidated financial statements (continued)

## For the year ended 31 August 2022

### 19. Pension scheme (continued)

#### (e) Reconciliation of defined benefit obligation over the period

	2022 £m	2021 £m
Defined benefit obligation at the start of the period	38.6	35.8
Past service cost	0.6	2.6
Interest expense on defined benefit obligation	0.6	0.5
Actuarial loss	-	1.2
Remeasurement – effect of changes in financial assumptions	(9.9)	(0.4)
Benefits paid	(1.3)	(1.1)
<b>Defined benefit obligation at the end of the period</b>	<b>28.6</b>	<b>38.6</b>

The expected duration of liabilities is assumed to be 15 years.

#### (f) Assets

	2022		2021	
	£m	weight %	£m	weight %
Growth assets	5.9	21.4	7.7	19.8
Protection assets	19.5	70.7	27.7	70.4
Defined contribution scheme contribution	1.7	6.2	3.4	8.7
Bank balance	0.5	1.7	0.4	1.1
	<b>27.6</b>	<b>100</b>	<b>39.2</b>	<b>100</b>

#### (g) Reconciliation of fair value of scheme assets over the period

	2022 £m	2021 £m
Fair value of scheme assets at the start of the period	39.2	37.1
Interest income on scheme assets	0.7	0.6
Return on assets excluding amounts included in interest income	(11.7)	1.9
Contributions by the employer	0.7	0.7
Benefits paid	(1.3)	(1.1)
<b>Fair value of scheme assets at the end of the period</b>	<b>27.6</b>	<b>39.2</b>

The actual loss on scheme assets was £11.0m (2021: return of £2.5m).

# Notes to the consolidated financial statements (continued)

## For the year ended 31 August 2022

### 19. Pension scheme (continued)

#### (h) Analysis of charge to income statement

	2022 £m	2021 £m
Past service cost	(0.6)	(2.6)
Interest costs on scheme liabilities	(0.6)	(0.6)
Interest income on scheme assets	0.7	0.6
Interest on the effect of the asset ceiling / IFRIC14	(0.1)	-
<b>Charge to the income statement</b>	<b>(0.6)</b>	<b>(2.6)</b>

A £0.7m contribution was made during the year (2021: £0.7m).

The past service cost represents the financial impact on the defined benefit obligation as a result of equalisation of Guaranteed Minimum Pensions benefits between members of different sexes.

#### (i) Amounts recognised in other comprehensive income

	2022 £m	2021 £m
Remeasurement gains / (losses) on the defined benefit obligation – experience	-	(1.2)
Actuarial gains / (losses) from changes in financial and demographic assumptions	10.1	0.4
Return on assets excluding amounts included in interest income	(11.7)	1.9
Change in limit on asset ceiling	1.3	(1.3)
<b>Total expenses recognised in other comprehensive income</b>	<b>(0.4)</b>	<b>(0.1)</b>

#### (j) Analysis of changes in effect of the asset ceiling / IFRIC14

	2022 £m	2021 £m
Opening effect of the asset ceiling / IFRIC14	(2.6)	(1.3)
Interest on the effect of the asset ceiling / IFRIC14	(0.1)	-
Change in the effect of the asset ceiling / IFRIC14	1.3	(1.3)
<b>Closing effect of the asset ceiling / IFRIC14 at the end of the period</b>	<b>(1.4)</b>	<b>(2.6)</b>

All the expenses summarised above were included within items that will not be reclassified subsequently to profit or loss in the Consolidated statement of comprehensive income.

# Notes to the consolidated financial statements (continued)

## For the year ended 31 August 2022

### 19. Pension scheme (continued)

#### (k) Risks associated with the pension scheme

The firm is examining with the pension scheme trustees certain technical matters relating to the closure of the defined benefit section of the scheme and is continuing to take advice on the matters. Initial assessments have been made of the potential impact on the valuation of the scheme assets or liabilities for the purpose of the financial statements of the Group or the LLP. These are subject to a degree of uncertainty but is expected to be immaterial.

