Registered no. OC335594
Registered in England and Wales

Financial statements Ernst & Young Accountants LLP for the year ended 30 June 2023

Registered no. OC335594
Registered in England and Wales

Members' report of Ernst & Young Accountants LLP

The members (i.e. partners) present their report and financial statements for the year ended 30 June 2023.

Principal activity
The principal activities of Ernst & Young Accountants LLP (EYA) are assurance services. EYA carries out its operations primarily in the Netherlands.

Board of Directors
The EYA Board is led by Patrick Gabriëls. For the year ended 30 June 2023 and the period up until approval of the financial statements the EYA Board furthermore comprises of:
- Auke de Bos
- Tom de Kuijper
- Hanneke Overbeek-Goeseije
- André Wijnsma

The members of the EYA Board are certified accountants in the Netherlands and are - through their private limited liability companies (B.V.) - members of EYA.

The Chairman and the other members of the Board of EYA are appointed by the Board of Directors of Ernst & Young Nederland LLP (EYNL) pursuant to a binding nomination of the Supervisory Board EYA, after appropriate consultation with the members of EYA.

The EYA Board is responsible for the day-to-day management and for exercising the duties and powers as determined by the Fundamental Rules and Regulations of EYA.

For the period ended 30 June 2023 and the period up until approval of the financial statements the designated members of EYA are:
- Prof. dr. A. de Bos B.V.
- Drs. P.J.A. Gabriëls B.V.
- Drs. T. de Kuijper B.V.
- S.D.J. Overbeek-Goeseije B.V.
- A.E. Wijnsma B.V.

Supervisory Board
The Supervisory Board of EYA (SB EYA) is led by Richard van Zwol since 1 January 2023, until that date the Supervisory Board was led by Pauline van der Meer Mohr. For the year ended 30 June 2023 and the period up until approval of the financial statements, the SB EYA furthermore comprises of:
- Monique Maarsen, resigned 30 June 2023
- Tanja Nagel
- Patrick Rottiers
- Lineke Sneller, appointed 13 April 2023
- Yasemin Tümer, appointed 1 July 2023

The Board of Directors of EYNL appoints the members of the SB EYA, after binding nomination by the SB EYA.

The task and responsibility of the SB EYA is to supervise (the policy of) the day-to-day policymakers and the general course of affairs concerning EYA and its associates and the quality control system of EYA. It advises the day-to-day policymakers. In the performance of its duties, the SB EYA shall be guided by the interests of EYA, its associated professional practice and the public interest in safeguarding the quality of statutory audits. The SB EYA's Charter describes its duties and powers.

Auditor
Mazars LLP was appointed as auditor to EYA for the year ended 30 June 2023.

UK energy use and carbon emissions
EYA has limited activities in the UK, as a result EYA has no material emissions made and energy consumed within the UK. Therefore the thresholds as stated in the Streamlined Energy and Carbon Reporting requirements are not met.

On behalf of Drs. P.J.A. Gabriëls B.V.

Patrick Gabriels

P.J.A. Gabriëls
28 September 2023

Statement of members' responsibilities of Ernst & Young Accountants LLP

The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 ('LLP Regulations') require the members to prepare financial statements for each financial period. Under the LLP Regulations the members must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of EYA and of the profit or loss of EYA for that period. The members have elected to prepare financial statements for EYA in accordance with UK adopted international accounting standards ('IFRS').

IAS 1 'Presentation of Financial Statements' requires that financial statements present fairly for each financial period the limited liability partnership's financial position, financial performance and cash flows. This requires the faithful representation of the effects of transactions, other events and conditions in accordance with the definitions and recognition criteria for assets, liabilities, income and expenses set out in the 'Framework for the Preparation and Presentation of Financial Statements'. In virtually all circumstances, a fair presentation will be achieved by compliance with all applicable IFRSs. Members are also required to:

- properly select and apply accounting policies consistently;
- make judgments and estimates that are reasonable and prudent;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs is insufficient to enable users to understand the impact of particular transactions, other events and conditions on EYA's financial position and financial performance; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that EYA will continue in business.

Under the LLP Regulations, the members are responsible for ensuring that adequate accounting records are kept which disclose with reasonable accuracy at any time the financial position of EYA, and which enable them to ensure that the financial statements will comply with those regulations. The members have a general responsibility for taking such steps as are reasonably open to them to safeguard the assets of EYA and to prevent and detect fraud and other irregularities. 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 on behalf of the members. The designated members at the date of approval of the financial statements confirm that, so far as they are aware, there is no relevant information of which EYA's auditors are unaware and each designated member has taken all the steps that ought to have been taken by them to make themselves aware of any relevant audit information and to establish that EYA's auditors were aware of that information.

EYA, which is a member firm of the EY global network of independent member firms, has considerable financial resources, contracts with a large number of clients across different industries and geographies and has talented and motivated partners and employees. Information about its capital and exposure to liquidity risk is set out in Notes 17 and 18 to the financial statements.

Going concern

EYA is a subsidiary of EYNL and in this context EYNL arranges the financing structure for the EYNL group. In this respect EYA is part of a cash pooling arrangement with EYNL. The going concern assessment of EYA is therefore linked to that of the total EYNL group. The designated members of EYA have considered the going concern assessment undertaken by EYNL, which incorporated EYA, and is set out below.

The designated members of EYNL have considered the impact of a number of scenarios on the Group's most recent financial projections to assess the appropriateness of the going concern assumption. The following scenarios have been incorporated, which were mainly based on market information and mainly differ on macro-economic developments in the coming years.

- Baseline scenario - Revenue projections based on historical data
- Scenario 1 - *Adverse growth scenario, Revenue projections based on the mild decrease of revenue and* an increase of direct and indirect cost
- Scenario 2 - Inflation scenario, Revenue and cost projections based on a worst case scenario in which Revenue decrease and inflation negatively impacts performance

The scenarios deal with the uncertainties that the designated members deem to be most relevant for its primary activities. These uncertainties forecast revenues, gross margins and operating income. The designated members have reviewed the (expected) impact of the inflation and the expectation of the (in)ability to pass on the increase of cost to clients.

The scenarios include a cash flow forecast until December 2024. None of the scenarios identified a threat to applying the going concern assumption. Although future projections are inherently uncertain, EYNL and EYA do not anticipate significant changes in their activities after the period used for the scenario analyses.

Thus, the designated members of EYNL have a reasonable expectation that the financial resources available to EYNL and the underlying entities are adequate to meet its operational needs for the foreseeable future. Accordingly, the designated members of EYA have a reasonable expectation that EYA has adequate financial resources to continue in operational existence for the foreseeable future. Consequently, the going concern basis has been adopted in preparing the financial statements.

Independent auditor's report to the members of Ernst & Young Accountants LLP

Opinion

We have audited the financial statements of Ernst & Young Accountants LLP (the 'LLP') for the year ended 30 June 2023 which comprise the Statement of profit or loss and other comprehensive income, Statement of financial position, Statement of changes in equity, Statement of cash flows and notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and UK-adopted international accounting standards.

In our opinion, the financial statements:

- give a true and fair view of the state of the LLP's affairs as at 30 June 2023 and of its profit for the year then ended; and
- have been properly prepared in accordance with UK-adopted international accounting standards; and
- have been prepared in accordance with the requirements of the Companies Act 2006, as applied to limited liability partnerships.

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 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. The other information comprises the information included in the Members' 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 limited liability partnerships, 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 5, 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 the financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

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.

Based on our understanding of the LLP and its industry, we considered that non-compliance with the following laws and regulations might have a material effect on the financial statements: employment regulation, health and safety regulation, anti-money laundering regulation, Dutch Civil Code, laws and regulations monitored by the Netherlands Authority for the Financial Markets regulations (AFM).

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

- Inquiring of the members as to whether the LLP is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- Inspecting correspondence, if any, with relevant licensing or regulatory authorities;
- Communicating identified laws and regulations to the engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the LLP which were contrary to applicable laws and regulations, including fraud.

We also considered those laws and regulations that have a direct effect on the preparation of the financial statements, such as Dutch corporate income, payroll and sales tax laws, pension legislation, the Companies Act 2006, as applied to limited liability partnerships.

In addition, we evaluated the members' incentives and opportunities for fraudulent manipulation of the financial statements, including the risk of management override of controls, and determined that the principal risks related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, in particular in relation to valuation of professional indemnity provisions, Provision for expected credit losses of trade receivables and amounts to be billed, revenue recognition (which we pinpointed to the valuation of unbilled revenue, and significant one-off or unusual transactions.

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the members on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

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

Use of the audit report

This report is made solely to the LLP'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 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.

Jonathan Barnard (Senior Statutory Auditor)
for and on behalf of Mazars LLP
Chartered Accountants and Statutory Auditor
90 Victoria Street
Bristol
BS1 6DP

Date: 28 September 2023

Statement of profit or loss and other comprehensive income of Ernst & Young Accountants LLP

for the year ended 30 June 2023 | In thousands of euros

	Notes	2022/2023	2021/2022
Revenue			
Rendering of services	5.1	424,287	386,845
Other income	6	1,765	2,043
		426,052	**388,888**
Operating expenses			
Services provided by EY member firms and third parties	7.1	65,088	57,850
Employee benefits expenses	7.2	172,572	154,771
Depreciation of right-of-use assets	10	4,975	5,157
Other operating expenses	7.3	118,165	100,436
		360,800	**318,214**
Operating profit		**65,252**	**70,674**
Finance expenses	8	-1,018	-1,763
Profit before tax		**64,234**	**68,911**
Income tax expense		-	-
Profit available for distribution		**64,234**	**68,911**
Distribution to EYNL		-64,234	-68,911
Profit for the financial year		**-**	**-**
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year, net of tax		**-**	**-**

Statement of financial position of Ernst & Young Accountants LLP

as at 30 June 2023 | In thousands of euros

	Notes	30 June 2023	30 June 2022
Assets			
Non-current assets			
Intangible assets	9	1,411	1,411
Right-of-use assets	10	9,194	9,456
Investment in associate	11	1	1
		10,606	**10,868**
Current assets			
Trade and other receivables	12	103,049	102,839
Prepayments		533	467
		103,582	**103,306**
Total assets		**114,188**	**114,174**
Equity and liabilities			
Current liabilities			
Trade and other payables	13	76,662	77,622
Interest-bearing loans and borrowings	14	4,382	4,398
Provisions	15	2,029	-
Employee benefits	16	16,597	16,969
		99,670	**98,989**
Non-current liabilities			
Interest-bearing loans and borrowings	14	5,209	5,192
Provisions	15	183	620
Employee benefits	16	9,126	9,373
		14,518	**15,185**
Total liabilities		**114,188**	**114,174**
Equity			
Reserves		-	-
Total equity		**-**	**-**
Total equity and liabilities		**114,188**	**114,174**

The financial statements of Ernst & Young Accountants LLP, registered no. OC335594, were signed on 28 September 2023 by P.J.A. Gabriëls on behalf of Drs. P.J.A. Gabriëls B.V.

Patrick Gabriels

Statement of changes in equity of Ernst & Young Accountants LLP

for the year ended 30 June 2023 | In thousands of euros

	Reserves
At 1 July 2021	-
Profit available for distribution	68,911
Distribution to EYNL	-68,911
Profit for the financial year	-
Other comprehensive income	-
At 30 June 2022	-
Profit available for distribution	64,234
Distribution to EYNL	-64,234
Profit for the financial year	-
Other comprehensive income	-
At 30 June 2023	-

Statement of cash flows of Ernst & Young Accountants LLP

for the year ended 30 June 2023 | In thousands of euros

	Notes	2022/2023	2021/2022
Operating activities			
Profit available for distribution		64,234	68,911
Adjustment for:			
Depreciation of right-of-use assets	10	4,975	5,157
Finance income and expenses	8	1,018	1,763
(Gains)/losses on leases and the sale of assets		-25	-11
Movement in employee benefits	16	-648	-352
Movement in provisions	15	1,592	271
		71,146	**75,739**
Working capital adjustments:			
Movement in trade and other receivables and prepayments	12	-247	-4,820
Movement in trade and other payables	13	-960	4,768
Net cash flow from operating activities		**69,939**	**75,687**
Investing activities			
Net cash flow used in investing activities		**-**	**-**
Financing activities			
Profit distribution to EYNL		-64,234	-68,911
Repayment of lease liabilities	10	-4,716	-5,045
Interest paid		-989	-1,731
Net cash flows used in financing activities		**-69,939**	**-75,687**
Net cash flow		**-**	**-**
Net cash and cash equivalents 1 July		-	-
Net cash flow		-	-
Net cash and cash equivalents 30 June		**-**	**-**

Notes to the financial statements of Ernst & Young Accountants LLP

In thousands of euros, unless stated otherwise

The following abbreviations are used in these financial statements:

Abbreviation	standing for
▸ EYNL	Ernst & Young Nederland LLP
▸ EYA	Ernst & Young Accountants LLP
▸ EYB	Ernst & Young Belastingadviseurs LLP
▸ EYAN	EY Advisory Netherlands LLP
▸ EY Europe	EY Europe SRL
▸ EY EMEIA	Ernst & Young (EMEIA) Services Limited
▸ EY Global	Ernst & Young Global Ltd

1 Corporate information

1.1 Date of preparation

EYA's financial statements for the year ended 30 June 2023 were approved by EYNL on 28 September 2023 and signed on behalf of the members by the designated members on 28 September 2023.

1.2 Incorporation

EYA is a limited liability partnership established under the laws of England and Wales and is registered with the Companies House under number OC335594 and had during the financial year its registered office at 6 More London Place, London SE1 2DA, United Kingdom. On 1 September 2023, the registered office address was changed to: 1 More London Place, London SE1 2AF, United Kingdom. Its principal place of business is at Boompjes 258, 3011 XZ Rotterdam, The Netherlands and it is registered with the Chamber of Commerce with number 24432944.

All members (partners) of EYA, also participate in EYNL together with the members of EYAN and EYB. There are contractual arrangements under which the entire result of EYA is distributed to EYNL.

1.3 Financial year

A financial year consists of 52 or 53 weeks and therefore the year-end date differs from year to year. The financial year 2022/2023 (52 weeks) started on 2 July 2022 and ended on 30 June 2023 and the financial year 2021/2022 (52 weeks) started on 3 July 2021 and ended on 1 July 2022. Accordingly, references to 30 June 2022 must be read as references to 1 July 2022.

1.4 Principal activities

EYA offers assurance services.

1.5 Control structure

EYA is a member firm of EY Global, a worldwide organization of separate legal entities providing assurance, tax, consulting and strategy and transaction services which holds a leading position in its market.

EYNL has a controlling interest in EYA, see also Note 19.

EY Europe has significant influence over EYNL, as described in Note 19. EY Europe is a member of EY Global and EY EMEIA. EY Europe is also a member of EYNL.

1.6 Position of the members

The profit of EYA accrues to EYNL which, according to an agreed system, makes the distribution of profits determined from the consolidated financial statements of EYNL. The distributions to retired members of the legal predecessors of EYA are a contractual obligation of the current members as a whole.

2 Accounting policies

2.1 Basis of preparation

The financial statements have been prepared in accordance with UK adopted international accounting standards ('IFRS').

The financial statements have been prepared on the historical cost basis.

The functional currency of EYA is the euro. The financial statements are presented in euros and all amounts are rounded to the nearest thousand (€000), unless stated otherwise.

Going concern

EYA is a subsidiary of EYNL and in this context EYNL arranges the financing structure for the EYNL group. In this respect EYA is part of a cash pooling arrangement with EYNL. The going concern assessment of EYA is therefore linked to that of the total EYNL group. The management of EYA has considered the going concern assessment undertaken by EYNL, which incorporated EYA, and is set out below.

The management of EYNL has considered the impact of a number of scenarios on the Group's most recent financial projections to assess the appropriateness of the going concern assumption. The following scenarios have been incorporated, which were mainly based on market information and mainly differ on macro-economic developments in the coming years.

- Baseline scenario - Revenue projections based on historical data
- Scenario 1 - Adverse growth scenario, Revenue projections based on the mild decrease of revenue and an increase of direct and indirect cost
- Scenario 2 - Inflation scenario, Revenue and cost projections based on a worst case scenario in which Revenue decrease and inflation negatively impacts performance

The scenarios deal with the uncertainties that the management deems to be most relevant for its primary activities. These uncertainties forecast revenues, gross margins and operating income. The management has reviewed the (expected) impact of the inflation and the expectation of the (in)ability to pass on the increase of cost to clients.

The scenarios include a cash flow forecast until December 2024. None of the scenarios identified a threat to applying the going concern assumption. Although future projections are inherently uncertain, EYNL and EYA do not anticipate significant changes in their activities after the period used for the scenario analyses.

Thus, management of EYNL has a reasonable expectation that the financial resources available to EYNL and the underlying entities are adequate to meet its operational needs for the foreseeable future. Accordingly, management of EYA has a reasonable expectation that EYA has adequate financial resources to continue in operational existence for the foreseeable future. Consequently, the going concern basis has been adopted in preparing the financial statements.

2.2 Changes in accounting policy and disclosures

New and amended standards and interpretations

The following amendments and interpretations apply for the first time in 2022/2023. EYA has assessed these and concluded they do not have a material impact on the financial statements of EYA.

- IAS 16 Property, Plant and Equipment (Amendment): Proceeds Before Intended Use
- IAS 37 Provisions, Contingent Liabilities and Contingent Assets: (Amendment): Onerous Contracts - Cost of Fulfilling a Contract
- IFRS 3 Business Combinations (Amendment): Reference to the Conceptual Framework
- Annual Improvements to IFRSs (2018 - 2020 cycle)

EYA has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective.

2.3 Summary of significant accounting policies

Foreign currencies

Transactions in foreign currencies are initially recorded at the rate of exchange of the functional currency prevailing at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rate of exchange at the reporting date. All differences arising on settlement or translation of monetary items are taken to the statement of profit or loss and other comprehensive income.

Non-monetary items that are measured in terms of historical cost in foreign currency are translated using the exchange rates as at the dates of the initial transactions.

Goodwill recognized in business combinations

Goodwill is initially measured at cost being the excess of the consideration over the fair value of the net identifiable assets and liabilities as part of the business combination.

If the fair value of the net assets acquired is in excess of the consideration transferred, then the gain is recognized in the statement of profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of EYA's cash-generating units (CGUs) that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a CGU and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained, unless another method better reflects the goodwill associated with the operation disposed of.

Fair value measurement
Initially, financial instruments are measured at fair value. Subsequently, the financial instruments are measured at fair value or amortized cost, depending on the classification of the financial instruments.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:
- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to EYA.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

EYA uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:
- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the financial statements at fair value on a recurring basis, EYA determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, EYA has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

Rendering of services
Rendering of services represents revenue earned under a wide variety of contracts with customers to provide professional services to clients and to other entities within the EY global network.

Revenue from contracts with customers is recognized when control of the services are transferred to the customer at an amount that reflects the consideration to which EYA expects to be entitled in exchange for those services.

Revenue from contracts with customers is recognized over time using the input method as services are provided to customers. EYA has an enforceable right to payment at a reasonable margin for performance completed to date and EYA's performance does not create an asset with an alternative use. In other circumstances EYA provides services which are consumed by the customers as they are performed, therefore revenue can be recognized over time. The input method is used to measure progress toward complete satisfaction of the service as it provides a faithful depiction of the transfer of services, as EYA charges its customers on a basis in line with costs.

If the consideration in a contract includes a variable amount such as additional billing amounts, EYA estimates the amount of consideration to which it will be entitled in exchange for transferring the services to the customer. The variable consideration is estimated at contract inception or at the moment of an adjustment in the scope or price of the contract and constrained until it is highly probable that a significant revenue reversal in the amount of the cumulative revenue recognized will not occur when the associated uncertainty with the variable consideration is subsequently resolved. EYA determined the expected value method to be the appropriate method to use in estimating the variable consideration, given the large number of potential outcomes of the variable compensation.

Payment is generally due upon specific agreed moments during the performance of our services, on moments that coincide with the work being performed. Using the practical expedient in IFRS 15, EYA does not adjust the consideration for the effects of a significant financing component if it expects, at contract inception, that the period between EYA's entitlement to payment from the customer and EYA's performance under the contract will be less than twelve months.

When another entity within the EY global network or external party is involved in providing services to a customer, EYA determines whether it is a principal or an agent in these transactions. EYA is a principal and revenue is recognized on a gross basis if it controls the services before transferring them to the customer. However, if EYA has to arrange to provide services for another (EY) entity, then EYA is an agent and will recognize revenue at the net amount that it retains for its agency services.

The disclosures of significant accounting judgments, estimates and assumptions relating to revenue from contracts with customers are provided in Note 4.

Contract balances

- Amounts to be billed
  A contract asset is recognized when EYA has a right to consideration in exchange for goods or services that the entity has transferred to a customer when that right is conditional on something other than the passage of time. A contract receivable is an amount to be billed for which payment is only a matter of passage of time.
- Trade receivables
  A receivable represents EYA's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Reference is made to the accounting policies of financial assets.
- Payments on account
  A contract liability is the obligation to transfer services to a customer for which EYA has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before EYA transfers services to the customer, a contract liability is recognized when the payment is made or the payment is due (whichever is earlier) as Payments on account, presented in Trade and other payables.

Other income
Income earned from charges made to other entities within the EY global network is recognized based on the applicable contractual terms and conditions.

Income tax
Taxes on the result of EYA are levied directly on the members.

Any differences between measurement for tax purposes and for financial reporting purposes are likewise settled through the members' professional practice companies. Consequently, no deferred tax arises in EYA.

Profit for the financial year available for distribution among members
The profit of EYA accrues to EYNL which, according to an agreed system, makes the distribution of profits determined from the consolidated financial statements of EYNL. The distributions to retired members of the legal predecessors of EYA are a contractual obligation of the current members as a whole.

Leases
EYA assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

EYA as a lessee
EYA applies a single recognition and measurement approach for a portfolio of leases with reasonably similar characteristics, except for short-term leases and leases of low-value assets. EYA recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

EYA recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

▸ Cars	2-5 years

The right-of-use assets are also subject to impairment. Refer to the accounting policies in the section Impairment of non-financial assets.

Lease liabilities

At the commencement date of the lease, EYA recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by EYA and payments of penalties for terminating the lease, if the lease term reflects EYA exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognized as expenses in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, EYA uses its incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. The incremental borrowing rate represents the rate EYA would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain the asset of similar value to the leased asset in a similar economic environment.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

EYA's lease liabilities are included in Interest-bearing loans and borrowings (see Note 14).

Short-term leases and leases of low-value assets

EYA applies the short-term lease recognition exemption to its leases with a lease term of 12 months or less from the commencement date and do not contain a purchase option (short-term leases). It also applies the lease of low-value assets recognition exemption to leases of assets that are considered to be low value (i.e., below €5,000). Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

Impairment of non-financial assets
EYA assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, EYA estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

EYA bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of EYA's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of 1 to 3 years.

Impairment losses of continuing operations, are recognized in the statement of profit or loss and other comprehensive income in expense categories consistent with the function of the impaired asset.

For assets excluding goodwill, an assessment is made at each reporting date whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, EYA estimates the asset's or the CGU's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited such that the carrying amount of the asset does not exceed its recoverable amount nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit or loss.

Goodwill is tested for impairment annually (at financial year-end) and when circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each CGU to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognized. Impairment losses relating to goodwill cannot be reversed in future periods.

Investment in associate
EYA has an interest in an associate. The investment in its associate is accounted for using the equity method. Under the equity method, the investment in an associate or a joint venture is initially recognized

at cost. The carrying amount of the investment is adjusted to recognize changes in EYA's share of net assets of the associate since the acquisition date.

EYA determines at each balance sheet date whether there is any objective evidence that the investment in the associate needs to be impaired. If so, EYA calculates the amount of impairment and recognizes the amount in the statement of profit or loss and other comprehensive income.

Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

i) Financial Assets

Initial recognition and measurement of financial assets

Financial assets are classified, at initial recognition, as subsequently measured at amortized cost, fair value through other comprehensive income (OCI), and fair value through profit or loss. The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and EYA's business model for managing them.

Trade receivables that do not contain a significant financing component or for which EYA has applied the practical expedient of IFRS 15 are initially measured at the transaction price as disclosed in the section Rendering of services. All other financial assets are initially measured at fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

In order for a financial asset to be classified and measured at amortized cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

EYA's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and subsequently measured at amortized cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and subsequently measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Subsequent measurement of financial assets

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortized cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (FVOCI with recycling; debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (FVOCI no recycling; equity instruments)

- Financial assets at fair value through profit or loss (FVTPL)

In the periods presented EYA only has financial assets categorized as financial assets at amortized cost.

Financial assets at amortized cost (debt instruments)
Financial assets at amortized cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

EYA's financial assets at amortized cost includes trade and other receivables, including amounts to be billed.

Derecognition
A (part of) a financial asset is derecognized when the contractual rights to receive cash flows from the financial asset have expired, or when the financial asset and substantially all the risks and rewards are transferred.

Impairment of financial assets
EYA recognizes an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that EYA expects to receive, discounted at an approximation of the original effective interest rate.

ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

EYA considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, EYA may also consider a financial asset to be in default when internal or external information indicates that EYA is unlikely to receive the outstanding contractual amounts in full. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

For trade receivables and amounts to be billed, EYA applies the simplified approach in calculating ECLs. Therefore, EYA does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. EYA has established a provision matrix that is based on its historical credit loss experience. The provision matrix is adjusted with forward-looking information when changes in economic conditions are expected to have a material impact. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

ii) Financial liabilities

Initial recognition and measurement of financial liabilities

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit and loss, loans and borrowings, hedging instruments in an effective hedge or as payables, as appropriate.

Financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

EYA's financial liabilities include trade and other payables and loans and borrowings.

Subsequent measurement of financial liabilities

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at fair value through profit or loss
- Financial liabilities at amortized cost (loans and borrowings).

In the periods presented EYA only has financial liabilities categorized as financial liabilities at amortized cost.

Financial liabilities at amortized cost (loans and borrowings)

After initial recognition, interest-bearing and non-interest-bearing loans and borrowings are subsequently measured at amortized cost using the effective interest rate (EIR) method. Gains and losses are recognized in the statement of profit or loss when the liabilities are derecognized as well as through the amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit or loss. When there is a change in estimates of payments, the amortized cost of the financial liability is adjusted to reflect actual and revised estimated cash flows. Any consequent adjustment to the carrying amount is recognized immediately in profit or loss, a gain is included in finance income whereas a loss is included in finance expenses.

Trade payables are generally carried at the original invoiced amount.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or canceled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

iii) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis or to realize the assets and settle the liabilities simultaneously.

Cash and cash equivalents
Cash and cash equivalents in the statement of financial position and the statement of cash flows comprise cash at banks and on hand. All cash and cash equivalents are at free disposal to EYA.

Provisions
Provisions are recognized when EYA has a present legal or constructive obligation resulting from a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the statement of profit or loss and other comprehensive income net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Professional indemnity
In determining the amount of a provision to be recognized in respect of alleged professional negligence claims, it is necessary to make a judgment as to whether a present obligation exists as a result of a past event that gives rise to probable payments and, if so, whether the obligation can be reliably estimated. Where appropriate, provision is made based on the estimated cost of defending and settling claims. These judgments and estimates are made on a claim-by-claim basis and take account of all available evidence. A different assessment could result in a change to the amount of the provision recognized.

Contingent liabilities arise where payments resulting from a claim are not probable or where it is not possible to reliably estimate the financial effect of a claim. Contingent assets are not recognized, but are disclosed where an inflow of economic benefits is probable. Separate disclosure is not made of any individual claim or of expected insurance recoveries where such disclosure might seriously prejudice the position of the entity.

Provision for employee benefits
Pensions
EYA has a general pension plan, which qualifies as an individual defined contribution plan and is administrated by a premium pension institution (PPI: Aegon Cappital). Overall, this pension scheme is classified as a defined contribution scheme under IAS 19. EYA is only required to pay the agreed fixed contribution to Aegon Cappital to build up a capital for the individual participants. After payment of this contribution EYA does not have any further obligation to Aegon Cappital or its employees in this respect.

The contributions due are taken to the statement of profit or loss. Contributions payable and prepaid are included under current liabilities and current assets.

Besides the above mentioned general pension plan, EYA has the following related pension obligation. There is an obligation relating to the continuation of the pension accrual during the prepension period. For a limited (closed) group of participants EYA pays contributions for participants who (in part) are no longer in active employment. This obligation is classified as a defined benefit plan and is unfunded. Measurement is based on the projected unit credit method using a discount rate derived from the interest rate on high-quality corporate bonds. Actuarial gains and losses are recognized immediately in the statement of financial position with a corresponding debit or credit to retained earnings through other comprehensive income in the period in which they occur. Remeasurements are not reclassified to profit and loss in subsequent periods. This obligation is a separate element of the general pension plan and does not have an impact on the classification of the general pension plan.

Salary payments during absence and long-service awards
The provision for salary payments during absence is formed for future payments in the event of termination of contracts of employment. Furthermore, a provision for long-service awards is made. The plans are unfunded.

Measurement of long-service awards is based on probability rates, mortality rates and future salary increases.

These provisions are discounted using a rate derived from the interest rate on high-quality corporate bonds.

Statement of cash flows
The statement of cash flows has been prepared using the indirect method.

Repayments of principal amounts of interest-bearing loans and borrowings, including lease liabilities, are included in the financing cash flow. The interest element is recognized as part of overall interest in the financing cash flow.

Transactions denominated in foreign currencies are recognized at the exchange rates ruling on the transaction date.

3 Standards issued but not yet effective
A number of standards and interpretations have been issued, but are not yet effective up to the date of issuance of EYA's financial statements.

For these standards and interpretations EYA reasonably expects that they will not have a material impact on disclosures, financial position or performance when applied at a future date. EYA intends to adopt these standards and interpretations when they become effective.

4 Significant accounting judgments, estimates and assumptions
The preparation of EYA's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, at the end of the reporting period. However, uncertainty about these

assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Judgments
In the process of applying EYA's accounting policies, management has made the following judgments, which have the most significant effect on the amounts recognized in the financial statements.

Rendering of services
EYA applied the following judgments that significantly affect the determination of the amount and timing of revenue from contracts with customers.

Timing of satisfaction of performance obligation
EYA concluded that the revenue from contracts with customers is to be recognized over time because EYA's performance does not create an asset with alternative use and EYA has an enforceable right to payment at a reasonable margin for the performance completed to date. Besides there are also types of contracts where the customer simultaneously receives and consumes the benefit provided by EYA's performance as it performs (e.g. secondments).

EYA determined that the input method based on hours incurred to determine a proxy for cost is the best method in measuring progress towards complete satisfaction of the performance obligation because there is a direct relationship between EYA's effort (i.e. hours incurred) and the transfer of service to the customer.

Determining method to estimate variable consideration and assessing the constraint
Certain contracts of EYA include additional billing amounts that give rise to variable consideration. EYA estimates the amount of consideration by using either the expected value method or the most likely amount method, depending on which method better predicts the amount of consideration to which it will be entitled.

EYA determined the expected value method to be the appropriate method to use in estimating the variable consideration related to additional billing, given the large number of potential outcomes of the variable compensation.

The estimation of the variable consideration is made by the individual responsible partner, considering historical experience with the client and other (economic) conditions.

Determining the lease term of contracts with renewal and termination options - EYA as lessee
EYA determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

EYA has several lease contracts that include extension and termination options. EYA applies judgment in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination option. After the commencement date, EYA reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate.

The renewal options for leases of cars are not included as part of the lease term because EYA typically leases cars for not more than five years and, hence, is not exercising any renewal options. Furthermore, the periods covered by termination options are included as part of the lease term only when they are reasonably certain not to be exercised.

Pension plan
The contractual arrangements laid down in the pension plan, the agreements with Aegon Cappital and the transparent communication on employees' entitlements are of such a nature that, viewed from EYA's perspective there is a plan under which all actuarial risks and rewards are placed outside EYA after payment of the fixed annual premium.

Besides the above mentioned general pension plan, there is an obligation to continue the pension accrual during the prepension period that qualifies as a defined benefit plan. Because this obligation relates to a limited, specific and closed group of employees it is regarded as a separate plan and does not impact the classification of the general pension plan.

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

EYA based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances beyond the control of EYA. Such changes are reflected in the assumptions when they occur.

Revenue measurement
The revenue is recognized to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for the services. Therefore estimates are made using a method based on a primary estimate by the partner with final responsibility plus a review procedure. Revenue is determined taking into account the progress of work. Where applicable, the variations in the contracted work are also taken into account.

Impairment of non-financial assets
An impairment exists when the carrying amount of an asset or CGU exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the budget and forecasts for the next 1 to 3 years. The recoverable amount is sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash inflows and the growth rate used for extrapolation

purposes. The key assumptions used to determine the recoverable amount for the CGUs, including a sensitivity analysis, are further explained in Note 9.

Provision for expected credit losses of trade receivables and amounts to be billed
EYA uses a provision matrix to calculate Expected Credit Losses (ECL) for trade receivables and amounts to be billed. The provision rates are based on days past due.

EYA has established a provision matrix that is based on its historical credit loss experience. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed. EYA historically considered its customer base relatively homogeneous as its historical credit loss experience did not show significantly different loss patterns for different customer segments, as such a single provision matrix was used to determine expected credit losses.

In relation to the Russian invasion in Ukraine, started in 2022, EYA considered that the loss pattern for specific clients differs from the overall customer population. Therefore, EYA has separated the respective customer base and has not applied the general provision matrix to these customers, but has separately calculated ECLs for these customers.

The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. EYA's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

The information about the ECLs on the EYA's trade receivables and amounts to be billed is disclosed in Note 12.

Provision for professional indemnity
An estimate is made of future cash outflows and of the time they are expected to arise when determining this provision. Further details are disclosed in Note 15.

Employee benefits
Bonuses and payments to employees are determined annually based on budgeted assumptions. During the year and as at year-end, the amounts of these bonuses and payments to employees are assessed as to whether they are still applicable regarding the business circumstances. Further details are disclosed in Note 16.

In thousands of euros, unless stated otherwise

5 Rendering of services

5.1 Disaggregated revenue information

Fee income from the rendering of services is generated almost entirely in the Netherlands and can be broken down by service line and market segments as mentioned in the following schedules.

	2022/2023	2021/2022
Assurance	424,287	386,845
	424,287	**386,845**

	2022/2023	2021/2022
Market segment		
Financial Services	90,083	79,490
Technology, Media, Telecommunications	56,257	48,276
Government & Infrastructure	52,887	52,657
Private Equity	50,204	45,873
Advanced Manufacturing & Mobility	45,797	43,954
Consumer	34,993	30,991
Energy & Resources	34,522	32,546
Health Sciences & Wellness	30,170	29,471
Other	29,374	23,587
	424,287	**386,845**

The market segments are annually reviewed and updated, for example as a result of mergers and acquisitions of clients. The comparative figures are adjusted accordingly. The category 'Other' mainly includes revenues from other market segments, EY member firms and new customers to be classified.

5.2 Contract balances and performance obligations

EYA has recognized the following balances related to contracts with customers.

	Notes	30 June 2023	30 June 2022	30 June 2021
Trade receivables	12	65,838	70,078	61,400
Amounts to be billed	12	34,834	27,657	34,142
Payments on account	13	-38,109	-34,738	-40,237

The performance obligations are satisfied over time as services are rendered. Some contracts contain variable considerations relating to additional billing, which give rise to variable consideration subject to constraint. Payment is generally due upon specific agreed moments during the performance of our services, on moments that coincide with the work being performed. In some contracts, short-term advances are received before the service is provided, these advances are included in the payments on account.

In thousands of euros, unless stated otherwise

Amounts to be billed are recognized as revenue earned from provided services as receipt of consideration is conditional on completion of the performance. A contract receivable is recognized when the right to an amount of consideration is unconditional and only the passage of time is required before payment is due.

Trade receivables are non-interest bearing and the standard payment term is 14 days.

Per 30 June 2023 €0.2 million was recognized as a provision for expected credit losses on trade receivables (30 June 2022: €0.4 million).

An amount of €33.8 million of revenue is recognized in the reporting period that was included in the Payments on account balance at the beginning of the period (2021/2022: €37.7 million).
In the reporting period the amount of revenue recognized from performance obligations (partially) satisfied in previous periods is nihil (2021/2022: €0.6 million).

Since the original expected duration of contracts is generally less than one year, EYA applied the practical expedient in IFRS 15.121 and therefore the aggregate amount of transaction price allocated to the performance obligations that are (partially) unsatisfied as of the end of the financial year is not disclosed. For contracts of which the original expected duration exceeds one year the transaction price allocated to the remaining performance obligations is not material.

6 Other income

	2022/2023	2021/2022
Charges made to other entities within the EY network	1,765	2,043
	1,765	**2,043**

7 Operating expenses

7.1 Services provided by EY member firms and third parties

These are services and expenses directly attributable to assignments.

7.2 Employee benefits expenses

	2022/2023	2021/2022
Salaries and bonuses	125,443	113,067
Social security charges	19,344	16,260
Pension contribution	9,888	9,389
Mobility expenses	12,850	11,064
Other staff expenses	5,047	4,991
	172,572	**154,771**

Salaries and bonuses include holiday allowance.

In thousands of euros, unless stated otherwise

Mobility expenses include cost of car lease (excluding depreciation and interest), general mobility allowances, commuting allowances and fuel cost.

The employees are primarily based in the Netherlands. The average number of staff (including members) in full time equivalents (FTE) during the year was:

FTE	2022/2023	2021/2022
Client serving staff	2,000	1,905
Support staff	15	16
	2,015	**1,921**
Members	96	95
	2,111	**2,016**

7.3 Other operating expenses

	2022/2023	2021/2022
Charged expenses from EYNL	46,470	46,038
International EY charges	25,223	22,019
Other staff expenses	12,273	10,021
Other expenses	34,199	22,358
	118,165	**100,436**

The charged expenses from EYNL consists of other employee expenses, premises expenses, office expenses, IT expenses, finance expenses and other expenses.

Auditors' remuneration in respect of the partnership of €0.05 million is included in the Charged expenses from EYNL (2021/2022: €0.04 million).

8 Finance expenses

	2022/2023	2021/2022
Interest on (un)billed receivables	626	1,361
Interest expenses on lease agreements	273	222
Unwinding of discount on provisions	30	22
Other interest and similar expense	89	158
	1,018	**1,763**

The Interest on (un)billed receivables is calculated based on the investment in working capital and charged by EYNL.

In thousands of euros, unless stated otherwise

9 Intangible assets

	Goodwill
At 1 July 2021	1,411
Additions	-
Amortization	-
At 30 June 2022	**1,411**
Additions	-
Amortization	-
At 30 June 2023	**1,411**
Cost	1,411
Accumulated amortization	-
At 1 July 2021	**1,411**
Cost	1,411
Accumulated amortization	-
At 30 June 2022	**1,411**
Cost	1,411
Accumulated amortization	-
At 30 June 2023	**1,411**

Impairment testing of goodwill
Goodwill acquired through business combinations has been allocated to EYA, as being the CGU for impairment testing. Value in use calculations are performed for each CGU using cash flow projections and are based on the most recent financial budgets. Expectations are formed in line with performance to date and experience. Based on the annual impairment testing, management determined that the value in use of each of the CGUs significantly exceeded its carrying value.

Key assumptions used in value in use calculations
The calculation of value in use is most sensitive to the following assumptions: discount rate, budgeted revenue, budgeted gross margin and budgeted operating income. The value in use calculation is based on cash flow projections from the most recent financial budgets. The discount rates (pre-tax) are derived from the CGU's weighted average cost of capital and amount 11.5% (30 June 2022: 10.6%). The indefinite growth rate used is 0.0% (30 June 2022: 0.0%).

Sensitivity to changes in assumptions
As a result of analysis, management did not identify an impairment as at 30 June 2023 and 30 June 2022. Based on the performed scenario testing, management assessed that no reasonably possible change in any of the above key assumptions would cause the carrying value of the unit to exceed their recoverable amount.

In thousands of euros, unless stated otherwise

10 Leases

EYA as a lessee
EYA has lease contracts for cars used in its operations. Car leases generally have lease terms between 2 and 5 years from the commencement date of the lease. EYA's obligations under its leases are secured by the lessor's title to the leased assets. Generally, EYA is restricted from assigning and subleasing the leased assets. Furthermore, the lease contracts do contain termination options, which could solely be exercised upon the occurrence of events outside the control of EYA.

EYA also has certain leases of cars and office equipment with lease terms of 12 months or less and leases of office equipment and mobile devices with low value. EYA applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

Right-of-use assets
Set out below, are the carrying amounts of EYA's right-of-use assets and the movements during the period:

	2022/2023	**2021/2022**
At 1 July	9,456	11,874
Additions	6,132	5,133
Depreciation	-4,975	-5,157
Disposals	-1,419	-2,394
At 30 June	**9,194**	**9,456**

Interest-bearing loans and borrowings
Refer to Note 14 for the maturity table of interest-bearing loans and borrowings, which includes the lease liabilities.

Set out below are the carrying amounts of lease liabilities (included under interest-bearing loans and borrowings) and the movements during the period:

	2022/2023	**2021/2022**
At 1 July	**9,590**	**11,891**
Additions	6,162	5,149
Accretion of interest	273	222
Payments	-4,990	-5,267
Terminations	-1,444	-2,405
At 30 June	**9,591**	**9,590**

In thousands of euros, unless stated otherwise

	30 June 2023	30 June 2022
With a term < 1 year	4,382	4,398
With a term > 1 year	5,209	5,192
	9,591	**9,590**

The following amounts are recognized in the statement of profit or loss:

	2022/2023	2021/2022
Depreciation expense of right-of-use assets	4,975	5,157
Interest expense on lease liabilities	273	222
Expenses related to short-term leases (included in Employee benefits expenses)	215	-
Expenses related to leases of low-value assets (included in Other operating expenses)	596	1,913
Total expense recognized in profit or loss	**6,059**	**7,292**

EYA had total cash outflows for leases of €5.0 million in 2022/2023 (2021/2022: €5.3 million). EYA also had non-cash additions to right-of-use assets and lease liabilities of €6.2 million in 2022/2023 (2021/2022: €5.1 million). There are no future cash outflows relating to leases that have not yet commenced.

In thousands of euros, unless stated otherwise

11 Investment in associate

Ernst & Young Participaties Coöperatief U.A. has four members. The members have equal voting rights, each 25%. The share of profit from this investment is nil.

EYA has significant influence in the entities listed in the following table.

Name	Country of incorporation[1]	2022/2023	2021/2022
Direct investment			
Ernst & Young Participaties Coöperatief U.A.	The Netherlands	*	*
Indirect investment			
Ernst & Young Participaties B.V.	The Netherlands	*	*
Ernst & Young VAT Rep B.V.	The Netherlands	*	*
Ernst & Young Actuarissen B.V.	The Netherlands	*	*
Ernst & Young CertifyPoint B.V.	The Netherlands	*	*
GS Participation Ltd	United Kingdom	*	*
Ernst & Young Real Estate Advisory Services B.V.	The Netherlands	-	*
EY-Parthenon B.V.	The Netherlands	*	*
EY Montesquieu Finance B.V.	The Netherlands	*	*
EY Montesquieu Institutional Risk Management B.V.	The Netherlands	-	*
CFORS B.V.	The Netherlands	*	*
EY VODW B.V.	The Netherlands	*	*

[1] Registered address of subsidiaries in the United Kingdom: 6 More London Place, London SE1 2DA, United Kingdom. We refer to the remark on the change of the registered office address in Note 1.2. Registered address of subsidiaries in the Netherlands: Boompjes 258, 3011 XZ, Rotterdam, The Netherlands.

* = related party

Ernst & Young Real Estate Advisory Services B.V. and EY Montesquieu Institutional Risk Management B.V. were liquidated on 17 April 2023 and their existence was terminated on 21 June 2023.

12 Trade and other receivables

	30 June 2023	30 June 2022
Trade receivables	65,838	70,078
Amounts to be billed	34,834	27,657
Other receivables	2,377	5,104
	103,049	**102,839**

In thousands of euros, unless stated otherwise

12.1 Trade receivables

Trade receivables are non-interest bearing and the standard payment term is 14 days. Trade receivables are pledged to Stichting Confidentia 2004 as security for the loans granted by current and retired members.

Receivables from related parties and strategic alliance are included in trade receivables. For further information regarding related parties reference is made to Note 19.

The trade receivables are net of expected credit losses (ECL). The total amount of impairment as at 30 June 2023 for these receivables is €0.2 million (30 June 2022: €0.4 million).

The movement in the allowance for expected credit losses is as follows:

	2022/2023	2021/2022
At 1 July	-407	-452
Release of unused amounts	95	29
Written off	100	16
At 30 June	**-212**	**-407**

In the statement of profit or loss and other comprehensive income a gain of €0.1 million (2021/2022: gain of €0.03 million) has been recognized under other operating expenses.

The changes in the balances of trade receivables are disclosed in Note 5.2 and the information about the credit exposures and the analysis relating to the allowance for expected credit losses is disclosed in Note 17.1.

12.2 Amounts to be billed

As at 30 June 2023, EYA has amounts to be billed of €34.8 million (30 June 2022: €27.7 million) which is net of an allowance for expected credit losses (ECL) of €0.03 million (30 June 2022: €0.1 million). Due to immateriality no movement schedule of ECL is disclosed.

Payments on account in excess of the relevant amount of revenue are included in trade and other payables. Reference is made to Note 13.

Amounts to be billed are pledged to Stichting Confidentia 2004 as security for the loans granted by current and retired members.

The changes in the balances of amount to be billed are disclosed in Note 5.2 and the information about the credit exposures and the analysis relating to the allowance for expected credit losses is disclosed in Note 17.1.

12.3 Other receivables

Other receivables (non client related) are mainly due from EY member firms.

In thousands of euros, unless stated otherwise

Other receivables are net of expected credit losses (ECL). The total amount of ECL as at 30 June 2023 for these receivables is €0.03 million 30 June 2022: €0.18 million). Due to immateriality no movement schedule of ECL is disclosed.
In the statement of profit or loss and other comprehensive income a gain of €0.15 million (2021/2022: loss of €0.15 million) has been recognized under other operating expenses.

The information about the credit exposures is disclosed in Note 17.1.

Receivables from related parties and strategic alliance are included in other receivables. For further information regarding related parties reference is made to Note 19.

13 Trade and other payables

	30 June 2023	30 June 2022
Trade and other payables	34,112	34,478
Taxes and social security	4,441	8,406
Payments on account	38,109	34,738
	76,662	**77,622**

Trade payables are normally settled on 30-day terms.

Payables to related parties are included in trade and other payables. For further information regarding related parties reference is made to Note 19.

14 Interest-bearing loans and borrowings

	Interest rate	Maturity	30 June 2023	30 June 2022
Current				
Lease obligations	0-6.5%	2023/2024	4,382	4,398
			4,382	**4,398**
Non-current				
Lease obligations	0-6.5%	Up to 2031	5,209	5,192
			5,209	**5,192**

Lease obligations
Further details on the lease obligations are included in Note 10.

In thousands of euros, unless stated otherwise

Changes in liabilities arising from financing activities

The following schedule summarizes the changes in financial liabilities from financing activities as mentioned in the statement of cash flows.

	Non-current lease obligations	Current lease obligations	Total
At 1 July 2021	7,097	4,794	11,891
Cash flows			
Repayments	-	-5,267	-5,267
Non-cash flows			
Additions/remeasurements	4,676	473	5,149
Interest accruing	222	-	222
Terminations	-2,405	-	-2,405
Non-current amounts becoming current	-4,398	4,398	-
At 30 June 2022	**5,192**	**4,398**	**9,590**
Cash flows			
Repayments	-	-4,990	-4,990
Non-cash flows			
Additions/remeasurements	5,570	592	6,162
Interest accruing	273	-	273
Terminations	-1,444	-	-1,444
Non-current amounts becoming current	-4,382	4,382	-
At 30 June 2023	**5,209**	**4,382**	**9,591**

In thousands of euros, unless stated otherwise

15 Provisions

The movement of the provision for professional indemnity is as follows:

	2022/2023	2021/2022
At 1 July	620	349
Additions	1,792	271
Payments	-13	-
Amounts released	-187	-
At 30 June	**2,212**	**620**

	30 June 2023	30 June 2022
With a term < 1 year	2,029	-
With a term > 1 year	183	620
	2,212	**620**

Professional indemnity

EYA carries professional indemnity insurance, which is principally written through a captive insurance company involving other EY member firms and a proportion of the total cover is insured through the commercial market.

The professional indemnity provision serves to cover current exposures, with a maximum per event of the uninsured deductible. Based on the best estimate of timing the cash outflow is not discounted. In the normal course of business, EYA may receive claims for alleged negligence. Cases are usually resolved within three years, although claims that involve court action may take longer to resolve. Where appropriate, provision is made for costs arising from such claims representing the estimated costs of defense and settlements. In case the minimum outflows of a case are known, but the potential total outflows are not reliably estimable, then the minimum outflows are provided for. Separate disclosure is not made of any individual claim or expected insurance recoveries where such disclosure might seriously prejudice the position of the entity.

For information regarding Contingent liabilities see Note 20.

In thousands of euros, unless stated otherwise

16 Employee benefits

	30 June 2023	30 June 2022
Current liabilities		
Payments to be made to staff	16,259	15,942
Defined benefit pension plan	128	164
Salary payments during absence	6	734
Provision for long-service awards	204	129
	16,597	**16,969**
Non-current liabilities		
Payments to be made to staff	7,945	7,908
Defined benefit pension plan	161	256
Provision for long-service awards	1,020	1,209
	9,126	**9,373**

Payments to be made to staff relates to amounts to be paid for holidays, overtime and bonuses.

16.1 Defined contribution pension plan

For a description of the pension schemes of EYA, reference is made to Note 2.3.

The total amount of the defined contribution plans charged to profit or loss during the financial year was €9.8 million (2021/2022: €9.3 million).

16.2 Defined benefit pension plan

For a description of the pension schemes of EYA, reference is made to Note 2.3.

Considering the relative small size of this obligation, disclosures are limited to those below.

	2022/2023	2021/2022
At 1 July	420	436
Addition	32	167
Interest cost	8	8
Benefits paid	-171	-191
At 30 June	**289**	**420**

	30 June 2023	30 June 2022
With a term < 1 year	128	164
With a term > 1 year	161	256
	289	**420**

In thousands of euros, unless stated otherwise

The principal assumptions used for DB (Defined Benefit) obligation to pension accrual during prepension period are:

	30 June 2023	30 June 2022
Discount rate	1.94%	1.76%
General salary increase	2.0%	2.0%
Inflation	2.0%	2.0%
Likelihood of leaving:		
-50-54	6.0%	6.0%
-55-59	3.0%	3.0%
-60-62	0.0%	0.0%

16.3 Salary payments during absence

This provision relates to salary to be paid in the event of termination of contracts of employment.

The movements in the provision were as follows:

	2022/2023	2021/2022
At 1 July	734	1,482
Additions	496	632
Payments	-608	-912
Released	-616	-468
At 30 June	**6**	**734**

	30 June 2023	30 June 2022
With a term < 1 year	6	734
With a term > 1 year	-	-
	6	**734**

In thousands of euros, unless stated otherwise

16.4 Provision for long-service awards

The provision for long-service awards relates to costs attributable to future long-service payments relating to past years of employment, taking into account the probability of staff leaving and death.

The movements in the provision were as follows:

	2022/2023	2021/2022
At 1 July	1,338	1,430
Additions	3	39
Payments	-138	-155
Unwinding of discount	21	24
At 30 June	**1,224**	**1,338**

	30 June 2023	30 June 2022
With a term < 1 year	204	129
With a term > 1 year	1,020	1,209
	1,224	**1,338**

The principal assumptions used are:

	30 June 2023	30 June 2022
Discount rate	3.7%	1.7%
Factor for attrition, mortality and disability	21.3%	20.3%
Future salary increase	2.5%	2.1%

17 Financial instruments

17.1 Financial instruments risk management objectives and policies

EYA's principal financial liabilities comprise loans and borrowings and trade and other payables. The main purpose of these financial liabilities is to finance the EYA's operations.

EYA's principal financial assets include trade and other receivables and cash that arise from normal commercial activities.

EYA does not use financial instruments for speculative activities, and complex financial instruments are avoided.

Financial instruments give rise to credit, liquidity, interest rate and foreign currency risks. Information about how these risks arise and are managed is set out below.

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Credit risk arises primarily from trade and other receivables, amounts to be billed and other financial assets.

Trade receivables and amounts to be billed

EYA maintains procedures to minimize the risk of default by customers. Outstanding customer receivables and amounts to be billed are regularly monitored. Credit risk is not covered by credit insurance or other credit instruments other than billing in advance in certain cases. Services are provided to such a large group of clients that there is no concentration of credit risk.

Amounts to be billed are typically billed to clients within a month of arising and our standard payment term for invoices is 14 days.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. EYA applies the IFRS 9 simplified approach to measuring expected credit losses using a lifetime expected credit loss provision for trade receivables and amounts to be billed. To measure expected credit losses on a collective basis, trade receivables are grouped based on days past due and credit risk. The amounts to be billed have similar risk characteristics to the trade receivables for similar types of contracts. The expected loss rates are based on EYA's historical credit losses experienced over the five year period prior to 30 June 2023 and 30 June 2022. EYA historically considered its customer base relatively homogeneous as its historical credit loss experience did not show significantly different loss patterns for different customer segments, as such a single provision matrix was used to determine expected credit losses. In relation to the Russian invasion in Ukraine, started in 2022, EYA considered that the loss pattern for specific clients differs from the overall customer population. Therefore, EYA has separated the respective customer base and has not applied the general provision matrix to these customers, but has separately calculated ECLs for these customers.
A trade receivable is written off when there is no reasonable expectation of recovering the contractual cash flows. Generally, trade receivables are written-off if past due for more than two years. The

In thousands of euros, unless stated otherwise

maximum exposure to credit risk for these assets are the carrying amounts presented in Note 12.1 and 12.2.

Set out below is the information about the credit risk exposure on EYA's trade receivables and amounts to be billed using a provision matrix at 30 June 2023 and 30 June 2022:

30 June 2023	Gross carrying amount	Expected credit loss rate	Allowance for ECL
Trade receivables			
Not due	48,373	0.09%	44
<30 days	13,006	0.09%	12
30-90 days	4,169	0.76%	32
90-180 days	99	2.05%	2
180-365 days	206	16.58%	34
>365 days	197	44.74%	88
	66,050	**0.32%**	**212**
Amounts to be billed	**34,866**	**0.09%**	**32**
	100,916		**244**

30 June 2022	Gross carrying amount	Expected credit loss rate	Allowance for ECL
Trade receivables			
Not due	48,995	0.18%	87
<30 days	14,176	0.14%	20
30-90 days	4,336	1.20%	52
90-180 days	2,335	4.28%	100
180-365 days	518	18.53%	96
>365 days	125	41.60%	52
	70,485	**0.58%**	**407**
Amounts to be billed	**27,709**	**0.19%**	**52**
	98,194		**459**

For a movement schedule of the allowance for expected credit loss reference is made to Note 12.1.

Other receivables

EYA maintains procedures to minimize the risk of default. Credit risk is not covered by credit insurance or other credit instruments. The other receivables are regularly monitored.

In thousands of euros, unless stated otherwise

The maximum exposure to credit risk for these assets are the carrying amounts presented in Note 12.3 . Due to the nature of the receivables presented (employees and EY member firms) no or very limited risk applies.

For other receivables measured at amortized costs an impairment analysis is performed at each reporting date. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are determined for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is determined for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

The impairment analysis is made on an individual basis and is based on invoice categories, ageing, and, if available, information from the credit control department.

Liquidity risk

Liquidity risk is the risk that EYA is unable to meet its financial obligations on the due date. Liquidity risk arises from the ongoing financial obligations of EYA, including settlement of financial liabilities such as trade and other payables, as well as interest-bearing loans and borrowings. The policy is to maintain a positive working capital balance. Depending on the time of year, there can be a considerable balance of cash and cash equivalents. All cash and cash equivalents are at free disposal to EYA.

The maturity profile of the contractual undiscounted payments, including interest, arising from EYA's financial liabilities at year-end, is as follows:

	< 1 year	**1 to 2 years**	**2 to 5 years**	**> 5 years**	**Total**
Year ended 30 June 2023					
Interest-bearing loans and borrowings:					
- Lease liabilities	4,382	2,826	2,383	-	9,591
Trade and other payables	76,662	-	-	-	76,662
	81,044	**2,826**	**2,383**	**-**	**86,253**
Year ended 30 June 2022					
Interest-bearing loans and borrowings:					
- Lease liabilities	4,443	3,085	2,353	-	9,881
Trade and other payables	77,622	-	-	-	77,622
	82,065	**3,085**	**2,353**	**-**	**87,503**

The financing requirements of EYA vary during the year, primarily as a result of the incidence of major payments. Based on the service arrangement with EYNL all operating activities, except for specific professional matters, are performed by EYNL. Therefore the liquidity risk is limited.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of financial instruments will fluctuate because of changes in market interest rates. Interest rate risk arises primarily from interest-bearing loans and borrowings and cash and cash equivalents.

A fixed rate of interest is paid on long-term loans granted by related parties. Interest related to lease contracts is fixed for the term of the lease.

Through the compensation agreement with EYNL outstanding balances are limited and therefore the interest rate risk is also limited.

Interest rate risks are not hedged in any way by derivatives.

The profit before tax in both 2022/2023 and 2021/2022 is not sensitive to a possible change in floating interest rates, with all other variables held constant.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Although the majority of the income and expenses of EYA are denominated in euros, foreign currency risk arises from transactions denominated in other currencies, particularly the US dollar. Balances in foreign currency bank accounts are held to facilitate cash management and to provide means for future payments in currencies other than euros.

If the US dollar exchange rate were to change by 10%, the impact on profit or loss would be €0.2 million (2021/2022: €0.3 million) as a result of changes in the carrying amount of US dollar denominated cash and amounts receivable/payable.

17.2 Other notes

Reconciliation of classes and categories

All presented groups of financial assets are part of the category debt instruments measured at amortized cost. The investment in an associate is measured at historical cost.

All presented groups of financial liabilities are part of the loans and borrowings category, measured at amortized cost.

Fair values

Initially, financial instruments are measured at fair value. Subsequently, the financial instruments are measured at fair value or amortized cost, depending on the classification of the financial instruments. As at 30 June 2023 and 30 June 2022, EYA did not hold financial instruments measured at fair value.

EYA assessed that the fair values of cash, trade and other receivables and trade and other payables approximate their carrying amounts largely due to the short-term maturities of these instruments.

Fair value assessment of the above mentioned financial assets and liabilities is of a level 2-type.

In thousands of euros, unless stated otherwise

18 Capital management

EYA is a subsidiary of EYNL and in this context EYNL is arranging the financing structure for the total group. In this respect EYA is part of a cash pooling arrangement with EYNL. Working capital of EYA is managed so that in principle no other external bank or other financing needs to be drawn.

19 Related parties and strategic alliance

19.1 Ultimate parent

The immediate and ultimate parent of EYA is EYNL, a partnership with limited liability under the laws of England and Wales. The results of EYA will be included in the Group financial statements of EYNL, copies of which will be available from its principal place of business, Boompjes 258, 3011 XZ Rotterdam, The Netherlands.

19.2 Other related parties

Based upon voting rights, EYA has a 25.00% (2021/2022: 25.00%) interest in Ernst & Young Participaties Coöperatief U.A. Consequently, EYA has significant influence over the entities listed in the table included in Note 11. These entities together with all other subsidiaries of EYNL classify as related parties.

Transactions and balances

Under IFRS 10, an investor controls an investee when it is exposed or has rights to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The Board of EY Europe has assessed the arrangements between EY Europe and EYNL, and considered that EY Europe's own exposure to variable returns from EYNL arising from those arrangements is not sufficient to meet the definition of control, despite having power over EYNL (and EYA). The arrangements do give EY Europe significant influence over EYNL and all underlying entities, so EYNL and all underlying entities are therefore associates of EY Europe.

The following table provides the total amounts for which transactions were entered into during the relevant financial years and the outstanding balances at 30 June 2023 and 30 June 2022.

	2022/2023	2021/2022
Entities with control and/or significant influence over EYA		
Sales	560	471
Purchases	47,804	47,338
Current amounts payable at 30 June	29,140	24,298

In thousands of euros, unless stated otherwise

	2022/2023	2021/2022
Subsidiaries of EYNL		
Sales	3,954	3,889
Purchases	26,357	21,736
Current amounts receivable / payable at 30 June	-	-

19.3 Strategic alliance

EYB has a strategic alliance with HVG Law LLP.

The following table provides the total amounts for which transactions were entered into during the relevant financial years and the outstanding balances at 30 June 2023 and 30 June 2022.

	2022/2023	2021/2022
Sales	5	13
Purchases	862	1,021
Current amounts receivable at 30 June (Gross amounts)	-	3
Current amounts payable at 30 June	22	41

19.4 Terms and conditions of transactions

Services provided to and received from related parties and strategic alliance are generally settled at prices applicable under normal market circumstances.

Outstanding balances at year-end are unsecured and interest-free and settlement occurs in cash. No guarantees were provided or received for any related party/strategic alliance receivable or payable.

For the year ended 30 June 2023 EYA did not record any impairment of receivables from related parties and strategic alliance (30 June 2022: €nil). This assessment is undertaken each financial year through examining the financial position of the related party/strategic alliance and the market in which it operates.

19.5 Compensation of key management personnel of EYA

Key management personnel are the designated members of EYA and the members of the Supervisory Board of EYA during the financial year.
At 30 June 2023, there were 5 designated members (30 June 2022: 5) with an average during 2022/2023 of 5 members (2021/2022: 5). These members receive their remuneration through their professional corporations, being a total of €5.7 million (2021/2022: €5.3 million).
Based on these financial statements, the profit share attributable to the member with the largest entitlement to profits, is €3.3 million (2021/2022: €3.0 million).

The remuneration of the Supervisory Board members for 2022/2023 is a total amount of €0.4 million (2021/2022: €0.4 million).

20 Commitments and contingencies

Proceedings and claims
Disciplinary and civil law proceedings and claims have been brought against EY members, professionals and entities pursuant to alleged professional negligence and other claims. Where required, forceful defense is put up against such proceedings and claims, which sometimes involve substantial amounts. In many cases, it is exceedingly difficult to estimate the risks involved due to many uncertainties regarding facts, the legal position of all parties involved and other legal issues.

EYA carries professional indemnity insurance, which is principally written through a captive insurance company involving other EY member firms and a proportion of the total cover is insured through the commercial market. In the normal course of business, entities may receive claims for alleged negligence. Cases are usually resolved within three years, although claims that involve court action may take longer to resolve. Where appropriate, provision is made for costs arising from such claims representing the estimated costs of defense and settlements. In case the minimum outflows of a case are known, but the potential total outflows are not reliably estimable, then the minimum outflows are provided for. Separate disclosure is not made of any individual claim or expected insurance recoveries where such disclosure might seriously prejudice the position of the entity.

Contingent liabilities, including liabilities which are not probable, or which cannot be measured reliably, are not recognized but are disclosed in these financial statements. No disclosure of individual contingent liabilities has been made either due to the possibility of settlement being considered remote or where disclosure might seriously prejudice the position of the entity.

Deferred balance - EY member firms
EY member firms, including EYA, have entered into an agreement under which certain expenses of, and investments in, the EY global network are charged to the EY member firms. An annual charge is levied on each EY member firm existing at the time based on a percentage of the EY member firm's revenues for that period. These charges are recognized as an expense in the period in which the revenues are earned. No liability is recognized in respect of potential future charges because no current obligation is considered to arise at year-end.

21 Events after the reporting period
After the reporting date no events occurred that need to be reported.