



Deloitte LLP

**Report to the Members and Consolidated Financial Statements
for the year ended 31 May 2026**

Registered No. OC303675

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For the year ended 31 May 2026

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Report to the Members

For the year ended 31 May 2026

The UK Board which, from 1 June 2026, replaced the UK Oversight Board ('UKOB') presents this report to the members of Deloitte LLP ('the LLP') together with the audited consolidated financial statements of the LLP and its subsidiary undertakings (together 'the Group') for the year ended 31 May 2026.

The LLP is a limited liability partnership under the Limited Liability Partnerships Act 2000 and was incorporated on 10 January 2003. For the year ended 31 May 2026, the ultimate holding and controlling party of the LLP was Deloitte NSE LLP. Deloitte NSE LLP, with affiliates in countries across Europe and the Middle East (Deloitte NSE LLP and its subsidiaries are hereinafter referred to as 'Deloitte NSE'), was a holding entity and did not provide professional or other services to any clients. Deloitte NSE LLP was a member firm of Deloitte Touche Tohmatsu Limited ('DTTL'), a UK private company limited by guarantee. DTTL and each of its member firms are legally separate and independent entities.

With effect from 1 June 2026, the LLP (together with its subsidiaries, including the Swiss National Practice) combined with 14 other participating Deloitte member firms within the Europe, Middle East and Africa ("EMEA") regions, to form Deloitte EMEA. In addition, Deloitte NSE LLP ceased to be the LLP's parent entity. The associated changes, including to the LLP's and Group's governance, are described in greater detail below.

Principal activities

The principal activities of the Group are the provision of professional services. There were no significant changes in these activities during the year ended 31 May 2026.

Membership

Apart from members who are bodies corporate, the members of the LLP were also members of Deloitte NSE.

Governance

For the year ended 31 May 2026, the governance of the Group comprised:

- The Senior Partner and Chief Executive of the Group and Deloitte NSE (the 'Chief Executive') and the UK Executive Group who were responsible for managing all aspects of the Group's business, including the development and delivery of services, the development of the Group's policies and strategic direction, the management of the Group's financial performance and the development and implementation of the Group's talent goals.
- The UKOB, which oversaw how the UK practice met its UK regulatory and legal responsibilities, including the requirements of the Audit Firm Governance Code as they related to the UK business as a whole. In particular, the UKOB's focus was on promoting the long-term sustainability and resilience of the UK business, ensuring material risks were managed and controlled and overseeing how the UK business met its public interest responsibilities. It was also responsible for overseeing financial reporting matters for the UK business.
- The Audit Governance Board ('AGB'), which was, and continues to be, responsible for providing independent oversight of the Group's UK audit business, with a focus on the policies and procedures for improving audit quality. This includes ensuring people in the audit business are focused on the delivery of high-quality audits in the public interest; and oversight of the policies and processes for ensuring audit member remuneration and promotions reflect their contribution to audit quality. The AGB and UKOB worked alongside each other to ensure the Group's UK practice met the requirements of the Audit Firm Governance Code and other regulatory and legal requirements. The AGB comprises a majority of Independent Audit Non-Executives including the Chair.
- The UK and Swiss Partnership Council ('Partnership Council') which was, and continues to be, responsible for ensuring fairness and equity between members and fairness in the implementation of Deloitte policies and strategies. The Partnership Council was also the body that undertakes soundings to assist in the selection of candidates for election to the Deloitte NSE Board and appointment to the roles of UK Senior Partner and Chief Executive and Swiss Chief Executive.

Deloitte NSE's governance structure included the Deloitte NSE Board, Deloitte NSE Executive, the Audit and Risk Committee, National Practice governance bodies and National Practice Executives, and was underpinned by the Deloitte NSE Partnership Agreement.

The Deloitte NSE Board was the primary governance body for the Deloitte NSE group as a whole, responsible for ensuring high quality governance and stewardship of Deloitte NSE. The Deloitte NSE Board worked with the Deloitte NSE Executive to set and approve the long-term strategic objectives of Deloitte NSE, was responsible for overseeing the level of risk acceptable in each business area, for the promotion and protection of member interests and for the oversight of management of Deloitte NSE as a whole.

Report to the Members

For the year ended 31 May 2026

Governance (continued)

The Chief Executive, working with the Executive Group of each National Practice, were responsible for the day-to-day management of their respective local National Practice. This included the consistent execution of Deloitte NSE's strategy, the development of local policies and strategies, and ensuring compliance with local laws and regulations.

Designated members

The designated members (as defined in the Limited Liability Partnerships Act 2000) of the LLP during the year were Richard Houston, Philip Mills and Heather Bygrave. From 1 June 2026, the designated members were Darren Graves and Heather Bygrave, with the addition of Martin Reilly from 1 September 2026.

Members' capital

The rate per unit of members' capital contributions was determined by the Deloitte NSE Board, with input from the UK Senior Partner and Chief Executive, having regard to the working capital needs of the business. The amount of each individual members' capital contribution was calculated by reference to their units each financial year and is repayable following the members' retirement. Members' capital was £296 million as at 31 May 2026 (2025: £293 million).

Members' profit shares and drawings

Members' final profit distributions are determined by the Group's management accounts profit, which is based on different accounting policies to these financial statements and are at the discretion of the Group's management. The allocation and division of profit is discretionary and was guided by the Partnership Agreement and was reviewed and approved by the NSE Board. Each member shares in profit based on, among other things, the number of units allocated to them and the profit of the Group. Members' share of profits is based upon a comprehensive evaluation of their individual and team contribution to, among others, quality, risk, performance, and leadership. The UK Executive review and agree the allocation of units and equity group for each individual member, with oversight and scrutiny from the UK Partnership Council, and this was approved by the NSE Board. The Audit Non-Executives observe and comment on the compensation process, as well as the evaluation and promotion of members of the Audit business to test the robustness of the member remuneration and promotion process and its linkage to audit quality.

Monthly drawings represent advance divisions and distributions of a portion of expected profit during the financial year, in consideration of the need to maintain sufficient funds in the firm to settle members' income tax liabilities and to finance the working capital and other needs of the business. The UK Senior Partner and Chief Executive sets the level of members' monthly drawings. Tax retentions are paid to HM Revenue & Customs on behalf of members with any excess being released to members, as appropriate. Members's drawings paid to members in advance of the final profit distribution are recognised as in year divisions of profit. Tax payments made to HMRC by the LLP on behalf of members, before the final profit distribution, are also treated as in year divisions of profit.