The defined benefit scheme exposes the Group to actuarial risks such as interest rate risk, investment risk, longevity risk and inflation risk.

#### Interest rate risk

The present value of the defined benefit liability is calculated using a discount rate determined by reference to market yields of high quality market bonds. The estimated term of the bonds is consistent with the estimated term of the defined benefit obligation and is denominated in sterling. A decrease in market yield on high quality corporate bonds will increase the Group's defined benefit obligation, although it is expected that this would be partially offset by an increase in the fair value of certain of the scheme assets.

#### Investment risk

The fair value of the scheme's assets is exposed to the equity and debt markets (both in the UK and overseas). These assets are expected to provide real returns over the long term, and in the short term may also be volatile. However, the scheme also invests in Liability Driven Investments which seek to minimise these investment risks.

#### Longevity risk

The scheme is required to provide benefits for life for the members of the defined benefit scheme. An increase in the life expectancy of the members will increase the defined benefit liability.

#### Inflation risk

A proportion of the defined benefit liability is linked to inflation. An increase in the inflation rate will increase the scheme's liability.

### 20. Financial instruments – risk management

The Group is exposed through its operations to the following financial risks:

- Credit risk
- Foreign exchange risk
- Liquidity risk

The Executive has overall responsibility for the determination of the Group's financial risk management objectives and policies with oversight from the Governance Council. The overall objective is to set policies that seek to reduce risk as far as possible without unduly affecting the Group's competitiveness and flexibility. Further details regarding these policies are described below.

#### Credit risk

Credit risk is the risk of financial loss to the Group if a client or counterparty to a financial instrument fails to meet its contractual obligations. The Group is mainly exposed to credit risk through trade receivables from clients. It is Group policy to assess the credit risk of new clients before entering contracts. Credit risk is determined by on-going monitoring of the creditworthiness of existing clients and through on-going review of the trade receivables' ageing analysis and continued monitoring of individual balances.

#### Foreign exchange risk

Foreign exchange risk arises when the Group enters into transactions denominated in a currency other than its functional currency. The major part of the Group's income and expenditure is in sterling and any foreign exchange risk is managed by on-going review of exposure to monetary assets and liabilities held in foreign currencies. Whenever possible, the Group seeks to match its foreign currency assets, liabilities, cash inflows and outflows in the same currency.

# Notes to the consolidated financial statements (continued)

## For the year ended 31 August 2022

### 20. Financial instruments – risk management (continued)

#### Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due.

The Group's policy is to ensure that it will have sufficient cash or borrowing facilities to allow it to meet its liabilities when they become due. To achieve this aim, it seeks to maintain borrowing facilities to meet its expected requirements. Short term and medium term projections of financing requirements are prepared and actual funding levels are continually monitored. To manage financing needs, a revolving credit and overdraft facility providing total financing of £50m is in place.

Management reviews cash flow projections on a monthly basis as well as information regarding cash balances and borrowing facilities.

Financial instruments are categorised as follows:

	2022 £m	2021 £m
<b>Financial assets</b>		
Cash and bank balance	34.0	18.3
Financial assets measured at amortised cost	45.1	34.3
	<b>79.1</b>	<b>52.6</b>
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost	(47.9)	(37.5)
	<b>(47.9)</b>	<b>(37.5)</b>

Financial assets measured at amortised cost comprise trade receivables and other receivables.

Financial liabilities measured at amortised cost comprise trade payables, other payables, accruals, contract liabilities and amounts due to former members.

### 21. Capital management

The Group's capital management objectives are to:

- Ensure the Group's ability to continue as a going concern
- Provide an adequate return to members

The Group monitors capital on the basis of the total members' interest, comprising equity and loans and other debt due to/from members, as in the Consolidated statement of changes in members' equity and members' interests.

The members' interest to net debt ratio is a key covenant in the Group's revolving credit facility.

