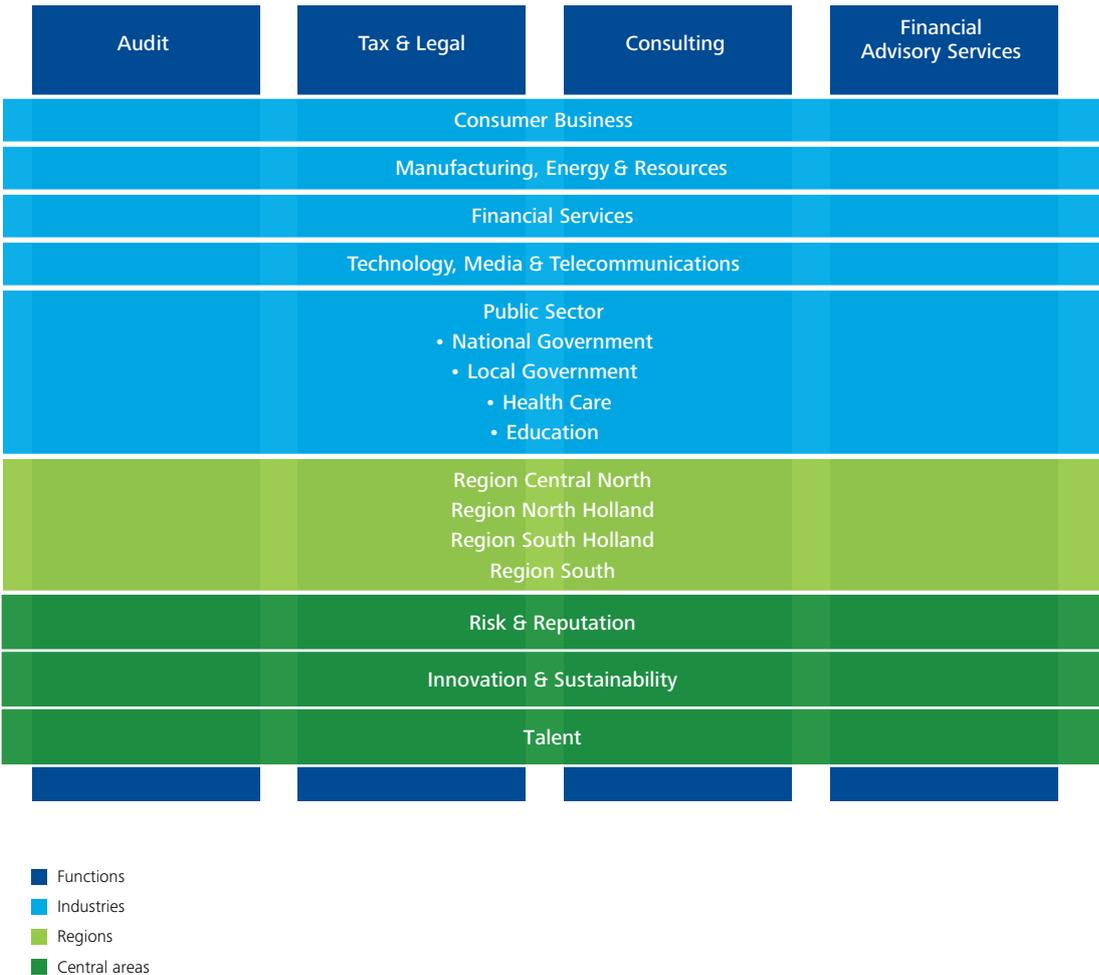


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Deloitte structure

This annual report highlights the activities of Deloitte in the Netherlands for the year ended 31 May 2015. The Deloitte organisational structure is divided into four functions that collaborate across dedicated market segments.



Financial highlights

	2014/2015	2013/2014	2012/2013	2011/2012
Net turnover (€ thousands)	656,804	637,454	631,031	637,784
Relative change in net turnover (2011/2012 = 100)	103.0	99.9	98.9	100.0
Average number of staff in full-time equivalents	4,280	4,081	4,099	4,229
Average number of partners in full-time equivalents	241	239	242	246
Net turnover per employee (x € thousands)	145	148	145	143
Net turnover per partner (x € thousands)	2,725	2,667	2,608	2,593
Result on ordinary activities before tax (€ thousands)	95,550	90,784	88,563	99,285
Net result as % of net turnover	14.5	14.2	14.0	15.6
Net result per partner (€ thousands)	396	380	366	404
Net turnover per business category (€ millions)				
Audit	288	272	277	289
Tax & Legal	167	160	163	175
Consulting	149	159	146	125
Financial Advisory Services	49	43	43	44
Support/Other	4	3	2	5
Total	657	637	631	638
Operating result per business category (€ millions)				
Audit	27	28	33	42
Tax & Legal	31	28	25	36
Consulting	24	23	21	19
Financial Advisory Services	17	13	10	12
Support/Other	3	5	5	(2)
Total operating result	102	97	94	107
Financial income and expenditure	(6)	(6)	(5)	(8)
Result on ordinary activities before tax (€ millions)	96	91	89	99
Net turnover per business category in %				
Audit	44	43	44	45
Tax & Legal	25	25	26	27
Consulting	23	25	23	20
Financial Advisory Services	7	7	7	7
Support/Other	1	-	-	1
Total	100	100	100	100

Report from the Executive Board 2014/2015

Deloitte revenues and profits showed growth in the year. Net turnover reached €657 million, which is an increase of €19 million (3%) compared to the previous year. Net results increased by €5 million to €96 million, an increase of 5%. We are very proud to show growth of our top and bottom line.

With an increasingly stronger recovery of the Dutch economy, confidence is making a sound comeback. Our periodic CFO Survey indicates that a growing number of CFOs from private sector companies is optimistic about the prospects of their company. But not only companies are optimistic. Recent figures show that in March 2015, for the first time since 2007, the consumer confidence index is positive, which results in higher consumer spending. This boost in confidence is amongst others sparked by favourable developments on the labour market. And finally, there is also good news from government with the country fully complying with the 3% budget deficit norm that has been agreed for the Euro zone. However, the recovery is still fragile and many economic indicators are still negative. In addition, there is the risk of deflation with interest rates hitting all-time lows in many countries. And finally, political instability in large parts of the world poses further threats to the economic stability of many countries.

Deloitte is also experiencing the impact of the growing economy. Many of our businesses are growing again after years of declining or stable revenues. We have recruited over 1.300 new employees and interns during this bookyear, which required a major effort. Attrition is again on a normal level after years of retention at an all time high.

Whilst the Dutch economy is improving, the confidence in the audit profession has been decreasing in the past few years as a result of unexpected company failures, negative publicity for the audit firms related to incidents and AFM inspection reports with unsatisfactory results. Deloitte takes its responsibility for restoring the confidence in the profession very seriously. We are committed to improving the quality of our audit services. For a detailed overview of these steps, please see the Transparency Report of Deloitte Accountants B.V. on our website. In the area of Advisory, we continue to work side-by-side with our clients allowing them to better grasp the opportunities that the present day offers and preparing them to respond to the resulting risks

The revenue growth was largely driven by a strong performance of our Risk Services (revenue growth of €19 million or 31%), which are part of the Audit business, and our Financial Advisory business (revenue growth of €6 million or 16%). The revenues of our assurance business (excluding Risk Services) declined by €4 million or 2%. The Tax & Legal business achieved a reasonable growth. Our Consulting business revenues declined, which was caused by a decline in revenues from subcontracted work. Excluding third party revenues, the Consulting business revenues are comparable to last year.

Revenue on the client segments on which we focused in 2014/2015 grew. The segments Consumer Business, Manufacturing, Energy & Resources (MER) and Technology, Media & Telecom are responsible for the overall growth realised and despite a decline in revenue in the segments Financial Services and Public Sector.

The introduction of mandatory audit firm rotation for Public Interest Entities (PIEs) continues to be a positive development for Deloitte. Our market share in audits for PIEs continues to grow. This had a limited impact on the audit revenues during the year, as only a few new audits have actually begun. At the same time, price pressure have had a negative impact on our audit revenues.



(From left to right) Wilten Smit, Marco van der Vegte, Cees de Boer, Mennolt Beelen, Peter Bommel, Mario van Vliet, Sandra Heuts and Richard Roovers

Significant investments are continuously made in improving the quality of our services in all of our businesses, but most prominently in our Audit business. The inspections carried out by the *Autoriteit Financiële Markten* (AFM) and the Public Company Accounting Oversight Board (PCAOB) have demonstrated that we have not yet achieved our ambition to achieve the highest professional standard in quality for our audit services. This has been disappointing, but also a confirmation of the need to continue to significantly invest. Top quality is our licence to operate, and is not negotiable.

We continue to significantly invest in innovation, because we strongly believe that innovating our services is key to our ability to deliver the best service to our clients and to attract and retain the best talent. We are committed to being the most innovative professional services firm.

Audit

Our Audit business consists of three businesses: Assurance Business, Risk Services and SME non-assurance business. Net revenues were significantly higher in Risk Services, driven by all business lines, including Financial Risk Management, Financial Risk Advisory and Cyber Security. Our SME non-assurance business also continued to expand, while our Audit business saw a slight decline, mainly as a result of price pressure.

Our audit practice in FY 15 continued to implement the activities from our audit quality plan and also continued to spent significant time on requests for proposals resulting from the mandatory rotation. In the execution of our audit practice we continue to monitor closely the legislation regarding independence including the “Verordening inzake de onafhankelijkheid van accountants” (ViO) and note that the impact on our topline of the new ViO legislation entered in 2014 was limited.

We secured new audit mandates resulting from mandatory audit rotations, which include clients such as Heineken, Randstad, VolkerWessels, Vopak, Wolters Kluwer, TenCate, Imtech and Aalberts Industries.

Tax & Legal

Strategically, we continue to see a shift toward technology-enabled work. Overall, revenues increased with 4%, with strong growth in our Global Employer Services and Indirect Tax. Investments in innovative tax technology solutions resulted in new offerings, approaches and tools. Processes, platforms and tools also played a significant role in the ongoing process of standardisation and digitisation of the compliance part of the business. We invest significantly in our new Legal services which are contributing to our revenue growth, although not yet to our earnings.

Consulting

Our Consulting business experienced a year of consolidation after four years of strong growth. Excluding revenues related to subcontracted work, the revenues were stable compared to the previous year. The business saw growth in the industry segments of Consumer Business, Telecom, Media and Technology and Public Sector. In terms of type of services, we experienced growth in our technology advisory and implementation business. In other industries and

services, like human capital services, we faced challenges to continue to grow.

Financial Advisory Services (FAS)

For FAS, business conditions generally improved compared to the previous year. In the early years after an economic crisis, our FAS business typically picks up growth before some of our other businesses. Revenues grew by 16% mainly driven by our Transaction and Restructuring Services. As a result of changes to pension legislation, our Pension Advisory services experienced a strong increase in business activities in the second half of the financial year.

Strategy

Our ‘As One’ strategy was launched in 2012 and focused on three pillars: Quality, Sustainable Growth and Return. The year 2014/2015 was the last year of this strategy. Looking back we are proud of what we accomplished as a result of the implementation of this strategy, although not all goals were met.

Quality – this pillar consisted of three elements: Talent, Quality of our services and Brand. On Talent we have improved the engagements scores over the last three years, but we are not satisfied with the result yet. And have not yet met our diversity targets. Obviously, talent will continue to be a core element of our new strategy. In this Annual Report we have already reported on our quality initiatives. On Brand we have made excellent progress by focusing on innovation and our key focus areas: Data Analytics, Cyber Security and Digital.

Sustainable Growth – this part of our strategy focused on growth in key accounts, our specific growth areas, gain large audit mandates in the mandatory rotation process and innovation. We have been very successful in each of these areas, as already explained in other part of this Annual Report.

Return – the focus of the pillar Return is very much on operational excellence. We have successfully gone through a cost reduction program during the past three years to reduce overhead costs. Also in our business we have improved chargeability and indirect costs.

During this fiscal year we began preparations for a new strategy effective as of 2015/2016. In preparation for defining our new strategy we started a process to

understand the key trends impacting our clients and our business, which has resulted in a vision for our business in 2020. We are now translating our understanding of these trends and our vision into a new strategy; Strategy 2020. The seven core elements of the new strategy are as follows:

- Quality of our client service portfolio
- Multidisciplinary Model (MDM)
- Position in our Global network
- Talent
- Innovation & Change
- Operational efficiency
- Quality, Public Interest and Brand Reputation.

Innovation

Our established and widely recognised strategic approach to innovation continued to develop in the year, distinguishing Deloitte as the most innovative professional services firm in its markets.

Driving a culture of innovation

Internally, we drive our innovation processes through Deloitte Innovation, our dedicated entity for the development of new products and services. This unit also supports our employees in their engagements, as they seek to provide insights that shape their clients' businesses in a rapidly changing world. Externally, we launched a number of initiatives designed to help our clients define their own landscapes of the future.

Co-creation was key in this approach, and was further demonstrated during the grand opening of our second Greenhouse space within our new Amsterdam office, The Edge. This highly innovative environment was where we facilitated sessions with and for our clients looking for new solutions around their key business challenges. In November, we co-sponsored the Singularity Summit in Amsterdam, in partnership with Singularity University, to discuss and assess the impact of new technologies on business and society. It also featured an internal Deloitte Innovation event with more than 1,500 of our employees. At the event, participants listened to and met international speakers from Silicon Valley, experienced the latest technologies, and discovered how our business is changing.

Data-driven innovations

With our focus on building and launching data-driven solutions, our data analytics teams supported our move towards growing our data analytics based solutions.

Applications like our Patent Miner, which maps out the global patent landscape, or Fast Ventures, a data-driven ventures discovery business, have been successful and will continue to grow in the coming years. We develop data analytics solutions using a platform and modular approach, which allows for the use of core analytics functionality in various market-facing solutions.

Analytics has rapidly entered the private domain, and led to a surge of interest in data security and privacy matters. Responding to this trend, we have successfully piloted new solutions, including Assuring Medical Apps, which provide assurance on the privacy and security of data used by medical apps.

Ecosystems for growth

We recognise that with the increasing speed of change around us, innovation also requires us to look beyond our office walls. One of our most exciting projects in the year was the launch of a new 'ecosystem' initiative to support business start-ups. 'The Garden', as it is known, consists of various partners from the corporate and non-profit world who are being coordinated by Deloitte to support start-ups in making key decisions to scale up their companies. The collaboration lasts three years, with each partner contributing skills and experience for the benefit of the business.

Deloitte Center for the Edge Europe

Launched in Europe in 2013, the Deloitte Center for the Edge (C4E) continues to unlock innovation potential across Europe. By focusing on long-term trends that are disrupting the global business environment —the so-called 'Big Shift'— C4E helps senior executives benefit from understanding emerging opportunities on the edge of business and technology.

This year, C4E inspired CEOs on exponential technologies at an exclusive Executive Edge Session with Peter Diamandis during the Singularity Summit in November. In May, C4E continued its dialogue with over 200 senior executives during the Executive Edge Session on digitally driven organisations. Furthermore, John Hagel III, co-chairman of C4E in Silicon Valley, hosted several thought provoking Dinners on the Edge to discuss C4E's latest research in Amsterdam, Zurich and Copenhagen. C4E met with several dozen CEOs and Board members to help them understand the impact of the Big Shift and create new opportunities on the edge of their organisation.