During the current year, a buy-in and buy-out transaction was completed by the trustees of the Deloitte UK Pension Scheme ('the UK Scheme'). This transaction had no impact on the LLP's and the Group's profit shares and drawings. This transaction was funded by the UK Scheme's existing assets, with no net cash impact on the LLP and the Group. Further details are provided in Note 22.

In addition, a prior year restatement has been made relating to the accounting treatment of members' drawings on account of profit and certain tax retentions, addressing a timing difference and balance sheet presentation issue. The restatement represents a reclassification of existing amounts rather than a change in the LLP and the Group's underlying profit shares and drawings. Further details are provided in Note 21.

Going concern

The financial statements have been prepared on a going concern basis. The LLP's going concern assessment has been performed as part of the Group's going concern assessment. See note 1, within the basis of preparation for the detailed going concern assessment for the Group and the LLP.

Report to the Members

For the year ended 31 May 2026

Energy and carbon report

Further details on Deloitte NSE's environmental and sustainability policies are included in Deloitte NSE's annual report. An Energy and Carbon report has not been included within this report as it is included within the group report of Deloitte NSE. The Energy and Carbon report for Deloitte NSE includes the relevant Streamlined Energy and Carbon Reporting (SECR) disclosures and Climate-related Financial Disclosures (CFD). The consolidated financial statements of Deloitte NSE LLP for the year ended 31 May 2026 are expected to be approved and signed in either November or December 2026, subsequent to the approval of these financial statements. At the date of authorisation of these financial statements, the members are satisfied that the parent's consolidated financial statements will include the necessary climate-related disclosures and that the conditions for the exemption continue to be met.

Deloitte EMEA

As noted above, with effect from 1 June 2026, the LLP and the Group combined with 14 other participating Deloitte member firms within the Europe, Middle East and Africa ("EMEA") regions, to form Deloitte EMEA.

The establishment of Deloitte EMEA follows a successful partner vote and is intended to strengthen collaboration across borders, enabling greater pace and scale in serving the EMEA market. The primary objective is to achieve strategic alignment across participating firms, thereby enhancing the ability to invest in innovation, technology platforms, and talent development at a regional level. The creation of Deloitte EMEA builds on several years of deepening collaboration across the region, including joint regional investment initiatives in areas such as banking transformation, energy transition, and M&A capabilities. This development is expected to further enhance Deloitte's ability to deliver seamless, cross-border, and technology-enabled services to clients across the EMEA region.

Following the launch of Deloitte EMEA, on 1 June 2026, Deloitte NSE LLP ceased to be the LLP's parent and the existing governance structures of the LLP and Deloitte NSE were revised. Under the new governance arrangements, the UKOB has been replaced by the UK Board. The purposes of the UK Board include working with the UK Executive to set and approve the long-term strategies and objectives of the firm and overseeing the level of risk acceptable in each area of the business, the management of the firm, the sense of partnership, as well as legal, regulatory, reputational, public interest, quality and risk, and ethics issues.

The UK Board is supported by the following committees, the Audit and Risk Committee, the Remuneration Committee, the Nomination Committee and the Partnership Council. The role of the Audit Governance Board has also continued, as described above.

Following the changes described above, for the year ended 31 May 2027, the LLP and the Group will no longer be able to take the parental exemption available and rely on the NSE Streamlined Energy and Carbon Reporting (SECR) and Climate-related Financial Disclosures (CFD). Accordingly, the LLP expects to prepare its own SECR and CFD disclosures for future reporting periods. Refer to Note 26 for further details.

Statement on disclosure of information to the auditor

In so far as the members are aware, the auditor has been made aware of all relevant information.

Auditor

BDO LLP have expressed their willingness to continue in office as the auditor and appropriate arrangements have been put in place for them to be deemed reappointed as the auditor.

Report to the Members

For the year ended 31 May 2026

Statement of members' responsibilities in respect of the financial statements

The members are responsible for preparing the Report to Members and the Financial Statements in accordance with applicable laws and regulations.

The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 require the members to prepare financial statements for each financial year. Under that law the members have elected to prepare the financial statements in accordance with United Kingdom adopted international accounting standards. The financial statements also comply with IFRS Accounting Standards as issued by the International Accounting Standards Board ('IASB'). The financial statements are also required by law to be prepared in accordance with the Companies Act 2006, as applicable to limited liability partnerships.

International Accounting Standard 1 'Presentation of Financial Statements' requires that financial statements present fairly for each financial year the Limited Liability Partnership's financial position, financial performance and cash flows. This requires the faithful representation of the effects of transactions, other events and conditions in accordance with the definitions and recognition criteria for assets, liabilities, income and expenses set out in the International Accounting Standards Board's 'Framework for the preparation and presentation of the consolidated financial statements. In virtually all circumstances, a fair presentation will be achieved by compliance with all applicable IFRS Accounting Standards.

However, the members are also required to:

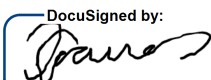
- Properly select and apply accounting policies;
- Present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- Provide additional disclosures when compliance with the specific requirements of the financial reporting framework are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- Make an assessment of the LLP's and Group's ability to continue as a going concern.

The members are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the LLP and the Group and enable them to ensure that the financial statements comply with the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008. They are also responsible for safeguarding the assets of the Limited Liability Partnership and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The financial statements are published on the LLP's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the LLP's website is the responsibility of the members. The members' responsibility also extends to the ongoing integrity of the financial statements contained therein.

Effective 1 June 2026, these responsibilities are now fulfilled by the UK Board on behalf of the members (for the year ended 31 May 2026 the UKOB was responsible). The UK Board confirms that it has complied with the above requirements in preparing these financial statements.

Signed on 25 September 2026 on behalf of the UK Board by:

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Darren Graves

UK Senior Partner and Chief Executive

Independent Auditor's Report to the Members of Deloitte LLP

For the year ended 31 May 2026

Opinion on the financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Limited Liability Partnership's affairs as at 31 May 2026 and of the Group's profit and the Group's and the Limited Liability Partnership's cash flows for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK adopted international accounting standards;
- the Limited Liability Partnership's financial statements have been properly prepared in accordance with UK adopted international accounting standards and as applied in accordance with the provisions of the Companies Act 2006 as applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of the Companies Act 2006) Regulations 2008; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006 as applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of the Companies Act 2006) Regulations 2008.