Management assesses the Group's capital requirements in order to maintain an efficient overall financing structure while avoiding excessive leverage.

Adjustments are made in the light of changes in economic conditions and management's risk assessment. In order to maintain or adjust the capital structure, the Group may adjust the amount of returns to members, increase capital from the members, or realise assets to reduce debt.

### 22. Cooperation agreement

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 member entities. The accounts of Mazars LLP and its subsidiary undertakings are included in the audited consolidated financial statements of Mazars SC, which are available on the website [www.mazars.com](http://www.mazars.com) and are also available from Mazars SC, Avenue Marcel Thiry 77 - Box 4, B-1200 Brussels, Belgium.

### 23. Related party transactions

There were no related party transactions in the year.



# Streamlined energy and carbon report

## This report is on behalf of the Mazars UK Group which includes its parent and ultimate controlling party, Mazars LLP, and its fellow UK subsidiaries.

The report is for the financial year ended 31 August 2022.

### Our sustainability vision

Our sustainability vision describes the firm we want to be, and how we want to get there:

*“Our vision is to be a business where sustainability is central to our purpose. We are actively learning about the impacts – both positive and negative – we can have on people and the environment, and we are using that knowledge to make more sustainable choices. We will earn a reputation for outstanding performance on sustainability and stewardship, and we will do this by embedding sustainability across every part of our business. As we build and progress, we will be transparent and accountable for our actions, and we will be brave in our choices.”*



### Climate and environmental commitments

Our commitments in terms of reducing our climate and environmental impact are as follows:

- We will uphold our commitment to 1.5°C science based GHG reduction targets;
- We will have a sustainable supply chain through the positive influence of the sustainability performance of our suppliers, as well as ensuring that key suppliers have carbon reduction plans in place;
- We will reduce our reliance on paper and printing through digitalising our processes and internal behavioural change campaigns;
- We will be single-use plastic free across our events and offices;
- We will encourage a circular economy mindset across our firm with an aim to influence our team members on a personal level;
- We will become a low energy business by improving the energy consumption of our real estate and by significantly reducing our travel emissions;
- We will transition towards 100% renewable energy across our estate;
- We will reduce the amount of waste we produce and any waste we do produce will be diverted away from landfill;
- We will empower our team to make sustainable decisions by providing necessary tools and knowledge.

For the progress we made against our targets, please refer to our Mazars UK's Sustainability Report.

# Streamlined energy and carbon report (continued)

## Environmental performance and methodology

To further improve our reporting on energy consumption and greenhouse gas emissions, for the year ended 31 August 2022, we have used the 2021/2022 UK Government emission factors and then aligned with the Intergovernmental Panel on Climate Change (IPCC) Sixth Assessment Report (AR6) to use the most up to date Global Warming Potentials (GWP) in the calculations. This is a new measure put in place compared to previous reporting years.

For the year ended 31 August 2022, the Group's greenhouse gases emissions were as follows:

Energy type	Units	FY 2022	FY 2021
<b>Scope 2</b>			
Electricity consumption	tCO2e	437.33	216.46
<b>Scope 3</b>			
Business travel in Partner and employee-owned cars	tCO2e	235.37	53.83
Electricity - transmission and distribution	tCO2e	145.25	--
<b>Total</b>	<b>tCO2e</b>	<b>817.95</b>	<b>270.29</b>

## Energy consumption and associated greenhouse gases emissions per employees and partners

Reporting period	Total energy consumption (kWh)	Total greenhouse gases emissions (tCO2e)	Average number of employees and partners (ANE)	Intensity ratio (kWh/ANE)	Intensity ratio (tCO2e/ANE)
FY 2022	2,932,993	817.95	2,797	1,048.62	0.29
FY 2021	1,238,260	270.29	2,348	527.37	0.12
FY 2020	2,766,248	666.05	2,200	1,257.38	0.30

Total annual energy consumption within Scope 2 and Scope 3 was calculated based on recorded consumption data for the financial year (September 2021 to August 2022). Whilst in FY 2021, we saw that COVID-19 related restrictions and resulting policy changes impacted the level of our travel and energy use, as we come out of the pandemic, we have seen this beginning to increase with more team members travelling and returning to working in offices, compared to previous reporting periods. In this financial year our electricity consumption was impacted by the fact that we moved office in London. For a period of 7 months we occupied two offices whilst we completed the fit-out of the new premises and the electricity usage is estimated based on a fixed charge.