As a result, C4E is perceived by the market as one of the top partners in innovation, which resulted in invites to keynotes for several large audiences and contributions to books, newspaper articles, radio shows, blogs and forum events. In addition, C4E has strengthened and expanded its ecosystem with innovative partners that share the dream to unlock innovation potential across Europe.

Our people

People are at the heart of what we do, and are crucial to our ability to deliver high quality services to our clients. In 2014/2015 we continued to invest, to attract, develop and retain the best talent in our markets.

Attracting and retaining the best talent is clearly becoming more challenging than in previous years. With the economy growing again, and many businesses actively recruiting, the war for talent is back. We have continued to use our highly innovative website to drive recruitment. We support this site with social media such as Twitter, Facebook and LinkedIn, and actively seek the support of our 4,500 employees when searching for new talent with an innovative tool called Deloitte Match.

People development

We offer continuous learning and opportunities for our people to develop the skills and competences they require. Our learning curriculum components are designed as a continuous learning journey. We have also established Deloitte University EMEA, where more and more of the learning curriculum is offered to our people. This Deloitte University does provide high quality learning experiences and the opportunity to work with colleagues from many countries in Europe, Middle East and Africa.

Diversity

Deloitte believes that true diversity is critical to innovation and long term success. As such, we believe that a diverse culture is one that is open to different ways of thinking, feeling and acting. Gender and ethnic background are all indicators of potential diversity. We have continued to implement measures to achieve our diversity targets.

Alumni

It is our ambition that former employees remain lifelong ambassadors of our company and remain in contact with their former colleagues. To this end, we established the Deloitte Alumni Network in 2013, which has grown to almost 4,000 members. This is an increase of almost 400 people compared to the previous year.

Market focus

Corporate market

We saw a challenging market environment for our clients in the corporate market, which we define as businesses with revenues that exceed €1 billion a year. We sought to share our industry knowledge and expertise through high-quality events, reports and surveys.

Despite the ongoing pressures in this market we achieved notable revenue growth in all segments. This was facilitated by our industry-focused approach in Financial Services; Consumer Business; Technology/ Media & Telecom; Manufacturing/Energy and Resources, and the Public Sector. We also secured promising new mandates as part of the mandatory audit rotation.

We secured new audit mandates resulting from mandatory audit rotations, which included clients such as Heineken, Randstad, VolkerWessels, Vopak, WoltersKluwer, Ten Cate, Imtech and Aalberts Industries.

We aimed to share knowledge in our markets and provide clients with new insights through a number of dedicated activities in the year, focusing on themes such as cyber security, data analytics and digital.

These included our 'Around the Boardroom' programme in which we covered trends, topics and developments affecting board executives, non-executive directors and regulators. The programme features a number of events, including CFO dinners, board debates, a female executive programme and seminars on various topics.

We also engaged with our markets through our 'Deloitte Center for the Edge' programme. As pressure grows on public and private organisations to meet demands driven by public policy and exponential technologies, this initiative aims to help executives make sense of emerging opportunities on the edges of business and technology. Also see 'Innovation' on page 9 of this Report.

Small and Medium Enterprises (SME) and mid market

Our long term focus on the SME and mid market has remained strong, and at levels comparable to the previous year. At the lower end, this market comprises companies with less than €50 million in annual turnover. In the mid market, it includes companies with annual turnovers of between €50 million and €1 billion.

We offer SME and mid market clients a palette of services thereby taking into account relevant independence regulation (ViO) across Audit, Tax & Legal, Consulting and Financial Advisory Services. These incorporate high-quality expertise in accountancy and advice, the development of new services and a strong expertise in family-run businesses. We look to deploy experts from our national, multifunctional teams to ensure we deliver the highest possible expertise to match our clients' needs.

One of our biggest priorities has been the family segment. This year we supported a cross-media production of financial newspaper *het Financieele Dagblad* and radio station BNR, featuring 10 next generation leaders of family businesses. Our focus on the segment was further demonstrated with the creation of the Deloitte EMEA Family Business Centre in the Netherlands, a unit dedicated to collecting market information about the segment and developing relevant new products and services.

We have also continued to run national programmes dedicated to the mid market segment. This included the Best Managed Companies programme for the eighth year running, which recognises the best managed companies in the middle-to-large segment, and the widely recognised Deloitte Technology Fast50 programme, which profiles highly innovative fast-growing technology companies. The Deloitte Technology Fast50 programme celebrated its 15th year anniversary in 2014.

Following years of investment, our innovative CTRL-platform has become an important growth driver for the segment. CTRL now provides a large number of clients with a comprehensive set of online services at highly competitive market rates. These include accounting and optimisation, strategic planning and advice, and financial management and control. CTRL also enables clients to access Deloitte's expertise and connect with business partners and authorities.

Global focus

As part of a wider international network, Deloitte in the Netherlands works across borders as a single firm. In today's global economy, the need to support our clients' international business is more important than ever. The full reach of our international network ensures global connectivity for our clients and strong local positions. At a regional level (EMEA), we collaborate extensively in market and client investments and product development.

Brand strength

We have continued to position ourselves as the most innovative professional services firm in the Dutch market and looked to become more relevant to a broader market constituency. Where there have been opportunities to do so, we have associated our brand with leadership and innovation and focused it on the following themes: cyber security, data analytics and digital.

In doing so we employ an innovative content-driven strategy to reach our stakeholders in a more visible, innovative and personal way. We use online channels and social media to share our opinion, vision and knowledge about these themes on a regular basis and in a distinctive way. Our online content campaign on Dutch news sites has highlighted our insights and perspectives in these areas. We have used online social networks to optimise the impact of this campaign, which yielded strong results and excellent visibility in our markets. Deloitte is now a leading brand within professional social networks for content impact among Dutch executives.

This content-driven strategy comprised several projects. For example, in October, as part of our State of the State research program, we published a study on the impact of automation and computerisation on the Dutch labour market. The research was based on data analytics and resulted in significant coverage on television, newspapers and in social media. In July, we communicated new research from the State of the State program at executive round tables, via our website, and through newspapers and social media.

In April, the Hague Security Delta (HSD), the largest security cluster in Europe, organised Cyber Security Week. As a partner of HSD, Deloitte was also present and organised several events during the week. With more than 30 workshops, network events, lectures, and

demonstrations, Cyber Security Week brought together a large group of experienced local and international professionals in the field. Deloitte's participation resulted in excellent media exposure on television, newspapers and radio.

In May, during the opening of our new office The Edge in Amsterdam, we hosted a two day- event entitled 'The Digitally Driven Board' that attracted more than 200 senior executives from digitally-driven organisations, and included several renowned international speakers.

For the fifth year running, we co-hosted the Dutch Open golf tournament which took place in September. This event has continued to help us deepen our client relationships and increase our visibility. Some 1,800 employees and clients attended the tournament, which also included several dedicated sessions on a range of subjects such as transfer pricing, consumer business and risk management.

We also hosted the Deloitte Ladies Open which was held at The International in Amsterdam. The prestigious tournament was won by the Dutch Christel Boeljon.

Regulatory environment

In response to Dutch inspection reports from our external regulator, the *Autoriteit Financiële Markten* (AFM), the Dutch Institute of Chartered Accountants (NBA) issued a report (*'In het publieke belang'*) in September 2014 with recommendations to enhance audit quality. We have embraced the conclusions of this report and that of the PCAOB that we received in fall 2014 and are implementing its recommendations to the fullest extent possible addressing the comments and observations made.

In the public interest

Deloitte endorses the relevance of public trust in the audit profession. Deloitte derives its legitimacy from the quality, integrity and independence of its services, and the role it plays in society. Our strategy sets out those objectives and our Audit Quality Plan specifies the actions on quality to be taken in the near term. Our vision is to be recognised and acknowledged as the most trusted and innovative firm.

Most fundamentally, we address our culture and the required changes - after all, culture and behavior are the drivers of excellent quality.

Fundamental steps required

In addition to our own ambitions, the AFM findings and recommendations on statutory audit quality are strong drivers. We observed that our audit quality has improved compared with the previous regular AFM audit quality research. Still, we realise that we do not yet live up to our own ambitions and expectations in society. We summarise the outlines of the change process initiated and the related improvement measures as follows:

1. It is our responsibility to have the right tone at the top

Deloitte policymakers expressly assume responsibility for setting the right tone at the top, encouraging professionals to strongly focus on the public interest of their roles. We see it as one of our key responsibilities to lead in emphasising and propagating our integrity and quality standards. For this reason, we actively foster an internal culture in which independence, quality and ethics rule.

Promoting a quality oriented corporate culture starts with clear, logical and recurring measures and messages that safeguard these relevant themes at all levels throughout the organisation. This is done through Deloitte TV, newsletters, discussion meetings, internal webcasts and presentations. By making available partners and directors for the quality agenda Deloitte clearly demonstrates its willingness to make the related investments, too.

What's more, quality and public interest focus are expressly embedded in job profiles, target setting and appraisals and remuneration processes for professionals, to guarantee consistency with the direction taken and the corresponding initiatives.

2. We foster a quality oriented culture

Deloitte has carried out various culture assessments to monitor both awareness and success of the culture change initiated and observed that our culture is developing towards our own ambitions and expectations in society.

Four game changers support our audit strategy: *Aspire, Choose, Own and Partner*. Each of these game changers represents a behavioral and cultural component, jointly creating the basis of the game plan: the strategic plan for the auditors of Deloitte.

3. Ongoing consolidation of quality management and control system

Beside culture, audit excellence and clear ownership for external auditor quality, strict audit quality control systems and procedures are a major success factor for the desired quality. In this, the public interest is key, for example in client and engagement acceptance, engagement-specific quality control reviews (EQCR) and internal Practice Reviews. On top of that we also periodically perform more holistic impact analyses to evaluate the effectiveness of measures, or – in other words – to establish whether the quality initiatives taken meet the proposed goal. This is an important basis to calibrate the direction of existing and potentially new quality initiatives.

4. We recognise the interest of solid internal supervision

A solid governance structure is essential for reaching the proposed objectives. Since 2004, Deloitte's Supervisory Board consists of a majority of external, independent members. The Public Interest Committee, made up of external Supervisory Board Members only, was instituted in 2013.

The Public Interest Committee is a sub committee of the Supervisory Board with a critical attitude and a special focus on aspects such as our social role, quality, risk management, transparency and communication. Audit quality is a fixed item on the agenda of the Supervisory Board as well as its Public Interest Committee. Both the Supervisory Board and its Public Interest Committee are committed to high standards in the field of quality, ethics and integrity as part of the tone and culture of Deloitte, and they expect the Executive Board to ensure this tone and culture reverberate throughout the firm.

NBA Proposals

Deloitte embraces the NBA proposals and the AFM quality initiatives on governance. As described above, these are both already largely embedded in our structure. As regards their future structuring and composition, the Supervisory Board and Public Interest Committee currently await a draft bill to ensure they comply with the relevant statutory provisions. Concrete proposals to modify their articles of association and rules of procedure accordingly have been prepared by a taskforce including members of the Executive Board, Audit Management and experts.

5. Strengthening ties with the community

The lengthy public debate on audit services that is being conducted in the Netherlands and the rest of Europe has significantly impacted Deloitte's quality agenda. In that context, Deloitte has taken the initiative to consult its stakeholders on their expectations of the auditor's role and audit quality, and on how this is communicated in the annual transparency report. These consultations have inspired Deloitte to expressly address our role and social relevance for topical items in the transparency report. In the past fiscal year much attention was paid to informative and company-specific audit opinions. Deloitte directly responded to client demands in the interest of their stakeholders to add more informative, company-specific audit opinions to the 2013 and 2014 financial statements.

6. We recognise the need for change

The need for change is recognised at every level in our firm. In the August 2014 Transparency Report, the Executive and the Supervisory Board indicated not to be satisfied yet with the quality status quo. What's more, in our response to the AFM report on statutory audit quality we concluded that "the standard is clear and Deloitte does not yet live up to the standard," emphasising that our ambitions on audit quality have not yet been realised. We clearly showed to be aware of the need for change to strengthen our culture and enhance our audit quality to the right level.

We see and treat the change process as a journey involving implementation of a multitude of measures and changes in processes and procedures, and especially a change of our culture. So it is important to realise that - despite the obvious sense of urgency - this will take some time and hence we have impact reviews in place to constantly monitor the effectiveness of individual measures. We recognise that the attitude and behavior of external auditors and staff determines the acceptance and effective functioning of the changes envisaged.

Responsible Tax

Responsible Tax has become an important topic widely discussed. Action groups and media campaigns have woken public interest in the tax strategy employed by large companies and also look at the specific tax incentives granted by individual countries. Governments in a large number of countries have reacted in this public debate with new legislation or proposals for new legislation. On a multinational level the G20 together with the OECD have prepared a large number of proposals (BEPS project) which will be finalised in September 2015. This will likely lead to changes in local legislation and in tax treaties concluded by various countries. But also the EU plays an active role and has started a number of initiatives to change tax rules and enforce a higher level of transparency (both from governments as well as companies).

Deloitte Tax & Legal is actively engaged in the Responsible Tax debate. We contribute our technical expertise by providing comments on the various proposals from OECD and Dutch government and also engage in conversations with external stakeholders including NGO's. Since the start of the debate, Deloitte Tax & Legal is actively discussing this topic with clients and we also have developed a number of tools that can help clients assess the impact of potential measures. We see it also as our responsibility to address this pro-actively with our clients in order to make them aware of the possible impact and also inform them about the impact outside the tax function. Our clients also indicate that they receive more and more questions from internal stakeholders (i.e. Executive Board, sustainability officers) on this topic. In a number of situations they have reached out to us to help them to address these questions properly.

Sustainability

As part of our strategy, we continuously seek to integrate sustainability into all our service offerings. At the same time, we look to improve our own performance in terms of our ecological footprint and our impact on people and society at large. The added value we are able to provide our clients, often comes from our ability to cross-over our internal experiences with our external activities.

Sustainability is not treated as an isolated activity, but as part and parcel of our client proposition. This means that in all our service lines, the necessary expertise is available to help clients enhance the sustainability of their business processes. Some examples of our approach include the Chemical Conference 2014, which we hosted in Amsterdam in September, where we presented our circular economy report entitled: 'Opportunities for the fermentation-based chemical industry: An analysis of the market potential and competitiveness of North-West Europe'. In December, we launched our annual benchmark study into the application of integrated reporting criteria by listed Dutch companies in their 2013 annual reports.

In October 2014, Deloitte moved its existing Amsterdam and Amstelveen offices into one new office in Amsterdam. The building named 'The Edge' is the most innovative and sustainable office building in the world. This office is the first building in Europe to hold a BREEAM outstanding certificate and has achieved the highest BREEAM score ever awarded worldwide for an office building. It was jointly developed by real estate developer OVG and Deloitte as the main tenant.

In the year, we continued to work towards reaching the 2016 sustainability targets that we announced in 2012 and began to develop new targets towards 2020. Our Sustainability Report 2014/2015 contains detailed information about these activities and a full breakdown of our performance in accordance to GRI G4 Reporting Guidelines.