We have audited the financial statements of Deloitte LLP (the 'Limited Liability Partnership' or the 'LLP') and its subsidiaries (the 'Group') for the year ended 31 May 2026 which comprise of the following:

- Consolidated income statement
- Consolidated statement of comprehensive income
- Balance sheets
- Statements of changes in equity
- Cash flow statements
- Notes to the financial statements including material accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards and as regards the Limited Liability Partnership, as applied in accordance with the provisions of the Companies Act 2006 as applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of the Companies Act 2006) Regulations 2008.

Separate opinion in relation to IFRS Accounting Standards as issued by the International Accounting Standards Board ('IASB')

As explained in note 1 to the financial statements, the Group in addition to complying with its legal obligation to apply UK adopted international accounting standards, has also applied IFRS Accounting Standards as issued by the IASB.

In our opinion, the Group financial statements give a true and fair view of the consolidated financial position of the Group as at 31 May 2026 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the IASB.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remain independent of the Group and the Limited Liability Partnership in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Independent Auditor's Report to the Members of Deloitte LLP

For the year ended 31 May 2026

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Members’ use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the Members’ assessment of the Group and the Limited Liability Partnership’s ability to continue to adopt the going concern basis of accounting included:

- Discussions with management regarding their assessment of the Group's and the Limited Liability Partnership's ability to continue as a going concern;
- assessing the reasonableness of management's projected cashflows and working capital assumptions and evaluating the revenue and cost projections underlying management's cashflow model;
- review and challenge, through enquiry and consideration of historical performance, of key assumptions applied by the Members in preparation of cash flow forecasts, including growth assumptions and movement in base costs;
- review of the Members’ going concern base case forecast and downside scenarios. We tested the mechanical accuracy of these scenarios and reviewed the feasibility of the available mitigating actions;
- considering the post year end performance compared to the budgeted forecasts;
- review and consideration of the nature of the Group’s and the Limited Liability Partnership’s liabilities, and the ability to defer said liabilities in adverse conditions;
- consideration of the adequacy of the Group’s and the Limited Liability Partnership’s cash resources and available facilities; and
- assessing the adequacy of related disclosures within the financial statements against the requirements of the applicable standard.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group and the Limited Liability Partnership’s ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Group and the Limited Liability Partnership’s ability to continue as a going concern.

Our responsibilities and the responsibilities of the Members with respect to going concern are described in the relevant sections of this report.

Overview

Key audit matters	2026			2025
	Revenue recognition – specifically the judgemental valuation of contract assets and contract liabilities – including the risk of fraud			✓
	Sensitive assumptions applied in the valuation of Insurance Contract liabilities in relation to partner annuities			✓
Materiality	Group financial statements as a whole			
		Materiality	Benchmark	
	FY26	£47m	5% of Profit before tax, Insurance service results, Defined benefit pension current and past service costs, net finance expense from insurance contracts and loss on settlement of pension scheme ('distributable profits').	
	FY25	£40m	5% of Profit before tax, Members capital profit share, Insurance service results, Defined benefit pension current and past service costs, net finance income from insurance contracts and net interest expense on pension scheme obligations ('distributable profits').	

Independent Auditor's Report to the Members of Deloitte LLP

For the year ended 31 May 2026

An overview of the scope of our audit

Our Group audit was scoped by obtaining an understanding of the Group and its environment, the applicable financial reporting framework and the Group's system of internal control. We identified and assessed the risks of material misstatement of the Group financial statements including with respect to the consolidation process. We then applied professional judgement to focus our audit procedures on the areas that posed the greatest risks to the group financial statements. We continually assessed risks throughout our audit, revising the risks where necessary, with the aim of reducing the group risk of material misstatement to an acceptable level, in order to provide a basis for our opinion.

Components in scope

At the year end, the Group was an affiliate of Deloitte NSE LLP (a member firm of Deloitte Touche Tohmatsu Limited). The Group primarily operates in the UK and Switzerland through the LLP and its subsidiary legal entities. There are centralised functions which include IT, Treasury and Legal and a common system of internal control, including the IT platforms. The UK Oversight Board was responsible for oversight of the Group as a whole and operations are managed at service line level.

The majority of group trade is concentrated in four legal entities with other active group entities either conducting trade in local jurisdictions or acting as holding and support companies for the Group. For the purpose of our group audit, the group consisted of 9 components in total.

The four legal entities where the majority of group trade is concentrated were concluded to be components, alongside one further trading entity:

- Deloitte LLP
- Deloitte MCS Limited
- Deloitte AG
- Deloitte Consulting AG
- Deloitte SA Services Limited

In addition, the following four group components were made up of more than one legal entity:

- The inactive entities component, which consisted of 13 legal entities currently dormant, in liquidation, or which do not contribute any balances to the consolidated financial statements;
- The intermediate holding companies component, which consisted of 2 legal entities currently acting as intermediate holding companies;
- The offshore trading entities component, which consisted of 4 legal entities; and
- The service entities component, which consisted of 4 legal entities providing support services to the group.

We have determined components based on legal entities or grouping of legal entities where the nature of operations are similar.

As part of performing our Group audit, we have determined all of the 9 components in scope.

We identified the Group risk of material misstatement as relating to Deloitte LLP and Deloitte MCS Limited due to their contribution to Group performance and to the Group balance sheet. We consider it necessary to scope in Deloitte Consulting AG to ensure appropriate coverage of certain financial statement line items and for variability.

For components in scope, we used a combination of risk assessment procedures and further audit procedures to obtain sufficient appropriate evidence. These further audit procedures included:

- procedures on the entire financial information of the component, including performing substantive procedures and tests of operating effectiveness of controls; and
- procedures on one or more classes of transactions, account balances or disclosures.

Independent Auditor's Report to the Members of Deloitte LLP

For the year ended 31 May 2026

Procedures performed at the component level

We performed procedures to respond to group risks of material misstatement at the component level that included the following:

Component	Component Name	Legal Entity	Group Audit Scope
1	Deloitte LLP	Deloitte LLP	Statutory audit and procedures on the entire financial information of the component.
2	Deloitte MCS Limited	Deloitte MCS Limited	Procedures performed on the entire financial information of the component.
3	Deloitte Consulting AG	Deloitte Consulting AG	Procedures on one or more classes of transactions, account balances or disclosures

For the remaining 6 components, we have performed risk assessment procedures.

Procedures performed centrally

We considered there to be a high degree of centralisation of financial reporting and commonality of controls in relation to employee benefits, provisions for claims and regulatory proceedings, insurance contract liabilities, right of use assets and lease liabilities. We therefore designed and performed procedures centrally in these areas.