The energy consumption has been collected and aggregated for Mazars LLP's UK offices and has been based on verifiable sources, with any missing data estimated.

Transport analysis has been based on mileage claims. The total number of miles has then been converted into total energy consumption. The associated location-based carbon emissions have been calculated using the 2021/2022 UK Government emission factors to convert to tCO2e, using the conversion rate for average car, fuel unknown. We have then aligned with the Intergovernmental Panel on Climate Change (IPCC) Sixth Assessment Report (AR6) to use the most up to date Global Warming Potentials.

There has been no consumption of gas as fuel (Scope 1).

# Streamlined energy and carbon report (continued)

Energy consumption has been converted into location-based carbon emissions using the 2021/2022 UK Government emission factors to convert to tCO<sub>2</sub>e and then aligning with the Intergovernmental Panel on Climate Change (IPCC) Sixth Assessment Report (AR6) to use the most up to date Global Warming Potentials.

The number of Partners and employees in the Mazars UK Group is the average number for the financial year ended 31 August 2022.

## Energy efficiency actions

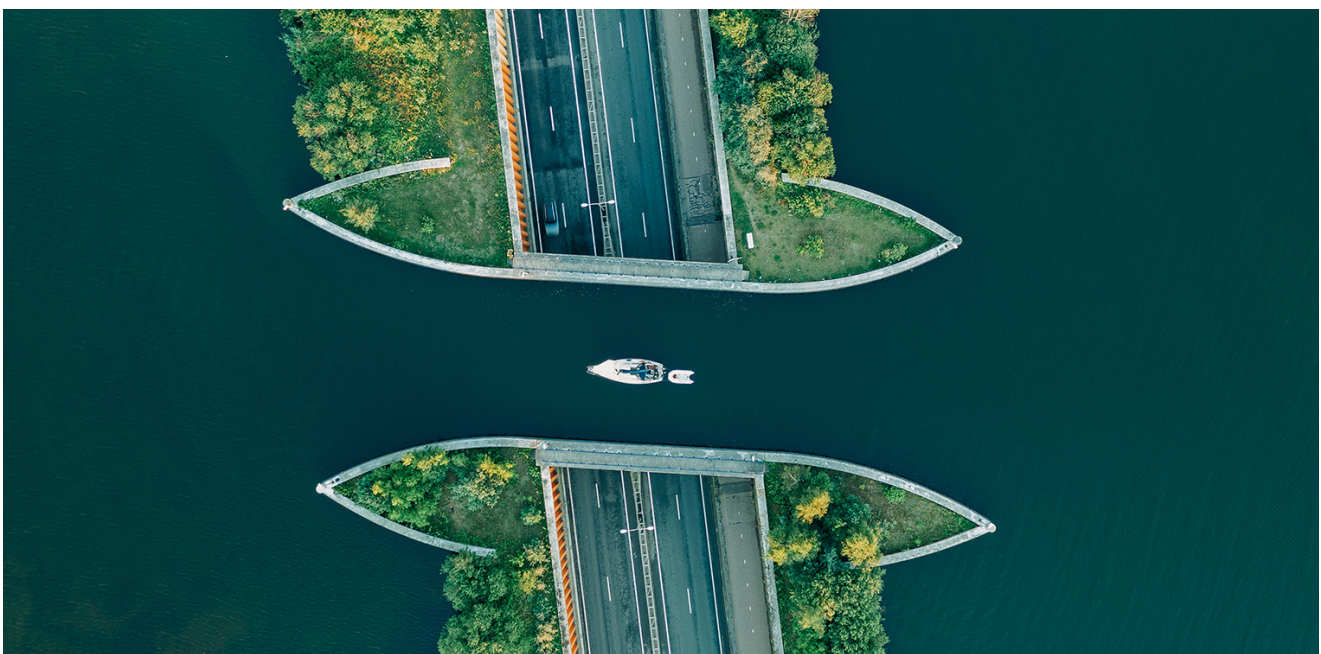
We have taken the following energy efficiency actions during the reporting period:

- We updated our environmental policy to reflect additional environmental commitments to reducing our energy consumption and carbon emissions;
- We continue to work in a hybrid way, which reduces our carbon footprint, and we provide IT training to support team members to work in this way;
- We have offset all our business travel related carbon emissions (907.18tCO<sub>2</sub>e) by funding environmental projects;
- We take energy efficiency as a key consideration when looking for new premises. Our new London and Birmingham office buildings have a BREEAM excellent rating;
- We maintain a circular economy mindset, for example, reusing, recycling and donating 273 items during our London office move to charities and schools;
- Our experts in our Consulting team have created dashboards, containing management information, which is helping us to challenge behaviour and make informed process changes;
- We introduced paperless, reusable Tapt business cards;
- We have set internal carbon emission reduction targets which we regularly track, analyse and review.

The energy and carbon report was approved and signed on 9 February 2023 on behalf of the members of Mazars LLP by:

**Jacqueline Berry**  
Designated Member

**Ian Wrightson**  
Designated Member



# **Mazars LLP**

Parent entity

Financial statements

For the year ended 31 August 2022



# Independent auditor's report to the members of Mazars LLP

## Opinion

We have audited the parent LLP financial statements of Mazars LLP for the year ended 31 August 2022 which comprise the Parent LLP Statement of financial position, Parent LLP Statement of changes in members' equity and members' interests and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation of the parent LLP financial statements is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 'Reduced Disclosure Framework' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the parent LLP'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 as applied to LLPs.

## 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 LLP 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 members' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

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

## Other information

The members 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 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 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.



# Independent auditor's report to the members of Mazars LLP (continued)

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

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

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

## Responsibilities of members

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

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

## Auditor's responsibilities for the audit of the financial statements

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

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

We 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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

# Independent auditor's report to the members of Mazars LLP (continued)

## Use of our report

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

Matthew Stallabrass  
Senior Statutory Auditor  
For and on behalf of  
**Crowe U.K. LLP**  
55 Ludgate Hill  
London  
EC4M 7JW

9 February 2023



# LLP Statement of financial position

## At 31 August 2022

OC308299

	Notes	2022 £m	2021 £m
<b>Fixed assets</b>			
Intangible assets	3	1.4	2.0
Tangible fixed assets	4	14.1	7.8
Right of use asset	5	46.0	17.4
Investments	6	3.1	3.1
		<b>64.6</b>	<b>30.3</b>
<b>Current assets</b>			
Debtors	7	100.7	79.8
Cash at bank and in hand	8	27.6	16.9
		128.3	96.7
Creditors: amounts falling due within one year	9	(69.9)	(57.2)
<b>Net current assets</b>		<b>58.4</b>	<b>39.5</b>
<b>Total assets less current liabilities</b>			
		123.0	69.8
Provision for liabilities	11	(9.4)	(6.8)
Creditors: amounts falling due more than one year	10	(48.2)	(16.5)
<b>Net assets</b>		<b>65.4</b>	<b>46.5</b>
<b>Loans and other debts due to members within one year</b>			
Members' capital classified as a liability		42.7	36.2
Other amounts		18.5	10.8
		<b>61.2</b>	<b>47.0</b>
<b>Equity</b>			
Members' other interests - other reserves classified as equity		4.2	(0.5)
<b>Total equity and amounts due to members</b>		<b>65.4</b>	<b>46.5</b>

The LLP's profit for the year ended 31 August 2022 was £54.6m (2021: £42.7m).