Governance and Structure

Per June 1, 2015 the group structure of Deloitte was changed and a new cooperative, Coöperatief Deloitte U.A., was introduced at the top of the organisation. As a result the partners have exchanged their share in Deloitte Holding B.V. for a membership of the cooperative.

Outlook

We are in the process of articulating our new strategy for 2020, based on our understanding of the key market trends and our vision for our business in 2020. During this process we have gained key insights into the future of our markets and of our clients and the impact on our business. The new strategy will significantly shape our business in the years ahead.

We will have to achieve our ambitions related to the quality of our audit services and that will drive many investments and focused actions in the coming years. It will also drive more focus on the clients we want to serve, resulting in being more selective in our client acceptance processes. We will focus on clients who are aligned with our ambition levels for quality of service and accept the price for excellent quality. In the coming years this will result in a decline of revenues in parts of our business.

At the same time we will invest in growing our business, primarily in advisory services such as Consulting, Risk services, FAS and Legal services, and also in the continued innovation of our services.

A new talent strategy will be part of the Strategy 2020, and will address the growing challenges we face in attracting and retaining the best people.

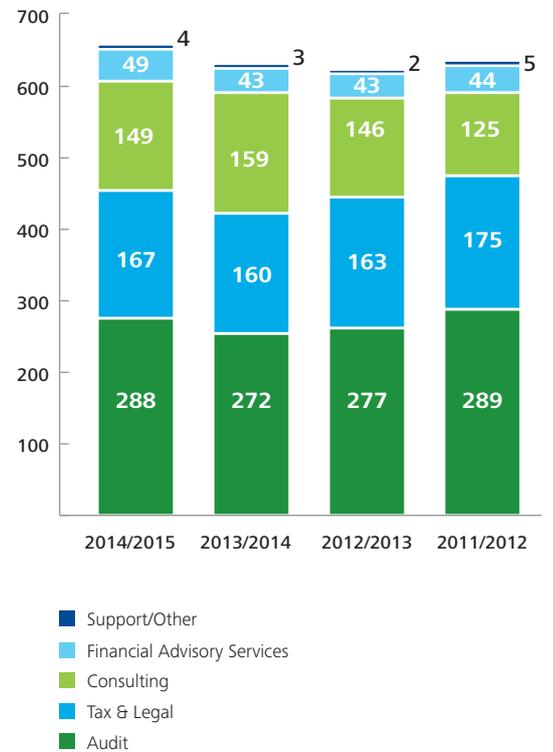
We expect to continue growing our revenues and profitability in the coming years, despite the increasing challenges we face in all our businesses. We strongly believe that our understanding of our markets and clients, together with our Strategy 2020 will provide us with the necessary platform for sustainable success in the future.

Financial results 2014/2015

In the financial year 2014/2015 revenues grew by 3%. This is the result of a strong growth in the volume of billable hours of 6% and a lower average billing rate.

Net turnover increased by 5.6% in Audit and 4.4% in Tax & Legal. Consulting net turnover showed a strong decrease of 6.3% due to a reduction of subcontracted work. Net turnover of Financial Advisory Services increased with 15.7%. Net turnover per employee decreased with 2% from €148,000 last year to €145,000 this year, mainly due to continued price pressure in many of our markets.

From an industry perspective all industry segments achieved growth, mainly driven by Consumer Business industry (6.0%) and Public Sector (5.0%) followed by Technology, Media & Telecommunications (2.8%). Revenue growth in Financial Services and Manufacturing, Energy & Resources was moderate.



We recruited more than 1.300 employees during the year and our attrition levels are now at normal pre-crisis levels.

Operating expenses

Operating expenses of the total organisation increased in the year by 2.6% to €555.7 million. The increase is primarily the results of increased salaries and social security costs, caused by an increase of the number of employees. Salaries and social security costs per employee remained stable. Other operating expenses' decreased with €5.2 million (-3.2%) as a result of cost reduction programs.

Results

Our results from ordinary activities before taxation have increased by 5.2% to €95.6 million compared to €90.8 million last year.

Financial position

The net cash flow increased with €8.6 million in the financial year 2014/2015 and in line with previous years our use of credit facilities remained well within their covenants. The increase in cash flow is primarily caused by an increase in the cash flow from our business activities. The group's base capital (group equity and subordinated loans) remained stable at €121.1 million. As a percentage of the balance sheet total, the group's base capital decreased from 47% to 40%. Working capital increased €19.2 million (11.7%) following an increase in work in progress of 27.9% and an increase in receivables of €8.4 million or 6.7%.

Included in this positive cash flow is the net effect of the incentive received in relation with "The Edge" and the investment in tangible fixed assets in the new office building, "The Edge" (see financial statements).

Segmented information for the period 1 June 2014 to 31 May 2015

in € thousands	Audit	Tax & Legal	Consulting	FAS	Support/ Other	Elimination	Total
Net turnover	287.665	167.247	148.995	49.405	3.658	(166)	656.804
Own production capitalised	539	28	-	-	-	166	733
Other operating income	-	-	-	-	181.662	(181.662)	-
Total operating income	288.204	167.275	148.995	49.405	185.320	(181.662)	657.537
Costs of subcontracted work and other external costs	27.136	19.864	13.881	4.379	13.075	-	78.335
Salaries and social security charges*)	126.554	62.513	67.567	16.013	88.062	(58.343)	302.366
Amortisation of intangible and depreciation of tangible fixed assets	889	1.058	1.249	-	13.028	-	16.224
Other operating expenses	107.018	52.601	42.575	12.185	67.699	(123.319)	158.759
Total operating expenses	261.597	136.036	125.272	32.577	181.864	(181.662)	555.684
Operating result	26.607	31.239	23.723	16.828	3.456	-	101.853

*) The cost of Executive Assistants which are allocated to the business categories are included.

Segmented information for the period 1 June 2013 to 31 May 2014

in € thousands	Audit	Tax & Legal	Consulting	FAS	Support/ Other	Elimination	Total
Net turnover	272,357	160,144	159,081	42,683	3,348	(159)	637,454
Own production capitalised	32	-	-	-	866	159	1,057
Other operating income	-	-	-	-	180,556	(180,556)	-
Total operating income	272,389	160,144	159,081	42,683	184,770	(180,556)	638,511
Costs of subcontracted work and other external costs	21,247	14,370	29,880	2,609	4,808	-	72,914
Salaries and social security charges	117,788	58,831	60,466	13,867	79,432	(41,151)	289,233
Amortisation of intangible and depreciation of tangible fixed assets	1,033	992	1,328	-	12,059	-	15,412
Other operating expenses	104,641	57,436	44,736	12,792	83,789	(139,405)	163,989
Total operating expenses	244,709	131,629	136,410	29,268	180,088	(180,556)	541,548
Operating result	27,680	28,515	22,671	13,415	4,682	-	96,963

Risk management

Risk management is key to sustaining our success. Maintaining the highest standards for integrity and quality are essential to our license to operate. At the same time, in the ever-changing market landscape we actively pursue new business opportunities, invest in innovation and continue to adapt our operating model. The Executive Board proactively oversees these uncertainties and seeks to anticipate them through a structured risk management approach that is tied in with our new strategy.

Context

The environment that we and our clients operate in is ever-changing. Trends such as cyber and data, increasing regulation, the adoption of new technologies and delivery models, require a systematic approach to identify and assess risks and opportunities.

The economy is recovering but still volatile and uncertainties remain. Our performance in audit rotation has demonstrated that we were well prepared. By securing new audit engagements we have brought into focus the importance of our talent agenda. Attrition rates are increasing to normal pre-crisis levels so initiatives for recruitment and retention, performance management and extended offshore delivery capabilities are ongoing.

The new talent strategy being developed for the coming years will also cater for the challenges that come with diversifying and innovating our advisory services. For example, cyber security and data analytics attract different types of professionals. With these services involving large amounts of sensitive client data and globally increased levels of cyber security threats, our inherent exposure to privacy and data protection risks also increases. We aim to actively enhance our security awareness and are working on an ISO 27001 certification for information security.

We recognise these increasing challenges and proactively reassess our risk profile and amend our strategy accordingly.

Deloitte's risk profile is broadly split in two categories:

1. Unrewarded risks that provide no premium but are critical to our license to operate, e.g. in compliance to rules and regulations. For these risks we have tight procedures in place and maintain a zero tolerance approach.
2. Rewarded risks that provide a premium if managed well, e.g. through innovation of our services. For these risks we develop strategies to take calculated risks while containing our exposure within our risk appetite.

Our risk profile is annually assessed by the Executive Board, by leveraging our global insights. In a facilitated workshop, the Board expresses the risk appetite across various categories and is challenged to assess the uncertainties that are inherent in the defined strategy. Risks related to our new strategy will be structurally assessed in dialogues with the partner community who bear day-to-day responsibility for strategy execution and corresponding risk mitigation.

Critical tolerances are captured, enforced and monitored through our Quality Control Framework, consisting of a set of policies, established business processes, and assigned roles and responsibilities. Examples include continuous quality reviews, clear procedures around client acceptance and contracting, independence, ethics & compliance.

We aim to continuously improve our risk management system and reporting. Looking back to what happened during the past year, we found that we had anticipated developments but must still adapt our risk assessment and/or strategies, while looking ahead to future risks. The discussion on the future of audit has clearly continued to evolve. Our ongoing Audit Quality programme has shown great progress and we are actively reinforcing our governance structure around Quality as a core focus for the whole firm.

With regards to unrewarded risks, our long-term strategy includes clear KPIs on behaviour and sanctions. In line with our reputation we proactively and transparently participate in ongoing debates in our industry.

Risk management governance

Risk management governance follows our general governance structure.

The Risk & Reputation Leader who reports directly to the CEO, oversees the Quality Control Framework and related activities, has day-to-day responsibility for overseeing the multidisciplinary Risk Management processes involving all Deloitte practitioners and partners on behalf of the Executive Board. On an annual basis, the Executive Board evaluates its performance and acknowledges its overall accountability of the effectiveness of the risk and control system through an in-control statement.

Conclusion

The Executive Board is responsible for actively managing all strategic, compliance, financial and operational risks; ensuring that adequate risk management and control mechanisms are in place, and that the strategic, compliance, financial and operational risks are sufficiently assessed and managed. The Executive Board actively promotes and audits that all professionals within the Deloitte organisation comply with the ethical principles and quality standards.

The Executive Board reviewed and analysed the risks to which Deloitte is exposed, and it regularly reviewed the design and operational effectiveness of the internal control framework. The outcome of these reviews was shared with the Audit Committee and the Supervisory Board.

We have assessed the design and the operational effectiveness of our internal control framework. Based on the activities performed during 2014/2015 the Executive Board considers that, during 2014/2015, the internal control framework worked effectively, and that this provides reasonable assurance that the financial statements 2014/2015 do not contain any material misstatements.

Current material risks

The table below sets out the three most relevant material risks to Deloitte, that are beyond the normal risks that are inherent to a professional services and audit firm (e.g. economy, competition, globalisation, brand protection, integrity, quality and compliance). The risks tie in with our main strategic levers for assessing the corresponding strategic impact and elaborating our response.

Increased regulation & societal pressure

Increased pressure on quality, integrity and independence impose new challenges, in particular around the Audit profession, where this is reflected in further rules and regulation. While these aspects have always been a top priority, the new norms laid out have become a true differentiator for an audit firm's viability. Beyond regulation, responses to mishaps in the areas of social responsibilities can have a direct impact on the firm's reputation, as recently witnessed in the Financial Services industry around the topic of remuneration.

Strategic impact & response

Quality and reputation remain our core focus. The Audit Quality initiative is unrelenting. We continue to actively engage with our clients, both attest and relationship clients. We carefully review client continuance and engagement acceptance, and our relationship clients where there are client requests that may conflict with our values and reputation, for instance in the domain of responsible tax practices. Our Talent agenda further focuses on behavioural aspects including remuneration.

Innovation & new business models

The implications of new technology, disruptive business models and distributed but highly connected networks, change our clients' service needs and the way we work. While some trends will have long term effects, there are many immediate threats and opportunities we must address to remain relevant, credible and competitive in the marketplace of the future.

Strategic impact & response

Disrupting business models and service delivery techniques threaten the sustainable growth of the firm in the long term. We must evolve our value propositions, and simultaneously adopt new technologies and ways of thinking in our delivery model and the protection of our main assets. We have a low risk appetite and systematically invest in innovation of our services and actively apply these services (e.g. cyber security awareness) in our own organisation to safeguard our assets and ensure credibility towards our stakeholders.

Talent & strategy execution

Innovating for growth and investing in our people while coping with pricing and productivity pressures and meeting the highest quality standards, brings inherent dilemmas and challenges in execution for our workforce. Failure to diligently deal with dilemmas and engage our talent in the realisation of our strategy will have a significant impact on our performance.

Strategic impact & response

A coherent set of KPIs for strategy execution is defined and enforced through a strengthened governance structure reflecting our low risk appetite. Our Talent partner will drive the Talent strategy forward. Potential dilemmas (including topics around remuneration) are proactively addressed in dialogue with the partner community and the broader workforce through surveys and the Worker's Council.

Corporate Governance

Good corporate governance is essential to ensuring economic growth in a global economy. Companies and industries that operate according to clear and effective codes of conduct will be more competitive, better prepared for challenges and will inspire investor confidence. Corporate governance is not only a matter of rules and regulations, but of quality of management, transparency, accountability and integrity. Adherence to a code that governs these areas is essential to ensuring that an organisation is managed in the best interests of its stakeholders.

The Dutch Corporate Governance Code

In December 2009, the code Frijns was incorporated into Dutch Civil law. The Code is intended to reassure the public that Dutch businesses are run using sound, transparent methods, while simultaneously providing a framework of principles that allow for innovation and an entrepreneurial spirit with which to thrive.

In addition to an extensive program with its own policies, Deloitte applies the principles of the Code wherever possible and in addition to applicable Dutch Civil Law. As a non-listed company, Deloitte is different to the companies for which the Code was intended. All its shareholders contribute their labour and expertise, in addition to capital and subordinated loans. For this reason, Deloitte has modified its implementation of the Code in the two areas described below.

Deviations from the Dutch Corporate Governance Code

Supervisory Board

Supervisory Board includes up to three internal members, who are Deloitte shareholders working within the company. Pursuant to the articles of association, the majority of the members are external members. All external members are independent members as defined by the Code. All members of the Supervisory Board are appointed by the General Meeting of Shareholders at the recommendation of the Supervisory Board, according to the procedures laid down in the Articles of Association. Specific rules and procedures have been drawn up to resolve any conflict of interest that may arise between an internal member's duties as a member of the Board and the member's interest as a shareholder. Internal members receive no remuneration for their activities as members of the Supervisory Board.

Best practice

Given the nature of the company, some of the best practices required by the Dutch Corporate Governance Code cannot be applied in identical form within Deloitte such as best practice with regards to taking protective measures against takeovers, the certification of shares, the publication of price-sensitive information and the information supplied to and discussions held with parties in the financial markets. Neither Executive Board nor Supervisory Board members are granted share options. Furthermore, in line with legal requirements, only the total remuneration of the Executive Board and the Supervisory Board is disclosed.