The group operates a centralised IT function that supports IT processes for substantially all components. This IT function is subject to specified risk-focused audit procedures, predominantly the testing of the relevant IT general controls and IT application controls.

Centralised testing is also performed over other risk areas where operations are sufficiently centralised or it is more effective more to do so, including the testing of revenue contracts and other lower risk areas.

Changes from the prior year

The group's scope was largely unchanged, except that in the current year, procedures were performed on one or more classes of transactions, account balances or disclosures for Deloitte Consulting AG, compared with risk assessment procedures performed in the prior year. Conversely, Deloitte AG was subject to risk assessment procedures in the current year, compared with procedures performed on one or more classes of transactions, account balances or disclosures in the prior year.

Working with other auditors

As Group auditor, we determined the components at which audit work was performed, together with the resources needed to perform this work. These resources included a component auditor, who formed part of the group engagement team. As Group auditor we are solely responsible for expressing an opinion on the financial statements.

In working with the component auditor, we held discussions with the component audit team on the significant areas of the group audit relevant to the component based on our assessment of the group risks of material misstatement. We issued our group audit instructions to the component auditor on the nature and extent of their participation and role in the group audit, and on the group risks of material misstatement.

We directed, supervised and reviewed the component auditor's work. This included holding meetings and calls during various phases of the audit, reviewing component auditor documentation remotely and evaluating the appropriateness of the audit procedures performed and the results thereof

Independent Auditor's Report to the Members of Deloitte LLP

For the year ended 31 May 2026

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit, and directing the efforts of the engagement team. 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.

Key audit matter		How the scope of our audit responded to the risk
Revenue recognition – specifically the judgemental valuation of contract assets and contract liabilities – including the risk of fraud Group revenue was £5,809 million (2025: £5,676 million) Relevant notes: - Note 2.1 - The Group's accounting policies in respect of revenue, contract assets and contract liabilities. - Note 2.2 – Key sources of estimation uncertainty – Revenue stage of completion. - Other related disclosures are presented in notes 3, 16 and 17	The Group and LLP recognise revenue as it satisfies performance obligations contained in contracts with its customers which are predominantly, Fixed Fee, and Time and Materials contracts. For all such contracts revenue is recognised over time. For fixed fee contracts, revenue is recognised using an input method on the basis of costs incurred at year-end relative to the total expected cost required to complete the satisfaction of that performance obligation. For time and materials contracts, revenue is recognised using the output method valued at the amount expected to be recovered from customers. To determine revenue to recognise for the year, including contract assets and liabilities at year end, individual engagement teams estimate the remaining time and external costs to be incurred in completing the engagements and the customer's willingness and ability to pay for the services provided. The level of judgement and estimation required is higher for contracts that are open at year-end residing within contract assets and liabilities, in particular, the application of specific inputs to the eventual valuation.	In determining our significant risk population of standard billing rate projects, we defined criteria which could reflect a heightened risk of misstatement. We then performed the following procedures: We tested the operating effectiveness of the IT general controls of the relevant financial systems, and key controls relating to the overall system of revenue recognition including controls over recording of time, costs incurred on engagements, and changes to key inputs in calculating revenue recognised by the IT system. We performed substantive analytical procedures to assess the portfolio of each partner across the year to identify outliers based on profitability metrics and sought explanation and corroborating evidence from service lines and engagement teams. We tested a sample of contracts which were open at year-end to challenge the contract asset or contract liability valuation and the stage of completion, as well as checking that the entity had the right to consideration at year-end. We obtained evidence to corroborate the explanations provided by the engagement teams that varied depending on the specific challenge raised to the engagement team. Evidence obtained included contracts with customers, project budgets, costs incurred to date including time worked and subcontractor costs, and invoices raised, including consideration of post year-end activity (adjustments made, invoices raised, costs incurred).

Independent Auditor's Report to the Members of Deloitte LLP

For the year ended 31 May 2026

	We considered the population and the inherent risk factors within it and determined that specifically, the projects subject to standard billing rates constitute the projects with highest risk. We therefore identified this sub-population of engagements as an area of significant assessed risk of material misstatement, and a Key Audit Matter. Because of the linkage to the financial performance of the firm, we also considered this risk to represent the fraud risk in revenue.	Key observations: Based on the work performed, we considered the estimates made by management and the revenue recognised to be reasonable. We also considered the valuation of contract assets and liabilities recognised at year end on the sample of significant risk contracts reasonable.
Sensitive assumptions applied in the valuation of Insurance Contract liabilities in relation to partner annuities Insurance contract liabilities recognised with respect to current and former partner annuities are recognised as insurance contract liabilities under IFRS 17 totalling £1,545 million (2025: £1,579 million). Relevant notes: - Note 2.1 – The Group's accounting policy in respect of the insurance contract liabilities - Note 2.2 - Key sources of estimation uncertainty for insurance contract liabilities. - Other related disclosures are presented in note 20.	The IFRS 17 insurance contract liability reflects a significant liability which is unfunded, and which is sensitive to changes in certain sensitive, judgemental actuarial assumptions. We identified the sensitive actuarial assumptions applied in the determination of insurance contract liabilities, being the discount rate and the inflation rate. Small variations in those actuarial assumptions can lead to a materially different value of liabilities being recognised in the financial statements. We therefore identified this as an area of significant assessed risk of material misstatement, and a Key Audit Matter. The risk is considered significant due to its complexity and level of estimation uncertainty but is not considered to be a fraud risk.	We have assessed the objectivity, competence and capability of management's actuarial team who determined the assumptions to be applied and performed the calculations. With the assistance of our actuarial expert, we assessed and challenged the appropriateness of the discount rate and inflation rate assumptions, as they represent the most sensitive assumptions in the model. We have assessed the appropriateness of information sources used for determining the assumptions applied in the valuation. Key observations: We consider the discount rate and inflation rate assumptions applied in the determination of the insurance contract liabilities to be reasonable.

Independent Auditor's Report to the Members of Deloitte LLP

For the year ended 31 May 2026

Our application of materiality

We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements. We consider materiality to be the magnitude by which misstatements, including omissions, could influence the economic decisions of reasonable users that are taken on the basis of the financial statements.

