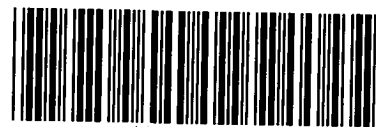


DELOITTE LIMITED

Report and Financial Statements

31 May 2014

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REPORT AND FINANCIAL STATEMENTS 2014

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OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

G Bunting
S Griggs

SECRETARY

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

REGISTERED OFFICE

Hill House
1 Little New Street
London
EC4A 3TR

AUDITORS

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

STRATEGIC REPORT

The directors, in preparing this Strategic Report, have complied with Section 414C of the Companies Act 2006.

REVIEW OF THE BUSINESS

The company is a wholly owned subsidiary of Deloitte LLP and the principal activity of the company is the provision of accounting, financial analysis, advice and services to its parent undertaking and fellow subsidiary undertakings situated in the United Kingdom.

The profit for the year before taxation was £23,843,000 (2013: £nil).

At 31 May 2014 shareholder's funds were £20,383,000 (2013: £2). The directors do not recommend the payment of a dividend for the year (2013: £nil).

As shown in the company's profit and loss account on page 6, the company's revenue has increased by 6% over the prior year.

The balance sheet on page 7 of the financial statements shows that the company's financial position, in net asset terms, has increased compared to the prior year.

Overall, the directors consider the performance of the company satisfactory and expect it to continue to perform satisfactorily.

KEY PERFORMANCE INDICATORS

The Deloitte LLP group manages its operations on a divisional basis. For this reason, the company's directors believe that further key performance indicators for the company are not necessary or appropriate for an understanding of the development, performance or position of the business.

The performance of the audit, tax and corporate finance divisions, which includes this company, is discussed in the Group's Financial Statements for the year ended 31 May 2014 which do not form part of this report.

PRINCIPAL RISKS AND UNCERTAINTIES

Revenue principally arises in the UK. Therefore the company has no foreign currency exposure.

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

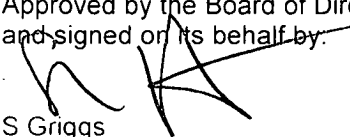
Group risks are discussed in the Group's Financial Statements for the year ended 31 May 2014 which do not form part of this report.

FUTURE DEVELOPMENTS

The directors expect the general level of activity during 2015 to remain constant with 2014.

There are no events since the balance sheet date which have been disclosed in the Report and Financial Statements.

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


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

29 September 2014

DIRECTORS' REPORT

The directors present the annual report and the audited financial statements of the company for the year ended 31 May 2014.

DIRECTORS AND THEIR INTERESTS

The names of the directors who served during the year is shown below:

S Griggs

G Bunting - Appointed 28 October 2013

None of the Directors had a beneficial interest in the share capital of the company at 31 May 2014 apart from as a member of Deloitte LLP and therefore had an indirect beneficial interest in the share capital of the company.

ENVIRONMENT

The Deloitte LLP group recognises the importance of its environmental responsibilities, monitors its impact on the environment, and designs and implements policies to reduce any damage that might be caused by the group's activities. The company operates in accordance with group policies, which are described in the group's Annual Report for the year ended 31 May 2014 which does not form part of this report. Initiatives designed to minimise the group's impact on the environment include recycling, waste management, energy procurement and consumption and greening the supply chain.

EMPLOYEES

Details of number of employees and related costs can be found in note 2 to the financial statements on page 10.

DISABLED EMPLOYEES

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

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

EMPLOYEE INVOLVEMENT

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

DIRECTORS' REPORT

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report and Report and Financial Statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

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

AUDITORS

Grant Thornton UK LLP have indicated their willingness to be reappointed for another term.

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



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

29 September 2014

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DELOITTE LIMITED

We have audited the financial statements of Deloitte Limited for the year ended 31 May 2014 which comprise the profit and loss account, the balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

Respective responsibilities of directors and auditors

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

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/apb/scope/private.cfm.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 May 2014 and of its result for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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

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



Simon Bevan

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

29 September 2014

PROFIT AND LOSS ACCOUNT
For the year ended 31 May 2014

| | Note | 2014 £'000 | 2013 £'000 |
|--|------|---------------|---------------|
| REVENUE | 1 | 819,863 | 770,646 |
| OPERATING COSTS | | | |
| Staff costs | 2 | 643,314 | 617,339 |
| Other operating expenses | | 152,699 | 153,305 |
| OPERATING PROFIT | | 23,850 | 2 |
| Interest payable | 3 | (7) | (2) |
| PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION | 4 | 23,843 | - |
| Taxation on profit on ordinary activities | 5 | (3,460) | - |
| PROFIT FOR THE FINANCIAL YEAR | 11 | 20,383 | - |

All amounts are derived from continuing activities.

There are no recognised gains or losses for the current or prior year other than as stated above, and accordingly no statement of total recognised gains and losses is presented.

BALANCE SHEET
As at 31 May 2014

| | Note | 2014 £'000 | 2013 £'000 |
|---|------|---------------|---------------|
| FIXED ASSETS | | | |
| Tangible assets | 6 | 38,200 | 37,654 |
| CURRENT ASSETS | | | |
| Debtors | 7 | 90,632 | 64,275 |
| Deferred Tax Asset | 8 | 4,020 | - |
| CREDITORS: amounts falling due within one year | 9 | (112,469) | (101,929) |
| NET CURRENT LIABILITIES | | (17,817) | (37,654) |
| NET ASSETS | | 20,383 | - |
| CAPITAL AND RESERVES | | | |
| Called up share capital | 10 | - | - |
| Profit and loss account | 11 | 20,383 | - |
| SHAREHOLDER'S FUNDS | 12 | 20,383 | - |

These financial statements of Deloitte Limited, registered number 4334460, were approved by the Board of Directors and authorised for issue on 29 September 2014.

Signed on behalf of the Board of Directors



S Griggs
Director

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 May 2014

1. ACCOUNTING POLICIES

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

Basis of accounting

The financial statements are prepared under the historical cost convention.

Going concern

The Directors have, at the time of approving the financial statements, a reasonable expectation that Deloitte Limited has adequate resources to continue in operational existence for the foreseeable future. Thus it continues to adopt the going concern basis of accounting in preparing the financial statements.

Cash flow statement

The company has taken advantage of the exemption rules under FRS 1 'Cash Flow Statements' and has not prepared a cash flow statement as the results of Deloitte Limited are consolidated into the accounts of Deloitte LLP.

Revenue

Revenue represents the value of service charges and fees invoiced as a result of the company's performance of contractual obligations, net of value added tax.

Foreign currency

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

Tangible fixed assets

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment. Depreciation is provided on cost in equal annual instalments over the estimated useful lives of the assets. The rates of depreciation are as follows:

| | |
|-------------------------|------------|
| Computer equipment | 3-5 years |
| Furniture and equipment | 5-10 years |

Current taxation

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 May 2014

1. ACCOUNTING POLICIES (continued)

Deferred taxation

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

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

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

Retirement Benefits

During the year, the Deloitte LLP Group, of which Deloitte Limited is a wholly owned subsidiary, operated a defined contribution arrangement known as the Money Purchase Section (MPS) and a defined benefit arrangement known as the Final Salary Section (FSS) both in the Deloitte UK Pension Scheme (DUKPS), in which staff of Deloitte Limited participated. Both sections of the DUKPS closed on 31 January 2013.

The Deloitte LLP Group also operated stakeholder arrangements which were available for all employees under the age of 30 including those of Deloitte Limited. The stakeholder arrangements also closed on 31 January 2013.

On 1 February 2013 the Deloitte Pension Plan (DPP) opened for all employees and in which Deloitte Limited participates. This is a defined contribution arrangement or MPS.

The assets and liabilities of the pension schemes are held independently from the group.

Contributions to the MPS, a defined contribution scheme, are charged to the profit and loss account when they become payable. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

Contributions to the FSS, are accounted for as if they were a defined contribution scheme as it is not possible to identify the Deloitte Limited assets and liabilities in the scheme on a consistent and reasonable basis.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 May 2014

2. STAFF COSTS

Employees

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

| | 2014 No. | 2013 No. |
|-------------------|--------------|--------------|
| Fee earning staff | 7,565 | 7,389 |
| Support staff | 1,792 | 1,859 |
| | <u>9,357</u> | <u>9,248</u> |

Staff costs incurred during the year in respect of these employees were:

| | 2014 £'000 | 2013 £'000 |
|-----------------------|----------------|----------------|
| Salaries | 543,149 | 530,217 |
| Social security costs | 60,364 | 61,022 |
| Other pension costs | 39,801 | 26,100 |
| | <u>643,314</u> | <u>617,339</u> |

Directors

During the current financial year the directors S Griggs and G Bunting were remunerated as members of Deloitte LLP. They did not receive any remuneration, from any source, for their services as directors of the company during the financial year.

3. INTEREST PAYABLE

| | 2014 £'000 | 2013 £'000 |
|------------------------|---------------|---------------|
| Other interest payable | <u>7</u> | <u>2</u> |

4. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

Profit on ordinary activities before taxation is stated after charging:

| | 2014 £'000 | 2013 £'000 |
|---|---------------|---------------|
| Depreciation and amortisation on owned assets: | | |
| - tangible fixed assets | 19,579 | 14,336 |
| Auditors' remuneration: | | |
| - fees payable for the audit of the company's annual accounts | <u>5</u> | <u>5</u> |

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 May 2014

5. TAX ON PROFIT ON ORDINARY ACTIVITIES

| | 2014 £'000 | 2013 £'000 |
|---|---------------|---------------|
| UK corporation tax | 11,097 | 10,456 |
| Compensating payment due from members of Deloitte LLP | (3,617) | (10,456) |
| Total current tax | 7,480 | - |
| Adjustment in respect of prior year: | | |
| UK corporation tax | (762) | (18) |
| Compensating payment | 762 | 18 |
| Deferred tax (note 8) | (4,020) | - |
| Tax on profit on ordinary activities | 3,460 | - |

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

| | 2014 £'000 | 2013 £'000 |
|--|---------------|---------------|
| Profit on ordinary activities before tax | 23,843 | - |
| Tax on profit on ordinary activities at the standard rate of UK corporation tax of 22.67% (2013: 23.83%) | 5,405 | - |
| Factors affecting charge for the year: | | |
| - difference between depreciation and capital allowances | 1,797 | - |
| - disallowable expenditure | 22 | - |
| - standard timing differences | 105 | - |
| - Impact of rate difference between current and deferred tax | 151 | - |
| Deferred taxation | (4,020) | - |
| Total current tax | 3,460 | - |

Up to 24 October 2013, the UK tax charge in respect of the corporate entities includes an additional amount as a result of UK transfer pricing legislation. The cost of this is offset by compensating payments made by the members of Deloitte LLP to the subsidiaries, which are dealt with through members' interests.

Factors that may affect future tax charges

The Finance Act 2013 included legislation reducing the main rate of corporation tax from 23% to 21% from 1 April 2014 and to 20% from 1 April 2015.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 May 2014

6. TANGIBLE FIXED ASSETS

| | Computer equipment £'000 | Furniture and equipment £'000 | Total £'000 |
|-----------------------|--------------------------------|-------------------------------------|----------------|
| Cost | | | |
| At 1 June 2013 | 52,397 | 8,760 | 61,157 |
| Additions | 19,947 | 506 | 20,453 |
| Disposals | (2,175) | (29) | (2,204) |
| At 31 May 2014 | 70,169 | 9,237 | 79,406 |
| Depreciation | | | |
| At 1 June 2013 | 22,459 | 1,044 | 23,503 |
| Charge for the year | 18,532 | 1,047 | 19,579 |
| Disposals | (1,858) | (18) | (1,876) |
| At 31 May 2014 | 39,133 | 2,073 | 41,206 |
| Net book value | | | |
| At 31 May 2014 | 31,036 | 7,164 | 38,200 |
| At 31 May 2013 | 29,938 | 7,716 | 37,654 |

Capital commitments contracted but not provided for as at 31 May 2014 amounted to £nil
(2013: £3,265,000)

7. DEBTORS

| | 2014 £'000 | 2013 £'000 |
|---|---------------|---------------|
| Amounts due from parent undertaking | 69,141 | 48,731 |
| Amounts due from other member firms of DTTL | 158 | - |
| Other debtors | 8,669 | 6,531 |
| Prepayments | 12,664 | 9,013 |
| | 90,632 | 64,275 |

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 May 2014

8. DEFERRED TAXATION

| | 2014 £'000 | 2013 £'000 |
|--|----------------|---------------|
| As at June 2013 | - | - |
| Profit and loss account credit | (1,700) | - |
| Adjustment in respect of prior periods | (2,320) | - |
| | <u>(4,020)</u> | <u>-</u> |
| Capital allowances in excess of depreciation | (2,881) | - |
| Other short term timing differences | (1,139) | - |
| | <u>(4,020)</u> | <u>-</u> |

Deferred tax assets relate to temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes recognised using the liability method. 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.

9. CREDITORS: amounts falling due within one year

| | 2014 £'000 | 2013 £'000 |
|---|----------------|----------------|
| Trade creditors | 19,807 | 22,348 |
| Corporation tax | 2,485 | 5,868 |
| Social security and other taxes | 19,698 | 18,935 |
| Amounts due to other member firms of DTTL | 384 | - |
| Other creditors | 12,432 | 3,668 |
| Accruals and deferred income | 57,663 | 51,110 |
| | <u>112,469</u> | <u>101,929</u> |

10. CALLED UP SHARE CAPITAL

| | 2014 £ | 2013 £ |
|-------------------------------------|--------------|--------------|
| Authorised: | | |
| 1,000 ordinary shares of £1 each | <u>1,000</u> | <u>1,000</u> |
| Called up, allotted and fully paid: | | |
| 2 ordinary shares of £1 each | <u>2</u> | <u>2</u> |

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 May 2014

11. STATEMENT OF MOVEMENT ON RESERVES

| | Profit and loss account £'000 |
|---------------------|--|
| At 1 June 2013 | - |
| Profit for the year | 20,383 |
| At 31 May 2014 | <u>20,383</u> |

12. RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS

| | 2014 £'000 | 2013 £'000 |
|-------------------------------------|---------------|---------------|
| Profit for the year | 20,383 | - |
| Net addition to shareholder's funds | 20,383 | - |
| Opening shareholder's funds | - | - |
| Closing shareholder's funds | <u>20,383</u> | <u>-</u> |

13. CONTINGENT LIABILITIES

There were no contingent liabilities at 31 May 2014 (2013: £nil).

14. RETIREMENT BENEFITS

Defined contribution schemes

The Deloitte LLP Group, of which Deloitte Limited is a wholly owned subsidiary, operated the MPS within the DUKPS and the DPP. The DUKPS closed to all employees on 31 January 2013 and the DPP opened on 1 February 2013 for all employees and in which Deloitte Limited participates. The assets of both MPS and DPP are held separately under Trust and are defined contribution arrangements only.

The Deloitte LLP Group also operated stakeholder arrangements which were available for all employees under the age of 30 which closed on 31 January 2013. A number of smaller pension schemes were also in operation during the year and also closed on 31 January 2013.

A salary sacrifice arrangement exists for each of the above schemes such that the employer contributions are increased to include what would otherwise be the employees' contribution and the employer shares part of its National Insurance saving with employees, known as the SMART Uplift. This was paid into the MPS and is now being paid into the DPP in addition to other employer contributions.

The total cost charged as an expense of £39,801,000 (2013: £23,069,000) represents employer contributions payable to these schemes by Deloitte Limited. As at 31 May 2014, contributions of £5,424,000 (2013: £4,925,000) relating to May payroll deductions had not been paid over to the DPP until 3 June 2014.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 May 2014

14. RETIREMENT BENEFITS (continued)

Defined benefit schemes

Deloitte Limited was a participating employer in the FSS of the DUKPS which also closed for future accrual to all employees on the 31 January 2013. This defined benefit section of the scheme, which was closed to new members in 2001, is administered and funded on a group basis, with contributions made in accordance with the Schedule of Contributions and Recovery Plan. It is not possible to identify the Deloitte Limited assets and liabilities in the scheme on a consistent and reasonable basis. Therefore Deloitte Limited has applied the provisions of FRS17 to account for the defined benefit scheme as if it were an FSS and no net surplus or deficit has been recorded in the Deloitte Limited balance sheet.

The FSS has a deficit of £106m as at 31 May 2014 (2013: £126m). Full details of the net liabilities of the total scheme and the assumptions used to determine this are included in note 22 to the accounts of Deloitte LLP.

A Recovery Plan was signed on 19 December 2012 setting out the additional contributions that will be paid to fund the deficit in the FSS. These additional contributions will amount to £225m, payable from 1 October 2011 to 30 September 2021 and these additional contributions will be paid by the Principal Employer Deloitte LLP.

15. RELATED PARTY TRANSACTIONS

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

16. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The immediate parent company is Deloitte & Touche Holdings Limited. The largest and smallest group for which consolidated financial statements are prepared is that headed by Deloitte LLP, the ultimate parent undertaking and controlling party, which consolidate the results of Deloitte Limited. The financial statements of Deloitte LLP are publicly available and can be obtained from The Registrar of Companies, Companies House, Maindy, Cardiff.