Governance Code for audit firms and the Public Interest Committee

In June 2012, the Dutch auditing professional body (NBA) and a number of major audit firms, including Deloitte Accountants B.V., signed the Governance Code for audit firms. In April 2013, Deloitte introduced a Public Interest Committee pursuant to that Code. The Public Interest Committee comprises the external members of the Supervisory Board. The Committee focuses on public interest matters that may affect our firm, and supervises the implementation of regulations contained in the Governance Code. The Committee has an important role in our stakeholder dialogue. We refer to the Transparency Report for a full description of the activities of the Public Interest Committee and its focus point in rebuilding trust in the audit profession.

The Minister of Economic Affairs has announced new legislation concerning inter alia the composition and authorities of supervisory boards of the holding companies of audit firms. Deloitte is closely monitoring these developments to ensure its Board structure is aligned with new legislation. Meanwhile, the Supervisory Board and its Public Interest Committee remain dedicated to their public interest roles.

Executive Board

Deloitte is managed by an Executive Board, amongst others responsible for creating a strategic and policy framework and objectives, monitoring the implementation of policies and maintaining cohesion between the company's various units and disciplines. The Executive Board reports to the Supervisory Board and to the General Meeting. The members of the Executive Board are collectively responsible for managing the company. The members of the Executive Board are appointed for a period of no more than four years, but may be re-appointed for consecutive four-year terms. The Supervisory Board is currently in the process of evaluating and remodelling the structure and composition of the Executive Board.

Responsibilities within the Executive Board are allocated as follows:

P.J. Bommel	Chief Executive Officer
M. Beelen	Managing Partner Clients & Markets Regions
C.J.G.M. de Boer	Chief Financial Officer & Chief Operations Officer
S.H.C. Heuts	Managing Partner Clients & Markets Industries
R.A.J. Roovers	Managing Partner Tax & Legal
W.L. Smit	Managing Partner FAS
M. J. van der Vegte	Managing Partner Audit
M. van Vliet	Managing Partner Consulting

Tasks of the Executive Board

The Executive Board acts in the company's best interest at all times when fulfilling its duties, taking into account the relevant interests of all stakeholders. It is responsible for observing relevant laws and regulations, managing the risks involved in the company's activities and overseeing its financial affairs. The Executive Board reports on these matters to the Supervisory Board.

Avoiding conflicts of interest

No member of the Executive Board takes part in discussions or decision-making processes that may give rise to a conflict of interest between the Board member and Deloitte. In such cases, Deloitte is normally represented by another person, who is appointed specifically for this purpose by the Supervisory Board. No transactions involving any potential or real conflict of interest, as defined by the Dutch Corporate Governance Code, took place in the year under review. The remuneration granted to members of the Executive Board for their services is determined by the Supervisory Board on the basis of the financial regulations applicable to all partners, as approved by the General Meeting of Shareholders. Following the recommendations of the Dutch Professional Institute (Nederlandse Beroepsorganisatie van Accountants; NBA) in their report (*'In het publieke belang'*), Deloitte is currently in the process of aligning the remuneration of the members of the Executive Board in line with these recommendations.

Supervisory Board

The Supervisory Board consists of four independent external members and three internal members (shareholders). The Supervisory Board oversees and advises the Executive Board and supervises all general developments at Deloitte. The Supervisory Board is collectively responsible for the performance of its tasks and reports to the General Meeting of Shareholders.

Tasks of the Supervisory Board

In fulfilling its duties, the Supervisory Board always acts in the company's best interests, taking account of the relevant interests of all stakeholders. The Supervisory Board supervises the activities of the Executive Board in relation to the following:

- The realisation of the company's objectives
- The strategies pursued by the company and the risks involved
- The design and implementation of internal risk management, quality and control systems
- The company's financial reporting process
- The company's compliance with laws and regulations.

The Supervisory Board is responsible for ensuring that it performs its duties as effectively and efficiently as possible. It has therefore drawn up guidelines for

its size and composition. These guidelines take into account the nature of the company and the expertise and experience required of Supervisory Board members. The Supervisory Board evaluates its own collective performance as well as the performance of individual Board members at least once a year.

Appointment of Supervisory Board members

Members of the Supervisory Board are appointed by the General Meeting of Shareholders on the basis of recommendations made by the Supervisory Board. Members are appointed for a period of no more than four years. An external member may serve for no more than three four-year terms, an internal member for no more than two four-year terms.

Gender diversity in Executive Board and Supervisory Board

The Executive Board is presently composed of one woman and seven men. The Supervisory Board will continue to look for diversity in the event of future re-appointments. In this respect it is important to note that Deloitte pursues a number of management development programmes aimed at increasing the number of women in Deloitte leadership positions. During the financial year 2014/2015 the Supervisory Board consisted of two women and five men.

General Meeting of Shareholders

The General Meeting of Shareholders brings together the entire group of shareholders. The General Meeting of Shareholders helps maintain Deloitte's 'checks and balances' system. The company's budget, the company's long-term policy and various other matters referred to in the Articles of Association require the approval of the General Meeting of Shareholders.

External auditor

The external auditor is appointed by the General Meeting of Shareholders, on the recommendation of the Supervisory Board, advised by the Executive Board and the Audit Committee. As far as applicable laws and regulations allow, the appointment and remuneration of the external auditor are approved by the Supervisory Board, on the recommendation of the Audit Committee, and after discussions with the Executive Board. The same procedure applies to the performance of any non-audit activities by the external auditor. At least once every four years, the Executive Board and

the Audit Committee evaluate the performance of the external auditor, paying particular attention to any other business relations the auditor maintains. The main conclusions of this evaluation are then submitted to the General Meeting of Shareholders as part of the procedure for the appointment or re-appointment of the external auditor. The external auditor attends at least that part of the Supervisory Board meeting in which the external auditor's report on the financial statements is discussed and in which a decision is made as to whether to approve them. The external auditor attends the general meeting of shareholders.

International association

Deloitte Holding B.V. is the Netherlands' member firm of Deloitte Touche Tohmatsu Limited ("DTTL"), a UK private company limited by guarantee (reference is made to www.deloitte.com/about for a detailed description of the legal structure of Deloitte Touche Tohmatsu Limited and its member firms). The member firms of DTTL are all separate and independent legal entities and provide (through their affiliates) services in a certain geographic area subject to applicable local law and regulations.

Governance and Structure

Per June 1, 2015 the group structure of Deloitte was changed and a new cooperative, Coöperatief Deloitte U.A., was introduced at the top of the legal structure. As a result the partners have exchanged their share in Deloitte Holding B.V. for a membership of the cooperative.

Rotterdam, July 15, 2015

Executive Board

P.J. Bommel	Chief Executive Officer
M. Beelen	Managing Partner Clients & Markets Regions
C.J.G.M. de Boer	Chief Financial Officer & Chief Operations Officer
S.H.C. Heuts	Managing Partner Clients & Markets Industries
R.A.J. Roovers	Managing Partner Tax & Legal
W.L. Smit	Managing Partner FAS
M. J. van der Vegte	Managing Partner Audit
M. van Vliet	Managing Partner Consulting

Report from the Supervisory Board

Independent external members constitute the majority of the Supervisory Board of Deloitte Netherlands. The Chairman is an independent external member. The Supervisory Board is entrusted with the supervision of the policies and activities of the Executive Board. In the two-tier corporate structure under Dutch corporate law, the Supervisory Board is a separate body and independent from the Executive Board.

The Supervisory Board comprises an appropriate combination of knowledge, experience and diversity among its members, focused on the multidisciplinary and regulated character of Deloitte Netherlands as a professional services firm, and its public interest responsibilities.

The Supervisory Board has assigned, under its responsibility, a number of its specific tasks to five sub-committees:

- Audit Committee
- Partner Matters Committee
- Public Interest Committee
- Remuneration Committee
- Selection and Nomination Committee.

The members of the Supervisory Board and the various sub-committees are listed below. The tasks and activities of the Supervisory Board and the committees are described hereafter in more detail.

The Public Interest Committee was introduced in April 2013 pursuant to the Governance Code for Accounting Firms in the Netherlands, which was adopted and signed by Deloitte in 2012. The Public Interest Committee is formed by the independent and external board members only. These external members have significant knowledge and an understanding of Deloitte's organisation and its public environment.

Composition of the Supervisory Board

The Supervisory Board comprises seven seats: four for external, independent members and three for internal members. The internal members are required to be partners of Deloitte Netherlands. External members are required to be independent within the meaning of the Corporate Governance Code. Both the internal and the external members are required to comply with all the firm's relevant independence and compliance rules. Members are nominated by the Supervisory Board and appointed by the general meeting of shareholders for fixed terms of four years. External members may be reappointed for two additional four-year terms. Internal members may be reappointed for one additional four-year term.

Currently there are no vacancies in the Board. More information on the individual members of the board is included below.

Members of the Supervisory Board

Members of the Supervisory Board	Internal/External member	End of Term
F.G.H. Deckers, Chair	external member	2016
A.J.L.M. van Berkel, vice-Chair	internal member	2019
F.E. Eelkman Rooda	external member	2017
S. Kloosterhof	internal member	2016
C.A.M. Renne	internal member	2016
J.P. Rijsdijk	external member	2017
A.F. van der Touw	external member	2016

Audit Committee

F.E. Eelkman Rooda, Chair
F.G.H. Deckers
C.A.M. Renne

Partner Matters Committee:

F.G.H. Deckers, Chair
S. Kloosterhof
C.A.M. Renne
J.P. Rijsdijk

Remuneration Committee:

A.F. van der Touw, Chair
A.J.L.M. van Berkel
F.G.H. Deckers

Selection and Nomination Committee:

J.P. Rijsdijk, Chair
A.J.L.M. van Berkel
F.G.H. Deckers

Public Interest Committee:

F.G.H. Deckers, Chair
F.E. Eelkman Rooda
J.P. Rijsdijk
A.F. van der Touw

Background information on the members of the Supervisory Board

F.G.H. Deckers (1950)

Member since 2012

Profession/principal employment

After a long career in banking (among others) as CEO of Van Lanschot Bankiers and different roles at ABN AMRO Bank, Floris Deckers is active as a Non Executive Director and Senior Advisor to a number of European companies.

External positions and activities

- Member of the Supervisory Board, Audit Committee and Chairman of the Remuneration Committee of SBM Offshore
- Member of the Supervisory Board of IBM Netherlands (until the 30th of September 2015)
- Member of the Supervisory Board of Arklow Shipping Limited (Ireland) and Member of the Supervisory Board of Arklow Shipping Nederland B.V.
- Advisor to Apollo Management International (London)

Not for profit

- Member of the Supervisory Board of the Vlerick School of Management (Belgium)
- Member of the Board of Stichting Amici Almae Matris (Belgium)
- Chairman of the Supervisory Board of the Springpaarden Fonds Nederland

A.J.L.M. van Berkel (1960)

Member since 2011

Profession/principal employment

Ardie van Berkel is the EMEA Lead Partner for Human Capital in Deloitte Consulting. She has over 25 years' experience as a management consultant on strategic and operational human capital matters. She has served a wide range of clients in the public and the private sectors.

F.E. Eelkman Rooda (1952)

Member since 2013

Profession/principal employment

Frans Eelkman Rooda is former CFO of Royal Wessanen (2008/2011) and Mediq (1997/2008) in the Netherlands. Prior to that, he was a consultant and partner at McKinsey & Company.

External positions and activities

- Member of the Supervisory Board of De Lage Landen International
- Chairman of the Board of Trustees of Center for Human Drug Research
- Partner in Umenz Benelux

S. Kloosterhof (1965)

Member since 2012

Profession/principal employment

Sander Kloosterhof is a partner at Deloitte Tax in Amsterdam. He has over 25 years of experience in (international) tax and currently is a partner in the TMC practice.

External positions and activities

- Chairman of the Financial Committee of the Protestant Church in Uitgeest-Akersloot

C.A.M. Renne (1964)

Member since 2012

Profession/principal employment

Carlo Renne is a partner at Deloitte Accountants in Amsterdam. He has over 25 years of experience in serving a range of mid-market clients in the private sector with audit and assurance services.

External positions and activities

- Member of the Foundation Scouting TIFLO Aalsmeer

J.P Rijsdijk (1956)

Member since 2013

Profession/principal employment

Jacqueline Rijsdijk has worked at the Dutch Central bank for more than 25 years in several executive positions, her last position being Director of Payments (until 2008). Subsequently, she has been a member of the Board of ASR Nederland. As of 2010 she has focused on oversight positions in the public and private sectors.

External positions and activities

- Member of the Supervisory Board of Royal Cosun (Coöperatie Koninklijke Cosun U.A.)
- Member of the Supervisory Board of the VU University and VU Medical Center
- Partner at 'Partner in Toezicht'
- Member of the Audit Committee of the Dutch Ministry of Internal Affairs
- Member of the Advisory Board of Dutch Space (Airbus Defence and Space Netherlands B.V.)
- Chair of the Supervisory Board of Fair Share Fund Triodos Bank
- Chair of the Supervisory Board of the Green Fund Triodos Bank
- Chair of the Board of Stichting Management Studies VNO-NCW
- Chair of the Supervisory Board of Veer foundation
- Member of the Board of 'Stichting beheer Hotelschool Den Haag'

A.F. van der Touw (1955)

Member since 2012

Profession/principal employment

Ab van der Touw is Chairman of the Executive Board of Siemens Netherlands. He has spent his entire career at Siemens and has worked both in the Netherlands and in Germany.

External positions and activities

- Member of the Supervisory Board of the The Hague Centre for Strategic Studies
- Chairman of the Oversight Board of the Center for Medical Imaging North-East Netherlands
- Member of the Advisory Board of the Beta Technology Platform
- Vice-Chairman of the Board of FME/CWM

- Member of the Board of the Foundation FME-CWM ('Stichting Steunregeling FME-CWM')
- Member of the Board of VNO/NCW
- Chairman of the German-Dutch Chamber of Commerce
- Chairman of the (Economic Development) Board of the 'Zuidvleugel' (Randstad)
- Chairman of the Bach association ('Stichting de Nederlandse Bach Vereniging')
- Member of the Committee of primary and secondary education ('Commissie #onderwijs 2032 Ministerie OCW')
- Member of the Committee of recommendation of the Maastricht Research project

Mandate

The tasks and responsibilities of the Supervisory Board are laid down in the Charter and the Rules of Procedure of the Supervisory Board. The tasks and responsibilities of the different sub-committees of the Board are further described in separate Charters that form part of the Charter and the Rules of Procedure of the Supervisory Board. The separate reports of the different committees are included in this report.

The tasks of the Supervisory Board and the sub-committees include the supervision of the Executive Board with regards to:

- The realisation of the firm's strategy, goals and objectives
- The firm's financial performance and position
- Public interest matters
- Quality assurance and compliance with independence regulations
- Risk management
- The composition of the Executive Board
- The remuneration of the partners
- Human resources

For further information about the corporate governance structure of Deloitte Netherlands and a more detailed description of the tasks, roles and responsibilities of the Supervisory Board, see the chapter on Corporate Governance, on page 23 of this report.