The financial statements were approved and authorised for issue on 9 February 2023 on behalf of the members of Mazars LLP by:

**Jacqueline Berry**  
Designated Member

**Ian Wrightson**  
Designated Member

# LLP Statement of changes in members' equity and members' interests

## For the year ended 31 August 2022

	Loans and other debts due to members			Members' other interests – Other Reserves classified as Equity £m	Total £m
	Members' capital £m	Other amounts £m	Total £m		
Members' interests at 31 August 2021	36.2	10.8	47.0	(0.5)	46.5
Profit for the financial year available for discretionary division among members	-	-	-	54.6	54.6
Members' interests after profit for the year	36.2	10.8	47.0	54.1	101.1
Allocated profits	-	49.5	49.5	(49.5)	-
Introduced by members	9.1	-	9.1	-	9.1
Repayments	(2.6)	-	(2.6)	-	(2.6)
Other comprehensive income	-	-	-	(0.4)	(0.4)
Drawings	-	(41.8)	(41.8)	-	(41.8)
Members' interests at 31 August 2022	<b>42.7</b>	<b>18.5</b>	<b>61.2</b>	<b>4.2</b>	<b>65.4</b>

Other amounts represent profits allocated to members however not drawn at the balance sheet date. In the event of winding up, the other amounts and debts due to members rank after unsecured creditors.

Members' other interests – other reserves classified as equity represents profits and losses not yet allocated and divided to Members.

# LLP Statement of changes in members' equity and members' interests (continued)

## For the year ended 31 August 2022

	Loans and other debts due to members			Members' other interests – Other Reserves classified as Equity £m	Total £m
	Members' capital £m	Other amounts £m	Total £m		
Members' interests at 31 August 2020	34.9	10.0	44.9	(6.8)	38.1
Profit for the financial year available for discretionary division among members	-	-	-	42.7	42.7
Members' interests after profit for the year	34.9	10.0	44.9	35.9	80.8
Allocated profits	-	36.3	36.3	(36.3)	-
Introduced by members	4.7	-	4.7	-	4.7
Repayments	(3.4)	-	(3.4)	-	(3.4)
Other comprehensive income	-	-	-	(0.1)	(0.1)
Drawings	-	(35.5)	(35.5)	-	(35.5)
Members' interests at 31 August 2021	<b>36.2</b>	<b>10.8</b>	<b>47.0</b>	<b>(0.5)</b>	<b>46.5</b>





# Notes to the financial statements

## For the year ended 31 August 2022

### 1. Accounting policies

#### 1.1 Basis of preparation

The LLP meets the definition of a qualifying entity under FRS 100 (Financial Reporting Standard 100) issued by the Financial Reporting Council. These financial statements were prepared in accordance with Financial Reporting Standard 101 “Reduced Disclosure Framework” (United Kingdom Generally Accepted Accounting Practice).

The principal accounting policies adopted in the preparation of the LLP entity financial statements together with the critical accounting judgements and key sources of estimation are the same as those set out on pages 12 to 18 of the consolidated financial statements. Any accounting policies in addition to those applied in the preparation of the consolidated financial statements are detailed below. These policies have been consistently applied throughout the year and the preceding year, following the application of FRS101 except as explained in the consolidated financial statements.

Details relating to the LLP’s pension scheme are set out in note 19 of the consolidated financial

statements. As permitted by FRS101, the LLP has taken advantage of the disclosure exemptions available in relation to financial instruments, presentation of a cashflow statement, standards in issue not yet effective and related party transactions with both key management personnel and eligible Group entities and the presentation of comparative information in respect of intangible and tangible fixed assets.

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

#### 1.2 Investments

Fixed asset investments in subsidiaries are shown at cost less provision for impairment.