In order to reduce to an appropriately low level the probability that any misstatements exceed materiality, we use a lower materiality level, performance materiality, to determine the extent of testing needed. Importantly, misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole and performance materiality as follows:

	Group financial statements		Limited Liability Partnership financial statements	
	2026 £m	2025 £m	2026 £m	2025 £m
Materiality	47	40	37.6	36
Basis for determining materiality	5% of profit before tax, insurance service results, defined benefit pension current and past service costs, net finance expense from insurance contracts and loss on settlement of pension scheme ('distributable profits').	5% of Profit before tax, Members capital profit share, Insurance service results, Defined benefit pension current and past service costs, net finance income from insurance contracts and net interest expense on pension scheme obligations ('distributable profits').	5% of profit before tax, insurance service results, defined benefit pension current and past service costs, net finance expense from insurance contracts, loss on settlement of pension scheme and investment income ('distributable profits'). Materiality was capped at 80% of the group's materiality.	5% of profit before tax, insurance service results, defined benefit pension current and past service costs and net finance income from insurance contracts and investment income ('distributable profits'). Materiality was capped at 80% of the group's materiality.
Rationale for the benchmark applied	Distributable profits is a principal consideration for users of the financial statements in assessing the financial performance and reflects the level of profits generated during the year available for distribution to the members. This benchmark was communicated to those charged with governance during the audit planning phase and has been consistently applied in the current and prior years with the exception of the add-back for the loss on settlement of pension scheme which was a significant non-recurring item in the current year.			
Performance materiality	35	30	28	27
Basis for determining performance materiality	Performance materiality was set as 75% of financial statement materiality.			
Rationale for the percentage applied for performance materiality	In determining performance materiality, we considered all relevant information from prior period audits including the level of misstatements and control deficiencies identified.			

Independent Auditor's Report to the Members of Deloitte LLP

For the year ended 31 May 2026

Component performance materiality

For the purposes of our Group audit opinion, we set performance materiality for each component of the Group, apart from the Limited Liability Partnership whose materiality and performance materiality are set out above, based on a percentage of between 40% and 80% (2025: 40% and 80%) of Group performance materiality dependent on a number of factors including the level of public interest in components within the group, the control environment, the size of the component, and our assessment of the risk of material misstatement of those components.. Component performance materiality ranged from £14 million to £28 million (2025: £12m to £24m).

Reporting threshold

We agreed with those charged with governance that we would report to them all individual audit differences in excess of £2.3m (2025: £1.6m). We also agreed to report differences below this threshold that, in our view, warranted reporting on qualitative grounds.

Other information

The Members are responsible for the other information. The other information comprises the information included in the ‘Report to the Members and Consolidated Financial Statements’ other than the financial statements and our auditor’s report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Other Companies Act 2006 reporting as applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of the Companies Act 2006) Regulations 2008

Based on the responsibilities described below and our work performed during the course of the audit, we are required by the Companies Act 2006 as applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of the Companies Act 2006) Regulations 2008 to report on certain opinions and matters as described below.

Matters on which we are required to report by exception	We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 as applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of the Companies Act 2006) Regulations 2008 requires us to report to you if, in our opinion: • adequate accounting records have not been kept by the Limited Liability Partnership, or returns adequate for our audit have not been received from branches not visited by us; or • the Limited Liability Partnership financial statements are not in agreement with the accounting records and returns; or • we have not received all the information and explanations we require for our audit.
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Responsibilities of Members

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

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

Independent Auditor's Report to the Members of Deloitte LLP

For the year ended 31 May 2026

Auditor's responsibilities for the audit of the financial statements

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

However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the Limited Liability Partnership and management.

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

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

Non-compliance with laws and regulations

Based on:

- Our understanding of the Group and the Limited Liability Partnership and the industry in which they operate;
- Discussion with management and those charged with governance, Internal Audit and those responsible for legal and regulatory compliance procedures; and
- Obtaining an understanding of the Group and Limited Liability Partnership's policies and procedures regarding compliance with laws and regulations

we considered the significant laws and regulations to be:

- Those that relate to the applicable financial reporting frameworks (UK adopted international accounting standards and IFRS Accounting Standards);
- Laws and regulations relating to employee matters such as equality, bribery, and corruption practices;
- Relevant tax compliance regulations in the jurisdictions in which the Group and Limited Liability Partnership operate; and
- The Audit Firm Governance Code issued by the Financial Reporting Council.

The Group and Limited Liability Partnership are also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigations. We identified such laws and regulations to be:

- The health and safety legislation;
- Ethical Standards for providers of public services;
- Financial Reporting Council ('FRC') Ethical Standards;
- Institute of Chartered Accountants in England and Wales ("ICAEW") Code of Conduct;
- Solicitors Regulation Authority ("SRA") Code of conduct for lawyers; and
- Companies Act 2006 as applied to Limited Liability Partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of the Companies Act 2006) Regulations 2008.

Our procedures in respect of the above included:

- Review of minutes of meetings of those charged with governance for any instances of non-compliance with laws and regulations;
- Enquiries of management whether there were any litigations and claims;
- Enquiries of the National Quality & Risk Management ("NQRM") team of the Group and the Limited Liability Partnership;
Review of correspondences with regulatory and tax authorities for any instances of non-compliance with laws and regulations;

Independent Auditor's Report to the Members of Deloitte LLP

For the year ended 31 May 2026

- Review of financial statement disclosures and agreeing to supporting documentation; and
- Review of legal expenditure accounts to understand the nature of expenditure incurred.

Fraud

We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

- Enquiry with management and those charged with governance regarding any known or suspected instances of fraud;
- Obtaining an understanding of the Group and Limited Liability Partnership's policies and procedures relating to:
 - Detecting and responding to the risks of fraud; and
 - Internal controls established to mitigate risks related to fraud.
- Review of minutes of meetings of those charged with governance for any known or suspected instances of fraud;
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements;
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud; and
- Considering profit sharing mechanism and performance targets and the related financial statement areas impacted by these.

Based on our risk assessment, we considered the areas most susceptible to fraud to be management override of controls and revenue recognition – specifically the judgemental valuation of contract assets and contract liabilities as described in the key audit matters section above.

Our procedures in respect of the above included:

- Testing journal entries throughout the year, which met defined risk criteria, by agreeing to supporting documentation.
- Testing the valuation of contract assets and contract liabilities as explained in the 'Key audit matters' section above.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members including the component auditor who were all deemed to have appropriate competence and capabilities and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit. For the component auditor, we also reviewed the result of their work performed in this regard.

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

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

Independent Auditor's Report to the Members of Deloitte LLP

For the year ended 31 May 2026

Use of our report

This report is made solely to the Limited Liability Partnership's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 as applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of the Companies Act 2006) Regulations 2008. Our audit work has been undertaken so that we might state to the Limited Liability Partnership's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Limited Liability Partnership and the Limited Liability Partnership's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

Andrew Radford

A42BFCD38704BE...