Highlights of the work of the Supervisory Board during the financial year 2014/2015

- The Supervisory Board has held 17 meetings during the Financial Year 2014/2015 (also including 6 special meetings via conference call). Besides the regular meetings of the Board, several additional meetings were held in relation to the governance model of the organisation, the outcome of the AFM report on audit quality and the NBA report on industry wide measure to restore trust in the audit profession.
- The regulatory environment for the audit practice has been continuously on the agenda of the Supervisory Board. In September 2014 the AFM has published their report on the audit quality of the Big 4 audit firms. Simultaneously the NBA issued their report "In het publiek belang". The Supervisory Board has spent significant time discussing the impact of these reports on the Deloitte organisation in the Netherlands. The Executive Board has been working on the implementation of the NBA measures as included in the NBA report. Deloitte strongly supports the implementation of these measures, aimed at restoring trust and confidence in the audit profession.
- Quality is on the agenda at every regular Board meeting and receives constant attention from the Board. This also includes risk management for the entire Deloitte organisation, especially reputational risk. Particular attention was given to the implementation of the Audit Quality Master Plan, which was introduced in 2013/2014. The reports issued by regulators (AFM and PCAOB) on the audit quality of Deloitte in 2014 emphasise the need for further improvement of audit quality within Deloitte and the Board receives updates on the implementation of the Audit Quality Master Plan on a regular basis.
- During the year 2014/2015 the implications of the audit firm rotation for Public Interest Entities (organisaties van openbaar belang, or OOB), strict rules on separation of audit and advisory services at these Public Interest Entities and more strict independence rules, have been ongoing. The Supervisory Board has thoroughly discussed the implications of these changes and has been kept informed by the Executive Board of their response to these new developments. Also the impact of market successes on the audit capacities and capabilities have been on the agenda.
- The Board supports the strategic initiatives of the Executive Board as part of the As One group strategy of the firm. During the year, these strategic initiatives were regularly discussed with the Executive Board and the Board has discussed and evaluated the progress made on the strategic initiatives. The Executive Board has made constant progress on these initiatives and they were largely implemented in 2013/2014. As part of our discussions with the Executive Board on these strategic initiatives, the Board met with all members of the Executive Board on a rotational basis for these discussions.
- During 2014/2015 the Executive Board has started development of the strategy 2020 and the Supervisory Board was involved in discussions regarding the new strategy, its goals and direction.
- The Board has evaluated the governance model of the firm, which was introduced in 2012, against the background of the challenges of the firm in the years to come and the NBA measures referred to above. The Board has proposed a new model to the partners, which comprises a Executive Board (statutair bestuur) of three members (Chief Executive Officer, Chief Operating Officer and Chief Quality Officer), which is supported by a broad Executive Committee comprising Functional Leaders, Markets Leaders, the Risk & Reputation Leader and the Finance and Talent leads. This proposed new model has meanwhile been approved by the General Meeting and is due to be implemented in September 2015. This matter has been on the agenda of Board multiple meetings.

The Board has also discussed the need for high quality in other service areas within Deloitte. In the past year other services have received more public interest such as tax and consulting. The Board discussed responsible tax and received reports on how Deloitte is actively engaged in the responsible tax debate.

- As in previous years, an extensive inspection was undertaken by the Risk & Reputation Leader on independence compliance. As part of this inspection, many partners, directors and senior managers of the organisation were individually tested. It is critical that the organisation maintains a system of closely monitoring and inspecting adherence to the independence rules. The Board is regularly informed on the results of these inspections.
- To deal with the general economic situation, the Executive Board had to make balanced decisions between further cost reductions and investments for the future of the organisation. Investments in innovation are critical for the years to come and the Board is confident that the appropriate balance was maintained during the year, ensuring a proper foundation for the longer term for the benefit of both shareholders, employees and other stakeholders.
- Important partner matters are, as a matter of principle, brought to the attention of the Supervisory Board and, when needed, discussed thoroughly with the Executive Board.
- This summer, the Board will complete a process to evaluate its performance and that of its individual members. This evaluation will be performed by an external agency, securing an independent and professional evaluation. Further to last year's evaluation process, appropriate steps were taken to ensure the Board is capable of fulfilling its supervisory role in accordance with the requirements as set out in the governance structure of Deloitte.
- Per June 1, 2015 the group structure of Deloitte was changed and a new cooperative, Coöperatief Deloitte U.A., was introduced at the top of the organisation. This restructuring was discussed in the Supervisory Board.

Report of the Audit Committee

The Audit Committee (AC) assists the Supervisory Board in fulfilling its oversight responsibilities for quality in the external reporting of the firm, the control and risk management framework, the internal audit and the engagement with the external auditor. In addition, the AC takes note of the outcome of the internal audit investigations and the compliance with applicable laws and regulations.

The AC has had six meetings during the financial year 2014/2015 and has reported its findings and comments to the full Supervisory Board during the regular meetings of the Board. The CFO/COO, the Controller and the Internal Auditor attended all AC meetings. The external Auditor attended four meetings to discuss the audit plan and the audit findings and recommendations.

Highlights of the work of the AC during 2014/2015:

- Discussion on the financial performance of the firm, both at an aggregate level and for the different Functions of Deloitte
- Discussion about forecasts and financial plans
- Structure of the control framework of the group
- Approval of the annual internal audit plan of the IAD
- The contractual arrangements regarding the firm's new offices in Amsterdam
- Planning and preparation of integrated reporting
- The internal and external audit findings, including the follow-up on recommendations made by the internal and external auditors
- Discussion on specific reports issued by the internal auditor in line with the annual internal audit plan
- Appointment of the auditor of the firm in the context of prevailing practice for large organisations in the Netherlands

Report of the Partners Matters Committee

The Partner Matters Committee (PMC) supports the Supervisory Board on oversight matters with regards to the partner remuneration system.

The PMC has discussed a limited number of appeals by individual partners regarding their classification in the 2014/2015 partner remuneration system. Also, the PMC reviewed the classification of the entire group of partners in the 2014/2015 partner remuneration system.

Report of the Public Interest Committee (PIC)

The PIC was introduced and appointed in April 2013. The PIC is composed of the external members of the Supervisory Board. The PIC has had four meetings during the financial year, in addition to the meetings of the (entire) Supervisory Board.

Highlights of the work of the PIC during 2014/2015:

- Implementation of the NBA measures introduced in September 2014
- Discussion about the quality control framework of the group
- Regulatory matters, especially related to the audit practice, such as external inspection reports of AFM and PCAOB. Including follow up measures taken by Deloitte
- Governance model of Deloitte
- Other regulatory matters related to specific external investigations by AFM
- The audit quality master plan and its execution
- Reports of internal and external quality reviews
- Reports of independence reviews
- Reports of ethics reviews
- Reports of substantial litigation and risk management cases
- Public Affairs matters
- The impact of international developments within the DTT global network on Deloitte in the Netherlands

A more comprehensive report of its activities will be included in the Transparency Report of Deloitte Accountants BV for the financial year 2014/2015.

Report of the Remuneration Committee

The Remuneration Committee (RC) supports the Supervisory Board on decisions about the remuneration of the members of the Executive Board, including an assessment of their individual performance.

In January 2015 and in June 2015 the RC discussed the performance of each member of the Executive Board during the financial year 2014/2015.

The RC will discuss the target-setting for 2015/2016 of the Executive Board and each Executive Board member upon a new Executive Board having been appointed later this year.

A critical element in the remuneration criteria of the Executive Board members relates to quality being delivered. Also the RC takes the general public debate on executive remuneration into account in its decision and evaluations.

Report of the Selection and Nomination Committee

The Selection and Nomination Committee (SNC) is responsible for preparing the selection and nomination by the Supervisory Board of new members of the Executive Board and the Supervisory Board. Also the SNC worked more in general on the succession planning of members of both Boards.

During 2014/2015 the SNC started the process for the selection of new Executive Board members and the succession of Mrs. Ardie van Berkel as member of the Supervisory Board.

Financial statements 2014/2015

The financial statements of Deloitte Holding BV, as presented by the Executive Board, have been audited by Ernst & Young Accountants LLP. Their report has been included in the 'Other Information' section of the financial statements.

The Board has approved the financial statements and recommends the shareholders to adopt the 2014/2015 financial statements.

Appreciation

The Board wishes to express its gratitude to the members of the Executive Board and all partners and all staff of Deloitte Netherlands for their continued contribution to the firm.

Rotterdam, July 15, 2015

On behalf of the Supervisory Board

F.G.H. Deckers, Chairman

Consolidated financial statements

Consolidated balance sheet as of 31 May 2015

(before result appropriation)

Assets (in € thousands)	Note	31 May 2015	31 May 2014
Fixed assets			
Intangible fixed assets	[1]	15,630	16,179
Tangible fixed assets	[2]	68,355	45,748
Financial fixed assets	[3]	4,941	3,349
		<u>88,926</u>	<u>65,276</u>
Current assets			
Receivables and prepayments	[4]	198,223	177,727
Cash and cash equivalents		18,971	10,327
		<u>217,194</u>	<u>188,054</u>
		306,120	253,330
Equity and liabilities (in € thousands)	Note	31 May 2015	31 May 2014
Group equity *)	[5]	6,650	6,650
Provisions	[6]	6,377	8,562
Long-term liabilities:			
Subordinated loans Stichting Financiering Deloitte *)	[7]	114,475	112,310
Deferred income		40,266	9,771
		<u>154,741</u>	<u>122,081</u>
Current liabilities and accruals	[8]	138,352	116,037
		306,120	253,330

[] The figures between brackets refer to the corresponding notes on the specific items of the consolidated balance sheet.

*) The group equity and the subordinated loans represent the group's capital base €121,125 (31 May 2014 €118,960)

Consolidated profit and loss account for the period 1 June 2014 to 31 May 2015

in € thousands	Note	2014/2015	2013/2014
Net turnover	[9]	656,804	637,454
Own production capitalised		733	1,057
Total operating income		657,537	638,511
Costs of subcontracted work and other external costs		78,335	72,914
Salaries and social security charges	[10]	302,366	289,233
Amortisation of intangible and depreciation of tangible fixed assets	[11]	16,224	15,412
Other operating expenses	[12]	158,759	163,989
Total operating expenses		555,684	541,548
Operating result		101,853	96,963
Share in result of non-consolidated associated companies		28	20
Financial income and expenses	[13]	(6,331)	(6,199)
Result from ordinary activities before taxation		95,550	90,784
Taxation on result on ordinary activities	[14]	(344)	(322)
Shareholders' Associate Fee	[15]	(95,206)	(90,462)
Net result		-	-

[] The figures between brackets refer to the corresponding notes to the specific items of the consolidated profit and loss account.

Consolidated cash flow statement for the period 1 June 2014 to 31 May 2015

(Prepared using the direct method)

in € thousands	Note	2014/2015	2013/2014
Cash flow from business activities:			
Receipts from customers		638,934	636,106
Payments to suppliers and personnel	[16]	(513,894)	(518,373)
Cash flow from business activities		125,040	117,733
Interest received		82	381
Interest paid		(7,065)	(6,302)
Dividend received		35	34
Corporate income tax received		595	-
Corporate income tax paid		-	(805)
		(6,353)	(6,692)
Cash flow from operating activities		118,687	111,041
Investments in intangible fixed assets		(2,838)	(1,636)
Investments in tangible fixed assets	[16]	(18,418)	(17,321)
Disposal of tangible fixed assets		301	870
Investments of Group Activities		(500)	(66)
Investments in other financial fixed assets		(392)	(1,619)
Repayment of other financial fixed assets		-	24
Cash flow from investment activities		(21,847)	(19,748)
Stichting Financiering Deloitte:			
- Shareholders' Associate Fee		(95,206)	(90,462)
- Increase in subordinated loans		4,065	-
- Decrease in subordinated loans		-	(3,928)
- Changes in current account		2,945	14,595
Net cash outflow to associates		(88,196)	(79,795)
Decrease in other (interest-bearing) debts		-	(1,303)
Cash flow used for financing activities		(88,196)	(81,098)
Net cash flow		8,644	10,195
Cash/net bank debt at start of financial year		10,327	132
Net cash flow		8,644	10,195
Cash at end of financial year *		18,971	10,327

* Cash at end of financial year relates to cash and cash equivalents.

Notes to the consolidated financial statements

General

Activities

The activities of Deloitte Holding B.V., with its registered office in Rotterdam, and the companies in its group consist mainly of Audit, Tax & Legal, Financial Advisory Services and Consulting, as well other forms of professional financial services. These activities are conducted by and for the account of the respective group companies of Deloitte Holding B.V. which acts as the holding company and does not itself conduct any activities in the field of professional financial services as referred to in the previous sentence.

International relationships

Deloitte Holding B.V. is a member firm of Deloitte Touche Tohmatsu Limited (DTTL), a UK private company limited by guarantee. Each member firm provides services in a particular geographic area and is subject to the laws and professional regulations of the particular country or countries in which it operates. DTTL does not itself provide services to clients. DTTL and each DTTL member firm are separate and distinct legal entities, which cannot obligate each other. DTTL and each DTTL member firm are liable only for their own acts or omissions and not those of each other. Each DTTL member firm is structured differently in accordance with national laws, regulations, customary practice, and other factors, and may secure the provision of professional services in its territory through subsidiaries, affiliates, and/or other entities.

Group relationships

Deloitte Holding B.V. is the ultimate parent of a group of legal entities. For a list of subsidiaries required by articles 2:379 and 2:414 of the Netherlands Civil Code reference is made to the notes to the company balance sheet.

Deloitte Holding B.V. has not issued any declarations of liability in accordance with article 2:403 of the Netherlands Civil Code for the sake of its group companies.

Shareholders' structure

The shares in Deloitte Holding B.V. are held by shareholding companies owned by partners who have signed a so-called "Associate Agreement" with Deloitte Holding B.V. These shareholding companies are referred to as "shareholders" or partners.

In addition, Stichting Financiering Deloitte holds shares in Deloitte Holding B.V. acquired from former shareholders on a temporary basis. In the past, Stichting Financiering Deloitte has refrained from exercising the right to vote on shares it holds.

Under the Associate Agreement, each shareholding company has placed (the workforce of) each partner at the disposal of Deloitte Holding B.V. and its group companies in which the relevant professional activities for that partner are performed. An Associate Fee is payable that is equal to the consolidated net amount of operational and financial income and expenses of the company before this fee is charged. This fee is recognised as an expense therefore resulting in a net profit amounting to nil.

On 1 June 2015 the partners exchanged their shares in Deloitte Holding B.V. to the newly founded Coöperatief Deloitte U.A.

As of 1 June 2015 Coöperatief Deloitte U.A. is the ultimate parent of Deloitte Holding B.V. and its subsidiaries.

Financing structure and Stichting Financiering Deloitte

In addition to the share capital, shareholders finance Deloitte Holding B.V. with subordinated loans. These loans are provided to Stichting Financiering Deloitte. Payments of associate fees by virtue of the associate agreement and other payments to shareholders also take place through Stichting Financiering Deloitte.

Stichting Financiering Deloitte has re-issued the brought-in loans and current accounts to Deloitte Holding B.V. These loans are subordinated too. Stichting Financiering Deloitte does not belong to the Deloitte Holding B.V. group and therefore is not included in these consolidated financial statements.

Stichting InterNos

Stichting InterNos is responsible for the settlement of former goodwill rights. This foundation is partly financed by Stichting Financiering Deloitte, which has been authorised by the shareholders to withhold a proportion of the Associate Fee due to these shareholders to finance Stichting InterNos. Stichting InterNos does not belong to the Deloitte Holding B.V. group of companies and therefore is not included in these consolidated financial statements.

Basis of consolidation

The financial data of entities that form part of the group are included in the consolidated financial statements of Deloitte Holding B.V. The consolidated financial statements have been prepared using the accounting principles for valuation and for determining results of Deloitte Holding B.V.

The individual financial statements of Deloitte Holding B.V. is included in the consolidated financial statements. Accordingly, in accordance with article 2:402 of the Netherlands Civil Code, the company financial statements only contain an abridged profit and loss account.

The financial data of the group companies are included in full in the consolidated financial statements, eliminating intra-group relationships and transactions.

Newly acquired group companies are consolidated from the date of their acquisition. The assets, provisions and liabilities of these acquired group companies are valued at the fair value on that date. The goodwill paid is capitalised and amortised over the useful economic life. Results from participating interests that have been disposed are included in the consolidation until the date that control ceases.

General accounting principles used for the preparation of the financial statements

The consolidated financial statements have been prepared in accordance with the requirements of Title 9, Book 2 of the Netherlands Civil Code. Assets and liabilities are valued and results are determined on the basis of historical cost. Unless a different accounting principle is specified for the specific item on the balance sheet, assets and liabilities are carried at their face value.

Income and expenses are allocated to the year to which they relate. Profits are only recorded if they have been realised on the balance sheet date. Losses originating before the end of the year under review are taken into consideration if they were known before the Financial Statements were prepared. All amounts in the financial statements are shown in thousands of euros, unless stated otherwise.

Changes in accounting policies

This year there have been no changes in accounting policies.

Foreign currencies

The functional currency of the company and its group companies is the euro. Receivables, liabilities and obligations in foreign currencies are translated at the exchange rate prevailing as of the balance sheet date. Transactions in foreign currencies during the period under review are recognised in the financial statements at the rates of exchange at transaction date. Exchange-rate gains and losses arising from such translations are taken to the profit-and-loss account.

Accounting principles for the valuation of assets and liabilities

Intangible fixed assets

Goodwill paid for companies acquired from third parties is included under intangible fixed assets. This goodwill is amortised in straight-line over 5, 7 or 15 years and, where applicable, reduced by impairment losses. Capitalised development costs included under intangible fixed assets over their estimated useful life being straight-line 5 years and, where applicable, reduced by impairment losses. Development costs comprises direct labour cost and the attributable share of other operating costs.

Tangible fixed assets

Tangible fixed assets are valued at acquisition cost or production cost, less accumulated depreciation and, where applicable, impairment losses. Depreciation is based on the estimated useful life of the asset and calculated using the straight-line method based on the acquisition/production cost, taking account of any residual value. The asset starts to depreciate from the date that it is taken into use. Tangible fixed assets under construction are valued at production cost. Production

cost comprises licensing costs, direct labour costs, expenditure on services from third parties and the attributable share of other operating costs.

Grants for the purchase of (tangible) fixed assets are deducted from the investment and amortised through depreciation.

Financial fixed assets

The financial fixed assets comprise participating interests and amounts owed by participating interests and loans. The participating interests over which significant influence is being exercised on business and financial policy are valued at net asset value. The other participating interests are valued at acquisition cost, taking into account where necessary any impairment losses. Upon initial recognition amounts owed by participating interests and loans are valued at fair value and then valued at amortised cost, less provisions deemed necessary for the risk of non-collectability.

Receivables and prepayments

Receivables are initially recognised at fair value and subsequently valued at amortised cost, less provisions deemed necessary for the risk of non-collectability. Unbilled amounts for client work is valued at the estimated realisable value of services already performed but not yet invoiced, less advance payments invoiced.

Pension schemes

Contributions payable to the pension plan administrator are recognised as an expense in the profit and loss account. Contributions payable or prepaid contributions as at year-end are recognised under current liabilities and accruals, and receivables and prepayments, respectively.

A provision is formed for liabilities other than the contributions payable to the pension plan administrator if, as at the balance sheet date, the group has a legal or constructive obligation towards the pension plan administrator, if it is probable that settlement of these liabilities will lead to an outflow of resources and if a reliable estimate can be made of the amount of the liabilities. The provision for additional liabilities to the pension plan administrator is based on a best estimate of the amounts required to settle these liabilities concerned at the balance sheet date, applying well established actuarial methods and assumptions. The provision is carried at present value with the discount

rate before taxation reflecting the current market rate.

For the following commitments and liabilities a provision is maintained:

- (i) back service liabilities for those (former) employees faced with total or partial disability status ("Arbeitsongeschiktheid").

The main actuarial assumptions are explained under 'Provisions'.

Provisions

The provisions relate to professional liability, pensions, reorganisations, unoccupied premises contracts and dismantling costs and health insurance compensation. The provision for professional liability relates to the estimated liabilities from claims. This provision is calculated per claim based on the estimated future expenditure, including the cost of obtaining legal advice, subject to a maximum amount per claim equal to the uninsured own risk. The provision for unoccupied premises relates to offices not used or that will not be used in the short term and is calculated based on the term of vacancies and possible rent-free periods. This provision is calculated at net present value using a discount rate of 0.3% (prior year 0.3%). The provision for the dismantling costs based on a straight line addition. The provision for reorganisation is based on the cost of staff redundancies, in accordance with the reorganisation plan. The health insurance compensation provision provides an allowance towards health insurance contributions for some retired personnel.

The actuarial calculations for pension provisions include an estimated future annual increase of the pension entitlements by some 1.0% (prior year 2.0%). A discount rate is set at 1.4% (prior year 2.7%).

Long-term liabilities

Long-term liabilities have a term of more than one year. Liabilities falling due within one year are considered to be current liabilities. Loans are initially valued at fair value and subsequently at amortised cost.

Accounting principles for determining the net results

Concept of profit and taxation

Concept of profit and taxation Under the General Terms and Conditions of Deloitte, the Rules on Financial Relationships and the Associate Agreements, the fees paid to shareholders for services rendered are equal to the net amount of operational and financial income and expenses of Deloitte Holding B.V., before deduction of Associate Fees. The company is obliged to pay out these Associate Fees.

The Associate Fees for services rendered are recognised as operating costs in the profit and- loss account. As per the requirements of Article 362, paragraph 4, Title 9 of the Netherlands Civil Code 2, the provisions of the financial statements Formats Decree have not been followed in the financial statements and the Associate fees are presented separately as the last item in the profit-and-loss account. The Associate Fees to be paid to shareholders through Stichting Financiering Deloitte are treated as operating expenses for tax purposes. As a consequence the amount of corporation tax paid is limited, reference is made to note 15.

Net turnover

Net turnover is the income from services rendered to third parties during the year and includes the cost of work that Deloitte subcontracts to others.

Operating expenses

Operating expenses are calculated on a historical basis and allocated to the year to which they relate.

Share in result of non- consolidated associated companies

For participating interests over which a significant influence is being exercised on business and financial policy, the result amounts to the share in the result of these participating interests that is attributable to the company. This result is determined on the basis of the current accounting principles of Deloitte Holding B.V.

For participating interests over which no significant influence on business and financial policy is being exercised, any dividend received is treated as financial income.

Accounting principles for preparation of the consolidated cash flow statement

The cash flow statement is prepared using the direct method.

Cash flow from business activities has been derived from the consolidated profit-and-loss account, adjusted for changes of balance positions of receivables and payables.

Cash consists of the balance of cash and cash equivalents. Tax on profits, interest received and paid, and dividends received are included under cash flow from operating activities.

The acquisition cost for acquired group companies is included under cash flow from investment activities. Existing cash funds in these group companies are deducted from the acquisition cost.

Notes to the specific items of the consolidated balance sheet

1) Intangible fixed assets

A summary of the movements of intangible fixed assets is presented below:

in € thousands	Goodwill *)	Development costs **)	Total
Acquisition cost as of 1 June 2014	41,998	3,794	45,792
Accumulated amortisation and impairments as of 1 June 2014	(28,681)	(932)	(29,613)
Book value as of 1 June 2014	13,317	2,862	16,179
Capitalised development costs***)	-	2,838	2,838
Acquisition	500	-	500
Amortisation	(3,260)	(627)	(3,887)
Book value as of 31 May 2015	10,557	5,073	15,630
Accumulated amortisation and impairments as of 31 May 2015	(28,377)	(1,559)	(29,936)
Acquisition cost as of 31 May 2015	38,934	6,632	45,566
Amortisation percentages	6 ^{2/3} %-20%	20%	

*) The amortisation period for goodwill is 5 (20%), 7 (14^{2/7}%) or 15 (6^{2/3}%) years, set at these figures as in some cases the useful economic life is estimated to be longer than 5 years.

**) Development cost relates to product development.

***) Capitalised development costs relates to project Enterprise Strategy Programme and project Brisq.

2) Tangible fixed assets

The movements in the tangible fixed assets are as follows:

in € thousands	Leasehold improvements, fixtures and fittings	Office equipment	Other fixed assets	Fixed assets under construction	Total
Acquisition cost as of 1 June 2014	58.452	23.960	41.954	3.457	127.823
Accumulated depreciation and impairments as of 1 June 2014	(39.682)	(15.399)	(26.994)	-	(82.075)
Book value as of 1 June 2014	18.770	8.561	14.960	3.457	45.748
Acquisitions*)	25.274	5.740	7.554	(3.301)	35.267
	44.044	14.301	22.514	156	81.015
Book value of assets disposed of	(170)	(53)	(100)	-	(323)
Depreciation	(4.321)	(1.791)	(6.225)	-	(12.337)
Book value as of 31 May 2015	39.553	12.457	16.189	156	68.355
Accumulated depreciation and impairments as of 31 May 2015	(27.986)	(11.297)	(27.176)	-	(66.459)
Acquisition cost as of 31 May 2015	67.539	23.754	43.365	156	134.814
Depreciation percentages	6 ^{2/3} %-20%	6 ^{2/3} %-20%	12 ^{1/2} %-50%		

The group has beneficial ownership of the leasehold improvements, fixtures and fittings but not legal ownership.

Other fixed assets mainly relate to hardware and software.

*) The increase in Tangible fixed assets is mainly caused by investments in new offices, in particular the new office in Amsterdam 'The Edge'.

3) Financial fixed assets

A summary of the movements in the financial fixed assets is presented below:

in € thousands	Other participating interests	Other receivables and prepayments	Total
Book value as of 1 June 2014	2,136	1,213	3,349
Movements:			
Investments*)	202	939	1,141
Interest accrual	-	131	131
Share in result of participating interests	(7)	-	(7)
Exchange rate differences	-	327	327
Book value as of 31 May 2015	2,331	2,610	4,941

*) €749 of investments relates to incentives provided to sublessees in the connection with entering into rental agreements for office buildings. The incentives are related to the rental agreements are therefore amortised over the term of the rental agreement.

For the item other participating interests, reference is made to the list included in the notes to the specific items of the company balance sheet. Other receivables mainly relate to receivables from IHC Interposed Holding Company 1 S.A.S., a shareholder of Deloitte CIS Limited.

4) Receivables and prepayments

in € thousands	31 May 2015	31 May 2014
Accounts receivable	134,015	125,620
Unbilled amounts for client work	49,564	38,740
Corporate income tax	322	1,260
Other receivables and prepayments	14,322	12,107
	198,223	177,727

There are no receivables and prepayments with an original term of more than one year.

5) Group equity

For an explanation of the capital base (group equity and subordinated loans) see note 7.

6) Provisions

in € thousands	Professional liability	Unoccupied premises/ dismantling costs	Reorganisation	Health insurance compensation	Pensions	Total
Balance as of 1 June 2014	1,051	4,401	1,896	9	1,205	8,562
Additions	1,309	285	1,853	-	133	3,580
Charged	(911)	(1,680)	(1,782)	-	-	(4,373)
Released	(49)	(720)	(110)	(9)	(504)	(1,392)
Balance as of 31 May 2015	1,400	2,286	1,857	-	834	6,377

With the exception of the provisions for reorganisation the expected term of the provisions is over one year.

The provision for unoccupied premises and dismantling cost is related to the reduction of the office network and future dismantling costs.

7) Long-term liabilities

Subordinated loans Stichting Financiering Deloitte

The subordinated loans can be specified as follows:

in € thousands	31 May 2015		31 May 2014	
	Total	Interest rate	Total	Interest rate
Subordinated loans Stichting Financiering Deloitte after deduction of repayments in the following year	114,475	4,15%	112,310	4,24%

Repayment commitments included under current liabilities can be specified as follows:

in € thousands	31 May 2015	31 May 2014
Subordinated loans Stichting Financiering Deloitte	2,850	950

Shareholders who enter into an Associate Agreement with the company are obliged to grant a subordinated loan to Stichting Financiering Deloitte. In turn this Foundation grants a subordinated loan for the same amount to the company. The loans amount to €114,475 as per 31 May 2015 (31 May 2014: €112,310) and are subordinated to all existing and future liabilities of the company and, together with the group equity, make up the capital base of the company.

The interest paid is equal to a 3-month Euribor plus 4%, with a maximum of 8%. The loans are repaid at the termination of the Associate Agreement. The maturity date of these loans depends on joining and leaving of shareholders and therefore cannot be expressed in years.

Deferred income

Deferred income relates to incentives received in the connection with entering into rental agreements for new office buildings and operational lease contract for cars and copying/printing machines. The incentives are related to the rental agreements and the operational lease contract and are therefore amortised over the term of the rental agreement and the operational lease contract.

8) Current liabilities and accruals

Current liabilities, accruals and deferred income can be specified as follows:

in € thousands	31 May 2015	31 May 2014
Tax and social security contributions	33,388	40,252
Salaries and other personnel costs	29,614	24,628
Accounts payable	29,639	22,569
Stichting Financiering Deloitte	16,843	13,898
Repayments on long-term loans in the following year	2,850	950
Liabilities for pensions	622	163
Other liabilities and accruals**)	25,396	13,577
	138,352	116,037

*) In April 2015 the AFM announced their intention to fine the Big 4 Audit Firms in connection with the results of their 2013/2014 inspection regarding 2012 audits (AFM report 25 september 2014). The financial statements include a provision for a potential fine. Disclosing the amount provided could be harmful to the position of Deloitte. Therefore, in accordance with RJ 252.505, the amount provided is not disclosed and the provision is included under Other liabilities and accruals in the balance sheet as at 31 May 2015 and Other operating expenses in the Profit and Loss account for the period 1 June 2014 to 31 May 2015.

**) Other liabilities and accruals include an amount of €7.6 million which is a prepayment for sublease proceeds.

Amounts owed to credit institutions

Deloitte has a credit agreement with ING and Rabobank. In November 2013 a renewal of this agreement took place. Deloitte's maximum credit facility according to this agreement is a revolving loan facility of €101,200, including current account facilities. As a security for the amounts owed to credit institutions, the current account facility and the bank guarantees (see guarantees) various covenants have been agreed regarding the balance sheet and the result ratios as well as certain security covenants, including a negative pledge covenant and granting of securities in the event of default under the credit agreement.

As of 31 May 2015 Deloitte was in compliance with the covenants in the credit agreements. The securities set consist of the joint and several liability of Deloitte Accountants B.V., Deloitte Belastingadviseurs B.V., Deloitte Consultancy Holding B.V., Deloitte Consulting B.V., Deloitte Financial Advisory Services B.V., Deloitte Group Support Center B.V., Ctrl B.V., Deloitte Forensic & Dispute Services B.V., Deloitte Risk Services B.V., Deloitte Benefits & Pension Advisory B.V. and Deloitte Legal B.V.

Off balance sheet commitments

Lease and rental obligations

The group has entered into long-term rental agreements for offices, operational lease contracts for cars and copying/printing machines and facility services.

These future (minimum lease) payments amount to:

in € thousands	31 May 2015	31 May 2014
Within 1 year	77,000	87,000
Between 1 and 5 years	148,000	181,000
After 5 years	99,000	113,000
	<u>324,000</u>	381,000

Facility services

As of 1 December 2006 Deloitte outsourced facility services integrally to a third party. A large number of staff was transferred to the new service provider. The contract was renewed for 5 years as of June 2012. Deloitte has undertaken to re-employ the former employees or to employ them with a succeeding facility supplier if the contract is not renewed after 5 years.

Membership

Deloitte Holding B.V. is a member of Deloitte Touche Tohmatsu Limited and Deloitte EMEA Co-operation Limited. Deloitte Holding B.V. is obliged to pay annual subscription and services fees.

Funding of other participating interests

The group has agreed if necessary to provide additional funding in the amount of USD 0.2 million (31 May 2014: USD 1.7 million) to IHC Interposed Holding Company 1 S.A.S. a shareholder of Deloitte CIS Limited which has been paid in June 2015.

Guarantees

Stichting InterNos

In 2006 Stichting InterNos was granted bank loans amounting to €120,000 to finance the settlement of goodwill rights. The credit agreement has been renewed in November 2013 and an additional loan of €12,800 was received by Stichting InterNos. After repayments, the loans amount to €78,800 as of 31 May 2015. On a yearly basis €6,000 will be repaid until 31 May 2018 at which time the remaining €66,800 will be redeemed. The effective interest rate on the loan is 4.1%. As security for these loans Deloitte Holding B.V. and its material subsidiaries issued a joint and several liability undertaking.

Stichting Financiering Deloitte

Deloitte Holding B.V. and its subsidiaries are jointly and severally liable to shareholders for that which is owed to them by Stichting Financiering Deloitte with regard to the financial resources borrowed from the shareholders by Stichting Financiering Deloitte and re-issued to Deloitte Holding B.V.

The Company has agreed certain security covenants with Stichting Financiering Deloitte, including a negative pledge covenant as well as the granting of securities at the first request of Stichting Financiering Deloitte. With respect to the ranking of these securities rights, covenants have been agreed between the Company, Stichting Financiering Deloitte, ING and Rabobank (as lenders under the Company's credit facility).

The Supervisory Board

The company has indemnified the members of the Supervisory Board from the financial consequences of claims from third parties (including defence costs) resulting from or related to the supervisory task of the members of the Supervisory Board and to the extent the insurance of the company does not cover matters concerned.

Bank guarantees

Bank guarantees amounting to approximately €4,489 (31 May 2014: €1,170) have been issued to third parties.

Other guarantees

Following past acquisitions guarantees have been agreed for the maximum amount of €10,779 (31 May 2014: €10,779) on balance sheet date.

Nationale Borg issued guarantees on behalf of Deloitte Holding B.V. and its material subsidiaries to Tax-authorities covering the own-risk of the Return to Work (Partially Disabled) Regulation ("WGA"). As security for these guarantees Deloitte Holding B.V. and its material subsidiaries issued a joint and several liability undertaking.

Claims

Claims have been submitted against the legal entities that belong to the Deloitte organisation in the Netherlands for alleged poor performance of activities. A strong defense will be mounted against these claims. The Deloitte organisation has professional indemnity insurance. If considered necessary, provisions will be formed to cover the difference between any potential claims and the related insurance payment.

Financial instruments

The financial instruments shown on the balance sheet mainly regard financial fixed assets, receivables, cash, subordinated long-term and current liabilities and amounts owed to suppliers and trade credits.

Exchange rate risk

Exchange rate risks, mainly dollar risks, arising from future operational cash flows and financing activities in foreign currencies are hedged by means of forward exchange contracts if considered necessary. No hedging activities took place in the year under review.

Interest rate risk

Interest rate risks relate mainly to:

- short-term debit and credit facilities carrying variable Euriborbased interest with a surcharge;
- subordinated loans, carrying variable Euribor-based interest with a surcharge capped at 8% for the compulsory subordinated loans.
- long-term loans to IHC Interposed Holding Company 1 S.A.S.

Interest rate risks are not hedged.

Credit risk

Inherent to the nature of the group's activities is its exposure to credit risk. These risks mainly regard uncollectable debts on debtors, for which adequate provisions have been recognised. The risk of non-collectability is mainly restricted by the multitude and diversity of parties owing to the group.

Fair value

Unless stated otherwise, the estimated fair value of the financial instruments included in the balance sheet as of 31 May 2015 approximate their book value.

Notes to the specific items on the consolidated profit and loss account

9) Net turnover:

The net turnover breaks down over the functions as follows:

in € thousands	2014/2015	2013/2014
Audit	287.665	272,357
Tax & Legal	167.247	160,144
Consulting	148.995	159,081
Financial Advisory Services	49.405	42,683
Support/Other	3.492	3,189
	656.804	637,454

Net turnover is mainly realised in the Netherlands.

10) Salaries and social security charges

in € thousands	2014/2015	2013/2014
Salaries *)	245,576	232,683
Social security charges**)	32,481	30,647
Pension costs	24,309	25,903
	302,366	289,233

*) Salaries contains €1,967 costs of reduction in personnel headcount (2013/2014 €2,998).

**) Social security charges in 2013/2014 contains a refund of social security premiums of €1,2 million.

Workforce

The average number of partners and employees working in the group, in FTE's, and broken down by activity, was:

	2014/2015				2013/2014			
	Partners	Fee earners	Support Staff ¹⁾	Total	Partners	Fee earners	Support Staff ¹⁾	Total
Audit	104	1,818	22	1,944	102	1,675	114	1,891
Tax & Legal	67	661	20	748	68	643	69	780
Consulting	40	789	8	837	41	758	36	835
Financial Advisory Services	21	190	1	212	19	172	8	199
Support/Other	9	43	728	780	9	40	566	615
	241	3,501	779	4,521	239	3,288	793	4,320

Virtually all employees are based in the Netherlands.

*) As of March 1, 2014 all Executive Assistants were transferred to Support/Other. The comparative figures of 2013/2014 are not adjusted. In total the number of support staff decreased significantly as a result of the cost reduction programme.

11) Amortisation of intangible and depreciation of tangible fixed assets

in € thousands	2014/2015	2013/2014
Intangible fixed assets:		
Amortisation	3,887	3,784
Tangible fixed assets:		
Depreciation	12,337	11,628
	<u>16,224</u>	<u>15,412</u>

12) Other operating expenses

Other expense can be specified as follows:

in € thousands	2014/2015	2013/2014
Accommodation costs*)	34,311	36,133
Staff cars	38,685	37,343
Employee benefits	22,232	22,723
Office costs	10,031	10,080
Other costs	53,500	57,710
	<u>158,759</u>	<u>163,989</u>

*) Accommodation costs contains a release of provisions for dismantling costs of €687 (2013/2014 €58)

The auditor's fee included in the office costs can be specified as follows:

in € thousands	2014/2015	2013/2014
Audit of the financial statements	137	109
Other audits	86	96
	<u>223</u>	<u>205</u>

The auditors fee is based on the agreed upon fees for the audit and other engagements for the year under review and any additional fees for out of scope work regarding the prior year.

13) Financial income and expenses

in € thousands	2014/2015	2013/2014
Interest income and similar income	213	465
Interest paid and similar costs	(6,544)	(6,664)
	<u>(6,331)</u>	<u>(6,199)</u>

14) Taxation on the result from ordinary activities

The company and its wholly-owned subsidiaries in the Netherlands form one tax group for company tax purposes. There are no losses available for setoff against tax liabilities.

The Associate Fee will be taxed at the shareholder level.

15) Shareholders' Associate Fee

For the Associate Fee and transactions with related parties reference is made to the accounting principles for determination of the result. The group has transactions with the shareholders for which the nature and scope are disclosed in the notes to the consolidated financial statements.

Note to the specific items on the consolidated cash flow statement

16) Investments in tangible fixed assets and Payments to suppliers and personnel

Under the investments in tangible fixed assets only those investments are presented for which in 2014/2015 cash and cash equivalents were spent. Investments amounting to €16,851 were deducted from the received incentives related to rental agreements for new office buildings. Included under Investments in tangible fixed assets is the net effect of investments in new offices, in particular the new office in Amsterdam 'The Edge'.

The net effect of received incentives, €19.8 million, related to rental agreements for new office buildings are included under Payments to suppliers and personnel. Also a received prepayment for sublease proceeds, €7.6 million, is included under Payments to suppliers and personnel.

Company financial statements

Company balance sheet as of 31 May 2015 (before result appropriation)

Assets in € thousands	Note	31 May 2015		31 May 2014
Fixed assets				
Financial fixed assets	[1]	84,424		78,434
Current assets				
Receivables and prepayments	[2]	90,524		91,868
Cash and cash equivalents		<u>18,947</u>		<u>10,223</u>
		<u>109,471</u>		102,091
		193,895		180,525
Equity and liabilities in € thousands	Note	31 May 2015		31 May 2014
Shareholders' equity				
Issued share capital *)	[3]	6,650		6,650
Statutory reserve		5,073		2,862
Other Reserves		<u>(5,073)</u>		<u>(2,862)</u>
		6,650		6,650
Long-term liabilities				
Subordinated loans Stichting Financiering Deloitte *)	[4]	114,475		112,310
Deferred income		<u>12</u>		<u>151</u>
		114,487		112,461
Current liabilities and accruals				
	[5]	72,758		61,414
		193,895		180,525

[] The figures between brackets refer to the corresponding note to the company financial statements.

*) The shareholders' equity and the subordinated loans represent the capital base €121,125 (31 May 2014 €118,960).

Company profit and loss account for the period 1 June 2014 to 31 May 2015

in € thousands	2014/2015	2013/2014
Share in results of participating interests	44,430	40,816
Other income and expenses after tax	50,776	49,646
	<u>95,206</u>	<u>90,462</u>
Shareholders' Associate Fee	(95,206)	(90,462)
Result after tax	-	-

Notes to the company financial statements**General accounting principles for the preparation of the financial statements**

The company financial statements have been prepared in accordance with Title 9, Book 2 of the Netherlands Civil Code. For an explanation of the general accounting principles used in the preparation of the financial statements, the policies for valuation of the assets and liabilities and for determining the result, as well as for the notes to the various company assets and liabilities and the results reference is made to the notes to the consolidated financial statements, unless stated otherwise.

Financial fixed assets

Participating interests in group companies are carried at net asset value, determined on the basis of group accounting principles.

Other income and expenses

The other income and expenses includes the annual fees received from the various group companies providing the partners work force for the company.

Notes to the specific items on the balance sheet

1) Financial fixed assets

A summary of the movements in the financial fixed assets is presented below:

in € thousands	Participating interests in group companies	Other participating interests	Receivables from group companies	Other receivables	Total
Book value as of 1 June 2014	32,572	2,136	42,513	1,213	78,434
Movements:					
Investments	-	202	-	150	352
Interest accrual	-	-	-	131	131
Issued loans	-	-	561	-	561
Repayments	(16)	-	-	-	(16)
Exchange rate differences	-	-	-	327	327
Share in result of participating interests	44.402	(7)	-	-	44.395
Dividend received	(37.893)	-	-	-	(37.893)
Negative equity of participating interest deducted from current account receivables/subordinated loan	(609)	-	224	-	(385)
Repayments on long-term loans in following year	-	-	(1.482)	-	(1.482)
Book value as of 31 May 2015	38.456	2.331	41.816	1.821	84.424

Amounts owed by group companies are unsecured subordinated loans.

Other receivables mainly relate to receivables from IHC Interposed Holding Company 1 S.A.S., a shareholder of Deloitte CIS Limited.

Consolidated companies

The following subsidiaries are included in the consolidated financial statements:

Name	Registered office	Share in the issued capital
Deloitte Accountants B.V.	Rotterdam	100%
- Deloitte Salarisverwerking B.V.	Rotterdam	100%
- Ctrl B.V.	Amsterdam	100%
Deloitte Belastingadviseurs B.V.	Rotterdam	100%
- Deloitte Belastingadviseurs New York B.V.	Rotterdam	100%
- Deloitte Belastingadviseurs Hong Kong B.V.	Rotterdam	100%
- Deloitte Accountancy & Advies B.V.	Rotterdam	100%
- Deloitte Legal B.V.	Rotterdam	100%
Deloitte Consultancy Holding B.V.	Rotterdam	100%
- Deloitte & Touche Acquisition B.V.	Rotterdam	100%
- Deloitte Consulting B.V.	Amsterdam	100%
-Vivens Groep B.V.	Joure	100%
-Vivens ICT B.V.	Joure	100%
-Vivens CRM B.V.	Joure	100%
Deloitte Innovation Holding B.V.	Rotterdam	100%
- Deloitte Innovation B.V.	Rotterdam	100%
- PXR B.V.	Rotterdam	100%
Deloitte Financial Advisory Services B.V.	Rotterdam	100%
- Deloitte Benefits & Pension Advisory B.V.	Rotterdam	100%
Deloitte Group Support Center B.V.	Rotterdam	100%
- Deloitte Education B.V.	Rotterdam	100%
- Deloitte Group Support Center Overseas Services B.V.	Rotterdam	100%
Deloitte Risk Services B.V.	Rotterdam	100%
- Deloitte Forensic & Dispute Services B.V.	Amsterdam	100%
Deloitte Overseas Projects I B.V.	Rotterdam	100%
Deloitte Overseas Projects II B.V.	Rotterdam	100%
Deloitte Overseas Projects III B.V.	Rotterdam	100%

Changes in the financial year under review

Companies liquidated

- IFV Integration Netherlands (Receiving) B.V. as of October 27, 2014.

Changes on June 1, 2015

- Deloitte Management Support B.V. changed its name into Ctrl B.V. and was sold by Deloitte Accountants B.V. to Deloitte Accountancy & Advies B.V.
- Deloitte Family Office B.V. changed its name into Deloitte Accountancy & Advies B.V. and was sold by Deloitte Belastingadviseurs B.V. to Deloitte Holding B.V.

- Deloitte Pension Advisory B.V. changed its name into Deloitte Benefits & Pension Advisory B.V.

Other participating interest

The other participating interests are minority interests in Nautilus Indemnity Holdings Ltd, established in the Bermudas, Deloitte University EMEA CVBA, established in the Belgium and IHC Interposed Holding Company 1 S.A.S., established in France, a shareholder of Deloitte CIS Limited.

2) Receivables and prepayments

in € thousands	31 May 2015	31 May 2014
Current accounts owed by group companies	85,859	84,052
Other receivables and prepayments	4,665	7,816
	<u>90,524</u>	<u>91,868</u>

Annual interest is charged on the current accounts owed by group companies at approximately 2.0% (prior year 1.7%)

There are no receivables or prepayments with an original term longer than 1 year.

3) Shareholders' equity

Issued share capital

The issued capital of the company amounts to €6,650,000 divided into 266 ordinary (31 May 2014 266) shares of €25,000. By deed of amendment of the articles of association dated 30 May 2008 a new class of shares, Class P shares, has been introduced in May 2008. These Class P shares have the same nominal value and the same voting and other rights as ordinary shares except that, upon liquidation of the company, Class P shares have priority over ordinary shares with respect to repayment of the nominal value of the shares from the liquidation proceeds. A shareholders resolution has been adopted to reduce the company's issued and outstanding share capital by € 500,000 on June 1st 2015, by cancellation of 20 shares.

Statutory reserve

During the financial year 2014/2015 Deloitte Holding B.V. capitalised developments costs for project Enterprise Strategy Programme through its wholly owned subsidiary Deloitte Group Support Center B.V. and for project Brisq through its wholly owned subsidiary Deloitte Risk Services B.V. for the amount to € 2.8 million. In accordance with article 2:365.2 of the Dutch Civil Code a statutory reserve has been recognised. Due to the absence of available undistributed profits and as stipulated by RJ 240.230 the amount of the statutory reserve has been charged to the Other Reserves, resulting in a negative amount.

The movements in the statutory reserve are as follows:

in € thousands	Statutory reserve
Book value as of 1 June 2014	2,862
Movements:	
Capitalised costs	2,838
Amortisation	(627)
Book value as of 31 May 2015	<u>5,073</u>

4) Long-term liabilities

The long-term liabilities can be specified as follows:

in € thousands	31 May 2015		31 May 2014	
	Total	Interest rate	Total	Interest rate
Subordinated loans Stichting Financiering Deloitte after deduction of short-term repayment commitments	114,475	4,15%	112,310	4,24%

Deferred income

Deferred income relates to incentives received in the connection with entering into an operational lease contract for cars and copying/printing machines. The incentives are related to the operational lease contract and are therefore amortised over the term of the operational lease contract.

5) Current liabilities and accruals

in € thousands	31 May 2015	31 May 2014
Current accounts owed to group companies	34,481	22,597
Stichting Financiering Deloitte	16,843	13,898
Tax	15,942	22,877
Repayments on long-term loans in following year	2,850	950
Pension liabilities	622	163
Other liabilities and accruals	2,020	929
	<u>72,758</u>	<u>61,414</u>

Off-balance sheet commitments

Tax group

The legal entity and its wholly-owned subsidiaries make up a fiscal unity for corporation tax and V.A.T. purposes and for that reason are jointly and severally liable for the tax payable by the fiscal unity as a whole.

Lease commitments

The company has entered into long-term leases offices, operational lease contracts for cars and copying/printing machines. The commitments fall due as follows:

These future (minimum lease) payments amount to:

in € thousands	31 May 2015	31 May 2014
Within one year	60,000	69,000
Between one and five years	134,000	147,000
More than five years	99,000	113,000
	<u>293,000</u>	<u>329,000</u>

Facility services

As of 1 December 2006 Deloitte outsourced facility services integrally to a third party. A large number of staff was transferred to the new service provider. The contract was renewed for 5 years as of June 2012. Deloitte has undertaken to re-employ the former employees or to employ them with a succeeding facility supplier if the contract is not renewed after 5 years.

Membership

Deloitte Holding B.V. is a member of Deloitte Touche Tohmatsu Limited and Deloitte EMEA Co-operation Limited. Deloitte Holding B.V. is obliged to pay annual subscription and services fees.

Funding of other participating interests

The group has agreed if necessary to provide additional funding in the amount of USD 0.2 million (31 May 2014: USD 1.7 million) to IHC Interposed Holding Company 1 S.A.S. a shareholder of Deloitte CIS Limited which has been paid in June 2015.

Guarantees

The company acts as a guarantor for certain contractual obligations of its subsidiaries. Information on this is to be found in the notes to the consolidated financial statements.

Stichting InterNos

In 2006 Stichting InterNos was granted bank loans amounting to €120,000 to finance the settlement of goodwill rights. The credit agreement has been renewed in November 2013 and an additional loan of €12,800 was received by Stichting InterNos. After repayments, the loans amount to €78,800 as of 31 May 2015. On a yearly basis €6,000 will be repaid until 31 May 2018 at which time the remaining €66,800 will be redeemed. The effective interest rate on the loan is 4.1%. As security for these loans Deloitte Holding B.V. and its material subsidiaries issued a joint and several liability undertaking.

Stichting Financiering Deloitte

Deloitte Holding B.V. and its subsidiaries are jointly and severally liable to shareholders for that which is owed to them by Stichting Financiering Deloitte with regard to the financial resources borrowed from the shareholders by Stichting Financiering Deloitte and re-issued to Deloitte Holding B.V.

The Company has agreed certain security covenants with Stichting Financiering Deloitte, including a negative pledge covenant as well as the granting of securities at the first request of Stichting Financiering Deloitte. With respect to the ranking of these securities rights, covenants have been agreed between the Company, Stichting Financiering Deloitte, ING and Rabobank (as lenders under the Company's credit facility).

The Supervisory Board

The company has indemnified the members of the Supervisory Board from the financial consequences of claims from third parties (including defence costs) resulting from or related to the supervisory task of the members of the Supervisory Board and to the extent the insurance of the company does not cover matters concerned.

Bank guarantees

Bank guarantees amounting to approximately €4,474 (31 May 2014 €1,155) have been issued to third parties.

Other guarantees

Following past acquisitions guarantees have been agreed for the maximum amount of €10,779 (31 May 2014: €10,779) on balance sheet date.

Nationale Borg issued guarantees on behalf of Deloitte Holding B.V. and its material subsidiaries to Tax-authorities covering the own-risk of the Return to Work (Partially Disabled) Regulation ("WGA"). As security for these guarantees Deloitte Holding B.V. and its material subsidiaries issued a joint and several liability undertaking.

Deloitte Holding B.V. acts as a guarantor for Deloitte Group Support Center B.V., a wholly owned subsidiary, with respect to the facility services contract. Total contract value amounts to €24,000 (31 May 2014 €39,000).

Other notes to the financial statements

Remuneration of members of the Executive Board and the Supervisory Board

The remuneration of members of the Executive Board comprises an Associate Fee plus a fixed expense allowance.

The Executive Board was remunerated as follows:

	2014/2015	2013/2014
Total amount in € thousands	4,830	4,536
Number of members of the executive Board in FTE's	8	8

The external members of the Supervisory Board were remunerated as follows:

	2014/2015	2013/2014
Total amount in € thousands	202	174
Number of external members of the Supervisory Board per 31 May	4	4

Rotterdam, July 15, 2015

Executive Board

P.J. Bommel (Chair)
C.J.G.M. de Boer
M. Beelen
S.H.C. Heuts
R.A.J. Roovers
W.L. Smit
M.J. van der Vegte
M. van Vliet

Supervisory Board

F.G.H. Deckers (Chair)
A.L.J.M. van Berkel (Vice-Chair)
F.E. Eelkman Rooda
S. Kloosterhof
C.A.M. Renne
J.P. Rijdsdijk
A.F. van der Touw

Other information

Articles of Association provisions governing the appropriation of profit

Article 20 of the Articles of Association of the company reads as follows:

- Profit shall be distributed under the provisions of this article after the financial statements showing that the distribution is permissible have been adopted.
- Appropriation of the profit shall be the prerogative of the general meeting of shareholders.
- The company may distribute profit available for distribution to shareholders and others entitled to it only insofar as its shareholders' equity exceeds the issued capital, augmented by reserves that have to be kept pursuant to law.
- A deficit may only be offset from the reserves required by law in so far as the law permits this.
- In calculating the distribution of the amount destined to be paid out on shares, the shares that the company holds in its own capital shall not count.

Profit appropriation

No profit was made in the year under review, so there is no profit available for distribution.

Subsequent events

As of June 1, 2015 Deloitte acquired the assets and activities of FCTB, a human resources consulting company.

Independent auditor's report

To: the shareholders, supervisory board and executive board of Deloitte Holding B.V.

Report on the audit of the financial statements

Our opinion

We have audited the financial statements for the year ended 31 May 2015 of Deloitte Holding B.V. (the company), based in Rotterdam.

In our opinion:

- The financial statements give a true and fair view of the financial position of Deloitte Holding B.V. for the year ended 31 May 2015, and of its result for the year then ended in accordance with Part 9 of Book 2 of the Dutch Civil Code.

The financial statements comprise:

- The consolidated and company balance sheet the year ended 31 May 2015.
- The consolidated and company profit and loss account for the year ended 31 May 2015.
- The notes comprising a summary of the significant accounting policies and other explanatory information.

Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the "Our responsibilities for the audit of the financial statements" section of our report.

We are independent of Deloitte Holding B.V. in accordance with the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA).

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

Materiality

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. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

Based on our professional judgment we determined the materiality for the financial statements as a whole at €6 million. The materiality is based on 1% of revenues. We have also taken into account misstatements and/or possible misstatements that in our opinion are material for the users of the financial statements for qualitative reasons.

We agreed with the supervisory board that misstatements in excess of €300,000, which are identified during the audit, would be reported to them, as well as smaller misstatements that in our view must be reported on qualitative grounds.

Scope of the group audit

Deloitte Holding B.V. is head of a group of entities. The financial information of this group is included in the consolidated financial statements of Deloitte Holding B.V.

Because we are ultimately responsible for the opinion, we are also responsible for directing, supervising and performing the group audit. In this respect we have carried out audits ourselves on the complete sets of financial information of all group entities.

By performing the procedures mentioned above at group entities we have been able to obtain sufficient and appropriate audit evidence about the group's financial information to provide an opinion about the consolidated financial statements.

Our key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements. We have communicated the key audit matters to the supervisory board. The key audit matters are not a comprehensive reflection of all matters discussed.

These matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

- Revenue recognition and the valuation of unbilled work and receivables
The allocation of revenues to the respective financial years and the valuation of the unbilled work and related receivables are subject to uncertain elements such as the extent to which the services as contracted are delivered at the agreed quality level and the collectability of the receivables. This matter was identified as a significant risk for our audit. The related balance sheet captions represent a material part of the balance sheet total as per 31 May 2015, €184 million (60% of balance sheet total), of which €50 million relates to unbilled work.

The process of recognizing revenues and the valuation of unbilled work includes estimates and involves many people and many subjective elements. Management has set up a comprehensive system of controls which reduces the subjective elements and establishes a reliable recognition of revenues and valuation of unbilled work and receivables.

As part of our audit we focus on the controls to determine whether they have functioned properly and we independently test a sample of unbilled work. The sample selection is based on a number of critical characteristics of the individual engagements. Disclosures by the company on the principles applied for revenue recognition and the valuation of unbilled work and receivables are included on pages 39 and 40 of the notes to the consolidated financial statements.

- Professional liability
If Deloitte Holding B.V. or one of its group companies receives claims for compensation related to alleged damages, these are generally covered by professional liability policies (insurance policies). The legal defense expenses are also covered by the insurance policies.

The impact of legal claims from third parties on operating result is limited if claims are covered by the insurance policies. However, the impact can increase significantly in case of claims which fall

outside the scope of insurance policies or if the amount involved exceeds the maximum coverage of the policies.

As part of our audit we focus on the completeness of registered claims and on determining that the correct insurance coverage is applied. In addition, we evaluate whether the level of insurance coverage and any additional expenses justifies the recognition of a provision up to the level of policy excess, or, in case of claims which are not covered by insurance, the estimated total exposure. For these procedures we use the work of internal and external experts. Disclosures by the company on the principles applied for the recognition of the provision for professional liability are included on page 39 of the notes to the consolidated financial statements.

- Valuation of intangible fixed assets
The balance sheet contains intangible fixed assets for an amount of €16 million in the form of goodwill paid for acquisitions and capitalized product development costs. On an annual basis the executive board evaluates whether these assets are impaired. For that purpose, a high-level financial analysis is performed, in certain cases complemented by a more detailed analysis which is in compliance with governing regulations. The financial analyses are mainly based on, forecast-based information and estimates by the executive board, which are subjective by nature.

Our audit work focuses on the robustness of the calculation model applied, the adequacy of the discount rates and the reliability and plausibility of the forecast-based information. Disclosures by the company on the principles applied for the valuation of intangible fixed assets are included on page 38 of the notes to the consolidated financial statements.

- Inspection of Autoriteit Financiële Markten (AFM)
The outcome of the 2013/2014 inspection of Autoriteit Financiële Markten (AFM) could result in a fine being imposed. The executive board has evaluated the elements which could impact the level of the potential fine and has come to the position as disclosed on page 45 of the notes to the consolidated financial statements.
Our audit of this position included discussions with management, review of their position paper and

underlying documents and the analysis of the AFM rules and regulations in respect of fines.

- The model of the profit-and-loss account
As disclosed in the notes to the consolidated financial statements, specific contractual arrangements exist between Deloitte Holding B.V. and its shareholders, and between shareholders themselves via the foundations Stichting Financiering Deloitte and Stichting InterNos, which are not part of the Deloitte Holding B.V. group. Based on these arrangements, shareholders are entitled to associate fees. The total associate fees are equal to the net amount of operational and financial income and expenses of Deloitte Holding B.V., whereby the expenses do not include an element of salary or comparable remuneration for the associates.

As the arrangements do not provide information that might be suitable for a further interpretation of the remuneration elements in the associate fees, it is not possible to determine how to record the fees in line with the financial statements Formats Decree. The executive board concluded that the addition of a separate line item, which is not included in the models of the Formats Decree, is the most adequate presentation. The Formats Decree allows this amendment and the notes to the consolidated financial statements contain the required disclosures related to the altered presentation. We concur with this position.

Responsibilities of the executive board and the supervisory board for the financial statements

The executive board is responsible for the preparation and fair presentation of the financial statements in accordance with Part 9 of Book 2 of the Dutch Civil Code, and for the preparation of the executive board report in accordance with Part 9 of Book 2 of the Dutch Civil Code. Furthermore, the executive board is responsible for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, the executive board is responsible for assessing the company's ability to continue as a going concern.

Based on the financial reporting frameworks mentioned, the executive board should prepare the financial statements using the going concern basis of accounting unless the executive board either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so. The executive board should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the financial statements.

The supervisory board is responsible for overseeing the company's financial reporting process.

Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit assignment in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not have detected all errors and fraud.

We have exercised professional judgment and have maintained professional skepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements.

Our audit included e.g.:

- Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Concluding on the appropriateness of management's use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company ceasing to continue as a going concern.
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures.
- Evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the supervisory board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identify during our audit.

We provide the supervisory board with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the supervisory board, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, not communicating the matter is in the public interest.

Report on other legal and regulatory requirements

Report on the executive board report and the other information

Pursuant to legal requirements of Part 9 of Book 2 of the Dutch Civil Code (concerning our obligation to report about the executive board report and other information):

- We have no deficiencies to report as a result of our examination whether the executive board report, to the extent we can assess, has been prepared in accordance with Part 9 of Book 2 of the Dutch Civil Code, and whether the information as required by Part 9 of Book 2 of the Dutch Civil Code has been annexed.

We report that the executive board report, to the extent we can assess, is consistent with the financial statements.

Engagement

We were engaged by the executive board as auditor of Deloitte Holding B.V. in 2003, and have operated as statutory auditor since that year.

Amsterdam, 15 July 2015

Ernst & Young Accountants LLP

signed by O.E.D. Jonker

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