### 2. Profit and loss account

The LLP has taken advantage of section 408 of the Companies Act 2006 as applied by the Limited Liability Partnerships (application of Companies Act 2006) Regulations 2008 and has not included its own profit and loss account in these financial statements.

### 3. Intangible fixed assets

	Software £m	Contracts and client relations £m	Total other intangible assets £m
<b>Cost</b>			
At 1 September 2021 and 31 August 2022	5.4	3.3	8.7
<b>Amortisation</b>			
At 1 September 2021	5.1	1.6	6.7
Charge for the year	0.3	0.3	0.6
At 31 August 2022	5.4	1.9	7.3
<b>Net book amount</b>			
At 31 August 2022	-	1.4	1.4
At 31 August 2021	0.3	1.7	2.0

# Notes to the financial statements (continued)

## For the year ended 31 August 2022

### 4. Tangible fixed assets

	Leasehold improvements £m	Furniture and equipment £m	Computer equipment £m	Total £m
<b>Cost</b>				
At 1 September 2021	6.8	4.3	12.2	23.3
Additions at cost	6.3	1.1	2.4	9.8
Disposals	(1.3)	(1.0)	-	(2.3)
At 31 August 2022	<b>11.8</b>	<b>4.4</b>	<b>14.6</b>	<b>30.8</b>
<b>Depreciation</b>				
At 1 September 2021	3.3	2.9	9.3	15.5
Charge for the year	0.9	0.6	2.0	3.5
Disposals	(1.3)	(1.0)	-	(2.3)
At 31 August 2022	<b>2.9</b>	<b>2.5</b>	<b>11.3</b>	<b>16.7</b>
<b>Net book amount</b>				
At 31 August 2022	<b>8.9</b>	<b>1.9</b>	<b>3.3</b>	<b>14.1</b>
At 31 August 2021	3.5	1.4	2.9	7.8



# Notes to the financial statements (continued)

## For the year ended 31 August 2022

### 5. Right of use assets

	£m
<b>Cost</b>	
At 1 September 2021	25.7
Additions at cost	32.8
Modifications	(0.5)
Disposals	(6.3)
At 31 August 2022	<b>51.7</b>
<b>Depreciation</b>	
At 1 September 2021	8.3
Charge for the year	3.7
Disposals	(6.3)
At 31 August 2022	<b>5.7</b>
<b>Net book amount</b>	
At 31 August 2022	<b>46.0</b>
At 31 August 2021	17.4





# Notes to the financial statements (continued)

## For the year ended 31 August 2022

### 6. Investments

The subsidiary undertakings in which the parent has an interest throughout the period are:

Name of undertaking	% held directly	Nature of business
Hall Liddy Limited	100	In members voluntary liquidation
Mazars Channel Islands Limited	100	Non trading
Mazars Holdings (Australia) Limited	100	Holding company
Mazars Holdings (US) Limited	100	Holding company
Mazars Limited	100	Service Company
Neville Russell Nominees	100	Nominee

All the undertakings are incorporated in Great Britain and the address of their registered office is Mazars, 30 Old Bailey, London EC4M 7AU except Mazars Channel Islands Limited and the address of its registered office is Mielles House, Rue des Mielles, St Helier Jersey JE2 3QD.

### Investments

	£m
<b>Cost</b>	
At 1 September 2021 and at 31 August 2022	<b>3.1</b>

During the year, a review of the investment asset has taken place, and it is considered that no impairment is required.



# Notes to the financial statements (continued)

## For the year ended 31 August 2022

### 7. Debtors

	2022 £m	2021 £m
Trade debtors	37.7	30.8
Other debtors	4.9	0.7
Amounts owed by group undertakings	11.3	9.8
Prepayments	8.0	6.1
Contract Assets	38.8	32.4
	<b>100.7</b>	<b>79.8</b>

All amounts fall due within one year apart from other receivables totalling £0.3m which are receivable in instalments up to August 2024.