Andrew Radford (Senior Statutory Auditor)

For and on behalf of BDO LLP, Statutory Auditor
London, UK

25 September 2026

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

Consolidated Income Statement

For the year ended 31 May 2026

£'million	Notes	2026	2025
Revenue	3	5,809	5,676
Operating expenses			
Employee costs	4	(2,920)	(2,853)
Depreciation and amortisation	9, 10, 11	(128)	(126)
Other operating expenses	5	(1,920)	(1,939)
Insurance service result			
Insurance revenue	20	79	79
Insurance service expense	20	(66)	(61)
Operating profit		854	776
Finance income	6	23	21
Finance costs	6	(34)	(33)
Net finance costs		(11)	(12)
Finance income or expenses from insurance contracts	7	(49)	3
Share of results of associates and joint ventures	12, 15	(3)	4
Profit before tax		791	771
Tax expense in corporate subsidiaries	8	(22)	(14)
Profit for the year		769	757
Profit for the year attributable to:			
Members as owners of the parent entity		769	757

The notes on pages 23 to 93 form an integral part of these financial statements.

Consolidated Statement of Comprehensive Income

For the year ended 31 May 2026

	Notes	2026	2025
£'million			
Profit for the year		769	757
Items that will not be re-classified subsequently to profit or loss			
Re-measurements of defined benefit pension schemes	22	4	(22)
Changes in asset ceiling – UK and Swiss pension schemes	22	96	12
Net (losses)/gains on equity securities designated at fair value through other comprehensive income	15	(4)	2
Items that may be re-classified subsequently to profit or loss:			
Exchange differences on translation of foreign operations		(4)	12
Other comprehensive income for the year		92	4
Total comprehensive income for the year		861	761
Total comprehensive income for the year attributable to:			
Members as owners of the parent entity		861	761

There is no tax on any component of other comprehensive income for either year.

The notes on pages 23 to 93 form an integral part of these financial statements.

Balance Sheets

At 31 May 2026

		Group	Group	Group	LLP	LLP	LLP
			Restated ¹	Restated ¹		Restated ¹	Restated ¹
	Notes	2026	2025	2024	2026	2025	2024
£'million							
Assets							
Non-current assets							
Intangible assets	9	99	97	96	23	22	24
Property, plant and equipment	10	269	276	249	241	244	214
Right-of-use assets	11	480	519	561	439	470	505
Deferred tax assets	8	2	2	2	-	-	-
Investments in subsidiaries, associates & joint ventures	13	-	-	-	201	201	8
Interests in joint ventures & associates	12	22	22	23	-	-	-
Insurance reimbursement receivable	19	-	17	20	-	17	20
Prepayments for software-as-a-service	14	27	23	-	24	20	-
Other non-current assets	15	32	43	44	21	22	23
		931	999	995	949	996	794
Current assets							
Prepayments for software-as-a-service	14	9	3	-	8	3	-
Trade and other receivables	16	1,016	990	1,075	759	733	756
Contract assets	16	804	785	811	633	610	609
Cash and cash equivalents	18	591	566	568	479	467	451
		2,420	2,344	2,454	1,879	1,813	1,816
Total assets		3,351	3,343	3,449	2,828	2,809	2,610
Liabilities							
Current liabilities							
Trade and other payables	17	982	903	987	777	674	685
Contract liabilities	17	332	294	367	235	213	256
Amounts due to members	21	33	130	65	33	130	65
Lease liabilities	11,23	64	65	58	55	56	54
Provisions	19	32	28	27	33	27	27
Members' capital	21	17	14	28	17	14	28
		1,460	1,434	1,532	1,150	1,114	1,115
Non-current liabilities							
Borrowings	18	250	250	200	250	250	200
Employee benefits	22	7	42	18	-	-	-
Amounts due to members	21	17	3	71	17	3	71
Lease liabilities	11,23	510	545	590	479	506	540
Provisions	19	60	75	67	55	72	64
Insurance contract liabilities	20	1,545	1,579	1,670	1,545	1,579	1,670
Members' capital	21	279	279	263	279	279	263
		2,668	2,773	2,879	2,625	2,689	2,808
Total liabilities		4,128	4,207	4,411	3,775	3,803	3,923
Net liabilities attributable to members		(777)	(864)	(962)	(947)	(994)	(1,313)
Equity							
Members' other reserves	21	(777)	(864)	(962)	(947)	(994)	(1,313)
		(777)	(864)	(962)	(947)	(994)	(1,313)

The notes on pages 23 to 93 form an integral part of these financial statements

Balance Sheets

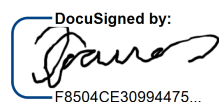
At 31 May 2026

		Group	Group	Group	LLP	LLP	LLP
			Restated ¹	Restated ¹		Restated ¹	Restated ¹
£'million	Notes	2026	2025	2024	2026	2025	2024
Supplemental information							
Members' interests							
Members' capital	21	296	293	291	296	293	291
Members' other reserves	21	(777)	(864)	(962)	(947)	(994)	(1,313)
Amounts due to members	21	50	133	136	50	133	136
Total members' interests		(431)	(438)	(535)	(601)	(568)	(886)

1. Prior year comparatives have been restated in relation to Members' interests, see Note 21 for further details. These adjustments have been applied consistently to all affected disclosure notes in the financial statements. The 2024 balances are restated as at 1 June 2024.

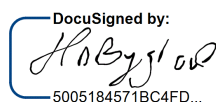
As permitted by section 408 of the Companies Act 2006, as applied to Limited Liability Partnerships, the LLP has opted not to present a separate income statement and related notes. The LLP reported a profit for the year ended 31 May 2026 of £765 million (2025: £981 million).

The financial statements on pages 16 to 93 were authorised for issue and signed on 25 September 2026 on behalf of the Members of Deloitte LLP, registered number OC303675, by:

DocuSigned by:

 F8504CE30994475...

Darren Graves

UK Senior Partner and Chief Executive

DocuSigned by:

 5005184571BC4FD...

Heather Bygrave

Chief Financial Officer

The notes on pages 23 to 93 form an integral part of these financial statements.

Statements of Changes in Equity

For the year ended 31 May 2026

£'million	Notes	Group	LLP
		Members' other reserves (Note 21)	Members' other reserves (Note 21)
Balance at 1 June 2024 (as previously stated)		(651)	(1,002)
Effect of prior year restatement (Note 21) ¹		(311)	(311)
Balance at 1 June 2024 (restated) ¹		(962)	(1,313)
Profit for the year		757	981
Other comprehensive income for the year		4	1
Total comprehensive income		761	982
Restated allocated/divided profit in the year ¹	21	(662)	(662)
Deemed distribution to parent	24	(1)	(1)
Restated transactions with owners¹		(663)	(663)
Balance at 31 May 2025 (restated)¹		(864)	(994)
Profit for the year		769	765
Other comprehensive income for the year		92	56
Total comprehensive income		861	821
Allocated/divided profit in the year	21	(773)	(773)
Deemed distribution to parent	24	(1)	(1)
Transactions with owners		(774)	(774)
Balance at 31 May 2026		(777)	(947)

1. Prior year comparatives have been restated in relation to Members' interests, see Note 21 for further details. These adjustments have been applied consistently to all affected disclosure notes in the financial statements.

The notes on pages 23 to 93 form an integral part of these financial statements.

Cash Flow Statements

For the year ended 31 May 2026

£'million	Note	Group 2026	Group 2025	LLP 2026	LLP 2025
Profit for the year		769	757	765	981
Adjustments for:					
Tax expense in corporate subsidiaries	8	22	14	-	-
Depreciation and amortisation	9,10,11	128	126	108	106
Net impairment of financial assets	15,16	3	11	3	8
Impairment of non-current assets	9,10,11	2	1	-	-
Share of results of associates and joint ventures	12,15	3	(4)	-	-
Income from investment in subsidiaries ²		-	-	(43)	(234)
Loss on disposal of property, plant and equipment	10	1	1	2	1
Loss on disposal of intangible assets	9	-	4	-	1
Net finance costs	6	11	12	13	12
Software-as-a-service prepayment releases	14	10	-	9	
Provisions movements for the year	19	(4)	16	(5)	16
Insurance reimbursement movements		9	-	9	-
Current and past service cost for employee benefits	22	52	53	-	-
DUKPS buy-out settlement	22	59	-	59	-
Other non-cash movements		25	9	27	5
Operating cash inflows before movements in working capital		1,090	1,000	947	896
(Increase)/decrease in trade and other receivables ³	16	(19)	68	15	(3)
(Increase)/decrease in contract assets	16	(10)	26	(21)	(5)
Decrease in insurance contract liabilities ¹	20	(34)	(91)	(34)	(91)
Increase in prepayments for software-as-a-service	14	(20)	(26)	(18)	(23)
Cash outflow on payments of provisions	19	(10)	(9)	(9)	(9)
Cash outflow on payments of retirement benefit obligation	22	(48)	(40)	-	-
Increase/(decrease) in trade and other payables ⁴	17	56	(49)	91	24
Increase/(decrease) in contract liabilities	17	35	(76)	23	(44)
Cash generated by operations		1,040	803	994	745
Tax paid by corporate subsidiaries		(24)	(28)	-	-
Net cash inflow from operating activities		1,016	775	994	745
Investing activities					
Investment income received ²		-	-	5	234
Interest income received	6	23	21	21	19
Purchase of investments	15	(4)	-	(4)	-
Purchase of property, plant and equipment ⁵	10	(48)	(84)	(46)	(79)
Purchase of intangible assets	9	(5)	-	(2)	-
Capital repayments and profit distributions received from Associates	12	2	3	-	-
Capital contribution to subsidiaries	13	-	-	-	(193)
Issuance of investment loans	15	(8)	-	(8)	-
Repayment of investment loans	15	14	2	9	2
Net cash used in investing activities		(26)	(58)	(25)	(17)

The notes on pages 23 to 93 form an integral part of these financial statements.

Cash Flow Statements

For the year ended 31 May 2026

£'million	Note	Group 2026	Group 2025	LLP 2026	LLP 2025
Financing activities					
Payments to members	21	(872)	(674)	(872)	(674)
Repayment of capital to former members	21	(29)	(25)	(29)	(25)
Capital contributions by members	21	32	27	32	27
Deemed distribution to parent	21	(1)	(1)	(1)	(1)
New borrowings raised	18	-	50	-	50
Principal element of lease payments	18	(68)	(66)	(56)	(57)
Interest paid	6	(32)	(31)	(32)	(31)
Net cash used in financing activities		(970)	(720)	(958)	(711)
Net increase/(decrease) in cash and cash equivalents		20	(3)	11	17
Cash and cash equivalents at the beginning of the year	18	566	568	467	451
Effects of exchange rate changes on cash and cash		5	1	1	(1)
Cash and cash equivalents at the end of the year	18	591	566	479	467

1. The cash payments of members' benefits, including members' annuities, are presented within the movements in insurance contract liabilities. Please see Note 20 for the reconciliation of measurement components of insurance contract balances and reconciliation of insurance balances for liability for remaining coverage and liability for incurred claims where the movement is shown.

2. Income from investments in subsidiaries represents cash and non-cash transactions, being dividends received from fellow group entities, settled via cash and intercompany offsets.

3. The Group's and the LLP's movements in 'Trade and other receivables' and 'contract assets' include non-cash net movements of 14 million (2025: £25 million) and £41 million (2025: £37 million) respectively, these movements include dividends received from subsidiaries (LLP only), foreign currency movements and other immaterial items.

4. The Group's and the LLP's movements in 'Trade and other payables' and 'contract liabilities' include non-cash net movements of £28 million (2025: £29 million) and £12 million (2025: £33 million), these movements include foreign currency movements and other immaterial items.

The notes on pages 23 to 93 form an integral part of these financial statements.

Notes to the Financial Statements

For the year ended 31 May 2026

1. Basis of preparation

Basis of preparation

Deloitte LLP ('the LLP') is incorporated in the UK as a limited liability partnership under the Limited Liability Partnerships Act 2000 ('the Act') and was an affiliate of Deloitte NSE LLP. Deloitte NSE LLP, a limited liability partnership incorporated in the UK under the Act, was the ultimate holding and controlling party of the LLP (hereinafter, Deloitte NSE LLP and its subsidiaries are referred to as the 'Deloitte NSE Group'). The LLP is registered in England and Wales, and the address of the registered office of the LLP is 1 New Street Square, London, EC4A 3HQ.

Deloitte NSE LLP served as the ultimate holding and controlling party of the LLP for the year ended 31 May 2026. However, effective from 1 June 2026, following the creation of Deloitte EMEA, Deloitte NSE LLP ceased to be the LLP's parent entity.

These financial statements consolidate the results and financial position of the LLP and its subsidiary undertakings (together, the 'Group'). The parent entity financial statements present information about the LLP as a separate entity and not about the Group.

The principal activities of the Group are the provision of professional services. There were no significant changes in these activities during the year.

Both the Group and LLP financial statements (the 'financial statements') have been prepared in accordance with United Kingdom adopted international accounting standards, together with those parts of the Companies Act 2006 applicable to limited liability partnerships. The financial statements have also been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ('IASB') and IFRS Interpretations Committee ('IFRIC') Interpretations. In presenting the LLP financial statements together with the Group financial statements, the LLP is taking advantage of the exemption in Section 408(4) of the Companies Act 2006, as applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) regulations 2008, not to present its individual income statement and related notes as part of these approved financial statements.

The financial statements have been prepared under the historical cost convention except as otherwise described in the accounting policies. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

The material accounting policies adopted in the preparation of these financial statements are set out below. All accounting policies have been consistently applied to all the financial years presented.

These financial statements are presented in Pounds Sterling ('£') because that is the currency of the primary economic environment in which the LLP operates. Amounts in these financial statements are rounded to the nearest million unless otherwise noted.

Consideration of climate change

In preparing these financial statements, the Group and the LLP have considered potential impacts resulting from climate change in the following areas:

- The carrying amounts and remaining useful economic lives of property, plant and equipment, intangible assets and right-of-use assets.
- Cash flow forecasts used in the impairment assessments of non-current assets, including goodwill.
- The carrying value of other assets and provisions.
- Going concern and the viability of the Group for the assessment period.

The Group and the LLP have not recognised any impairments or accelerated depreciation for any non-current assets as a consequence of climate-related risks. Current assets, including trade receivables, at the balance sheet date are expected to be realised within a relatively short timeframe, and therefore no climate-related risks have been identified for these balances. In addition, the Group and the LLP are not currently aware of any adverse exposures resulting from climate-related risks that would require provisions to be recognised at the balance sheet date.

Notes to the Financial Statements

For the year ended 31 May 2026

1. Basis of preparation (continued)

Consideration of climate change (continued)

The Group's and the LLP's internal Business Plan acts as the basis for the going concern assessment and for the impairment reviews of non-current assets, including goodwill. The Business Plan includes consideration of climate-related risks and any market opportunities expected within the Group's and the LLP's internal financial planning time horizon. At present climate-related risks do not materially impact the outcome of these assessments.

As a result, it has been concluded for the Group and the LLP that climate-related risks do not represent a critical accounting judgement or key source of estimation uncertainty for these financial statements. However, climate-related risks will continue to be monitored and reassessed in future reporting periods as the impacts of climate change evolve.

Going concern

These financial statements have been prepared on a going concern basis. The LLP's going concern assessment has been performed as part of the Group's going concern assessment. In its assessment of going concern, the Group has prepared forecasts reflecting the Group's business plan covering a period of 14.5 months from the date when the financial statements are authorised for issue. A 14.5-months going concern assessment has been selected to align with the expiry of the LLP and Group's revolving credit facilities (RCF). The LLP and Group have not drawn down on the RCF during the year ended 31 May 2026 and maintains significant headroom under its existing financing arrangements. The RCF is expected to be renewed ahead of its expiry. As part of these forecasts, the Group has considered the economic environment in the markets in which the Group operates, as well as considering plausible downside scenarios based on historical experience. In the severe, but plausible downside sensitivity scenarios, the following assumptions have been applied:

- Scenario 1: a 8% reduction in revenue with no cost mitigation;
- Scenario 2: a worsening of cash collection by 0.4 months; and
- Scenario 3: both a 8% reduction in revenue (with no cost mitigation) and a worsening of cash collection by 0.4 months.

The financial modelling shows that the Group's financial position remains manageable in all scenarios. Should the impact of economic uncertainty, from macroeconomic factors, significantly worsen, management has the option of taking additional measures such as postponing or curtailing spending, including partner distributions, staff bonuses, discretionary spending and investment, and requesting additional capital contributions from members. Further, as highlighted below, the Group maintains an appropriate level of borrowing facilities.

The Group has access to significant financial resources, including cash and cash equivalents, members' capital, undistributed profits and borrowing facilities. Furthermore, the Group benefits from a highly diversified business model, with a broad range of service offerings, with clients across various industries and geographical areas, and a resilient supplier network. Therefore, the group is well-placed to manage the financial impact of the Group's business risks. At 31 May 2026, the Group's net cash and cash equivalents position (net of £250 million of private placement loan notes borrowings) was £341 million (2025: £316 million) and the Group had undrawn facilities of £730 million (2025: £730 million). Refer to Note 18 for further details of the borrowing facilities. The Group's objectives, policies, and processes for managing its capital and financial risk management objectives and its exposures to credit and liquidity risk are disclosed in Note 23.

At 31 May 2026, total assets of the Group were £3,351 million (Restated 2025: £3,343 million), and net liabilities attributable to members were £777 million (Restated 2025: £864 million).

Net liabilities attributable to members arise primarily as a result of the recognition in these financial statements of insurance contract liabilities in relation to the Partner Pension Plan Annuity ('members' annuities'), Early Retirement Annuities ('retirement annuities'), Death in Service benefits and Long-term Ill Health benefits totalling £1,545 million (2025: £1,579 million), as detailed in Note 20. The payment of the insurance contract liabilities is mainly conditional on the future generation of profits and is payable over a number of years, with £71 million (2025: £70 million) expected to be payable in the 12 months from the date when the financial statements are authorised for issue.

Notes to the Financial Statements

For the year ended 31 May 2026

1. Basis of preparation (continued)

Going concern (continued)

The annual payments are mainly capped at 8% of applicable Group operating profit before annuity charges in any financial year, as defined in the relevant agreement. The members' annuity scheme was closed to new entrants effective 1 June 2021.

Having considered the Group's forecasts, financial resources and the wider business risks faced by the Group, including known events and conditions that may arise beyond the forecast period, the Group has a reasonable expectation that the LLP and the Group have sufficient resources to continue in operation for the going concern assessment period. Accordingly, the going concern basis of accounting continues to be adopted in the preparation of these financial statements.

2. Accounting policies

The following principal accounting policies have been consistently applied in dealing with items that are considered material in relation to the financial statements.

2.1 Material accounting policies

Subsidiaries

The financial statements of the Group incorporate the financial statements of the LLP and its subsidiaries. