

DELOITTE & TOUCHE ADVISORY LIMITED

Annual report and financial statements

For the year ended 31 May 2017



DELOITTE & TOUCHE ADVISORY LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS 2017

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DELOITTE & TOUCHE ADVISORY LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS 2017

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

G Bunting
P A Robinson
D L Ward

SECRETARY

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

REGISTERED OFFICE

Hill House
1 Little New Street
London
EC4A 3TR

AUDITOR

BDO LLP
55 Baker Street
London
W1U 7EU

STRATEGIC REPORT

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

REVIEW OF THE BUSINESS

At 31 May 2017 Deloitte & Touche Advisory Limited (the 'Company') was ultimately a wholly owned subsidiary of Deloitte LLP (Deloitte LLP and its subsidiaries are hereinafter referred to as the 'Deloitte LLP Group'). The principal activity of the Company is the provision of suitably qualified staff to member firms of Deloitte Touche Tohmatsu Limited ('DTTL'). There have been no significant changes in the Company's principal activities during the year under review. The Directors are not aware, at the date of this report, of any likely major changes in the Company's activities in the next year.

The profit for the year before taxation was £2,400 (2016: £2,400).

At 31 May 2017 shareholder's funds were £2,084 (2016: £2,084). A dividend of £1,920 was declared on 31 May 2017 and subsequently paid.

Overall, the Directors consider the performance of the Company satisfactory and expect it to continue to perform satisfactorily.

KEY PERFORMANCE INDICATORS

The Directors do not believe that key performance indicators for the Company are necessary or appropriate for an understanding of the development, performance or position of the business as the Company provides services as a principal to member firms of DTTL at an amount substantially equal to the cost of the services charged by Deloitte LLP.

PRINCIPAL RISKS AND UNCERTAINTIES

The Company's process of risk acceptance and risk management is addressed by the Enterprise Risk Framework ('ERF') of the Deloitte LLP Group. In line with the FY17 planning process, the Deloitte LLP Group Executive undertook a refresh of the ERF to: identify any new enterprise risks; remove, if appropriate, any of the existing risks no longer considered significant; validate or update the risk definitions; and consider any changes to risk owners.

The credit risk on amounts due from other group undertakings is limited because the counter parties have high credit ratings.

The Deloitte LLP Group risks are discussed in the Deloitte Audit Transparency Report for the year ended 31 May 2017, which does not form part of this report.

STRATEGIC REPORT (continued)

FUTURE DEVELOPMENTS

On 1 June 2017 Deloitte NWE LLP became the ultimate parent and controlling party of the Company.

There are no other events since the balance sheet date which would require disclosure in these financial statements.

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



D L Ward
Director

19 February 2018

DIRECTORS' REPORT

The Directors present their annual report and the audited financial statements of the Company for the year ended 31 May 2017.

DIRECTORS AND THEIR INTERESTS

The names of the Directors are shown below. All the Directors listed served throughout the year and to the date of this report.

G Bunting
P A Robinson
D L Ward

No Director had any beneficial interest in the share capital of the Company except for the fact that all of the Directors are members of Deloitte LLP, the ultimate controlling party, and, therefore, have an indirect beneficial interest in the share capital of the Company at 31 May 2017.

ENVIRONMENT

The Deloitte LLP Group recognises the importance of its environmental responsibilities, monitors its impact on the environment, and designs and implements policies to reduce any damage that might be caused by the Deloitte LLP Group's activities. The Company operates in accordance with Deloitte LLP Group policies. Initiatives designed to minimise the Deloitte LLP Group's impact on the environment include recycling, waste management, energy procurement and consumption and greening the supply chain.

DIVIDENDS

The Directors have not recommended a final dividend. A dividend of £1,920 was declared on 31 May 2017.

DIRECTORS' INDEMNITY

The Deloitte LLP Group has made qualifying third party indemnity provisions for the benefit of its Directors that remain in force at the date of this report.

DISCLOSURE AS PART OF STRATEGIC REPORT

Information regarding the Company's likely future developments, risk management objectives and policies, dividends and events after the balance sheet date, have been disclosed in the Strategic Report on page 2 to 3.

DIRECTORS' REPORT (continued)

AUDITOR

Each of the persons who is a Director at the date of approval of this report confirms that:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the Director has taken all the steps that he ought to have taken as a Director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

The auditors, BDO LLP have indicated their willingness to continue in office as auditor and appropriate arrangements are being made for them to be deemed reappointed as auditor in the absence of an Annual General Meeting.

APPROVAL OF REDUCED DISCLOSURES

The Company, as a qualifying entity, has taken advantage of the disclosure exemptions in Financial Reporting Standard 102 issued by the Financial Reporting Council, paragraph 1.12.

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



D L Ward
Director

19 February 2018

DIRECTORS' RESPONSIBILITIES STATEMENT

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the Company for that period.

In preparing these financial statements, the Directors are required to:

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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DELOITTE & TOUCHE ADVISORY LIMITED

We have audited the financial statements of Deloitte & Touche Advisory Limited for the year ended 31 May 2017 which comprise the profit and loss account, the balance sheet, the statement of changes in equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

Respective responsibilities of directors and auditors

As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the FRC's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 May 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and directors' report have been prepared in accordance with applicable legal requirements.

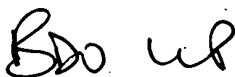
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DELOITTE & TOUCHE ADVISORY LIMITED (continued)

Matters on which we are required to report on by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

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

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



Nicholas Carter-Pegg (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
London, UK
19 February 2018

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

DELOITTE & TOUCHE ADVISORY LIMITED**PROFIT AND LOSS ACCOUNT**
For the year ended 31 May 2017

	Note	2017 £'000	2016 £'000
TURNOVER	3	13,812	14,852
Other operating expenses		<u>(13,810)</u>	<u>(14,850)</u>
PROFIT BEFORE TAX		2	2
Tax on profit	6	<u>-</u>	<u>-</u>
PROFIT FOR THE YEAR		<u>2</u>	<u>2</u>

Profit for the year represents total comprehensive income as there is no other comprehensive income in the current or preceding year.

All amounts are derived from continuing activities.

DELOITTE & TOUCHE ADVISORY LIMITED

BALANCE SHEET AT 31 May 2017

	Note	2017 £'000	2016 £'000
CURRENT ASSETS			
Debtors	8	9,436	13,471
CREDITORS: amounts falling due within one year	9	(9,434)	(13,469)
NET CURRENT ASSETS		2	2
NET ASSETS		2	2
CAPITAL AND RESERVES			
Called up share capital	10	-	-
Profit and loss account		2	2
SHAREHOLDERS' FUNDS		2	2

The financial statements of Deloitte & Touche Advisory Limited, registered number 03807321, were approved by the Board of Directors and authorised for issue on 19 February 2018.

Signed on behalf of the Board of Directors



D L Ward
Director

DELOITTE & TOUCHE ADVISORY LIMITED

STATEMENT OF CHANGES IN EQUITY For the year ended 31 May 2017

	Called up share capital 2017 £'000	Profit and loss account 2017 £'000	Total 2017 £'000	Called up share capital 2016 £'000	Profit and loss account 2016 £'000	Total 2016 £'000
At 1 June	-	2	2	-	12	12
Profit for the year	-	2	2	-	2	2
Total comprehensive income	-	2	2	-	2	2
Dividends on equity shares (Note 7)	-	(2)	(2)	-	(12)	(12)
At 31 May	-	2	2	-	2	2

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 May 2017

1. ACCOUNTING POLICIES

General information

Deloitte & Touche Advisory Limited (the 'Company') is a private company limited by shares. The largest and smallest group for which consolidated financial statements are prepared, is that headed by Deloitte LLP, the ultimate parent undertaking and controlling party at 31 May 2017, which consolidates the results of the Company. The financial statements of Deloitte LLP are publicly available and can be obtained from The Registrar of Companies, Companies House, Maindy, Cardiff CN14 3UZ. The Company is registered in England and Wales in the United Kingdom under the Companies Act, and the address of the registered office is given on page 1. The nature of the Company's operations and its principal activities are set out in the Strategic Report on pages 2 to 3.

Statement of compliance

These financial statements are prepared in compliance with Financial Reporting Standard 102 ('FRS 102') issued by the Financial Reporting Council.

Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied, unless otherwise stated.

Presentation and functional currency

The Company's presentational and functional currency is pounds sterling.

Exemptions for qualifying entities under FRS 102

The Company meets the definition of a qualifying entity under FRS 102 and has, therefore, taken advantage of certain disclosure exemptions, subject to certain conditions, which have been complied with.

The Company has taken advantage of the following exemptions:

- a) from preparing a statement of cash flows, on the basis that it is a qualifying entity and the consolidated cash flow statement of Deloitte LLP, includes the Company's cash flows;
- b) from disclosing the Company key management personnel compensations as required by FRS 102 paragraph 33.7;
- c) from disclosing a reconciliation of the number of shares outstanding at the beginning and end of the period as required by FRS 102 paragraph 4.12(a)(iv); and
- d) from disclosure requirements relating to financial instruments.

Going concern

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

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 May 2017

1. ACCOUNTING POLICIES (continued)

Taxation

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

Dividends

Final dividend distributions to the Company's shareholder are recognised as a liability in the financial statements in the period in which the dividends are approved. Interim dividend distributions are recognised in the period in which the dividend is declared.

Financial instruments

Financial assets

Financial assets are initially recognised at fair value plus transaction costs. Financial assets primarily consist of amounts due from other group undertakings and amounts due from other member firms of DTTL. All financial assets are classified as loans and receivables and have fixed or determinable payments that are not quoted in an active market. Financial assets are subsequently measured at amortised cost using the effective interest rate method.

Financial liabilities

The Company determines the classification of its financial liabilities at initial recognition. Financial liabilities includes amounts owed to other group companies and are initially measured at fair value, net of transaction costs. Financial liabilities are subsequently measured at amortised cost using the effective interest rate method, except for short-term payables, when the recognition of interest would be immaterial.

2. CRITICAL ACCOUNTING JUDGEMENTS

The Directors do not consider there to be any critical judgements, estimates and assumptions about the carrying amounts of assets and liabilities made by the Directors in the application of the Company's accounting policies, which are described in note 1.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 May 2017

3. TURNOVER

The geographical analysis of revenue by destination is as follows:

	2017 £'000	2016 £'000
Switzerland	10,108	9,533
United Kingdom	2,965	3,940
Other	739	1,379
	<u>13,812</u>	<u>14,852</u>

4. AUDITORS REMUNERATION

Audit fees for the current and preceding financial year have been borne by Deloitte LLP and not recharged.

5. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

Directors

The Directors were remunerated as members of Deloitte LLP and did not receive any remuneration, from any source, for their services as Directors of the Company during the current or preceding financial year.

Employees

The average monthly number of people during the year was:

	2017 No.	2016 No.
Fee earning staff	<u>16</u>	<u>15</u>

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

	2017 £'000	2016 £'000
Salaries	13,072	13,097
Social security costs	738	1,753
	<u>13,810</u>	<u>14,850</u>

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 May 2017

6. TAX ON PROFIT

Current tax on profit for the year is £476 (2016: £480). The standard rate of tax is 19.83% (2016: 20.00%). The applicable tax rate has changed to 19.00% effective 1 April 2017, following the substantive enactment of the Finance Act 2015.

There is no difference between the total tax charge and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax.

7. DIVIDENDS ON EQUITY SHARES

	2017 £'000	2016 £'000
Interim dividend for the year ended 31 May 2017 £960 per ordinary share declared 31 May 2017 (2016: £6,000 per ordinary share declared 17 December 2015).	2	12
Amounts recognised as distributions to equity holders in the period	<u>2</u>	<u>12</u>

8. DEBTORS

	2017 £'000	2016 £'000
Amounts due from other group undertakings	8,542	13,471
Amounts due from member firms of Deloitte Touche Tohmatsu Limited ('DTTL')	<u>894</u>	<u>-</u>
	<u>9,436</u>	<u>13,471</u>

Amounts due from other group undertakings have no specified interest rate and are payable on demand.

9. CREDITORS

	2017 £'000	2016 £'000
Amounts owed to ultimate parent undertaking	-	5,135
Accruals and deferred income	<u>9,434</u>	<u>8,334</u>
	<u>9,434</u>	<u>13,469</u>

Amounts owed to the ultimate parent undertaking have no specified interest rate and are payable on demand.

DELOITTE & TOUCHE ADVISORY LIMITED

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 May 2017

10. CALLED UP SHARE CAPITAL AND RESERVES

	2017 £'000	2016 £'000
Allotted, called up and fully paid		
2 ordinary share of £1 each		

The Company has one class of ordinary share which carry no right to fixed income.

The profit and loss account represents the cumulative profit or loss, net of dividends declared.

11. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The Company's immediate parent company is Deloitte & Touche Holdings Limited. The largest and smallest group for which consolidated financial statements are prepared is that headed by Deloitte LLP, the ultimate parent undertaking and controlling party at 31 May 2017, which consolidates the results of Deloitte & Touche Advisory Limited. The financial statements of Deloitte LLP are publicly available and can be obtained from The Registrar of Companies, Companies House, Maindy, Cardiff, CN14 3UZ.

12. SUBSEQUENT EVENTS

On 1 June 2017 Deloitte NWE LLP became the ultimate parent and controlling party of the Company.