### 8. Cash and cash equivalents

Cash and cash equivalents consist of the following:

	2022 £m	2021 £m
<b>Cash at bank and in hand</b>		
Pounds sterling	25.1	12.8
Euro	1.8	2.1
US Dollars	0.7	2.0
	<b>27.6</b>	<b>16.9</b>





# Notes to the financial statements (continued)

## For the year ended 31 August 2022

### 9. Creditors: amounts falling due within one year

	2022 £m	2021 £m
Bank overdraft and borrowing	2.1	1.9
Trade creditors	4.9	3.9
Amounts owed to group undertakings	26.3	21.2
Lease liability (note 10)	1.4	4.2
Other taxation and social security costs	3.7	2.4
Other creditors	3.7	1.1
Contract liabilities	14.4	11.5
Accruals	12.7	9.5
Amounts due to former members	0.7	1.5
	<b>69.9</b>	<b>57.2</b>

Trade creditors and accrued expenses mainly comprise of amounts owed for trading purchases and associated costs.

No interest has been charged on the payable balances.

During the financial year ended 31 August 2022, £9.9m (2021: £5.9m) of the £11.5m (2021: £7.1m) prior year recorded contract liabilities were recognised as revenue.

### 10. Creditors: amounts falling due more than one year

	2022 £m	2021 £m
<b>Property leases</b>		
Lease liabilities	48.2	16.5
	<b>48.2</b>	<b>16.5</b>
The maturity analysis of lease liabilities is presented below:		
Less than one year	2.4	4.8
One to five years	18.8	9.0
More than five years	35.0	9.9
Future finance interest on lease liabilities	(6.6)	(3.0)
	<b>49.6</b>	<b>20.7</b>

The total cash outflow for leases in 2022 was £4.2m (2021: £3.6m).

# Notes to the financial statements (continued)

## For the year ended 31 August 2022

### 11. Provisions for liabilities

The carrying amounts and the movements in the provision account are as follows:

	Provision for claims £m	Property £m	Pension £m	Total £m
Provision at 1 September 2021	2.0	2.8	2.0	6.8
Additions	-	0.2	-	0.2
Utilised during the year	(0.9)	(0.3)	(0.7)	(1.9)
Charged to the income statement	2.3	0.9	1.1	4.3
<b>At 31 August 2022</b>	<b>3.4</b>	<b>3.6</b>	<b>2.4</b>	<b>9.4</b>

The claims provision relates to the expected cost of defending and settling claims where such costs are not covered by insurance, any expected reimbursements of which are recognised when material and virtually certain. In the statement of comprehensive income, the expense relating to the provision is presented net of any reimbursement from our insurers. No separate disclosure is made regarding the detail and timing of such claims, or any reimbursement, given that further disclosure could be prejudicial to the Group and is inherently difficult to predict.

The property provision relates to estimated provision for dilapidations, £2.3m of this is expected to be utilised within 12 months.

It is expected that a payment of £0.7m will be made in regards of the pension liability within 12 months (note 19 within the Group Consolidated IFRS accounts).

It is not expected that there will be reimbursement for the property or pension provisions.

### 12. Related party transactions

As permitted by FRS101, the entity has chosen not to disclose its transactions with wholly owned members of the Group. Details of transactions with other related parties are given within the Group Consolidated IFRS accounts under note 23.

### 13. Pension scheme

Full disclosure relating to the Pension scheme is given within the Group Consolidated IFRS accounts under note 19.

Mazars is an internationally integrated partnership, specialising in audit, accountancy, advisory, tax and legal services\*. Operating in over 95 countries and territories around the world, we draw on the expertise of more than 47,000 professionals – 30,000+ in Mazars' integrated partnership and 17,000+ via the Mazars North America Alliance – to assist clients of all sizes at every stage in their development.

\*where permitted under applicable country laws

[www.mazars.co.uk](http://www.mazars.co.uk)

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