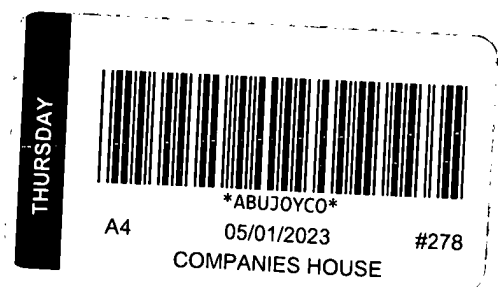


EYGS LLP

Members' Report and Financial Statements

1 July 2022

Registered No. OC301032
Registered in England and Wales



Members' report

The members of EYGS LLP present their report and financial statements for the 52 weeks from 3 July 2021 to 1 July 2022 (the comparative period being the 52 weeks from 4 July 2020 to 2 July 2021).

Principal activity

The principal activity of EYGS LLP ("LLP") is the provision of services to each of the Member Firms of the EY network ("Member Firms"). This is to further the international alignment, enhancement, cooperation and cohesion among the Member Firms. Service fees are collected from the Member Firms to cover the costs of the services which the Member Firms will collectively benefit from. The LLP and its subsidiaries (collectively, the "group") only provide services to Member Firms and provide these services as a mutual trader.

In line with its mutual purpose, the LLP earned income sufficient only to cover its costs in the period and make a minimal profit. As a limited liability partnership, under UK law, the LLP does not pay tax on its own behalf, rather its members are individually assessed to income tax on their share of profits.

Designated members and their interests

For the period ended 1 July 2022 and the period up until approval of the financial statements, the designated members were as follows:

A J Baldwin
S Krouskos
A J Mann
G M Browning (appointed: 1 October 2022)

The designated members have not contributed any capital to the LLP.

Transactions with members

Profits are allocated to members at the discretion of the designated members after the period end. It is the policy of the group not to allow remuneration or drawings to be made to members during the period.

Going concern

The group's business remains largely unaffected by any ongoing dynamics of the Covid-19 pandemic, the more recent situation in Ukraine and inflationary/cost of living challenges being encountered in many countries. The group closely monitor the impact of these external events on its business and act pro-actively.

The group has prepared multiple forecasts which reflect a range of possible scenarios including varying declines in global revenues and cash collection rates. The impact on the group's cash flows, borrowing facilities and associated covenants has then been considered, including reverse stress testing. As outlined in note 22, the group has committed borrowing facilities of \$350m with EY Global Finance Inc ("EYGF") expiring in June 2024, of which \$150m was undrawn at the period end, in addition to \$330m of term loans.

In the unlikely event that those facilities were insufficient, there are a variety of alternative steps that could be taken instead to ensure that the group operates within its committed facilities including further cost reduction measures and the extension of existing facilities.

The designated members therefore have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future being at least eighteen months from date of approval of the financial statements and so continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Members' report

Future developments

EY leaders have now recommended that the organization evolves into two distinct, multidisciplinary organizations. One would be a global network of multidisciplinary member firms committed to assurance, tax and advisory services with all the capabilities required to deliver high-quality audits, serve the public interest and focus on the CFO agenda and sustainability; and the other would be a new global corporate entity comprising Consulting, Strategy and Transactions (SaT), the majority of Tax, and managed services.

EY will now engage in more detail with EY member firm partners, whose votes will determine whether we move forward.

Auditor

Having made enquiries of fellow members and of the LLP's auditor, each person who is a designated member at the date of approving this annual report confirms that:

- To the best of each designated member's knowledge and belief, there is no information (that is, information needed by the LLP's auditor in connection with preparing their report) of which the LLP's auditor is unaware; and
- Each designated member has taken all steps a designated member might reasonably be expected to have taken to be aware of relevant audit information and to establish that the LLP's auditor is aware of that information.

BDO LLP are due to be re-appointed auditor to the group for the period ending 30 June 2023, and have expressed their willingness to continue in office.



Alisdair Mann

On behalf of the members

Date: 9 December 2022

Group Energy and Carbon report

This report is provided to comply with the UK government's policy on Streamlined Energy and Carbon Reporting.

Greenhouse gas (GHG) emissions and energy data

We have used the financial control approach to identify the GHG emissions / energy consumption for which we have responsibility, 100% of which occurred in the UK and offshore area:

Energy consumption (kWh)	2022	2021	2020
Gas combustion ¹	35,196	7,993	40,022
Purchased electricity	863,807	768,726	1,607,516
Transport fuel ²	5,125	2,168	19,868
Total energy consumption	904,128	778,887	1,667,406
Greenhouse gas emissions (tCO₂e)			
Scope 1 from gas combustion ³	–	–	–
Scope 2 from purchased electricity	Location-based	167	163
	Market-based	–	243
Scope 3 from business travel in employee-owned vehicles where EY is responsible for purchasing the fuel ¹	2	1	6
Total gross emissions	Location-based	169	164
	Market-based	2	244
Carbon intensity ratio (tCO₂e)			
Per m ² of floorspace ⁴	Location-based	0.03	0.03
	Market-based	0.00	0.05

1. Gas combustion increase year-on-year due to the return of employees to the group's office
2. Fuel used in personal cars on business use for which the group reimburses its employees following claims for business mileage. Includes well-to-tank emissions.
3. The emissions associated with the group's gas consumption are approximately 0 tCO₂e as the group's gas consumption is 100% biogas, which has an emissions conversion factor of 0.00000022 tCO₂e per kWh.
4. The group has calculated tCO₂e / m² of floorspace, since the majority of emissions included in this report relate to energy consumption in the group's office. Our emissions intensity per floorspace remained unchanged in 2022.

Methodology

The data above was generated using the methodology set out in WRI / WBSCD The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition), March 2004, including separate guidance on Scope 2 and Scope 3 emissions. Emissions conversion factors used are in accordance with 'UK Government Conversion Factors for Company Reporting (Year: 2022, Expiry: 08/06/2023, Version 2.0) - DBEIS / DEFRA'.

Renewable energy

When reporting location-based emissions related to electricity consumption, the appropriate years' DBEIS / DEFRA' UK grid average emissions conversion factors was applied to all electricity purchased, including those from renewable sources, non-renewable sources and those where the source is unknown e.g. some landlord-supplies. Market-based emissions are calculated using a zero emissions factor for all certified renewable tariff electricity plus non-renewable tariff electricity which has been offset using VPPA OFGEM REGOs. For any other electricity consumption, the appropriate country-specific (i.e. GB) 'residual mix' conversion factor was used.

In 2022, EYGS LLP consumed 100% certified renewable energy in the group's office through a combination of OFGEM-backed REGO certificates received via the group's Virtual Power Purchase Agreement, the procurement of certified renewable biogas and supply of renewable tariff electricity by UK landlords.

Group Energy and Carbon report

Data assurance

As part of the group's commitment to emissions reporting transparency and to help build confidence in the accuracy and completeness of the data reported, the firm's Climate Change & Sustainability Services team conducted a review of the Scopes 1, 2 and 3 emissions measured and reported by the LLP. Their review did not identify any errors or exclusions that would materially affect the accuracy and completeness of the data.

Energy efficiency actions taken

As reported in last year's Streamlined Energy and Carbon Report (SECR), there is limited opportunity to seek out and implement further energy savings opportunities above those identified in the 2019 Phase 2 Energy Saving Opportunity Scheme (ESOS) energy report. This is mainly due to the fact that the group's office already incorporates energy savings technologies such as LED lighting and building management system controls and as the group is a tenant, it is not within our remit to make improvements to other systems such as central plant systems which are landlord owned and operated.

The exception to this has been the replacement of the inefficient communications room chiller unit with a modern inverter driven scroll compressor which was replaced in September 2021 and has helped reduce energy consumption as well as providing cooling resilience to a business-critical room.

Finally, as the Covid 19 pandemic has changed employees engagement with the use of office space and the group has introduced long term hybrid working, this has provided an opportunity to reduce energy consumption by zonal occupancy planning. This aims to ensure that energy is only expended on heating/cooling office spaces that are occupied and this strategy is pivotal in reducing energy consumption going forward.



Alisdair Mann

On behalf of the members

Date: 9 December 2022

A list of the members of the LLP can be found on the Companies House website.

Statement of members' responsibilities

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 the group and the LLP and of the profit and loss of the group and the LLP for that period. The members have elected to prepare financial statements for the group and the LLP 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 group and 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 IFRS. Members are also required to:

- properly select and apply accounting policies consistently;
- make judgements and accounting 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 IFRS is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the group's and the LLP's financial position and financial performance;
- state whether the group and LLP financial statements have been prepared in accordance with IFRS, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the LLP will continue in business.

Under the LLP Regulations, the members are responsible for keeping adequate accounting records that are sufficient to show and explain the transactions and disclose with reasonable accuracy at any time the financial position of the group and the LLP, 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 the group and to prevent and detect fraud and other irregularities.

The members' responsibilities set out above are discharged by the designated members on behalf of the members.

The group has agreements to provide services to Member Firms who are part of the EY network. Note 22 details how the group manages its risks including liquidity risk, credit risk, interest rate risk, and foreign currency risk. The designated members believe that the group is well placed to manage its business risks successfully, through contractual arrangements with Member Firms and access to borrowing facilities, and have a reasonable expectation that the group has adequate resources to continue in operational existence for at least eighteen months from the date of approval of these annual reports and financial statements. Thus, they continue to adopt the going concern basis in preparing the annual financial statements (see members' report).

Independent auditor's report to the members of EYGS LLP

Opinion on the financial statements

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the Limited Liability Partnership's affairs as at 1 July 2022 and of the Group's result for the period then ended;
- have been properly prepared in accordance with UK-adopted international accounting standards ("IFRSs"); and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006 as applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of the Companies Act 2006) Regulations 2008.

We have audited the financial statements of EYGS LLP (the 'Limited Liability Partnership') and its subsidiaries (the 'Group') for the period ended 1 July 2022 which comprise the Consolidated and LLP Statements of Comprehensive Income, the Consolidated and LLP Statements of Changes in Equity, the Consolidated and LLP Balance Sheets, the Consolidated and LLP Cash Flow Statements 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 UK adopted international accounting standards.

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

Independence

We are independent of the Group and the Limited Liability Partnership 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.

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 Group's or the Limited Liability Partnership'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 and Financial Statements other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Independent auditor's report to the members of EYGS LLP

Other information (continued)

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 course of 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.

Other Companies Act 2006 reporting as applied to limited liability partnerships

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

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

Responsibilities of Members

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

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

Auditor's responsibilities for the audit of the financial statements

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

Extent to which the audit was capable of detecting irregularities, including fraud

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

We obtained an understanding of the legal and regulatory frameworks that are applicable to EYGS LLP and the Group. We determined that the most significant laws and regulations which are directly relevant to specific assertions in the financial statements are those related to the reporting framework (UK adopted international accounting standards (IFRSs)), regulations impacting labour regulations and tax in the United Kingdom and other jurisdictions in which it operates.

Independent auditor's report to the members of EYGS LLP

Auditor's responsibilities for the audit of the financial statements (continued)

- We understood how the Group and Limited Liability Partnership are complying with those legal and regulatory frameworks by making enquiries of management and those responsible for legal and compliance procedures. We corroborated our enquiries through our review of board minutes, and inspection of legal fee expenses incurred in the year.
- We assessed the susceptibility of the Group and limited liability partnership's financial statements to material misstatement, including how fraud might occur by meeting with management to understand where it is considered there was a susceptibility of fraud. We also considered potential fraud drivers including financial or other pressures, opportunity, and personal or corporate motivations. We considered the programmes and controls that the Group and limited liability partnership has established to address risks identified, or that otherwise prevent, deter and detect fraud; and how senior management monitors those programmes and controls. Where the risk was considered higher, we performed audit procedures to address each identified fraud risk. These procedures included testing manual journals, and key areas of estimation uncertainty or judgement, for example; revenue recognition, recoverability of trade and other receivables, capitalisation and impairment of intangibles and recognition of insurance recoverables.
- We communicated the fraud risks to the engagement team, emphasised the importance of staying alert to potential fraudulent activity or non-compliance with laws and regulations, and highlighted the importance of remaining professionally sceptical throughout the audit.
- We have also considered the risk of fraud through management override of controls by:
 - Testing on a sample basis the appropriateness of journal entries and other adjustments; and
 - Assessing whether the judgements made in making accounting estimates are indicative of potential bias.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

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

Use of our report

This report is made solely to the Limited Liability Partnership's members, as a body, in accordance with the Limited Liability Partnerships (Accounts & audit) (Application of the Companies Act 2006) Regulations 2008. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

Iain Henderson

0175AA0DF993437...

Iain Henderson (Senior Statutory Auditor)

For and on behalf of BDO LLP, Statutory Auditor

London, UK

Date **9 December 2022**

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Consolidated statement of comprehensive income

for the period ended 1 July 2022

	Notes	2022 \$m	2021 \$m
Revenue	3	5,303	4,750
Operating expenses	4	(5,254)	(4,698)
Operating profit		49	52
Net finance costs	6	(26)	(24)
Profit before tax		23	28
Tax charge	7	(22)	(28)
Profit and total comprehensive income for the period available for discretionary division among non-controlling interests		1	–

Consolidated statement of changes in equity

for the period ended 1 July 2022

	Non-controlling interests \$m	Retained earnings \$m	Total equity \$m
At 3 July 2020	2	–	2
Profit and total comprehensive income for the period	–	–	–
Allocation of profits	–	–	–
At 2 July 2021	2	–	2
Profit and total comprehensive income for the period	1	–	1
Allocation of profits	(1)	–	(1)
At 1 July 2022	2	–	2

LLP statement of comprehensive income

for the period ended 1 July 2022

	<i>Notes</i>	<i>2022 \$m</i>	<i>2021 \$m</i>
Revenue	3	2,331	1,955
Operating expenses	4	(2,316)	(1,941)
Operating profit		15	14
Net finance costs	6	(6)	(6)
Profit before tax		9	8
Tax charge	7	(9)	(8)
Profit and total comprehensive income for the period available for discretionary division among members		—	—

LLP statement of changes in equity

for the period ended 1 July 2022

	<i>Retained earnings \$m</i>	<i>Total equity \$m</i>
At 3 July 2020	—	—
Profit and total comprehensive income for the period	—	—
Allocation of profits	—	—
At 2 July 2021	—	—
Profit and total comprehensive income for the period	—	—
Allocation of profits	—	—
At 1 July 2022	—	—

Consolidated balance sheet

at 1 July 2022

Registered number OC301032

		1 July 2022	2 July 2021
	Notes	\$m	\$m
ASSETS			
Non-current assets			
Property, plant and equipment	9	13	38
Goodwill and other intangible assets	10	823	762
Trade and other receivables	12	9	9
Accrued income	13	592	522
Investments in EY global entities	15	–	–
Total non-current assets		1,437	1,331
Current assets			
Trade and other receivables	12	1,867	1,335
Accrued income	13	94	87
Cash and cash equivalents	16	430	755
Total current assets		2,391	2,177
TOTAL ASSETS		3,828	3,508
EQUITY AND LIABILITIES			
Current liabilities			
Trade and other payables	17	2,210	1,911
Deferred revenue	18	998	893
Loans and borrowings	19	269	369
Total current liabilities		3,477	3,173
Non-current liabilities			
Trade and other payables	17	65	76
Loans and borrowings	19	284	257
Total non-current liabilities		349	333
Equity			
Retained earnings attributable to members of the LLP	21	–	–
Non-controlling interests		2	2
Total equity		2	2
TOTAL EQUITY AND LIABILITIES		3,828	3,508

Approved by the members and authorised for issue on 9 December 2022:



Alisdair Mann

On behalf of the members

Date: 9 December 2022

LLP balance sheet

at 1 July 2022

Registered number OC301032

		1 July 2022	2 July 2021
	Notes	\$m	\$m
ASSETS			
Non-current assets			
Property, plant and equipment	9	7	29
Accrued income	13	592	522
Investments	14,15	–	–
Total non-current assets		599	551
Current assets			
Trade and other receivables	12	1,039	637
Accrued income	13	94	87
Cash and cash equivalents	16	297	425
Total current assets		1,430	1,149
TOTAL ASSETS		2,029	1,700
EQUITY AND LIABILITIES			
Current liabilities			
Trade and other payables	17	1,443	1,095
Deferred revenue	18	467	456
Loans and borrowings	19	54	4
Total current liabilities		1,964	1,555
Non-current liabilities			
Trade and other payables	17	65	76
Loans and borrowings	19	–	69
Total non-current liabilities		65	145
Equity			
Retained earnings attributable to members of the LLP	21	–	–
TOTAL EQUITY AND LIABILITIES		2,029	1,700

Approved by the members and authorised for issue on 9 December 2022:



Alisdair Mann

On behalf of the members

Date: 9 December 2022

Consolidated cash flow statement

for the period ended 1 July 2022

	2022 \$m	2021 \$m
Profit for the financial period	1	–
Adjustments for:		
Depreciation and amortisation charge	201	171
Impairment of goodwill	1	–
Impairment losses on intangible assets	–	11
Net finance costs	26	24
Foreign exchange (gain)/loss on lease liabilities	(2)	3
	<u>227</u>	<u>209</u>
(Increase)/decrease in trade and other receivables	(532)	471
Increase in accrued income	(77)	(13)
Increase/(decrease) in trade and other payables	287	(116)
Increase in deferred revenue	105	96
Net cash inflows from operating activities	<u>10</u>	<u>647</u>
Investing activities		
Payment of development costs		
and purchase of intangible assets	(247)	(234)
Acquisition of a subsidiary, net of cash acquired	(4)	–
Net cash outflows from investing activities	<u>(251)</u>	<u>(234)</u>
Financing activities		
Interest paid to EYGF	(25)	(23)
Dividends paid to non-controlling interests	(1)	–
Proceeds from loan from EYGF	200	480
Repayment of loan to EYGF	(250)	(330)
Repayment of other loans	(2)	(6)
Payment of principal portion of lease liabilities	(5)	(5)
Payment of interest portion of lease liabilities	(1)	(1)
Net cash (outflows)/inflows from financing activities	<u>(84)</u>	<u>115</u>
Net (decrease)/increase in cash and cash equivalents	<u>(325)</u>	<u>528</u>
Cash and cash equivalents at beginning of period	<u>755</u>	<u>227</u>
Cash and cash equivalents at end of period	<u><u>430</u></u>	<u><u>755</u></u>

LLP cash flow statement

for the period ended 1 July 2022

	2022 \$m	2021 \$m
Profit for the financial period	—	—
Adjustments for:		
Depreciation charge	8	5
Net finance costs	6	6
Foreign exchange (loss)/gain on lease liabilities	(2)	3
	<u>12</u>	<u>14</u>
(Increase)/decrease in trade and other receivables	(402)	363
Increase in accrued income	(77)	(13)
Increase/(decrease) in trade and other payables	337	(111)
Increase in deferred revenue	11	46
Net cash (outflows)/inflows from operating activities	<u>(119)</u>	<u>299</u>
Financing activities		
Interest paid to EYGF	(5)	(5)
Payment of principal portion of lease liabilities	(3)	(3)
Payment of interest portion of lease liabilities	(1)	(1)
Net cash outflows from financing activities	<u>(9)</u>	<u>(9)</u>
(Decrease)/increase in cash and cash equivalents	<u>(128)</u>	<u>290</u>
Cash and cash equivalents at beginning of period	<u>425</u>	<u>135</u>
Cash and cash equivalents at end of period	<u><u>297</u></u>	<u><u>425</u></u>

Notes to the financial statements

at 1 July 2022

1. Corporate information

EYGS LLP ('the LLP') is a limited liability partnership incorporated, domiciled and registered in England and Wales (Registered number OC301032). Its registered office is 6 More London Place, London, SE1 2DA.

The consolidated and LLP financial statements of the LLP and its subsidiaries (collectively, the "group") for the period ended 1 July 2022 were authorised for issue by the designated members on behalf of the members on 9 December 2022.

Details of the principal activity of the LLP can be found in the Members' report.

2. Significant accounting policies

The principal accounting policies are summarised below and have all been applied consistently throughout the period and preceding period, unless otherwise stated.

Basis of preparation

The consolidated and LLP financial statements have been prepared in accordance with UK-adopted international accounting standards ("IFRSs").

The financial statements have been prepared on the accrual basis of accounting using a number of measurement bases, as set out in the accounting policies below. The functional currency of the LLP is US dollars. The financial statements are presented in US dollars and, unless otherwise indicated, are rounded to the nearest million US dollars (\$m).

The designated members have considered multiple forecasts covering a period of eighteen months from the date of signing the financial statements, which have assessed any ongoing dynamics of the Covid-19 pandemic, the more recent situation in Ukraine and inflationary/cost of living challenges being encountered in many countries in a range of severe but plausible scenarios. The designated members are confident that the group can operate within its committed facilities and covenants. In addition, there are a number of mitigating steps that could be taken to remain within the committed facilities, should the need arise. They therefore conclude that the group remains a going concern and that it is appropriate to present the accounts on a going concern basis. Further details of this assessment can be found within the Members' report.

The financial statements have been prepared for the 52 week period from 3 July 2021 to 1 July 2022 (the comparative period being the 52 week period from 4 July 2020 to 2 July 2021).

Judgements and key sources of estimation uncertainty

The preparation of financial statements requires the application of judgement and the use of estimates that affect the amounts reported for assets, liabilities, revenues and expenses. Information about these judgements and estimates is included in the accounting policies and other notes to the financial statements, the most significant being:

- revenue recognition (note 2);
- recoverability of trade and other receivables (note 2);
- capitalisation and impairment of internally developed software (note 2); and
- recognition of insurance recoverables (note 2).

Although estimates are based on the best information available, actual outcomes could differ from the amounts included in the financial statements.

Basis of consolidation

The group financial statements include the financial statements of EYGS LLP and the entities it controls (its subsidiaries) drawn up to 1 July 2022. Control is achieved when the group 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. All intra-group balances and transactions have been eliminated in full.

Notes to the financial statements

at 1 July 2022

2. Significant accounting policies (continued)

Non-controlling interests

Non-controlling interests represent the portion of profit or loss, other comprehensive income and equity that is not attributable to the members of the LLP. Non-controlling interests relate to equity interests held by individual, non-voting shareholders in Ernst & Young Asia-Pacific Services (HK) Limited.

Investments

Investments in subsidiaries are carried at cost less provision for impairment. Investments in EY global entities are designated at fair value with gains and losses recognised in other comprehensive income.

Foreign currencies

Transactions in foreign currencies are initially recorded at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. Exchange differences are recognised in the statement of comprehensive income as they arise. Non-monetary balance sheet items that are measured at historical cost in a foreign currency are translated at the functional exchange rate ruling at the date of the initial transaction.

Revenue

Revenue from contracts with customers is earned from providing services under contractual arrangements with Member Firms and members of the group (the “customers”). These services represent a series of performance obligations which are satisfied over time.

Revenue is recognised over time as services are provided, as the group has an enforceable right to payment for performance completed to date and its performance does not create an asset with an alternative use for the group. 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 the group charges its customers on a cost basis. The group acts as principal in providing these services and revenue is reported at the gross amount receivable in return for its performance because it typically controls the services before transferring them to the customer.

Contract balances

Accrued income

Accrued income represents the excess of revenue that has been recognised over amounts allocated and billed to customers. These amounts will be allocated and billed to Member Firms in future years. Accrued income is transferred to trade receivables once the group has an unconditional right to payment which normally occurs when the group has allocated charges and billed these to Member Firms.

Trade receivables

Trade receivables represent the group’s unconditional right to receive consideration.

Trade and other receivables are generally carried at the original invoice amount, less an allowance for expected credit losses (ECLs). ECLs are based on the difference between the contractual cash flows due in accordance with the contract and the cash flows that the group expects to receive.

For trade receivables and accrued income, the group applies a simplified approach in calculating ECLs. Therefore, the group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The group has established a provision that is based on its historical credit loss experience with individual Member Firms and the ageing profile of outstanding invoices, adjusted for forward-looking factors specific to the debtors and the economic environment in which they operate.

Deferred revenue

Deferred revenue represents the obligation to transfer services to a customer for which the group has received consideration (or an amount of consideration is due under non-cancellable contracts) from the customer in advance of services being provided. Deferred revenue is recognised as revenue when the group performs under the contracts with its customers.

Notes to the financial statements

at 1 July 2022

2. Significant accounting policies (continued)

Leases

The group 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.

The group applies a single recognition and measurement approach for all leases, except for short-term leases (term of <12 months) and leases of low-value assets. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

i) Right-of-use assets

The group recognises 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 comprises the amount of lease liabilities recognised adjusted for prepayments. Right-of-use assets are depreciated on a straight-line basis over the lease term.

Right-of-use assets are included within 'Property, plant and equipment'.

ii) Lease liabilities

At the commencement date of the lease, the group recognises lease liabilities measured at the present value of lease payments to be made over the lease term.

In calculating the present value of lease payments, the group uses its incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. The carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term or a change in the remaining lease payments, for example following a rent review; the IBR is revised when a lease is modified or the lease term changes.

Lease liabilities are included within Loans and borrowings.

Income taxes

Current tax assets and liabilities for the current and prior periods are measured at the amounts expected to be recovered from or paid to the taxation authorities by applying tax rates that are enacted or substantively enacted by the balance sheet date in the countries in which the group operates and generates taxable income.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate. If the group concludes that it is probable that the tax authority will accept an uncertain tax treatment that has been taken or is expected to be taken on a tax return, it determines its accounting for income taxes consistently with that tax treatment. If the group concludes that it is not probable that the treatment will be accepted, it reflects the effect of the uncertainty in its estimate of the amount it expects to pay or recover from the tax authority.

Deferred tax is provided using the liability method on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax is measured at the tax rates that are expected to apply in the financial period when the liability is settled or the asset is realised based on tax rates that are enacted or substantively enacted by the balance sheet date. Deferred tax assets are only recognised to the extent that it is probable that future taxable profit will be available to allow the asset to be recovered.

The taxation payable on the LLP's profits is the personal liability of the members.

Net finance costs

Net finance costs include interest payable on interest bearing loans and borrowings less patronage dividends receivable from the lending entity in respect of these loans, in addition to finance income which represents amounts received and receivable in respect of cash and cash equivalents.

Notes to the financial statements

at 1 July 2022

2. Significant accounting policies (continued)

Property, plant and equipment

Property, plant and equipment assets are stated at cost less accumulated depreciation and any impairment in value. The initial cost of an asset comprises its purchase price and any costs directly attributable to bringing the asset into operation.

Depreciation is charged so as to write off the cost of assets to their residual value over their expected useful lives using the straight-line method. The expected useful lives are as follows:

Leasehold property improvements	–	The shorter of the lease term and 10 years
Computers and other equipment	–	5 years

The residual values, useful lives and depreciation methods of assets are reviewed, and adjusted if appropriate, at each financial period end.

The carrying value of property, plant and equipment is reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognising the asset is included in the statement of comprehensive income.

Goodwill and other intangible assets

Goodwill is initially measured at cost being the excess of the consideration transferred over the group's net identifiable assets acquired and liabilities assumed. After initial recognition, goodwill is measured at cost less any accumulated impairment losses.

Intangible assets comprise the internally developed practice management system, audit software, other internally developed software and software licences.

Research costs are expensed as incurred. Development expenditure on an individual project is recognised as an intangible asset when the group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use, its intention to complete and its ability to use, how the asset will generate future economic benefits, the availability of resources to complete the asset and the ability to measure reliably the expenditure during development.

Following initial recognition of the development expenditure as an asset, the cost model is applied requiring the asset to be carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised evenly over the period of expected future benefit. During the period of development, the asset is tested for impairment annually.

Internally developed software has a useful life of between three and fifteen years and licenses are amortised over the length of the license to a maximum of three years.

The residual values, useful lives and amortisation methods of assets are reviewed, and adjusted if appropriate, at each financial period end.

The carrying value of other intangible assets is reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

An intangible asset is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognising the asset is included in the statement of comprehensive income.

As part of the contractual arrangements that the group has with Member Firms, management has elected to recover the cost of intangible assets from Member Firms as they are amortised, together with any associated costs as they are incurred.

Notes to the financial statements

at 1 July 2022

2. Significant accounting policies (continued)

Employee benefits

The LLP and two subsidiaries of the group, EY Global Services Limited and Ernst & Young (EMEIA) Services Limited, are part of a joint defined contribution pension scheme for all their employees. In addition, another subsidiary of the group, Ernst & Young Asia-Pacific Services (HK) Limited, operates a defined contribution retirement benefit scheme for all its employees. Contributions are made based on a percentage of employees' basic salaries and are charged to the statement of comprehensive income as they become payable. The assets of the schemes are held separately from those of the group in independently administered funds.

Financial instruments

Financial instruments are recognised when the group becomes party to the contracts that give rise to them and they are derecognised on settlement. They are measured initially at fair value, normally being the transaction price. The subsequent accounting treatment depends on the classification of an instrument as set out below.

Trade and other payables

Trade and other payables are carried at amortised cost, which for amounts due to Member Firms generally approximates the original invoiced amount.

Interest bearing loans and borrowings

Loans and borrowings are initially measured at the fair value of consideration received less directly attributable transaction costs, and subsequently at amortised cost using the effective interest method.

Interest payable on loans and other borrowings is recognised as an expense in the statement of comprehensive income when incurred.

Interest compensation liabilities

Interest compensation liabilities are initially recognised at fair value on the date in which the interest compensation liability contract is entered into and are subsequently measured at amortised cost using the effective interest method.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis.

Cash and cash equivalents

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

For the purpose of the cash flow statement, cash and cash equivalents is as defined above, net of outstanding bank overdrafts.

Insurance recoveries

Reimbursements from insurance policies are only recognised as an asset when receipt is virtually certain. Insurance proceeds recognised in the income statement are netted against the expense to which they relate.

New and amended accounting standards and interpretations and other changes to the financial statements

Several amendments and interpretations apply for the first time in the current period, but do not have an impact on the consolidated financial statements of the group.

Standards that are not yet effective

A number of standards and other pronouncements are in issue that are not yet effective and have not been adopted, none of which are expected to have a material impact on the financial statements.

Notes to the financial statements

at 1 July 2022

3. Revenue

<i>Type of service</i>	<i>Group 2022 \$m</i>	<i>LLP 2022 \$m</i>	<i>Group 2021 \$m</i>	<i>LLP 2021 \$m</i>
Global assessment	1,981	1,981	1,701	1,701
Global services	2,736	–	2,457	–
Regional management income	195	–	201	–
Area management income	215	–	218	–
Other revenue	176	350	173	254
	<u>5,303</u>	<u>2,331</u>	<u>4,750</u>	<u>1,955</u>

4. Operating expenses

	<i>Group 2022 \$m</i>	<i>LLP 2022 \$m</i>	<i>Group 2021 \$m</i>	<i>LLP 2021 \$m</i>
People costs	2,262	1,006	2,098	921
Software and technology costs	824	9	763	5
Market development and initiative costs	700	164	626	108
Professional fees	857	290	797	297
Other operating expenses	611	847	414	610
	<u>5,254</u>	<u>2,316</u>	<u>4,698</u>	<u>1,941</u>

People costs include the cost of individuals whose services are recharged to the group by Member Firms and the cost of staff directly employed by the group which are disclosed in note 5.

Fees payable to the auditor for the audit of the group financial statements were \$237k (2021: \$256k), of which fees payable to the LLP's auditor for the audit of the LLP's financial statements were \$110k (2021: \$107k).

Market development and initiative costs and other operating expenses are stated net of insurance recoveries of \$70m (2021: \$84m).

Included within operating expenses are the following items:

	<i>Group 2022 \$m</i>	<i>LLP 2022 \$m</i>	<i>Group 2021 \$m</i>	<i>LLP 2021 \$m</i>
Short-term lease expense	18	–	14	–
Net exchange rate losses/(gains)	(6)	(7)	21	11
Depreciation, amortisation and impairment	202	8	182	5
	<u>202</u>	<u>8</u>	<u>182</u>	<u>5</u>

Notes to the financial statements

at 1 July 2022

5. Staff costs

	<i>Group</i> <i>2022</i> <i>\$m</i>	<i>LLP</i> <i>2022</i> <i>\$m</i>	<i>Group</i> <i>2021</i> <i>\$m</i>	<i>LLP</i> <i>2021</i> <i>\$m</i>
Wages and salaries	145	69	46	11
Social security costs	14	8	3	1
Pension costs – defined contribution schemes	10	5	3	2
	<u>169</u>	<u>82</u>	<u>52</u>	<u>14</u>
	<u><u>169</u></u>	<u><u>82</u></u>	<u><u>52</u></u>	<u><u>14</u></u>
	<i>Group</i> <i>2022</i> <i>No.</i>	<i>LLP</i> <i>2022</i> <i>No.</i>	<i>Group</i> <i>2021</i> <i>No.</i>	<i>LLP</i> <i>2021</i> <i>No.</i>
Average number of staff	1,016	459	296	76
	<u>1,016</u>	<u>459</u>	<u>296</u>	<u>76</u>
	<u><u>1,016</u></u>	<u><u>459</u></u>	<u><u>296</u></u>	<u><u>76</u></u>

Included within group staff costs are the costs of 468 and 459 staff that were directly employed by the LLP and EY Global Services Limited respectively with effect from 1 May 2021. Until that date, all staff were employed by Ernst & Young Asia-Pacific Services (HK) Limited and Ernst & Young (EMEIA) Services Limited.

6. Net finance costs

	<i>Group</i> <i>2022</i> <i>\$m</i>	<i>LLP</i> <i>2022</i> <i>\$m</i>	<i>Group</i> <i>2021</i> <i>\$m</i>	<i>LLP</i> <i>2021</i> <i>\$m</i>
Interest payable to EYGF	24	5	23	5
Interest payable on lease liabilities (note 20)	1	1	1	1
Other interest	1	-	-	-
	<u>26</u>	<u>6</u>	<u>24</u>	<u>6</u>
	<u><u>26</u></u>	<u><u>6</u></u>	<u><u>24</u></u>	<u><u>6</u></u>

7. Taxation

	<i>Group</i> <i>2022</i> <i>\$m</i>	<i>LLP</i> <i>2022</i> <i>\$m</i>	<i>Group</i> <i>2021</i> <i>\$m</i>	<i>LLP</i> <i>2021</i> <i>\$m</i>
Tax charge	22	9	28	8
	<u>22</u>	<u>9</u>	<u>28</u>	<u>8</u>
	<u><u>22</u></u>	<u><u>9</u></u>	<u><u>28</u></u>	<u><u>8</u></u>

The tax charges for the current and prior period comprise overseas withholding taxes. No taxable profit arises in the UK from trading with members because of the group's mutual trader status. All other profits are taxable.

There were no differences between the tax base and carrying amounts of assets or liabilities in the current or prior period, and therefore no deferred tax arose.

Notes to the financial statements

at 1 July 2022

8. Average number of members

Group and LLP

	2022 Number	2021 Number
Average number of members, including Designated Members	13	13

9. Property, plant and equipment

Group only

at 1 July 2022

	Short leasehold improvements \$m	Computers and other equipment \$m	Right-of- use asset- property \$m	Right-of- use asset- data centres \$m	Total \$m
Cost:					
At 3 July 2021	17	5	27	12	61
Remeasurement	—	—	(14)	—	(14)
At 1 July 2022	17	5	13	12	47
Depreciation:					
At 3 July 2021	11	3	6	3	23
Charge for the period	6	—	2	3	11
At 1 July 2022	17	3	8	6	34
Net book value at 1 July 2022	—	2	5	6	13

Notes to the financial statements

at 1 July 2022

9. Property, plant and equipment (continued)

LLP only

at 1 July 2022

	<i>Short leasehold improvements</i>	<i>Computers and other equipment</i>	<i>Right-of- use asset- property</i>	<i>Total</i>
	<i>\$m</i>	<i>\$m</i>	<i>\$m</i>	<i>\$m</i>
Cost:				
At 3 July 2021	17	3	27	47
Remeasurement	—	—	(14)	(14)
At 1 July 2022	17	3	13	33
Depreciation:				
At 3 July 2021	11	1	6	18
Charge for the period	6	—	2	8
At 1 July 2022	17	1	8	26
Net book value at 1 July 2022	—	2	5	7

The remeasurement of the right-of-use asset in the current period relates to the reassessment of termination options of the property lease.

Group only

at 2 July 2021

	<i>Short leasehold improvements</i>	<i>Computers and other equipment</i>	<i>Right-of- use asset- property</i>	<i>Right-of- use asset- data centres</i>	<i>Total</i>
	<i>\$m</i>	<i>\$m</i>	<i>\$m</i>	<i>\$m</i>	<i>\$m</i>
Cost:					
At 3 July 2020 and 2 July 2021	17	5	27	12	61
Depreciation:					
At 3 July 2020	9	3	3	1	16
Charge for the period	2	—	3	2	7
At 2 July 2021	11	3	6	3	23
Net book value at 2 July 2021	6	2	21	9	38

Notes to the financial statements

at 1 July 2022

9. Property, plant and equipment (continued)

LLP only

at 2 July 2021

	<i>Short leasehold improvements</i>	<i>Computers and other equipment</i>	<i>Right-of- Use asset- Property</i>	<i>Total</i>
	\$m	\$m	\$m	\$m
Cost:				
At 3 July 2020 and 2 July 2021	17	3	27	47
Depreciation:				
At 3 July 2020	9	1	3	13
Charge for the period	2	–	3	5
At 2 July 2021	11	1	6	18
Net book value at 2 July 2021	6	2	21	29

10. Goodwill and other intangible assets

Group only

at 1 July 2022

	<i>Goodwill</i>	<i>Practice manageme nt system</i>	<i>Audit software</i>	<i>Other internally developed software</i>	<i>Software licenses</i>	<i>Total</i>
	\$m	\$m	\$m	\$m	\$m	\$m
Cost:						
At 2 July 2021	–	687	264	282	71	1,304
Additions	–	47	35	155	10	247
Acquisition of a subsidiary (note 11)	1	–	–	–	4	5
Disposals	–	(16)	–	–	(16)	(32)
At 1 July 2022	1	718	299	437	69	1,524
Amortisation:						
At 2 July 2021	–	199	174	107	62	542
Charge for the period	–	54	32	97	7	190
Impairment	1	–	–	–	–	1
Disposals	–	(16)	–	–	(16)	(32)
At 1 July 2022	1	237	206	204	53	701
Net book value at 1 July 2022	–	481	93	233	16	823

Notes to the financial statements

at 1 July 2022

10. Goodwill and other intangible assets (continued)

Group only

at 2 July 2021

	<i>Practice management system \$m</i>	<i>Audit software \$m</i>	<i>Other internally developed software \$m</i>	<i>Software licenses \$m</i>	<i>Total \$m</i>
Cost:					
At 3 July 2020	610	246	164	120	1,140
Additions	89	18	118	9	234
Disposals	(12)	–	–	(58)	(70)
At 2 July 2021	687	264	282	71	1,304
Amortisation:					
At 3 July 2020	153	134	34	116	437
Charge for the period	47	40	73	4	164
Impairment	11	–	–	–	11
Disposals	(12)	–	–	(58)	(70)
At 2 July 2021	199	174	107	62	542
Net book value at 2 July 2021	488	90	175	9	762

The practice management system has a remaining amortisation period of nine years. The audit software includes audit, analytics and research tools which have different remaining amortisation periods of up to seven years. The internally developed software includes different tools which have different remaining amortisation periods of up to three years.

Goodwill arises in respect of the group's acquisition of Tao Leadership Limited (note 11), which represents the cash generating unit (CGU) for which goodwill is assessed for impairment. The recoverable amount of the goodwill is determined based upon its estimated value in use, using cash flow projections. Based on the impairment testing, the group determined that the carrying value exceeded the value in use of the CGU. The goodwill was accordingly fully impaired during the current period.

11. Business combination

On 19 November 2021, EY Global Services Limited, a group entity, acquired the entire share capital of Tao Leadership Limited for consideration of \$4m. The acquiree is a company specialising in technology services and incorporated in the United Kingdom. Its registered office is 6 More London Place, London, SE1 2DA.

The fair value of identifiable assets and liabilities as at the date of acquisition were:

	<i>\$m</i>
Intangible assets (note 10)	4
Deferred tax liability	(1)
Total identifiable net assets acquired at fair value	3
Goodwill on acquisition (note 10)	1
Purchase consideration	4

Notes to the financial statements

at 1 July 2022

11. Business combination (continued)

The purchase consideration of \$4m was paid in cash on the date of completion 19 November 2021.

12. Trade and other receivables

	<i>Group</i>	<i>LLP</i>	<i>Group</i>	<i>LLP</i>
	<i>2022</i>	<i>2022</i>	<i>2021</i>	<i>2021</i>
	<i>\$m</i>	<i>\$m</i>	<i>\$m</i>	<i>\$m</i>
Non-current				
Prepayments	9	–	9	–
Current				
Amounts due from Member Firms	1,633	289	1,091	70
Amounts due from subsidiaries	–	638	–	460
Insurance recoverable	70	70	84	84
Prepayments	118	25	116	6
Other receivables	46	17	44	17
	<u>1,867</u>	<u>1,039</u>	<u>1,335</u>	<u>637</u>

Included within amounts due from Member Firms is \$260m (2021: \$205m) which was unbilled at the period end, of which \$40m (2021: \$22m) relates to the LLP only.

Amounts due from Member Firms and subsidiaries are non-interest bearing and are generally on terms of 30 days. Amounts due from Member Firms are shown net of an allowance amount for expected credit losses, movements on which were as follows:

	<i>Group</i>	<i>LLP</i>	<i>Group</i>	<i>LLP</i>
	<i>2022</i>	<i>2022</i>	<i>2021</i>	<i>2021</i>
	<i>\$m</i>	<i>\$m</i>	<i>\$m</i>	<i>\$m</i>
At beginning of the period	110	32	101	26
New and additional provisions	37	11	44	10
Recoveries	(32)	–	(28)	(2)
Write offs	(2)	–	(7)	(2)
	<u>113</u>	<u>43</u>	<u>110</u>	<u>32</u>

Notes to the financial statements

at 1 July 2022

13. Accrued income

	<i>Group</i> <i>1 July</i> <i>2022</i> <i>\$m</i>	<i>LLP</i> <i>1 July</i> <i>2022</i> <i>\$m</i>	<i>Group</i> <i>2 July</i> <i>2021</i> <i>\$m</i>	<i>LLP</i> <i>2 July</i> <i>2021</i> <i>\$m</i>
Non-current				
Accrued income	592	592	522	522
	=====	=====	=====	=====
Current				
Accrued income	94	94	87	87
	=====	=====	=====	=====

14. Investment in subsidiaries

LLP only

	<i>2022</i> <i>\$m</i>	<i>2021</i> <i>\$m</i>
Subsidiary undertakings held at cost	—	—
	=====	=====

EYGS LLP has the following subsidiaries:

	<i>Country of incorporation</i>	<i>Nature of business</i>
EY Global Services Limited	United Kingdom	Provision of technology and other services
Ernst & Young (EMEIA) Services Limited	United Kingdom	Services and co-ordination company
Ernst & Young (Asia-Pacific) Services Limited	United Kingdom	Services and co-ordination company
Ernst & Young Asia Pacific Services (HK) Limited*	Hong Kong	Service company
APAC Area Investments Limited *	Hong Kong	Holding company for Debentures
Tao Leadership Limited (In liquidation)	United Kingdom	Provision of technology services

* Interest held indirectly

The subsidiaries incorporated in the United Kingdom and with the exception of Tao Leadership Limited, have their registered office in 6 More London Place, London, SE1 2DA. Subsequent to the period end, Tao Leadership Limited's registered address changed from 6 More London Place, London, SE1 2DA to 1 Colmore Square, Birmingham, B4 6HQ. Those subsidiaries incorporated in Hong Kong have their registered office in 27/F, One Taikoo Place, 979 Kings Road, Quarry Bay Hong Kong.

Notes to the financial statements

at 1 July 2022

14. Investment in subsidiaries (continued)

EYGS LLP owns, directly or indirectly, 100% of all shares in each entity. The group owns 100% of ordinary and A ordinary class share capital of Tao Leadership Limited which carries voting rights, the entity also owns class B ordinary and C ordinary share capital which carries no voting rights. The group owns 100% of the class A share capital of Ernst & Young Asia-Pacific Services (HK) Limited, which carries some profit entitlement and all voting rights. The entity also has class B, C and D share capital which is treated as non-controlling interests since it carries no voting rights.

15. Investment in EY global entities

	<i>Group</i>	<i>LLP</i>	<i>Group</i>	<i>LLP</i>
<i>Non-current</i>	<i>2022</i>	<i>2022</i>	<i>2021</i>	<i>2021</i>
	<i>\$m</i>	<i>\$m</i>	<i>\$m</i>	<i>\$m</i>
Investment in EY global entities	–	–	–	–

Group and LLP

	<i>Country of Incorporation</i>	<i>Nature of business</i>
EYGBS (India) LLP (22 A Ordinary shares INR 10 or US\$0.20 each)	India	Shared Service Centre
EY Global Services (Poland) Sp.zoo (4 Ordinary shares PLN50 or US\$13each)	Poland	Shared Service Centre
EY Global Services (Buenos Aires) SRL (120 Ordinary shares ARS10 or US\$2.379 each)	Argentina	Shared Service Centre
EY GDS Holdings Cooperatief U.A. (A cooperative not limited by shares)	Netherlands	Holding company

The LLP holds 22 A ordinary shares in EYGBS (India) LLP which carry 33.33% of the voting rights and is not entitled to any profit. The LLP holds 1% of the voting rights of EY Global Services (Poland) Sp.zoo. The LLP holds 10% of the voting rights in EY Global Services (Buenos Aires) SRL. Finally, the group holds 14.37% of the membership interests in EY GDS Holdings Cooperatief U.A. of which the LLP holds 2.25% of the membership interests. EYGBS (India) LLP is an investment in associate which has been accounted for using the equity method.

16. Cash and cash equivalents

	<i>Group</i>	<i>LLP</i>	<i>Group</i>	<i>LLP</i>
	<i>1 July</i>	<i>1 July</i>	<i>2 July</i>	<i>2 July</i>
	<i>2022</i>	<i>2022</i>	<i>2021</i>	<i>2021</i>
	<i>\$m</i>	<i>\$m</i>	<i>\$m</i>	<i>\$m</i>
Cash at banks and in hand	280	147	755	425
Short-term deposits	150	150	–	–
	430	297	755	425

Short-term deposits have a maturity period of less than three months.

Notes to the financial statements

at 1 July 2022

17. Trade and other payables

	<i>Group</i> <i>2022</i> <i>\$m</i>	<i>LLP</i> <i>2022</i> <i>\$m</i>	<i>Group</i> <i>2021</i> <i>\$m</i>	<i>LLP</i> <i>2021</i> <i>\$m</i>
Non-current				
Amounts due to Member Firms	4	4	4	4
Accruals	34	34	40	40
Interest compensation liability	27	27	32	32
	<u>65</u>	<u>65</u>	<u>76</u>	<u>76</u>
Current				
Amounts due to Member Firms	1,792	577	1,520	525
Amounts due to subsidiaries	–	824	–	525
Accruals	277	18	275	29
Interest compensation liability	2	2	2	2
Other payables	139	22	114	14
	<u>2,210</u>	<u>1,443</u>	<u>1,911</u>	<u>1,095</u>

Included within amounts due to Member Firms are accruals of \$1,307 (2021: \$981m) of which \$507m (2021: \$428m) relates to the LLP only.

18. Deferred revenue

	<i>Group</i> <i>2022</i> <i>\$m</i>	<i>LLP</i> <i>2022</i> <i>\$m</i>	<i>Group</i> <i>2021</i> <i>\$m</i>	<i>LLP</i> <i>2021</i> <i>\$m</i>
Deferred revenue	<u>998</u>	<u>467</u>	<u>893</u>	<u>456</u>

Deferred revenue comprises amounts received in advance and amounts billed in advance of services being provided under non-cancellable contracts.

All deferred revenue at the end of the preceding financial period was recognised as revenue in the current period.

Notes to the financial statements

at 1 July 2022

19. Loans and borrowings

	<i>Interest rate per annum %</i>	<i>Maturity</i>	<i>Group 1 July 2022 \$m</i>	<i>LLP 1 July 2022 \$m</i>	<i>Group 2 July 2021 \$m</i>	<i>LLP 2 July 2021 \$m</i>
Non-current loans						
EYGF fixed term loan	4.95	Nov-25	80	–	80	–
EYGF fixed term loan	4.45	Nov-24	50	–	50	–
EYGF fixed term loan	4.95	Jan-23	–	–	50	50
EYGF fixed term loan	4.95	Sep-28**	50	–	50	–
EYGF fixed term loan	4.95	Sep-28**	100	–	–	–
Lease liabilities (note 20)	Various	Various	4	–	27	19
			<u>284</u>	<u>–</u>	<u>257</u>	<u>69</u>
Current loans						
EYGF revolving credit facility	LIBOR+2.0	Various *	200	–	250	–
EYGF fixed term loan	4.95	Sep-21**	–	–	100	–
EYGF fixed term loan	4.95	Jan-23	50	50	–	–
EYGF accrued interest			2	–	2	–
Lease liabilities (note 20)	Various	Jun-23	7	4	5	4
Bank loan	1.56	Aug-22***	10	–	10	–
Other loans	–	Apr-22	–	–	2	–
			<u>269</u>	<u>54</u>	<u>369</u>	<u>4</u>
			<u>553</u>	<u>54</u>	<u>626</u>	<u>73</u>

* The amounts drawn at 1 July 2022 on the revolving credit facility have maturity dates from July to August 2022. The facility is due to expire in June 2024.

** The maturity date of these loans were extended during the period end 1 July 2022.

***The maturity date of the loan was extended after the period ended 1 July 2022 from August 2022 to February 2023.

EYGF is a US (Delaware) corporation owned by Member Firms. All the loans from EYGF are unsecured.

The carrying values of the fixed rate loans approximate their fair value.

Notes to the financial statements

at 1 July 2022

19. Loans and borrowings (continued)

Changes in the group's loans and borrowings (excluding lease liabilities) arising from financing activities are as follows:

at 1 July 2022

	2 July 2021	Cash inflows	Cash outflows	Reclassi- fication	1 July 2022
	\$m	\$m	\$m	\$m	\$m
Non-current loans					
EYGF fixed term loans	230	–	–	50	280
	<u>230</u>	<u>–</u>	<u>–</u>	<u>50</u>	<u>280</u>
Current loans					
EYGF revolving credit facility	250	200	(250)	–	200
EYGF fixed term loans	100	–	–	(50)	50
Bank loan	10	–	–	–	10
Other loans	2	–	(2)	–	–
	<u>362</u>	<u>200</u>	<u>(252)</u>	<u>(50)</u>	<u>260</u>

at 2 July 2021

	3 July 2020	Cash inflows	Cash outflows	Reclassi- fication	2 July 2021
	\$m	\$m	\$m	\$m	\$m
Non-current loans					
EYGF fixed term loans	250	80	–	(100)	230
Other loans	3	–	–	(3)	–
	<u>253</u>	<u>80</u>	<u>–</u>	<u>(103)</u>	<u>230</u>
Current loans					
EYGF revolving credit facility	100	400	(250)	–	250
EYGF fixed term loans	80	–	(80)	100	100
Bank loan	10	–	–	–	10
Other loans	5	–	(6)	3	2
	<u>195</u>	<u>400</u>	<u>(336)</u>	<u>103</u>	<u>362</u>

Reclassification in the current period relate to the reclassification of \$100m of loans and borrowings from current to non-current due to the extension of the maturity date of the loans. In addition, reclassification in the current

Notes to the financial statements

at 1 July 2022

19. Loans and borrowings (continued)

period relate to the reclassification of \$50m of loans and borrowings from non-current to current due to the passage of time.

20. Leases

The LLP has entered into a non-cancellable commercial property lease. During the period ended 1 July 2022, the lease term was reassessed. The reassessment resulted in a reduction of the remainder term of the lease from six years to one year as at 1 July 2022.

Another group entity, EY Global Services Limited, has entered into two data centres leases with remaining terms of 2.5 years in addition to leases for three other data centres, with remaining terms of six months, for which the group has applied the 'short-term lease' recognition exemption. Expenses related to short-term leases are included in operating expenses (note 4).

The movements on the lease liabilities (included under loans and borrowings in note 19) were as follows:

	<i>Group</i>	<i>LLP</i>	<i>Group</i>	<i>LLP</i>
	<i>2022</i>	<i>2022</i>	<i>2021</i>	<i>2021</i>
	<i>\$m</i>	<i>\$m</i>	<i>\$m</i>	<i>\$m</i>
At beginning of the period	32	23	34	23
Accretion of interest (note 6)	1	1	1	1
Payments	(6)	(4)	(6)	(4)
Remeasurement	(14)	(14)	—	—
Foreign exchange difference	(2)	(2)	3	3
	<u>11</u>	<u>4</u>	<u>32</u>	<u>23</u>

The maturity analysis of the lease liabilities is disclosed in note 22. The related right-of-use assets are disclosed in note 9. The group had total cash outflows for leases of \$24m during the period (2021: \$20m) of which \$18m related to short term leases (2021: \$14m). The LLP had total cash outflows for leases of \$4m during the period (2021: \$4m) of which \$nil related to short term leases (2021: \$nil).

21. Retained earnings

Group and LLP

Profits are allocated to members at the discretion of the designated members. Profit allocations are recognised as a deduction from equity when payment is no longer discretionary. In the current and preceding period the LLP recognised a profit of \$10k. In the current period, the Group recognised a profit of \$1m which relates to non-controlling interests.

In the event of a wind-up, retained earnings rank after unsecured creditors.

The objective when managing capital is to safeguard the ability to continue as a going concern. Capital, which comprises the equity of the group, is monitored by the designated members to ensure this objective is met. Long term financing is provided through loans from EYGF which broadly finances core working capital and the group's investment in intangible fixed assets.

Notes to the financial statements

at 1 July 2022

22. Financial instruments

The group's and LLP's financial liabilities comprise trade and other payables, and loans and borrowings. The main purpose of these loans and borrowings is to raise finances for the group's and LLP's investments in intangible assets and operations. The group's and LLP's principal financial assets include trade and other receivables and cash and cash equivalents that arise directly from their operations. All the group's and LLP's financial instruments are classified at amortised cost, except for the investments in EY global entities which are classified as financial assets at fair value through other comprehensive income.

Financial instruments give rise to liquidity, credit, interest rate and foreign currency risks. The designated members review and agree policies for managing these risks.

Financial instruments are not used for speculative activity and complex financial instruments are avoided. Information about how these risks are managed is set out below:

Liquidity risk

Liquidity risk arises from ongoing financial obligations, including settlement of financial liabilities such as amounts due to Member Firms and loans from EYGF. The group's objective is to maintain a balance between continuity of funding and flexibility through drawing down on the revolving credit facilities obtained from EYGF which are due to expire in June 2024.

The maximum principal value of the draw down on these facilities is \$350m (2021: \$350m), of which \$200m was drawn down (FY21: \$250m) at the period end and incurs interest at a floating market rate fixed at the time of each draw down for the term of the drawdown. The drawn amount is unsecured and is repayable on demand. The LLP and EY Global Services Limited are severally liable for the obligations under the joint facility.

Additionally, the group has \$330m of fixed term loans from EYGF (2021: \$330m). The maturity dates and interest rates of these loans are disclosed in note 19.

Under the contractual arrangements with the Member Firms, invoices are raised and payments received for many of the services in advance of the services being delivered throughout the period. This assists in planning for any financing requirements.

Cleared funds held at banks are monitored daily and surplus funds are placed on overnight deposits. Cash deposits are placed only with relationship banks.

The maturity profile of the undiscounted contractual payments arising from the group's and LLP's financial liabilities at the period end, which includes interest payments, is detailed below:

Group

	<i>Within one year</i>	<i>Between one & two years</i>	<i>Between two & five years</i>	<i>Over five years</i>	<i>Total</i>
at 1 July 2022	<i>\$m</i>	<i>\$m</i>	<i>\$m</i>	<i>\$m</i>	<i>\$m</i>
Amounts due to Member Firms	1,792	1	2	1	1,796
Loans from EYGF	265	14	159	160	598
Accruals	277	7	11	16	311
Bank loan	10	—	—	—	10
Lease liabilities	6	5	—	—	11
Interest compensation liability	2	4	7	43	56
Other payables	139	—	—	—	139
	<u>2,491</u>	<u>31</u>	<u>179</u>	<u>220</u>	<u>2,921</u>

Notes to the financial statements

at 1 July 2022

22. Financial instruments (continued)

Liquidity risk (continued)

Group

	<i>Within one year \$m</i>	<i>Between one & two years \$m</i>	<i>Between two & five years \$m</i>	<i>Over five years \$m</i>	<i>Total \$m</i>
at 2 July 2021					
Amounts due to Member Firms	1,520	1	2	1	1,524
Loans from EYGF	363	108	143	—	614
Accruals	275	4	12	24	315
Bank loan	10	—	—	—	10
Other loans	2	—	—	—	2
Lease liabilities	7	13	13	3	36
Interest compensation liability	2	5	7	52	66
Other payables	114	—	—	—	114
	<u>2,293</u>	<u>131</u>	<u>177</u>	<u>80</u>	<u>2,681</u>
LLP					
at 1 July 2022	<i>\$m</i>	<i>\$m</i>	<i>\$m</i>	<i>\$m</i>	<i>\$m</i>
Amounts due to Member Firms	577	1	2	1	581
Amounts due to subsidiaries	824	—	—	—	824
Accruals	18	7	11	16	52
Loans from EYGF	51	—	—	—	51
Lease liability-property	4	—	—	—	4
Interest compensation liability	2	4	7	43	56
Other payables	22	—	—	—	22
	<u>1,498</u>	<u>12</u>	<u>20</u>	<u>60</u>	<u>1,590</u>
at 2 July 2021	<i>\$m</i>	<i>\$m</i>	<i>\$m</i>	<i>\$m</i>	<i>\$m</i>
Amounts due to Member Firms	525	1	2	1	529
Amounts due to subsidiaries	525	—	—	—	525
Accruals	29	4	12	24	69
Loans from EYGF	3	51	—	—	54
Lease liability-property	4	7	11	3	25
Interest compensation liability	2	5	7	52	66
Other payables	14	—	—	—	14
	<u>1,102</u>	<u>68</u>	<u>32</u>	<u>80</u>	<u>1,282</u>

Credit risk

Credit risk arises principally from cash held at financial institutions and financial assets included within trade and other receivables. All revenue is generated from transactions with Member Firms and members of the group. The group does not hold collateral. Invoices are separately assessed for impairment based on level of risk of repayment.

Notes to the financial statements

at 1 July 2022

22. Financial instruments (continued)

Credit risk (continued)

The maximum exposure to credit risk from trade and other receivables is equal to their carrying value, although credit risk is considered low.

The level of the receivables is monitored on a continuous basis. The ageing of debtors net of impairment, by reference to due date is as follows:

<i>Group</i>	<i>Not past due \$m</i>	<i>0-3 months \$m</i>	<i>3-6 months \$m</i>	<i>Over 6 months \$m</i>	<i>Total \$m</i>
at 1 July 2022					
Amounts due from Member Firms	1,147	252	88	146	1,633
Accrued income	686	–	–	–	686
Other receivables	114	–	–	2	116
	<u>1,947</u>	<u>252</u>	<u>88</u>	<u>148</u>	<u>2,435</u>
	<i>\$m</i>	<i>\$m</i>	<i>\$m</i>	<i>\$m</i>	<i>\$m</i>
at 2 July 2021					
Amounts due from Member Firms	784	193	37	77	1,091
Accrued income	609	–	–	–	609
Other receivables	126	–	–	2	128
	<u>1,519</u>	<u>193</u>	<u>37</u>	<u>79</u>	<u>1,828</u>
	<i>\$m</i>	<i>\$m</i>	<i>\$m</i>	<i>\$m</i>	<i>\$m</i>
LLP					
at 1 July 2022					
Amounts due from Member Firms	278	7	3	1	289
Amounts due from subsidiaries	429	87	38	84	638
Accrued income	686	–	–	–	686
Other receivables	87	–	–	–	87
	<u>1,480</u>	<u>94</u>	<u>41</u>	<u>85</u>	<u>1,700</u>
	<i>\$m</i>	<i>\$m</i>	<i>\$m</i>	<i>\$m</i>	<i>\$m</i>
at 2 July 2021					
Amounts due from Member Firms	58	6	3	3	70
Amounts due from subsidiaries	343	1	49	67	460
Accrued income	609	–	–	–	609
Other receivables	101	–	–	–	101
	<u>1,111</u>	<u>7</u>	<u>52</u>	<u>70</u>	<u>1,240</u>

Notes to the financial statements

at 1 July 2022

22. Financial instruments (continued)

Credit risk (continued)

Accrued income at the balance sheet date is expected to be fully recovered from the Member Firms in future periods in line with the group forecast and strategy, accordingly no provision has been made in respect of credit losses.

Cash and cash equivalents (see note 16) are held with reputable financial institutions.

The LLP and EY Global Services Limited are guarantors for a \$700m facility (2021: \$700m) extended by a consortium of banks to EYGF of which \$96m was drawn down at the period end (2021: \$166m). EYGF also has in issue \$500m (2021: \$500m) of notes payable to certain insurance companies for which the LLP and EY Global Services Limited are guarantors.

The LLP is also guarantor of a \$32m (2021: \$35m) ten-year loan extended by Banc of America Leasing & Capital, LLC to CP Applications LLC, a \$6.5m term loan (2021: \$6.5m) extended by EYGF to Shackleton Holdings Limited and a 3 billion Japanese Yen (JPY) or approximately \$25m (2021: \$36m) revolving credit facility extended by EYGF to EY Japan Co. Ltd.

The LLP is also guarantor of a two-year revolving credit facility of \$25m (2021: \$25m) to EY Catalyst Limited, of which \$22m was drawn down at the period end (2021: \$22m). The LLP is also guarantor of a revolving credit facility of \$6m (2021: \$6m) to Mehlman and Jacobs LLP, of which \$3m was drawn down at the period end (2021: \$nil).

In addition, a member of the group has cross guaranteed EYGF in respect of guarantees EYGF has provided to (i) HSBC in Seoul on a 13 billion South Korean Won (KRW), or approximately \$10m (2021: \$11m), borrowing facility extended to Ernst & Young Advisory Inc; (ii) HSBC in Malaysia on a borrowing facility extended to Ernst & Young Advisory Services Sdn Bhd which was paid during the period (2021: \$12m); and (iii) HSBC on a AUD 20m or approximately \$14m (2021: \$15m), borrowing facility extended to EY Rubix Pty Limited, EY Business Solutions Pty Limited and EY Identity Pty Limited.

Any payments made under any of these arrangements will be recovered by charging the Member Firms pursuant to the management service agreements entered into between the LLP and the Member Firms. The likelihood of payments under these guarantees is considered remote.

Although both the group and the LLP financial assets are exposed to credit risk, as a result of the contractual arrangements with Member Firms there will be no impact on the reported group and LLP profit before tax and equity as costs resulting from credit risks will be charged to Member Firms.

Interest rate risk

The group's exposure to the risk of changes in interest rates relates primarily to the group's revolving credit facility with floating interest rates.

Cleared funds held at banks earn interest at floating rates based on daily bank deposit rates.

Interest rate risk is not hedged. If interest rates were to change by 0.5% per annum, the impact on the profit due to changes in finance income and costs would be \$1m (2021: \$1m).

Although both the group's and LLP's statement of comprehensive income are sensitive to changes in interest rates, as a result of the contractual arrangements with Member Firms there will be no impact on the reported LLP and group profit before tax and equity as changes will be charged to Member Firms.

Notes to the financial statements

at 1 July 2022

22. Financial instruments (continued)

Foreign currency risk

The main exposure of the group and the LLP to foreign currency risk comes from amounts due from Member Firms which are denominated in a foreign currency, as well as exposure on amounts due to Member Firms.

The US dollar equivalent of foreign currency denominated balances is as follows:

<i>Group</i>	<i>2022</i>	<i>2021</i>	<i>2022</i>	<i>2021</i>	<i>2022</i>	<i>2021</i>
	<i>GBP</i>	<i>GBP</i>	<i>EUR</i>	<i>EUR</i>	<i>HKD</i>	<i>HKD</i>
	<i>\$m</i>	<i>\$m</i>	<i>\$m</i>	<i>\$m</i>	<i>\$m</i>	<i>\$m</i>
Cash and cash equivalents	29	5	11	8	3	3
Trade and other receivables	279	262	35	32	–	–
Trade and other payables	(69)	(79)	(76)	(73)	(18)	(31)
Bank loan	–	–	–	–	(10)	(10)
Lease liabilities	(4)	(23)	–	–	–	–
LLP	2022	2021	2022	2021	2022	2021
	GBP	GBP	EUR	EUR	HKD	HKD
	\$m	\$m	\$m	\$m	\$m	\$m
Cash and cash equivalents	16	2	3	3	0	–
Trade and other receivables	17	19	–	–	–	–
Trade and other payables	(27)	(15)	(34)	(38)	–	(4)
Lease liabilities	(4)	(23)	–	–	–	–

Where possible, transactions are made in the functional currency (the US dollar). Where this is not possible, material currency exposures are managed by forward planning of future revenues and costs that will be incurred in foreign currencies so as to provide a natural hedge. The group does not apply hedge accounting.

At the group level, a 10% change in the sterling exchange rate upon settling monetary assets and liabilities would result in an impact of \$24m (2021: \$17m) on the profit as a result of changes in the value of sterling denominated cash and balances with Member Firms. A 10% change in the euro exchange rate would result in an impact of \$3m (2021: \$3m). A 10% change in the Hong Kong dollar exchange rate would result in an impact of \$3m (2021: \$4m). However, as a result of the contractual arrangements with Member Firms, there will be no impact on the reported LLP and group profit before tax and equity as changes will be charged to Member Firms.

23. Related parties

The principal activity of the group is the provision of services to each of the Member Firms of the EY network. The ultimate owners of the LLP comprise a number of EY Member Firms. The group's revenue is generated exclusively from EY Member Firms from over 150 countries.

The management and control of the LLP is independent from that of the Member Firms. As a result, no individual Member Firm exercises control over the group. However, significant influence could be exerted by a Member Firm or a group of Member Firms with sufficient votes as a result of the LLP's voting structure.

Notes to the financial statements

at 1 July 2022

23. Related parties(continued)

Transactions and balances with related parties are made on an arm's length basis, and are as follows:

Group

	<i>Entities able to exert significant influence 2022 \$m</i>	<i>Entities able to exert significant influence 2021 \$m</i>
Revenue	1,927	1,658
Purchases	1,195	1,176
Amounts due from	354	18
Amounts due to	120	260

LLP

	<i>Subsidiaries 2022 \$m</i>	<i>Entities able to exert significant influence 2022 \$m</i>	<i>Subsidiaries 2021 \$m</i>	<i>Entities able to exert significant influence 2021 \$m</i>
Revenue	1,262	818	1,122	683
Purchases	711	594	689	576
Amounts due from	638	243	460	16
Amounts due to	824	118	525	148

Charges incurred by the LLP in respect of key management personnel, which consists of the designated members and other members of senior management, were \$70m (2021: \$64m) representing short-term benefits.

All receivable and payable balances with related parties are non-interest bearing. No bad debt expense was recognised in the period in respect of related parties.

Except as disclosed above and elsewhere in the financial statements, there are no other related party transactions.

24. Subsequent events

During November 2022, EY Global Services 2 Limited, EYAPSL 2 Limited and EYESL 2 Limited were incorporated of which EYGS LLP indirectly owns 100% of the ordinary share capital. EY Global Services 2 Limited is a 100% direct subsidiary of EY Global Services Limited. EYAPSL 2 Limited is a 100% direct subsidiary of Ernst & Young (Asia-Pacific) Services Limited. EYESL 2 Limited is a 100% direct subsidiary of Ernst & Young (EMEIA) Services Limited. The newly incorporated subsidiaries were dormant as at the date of approval of the financial statements.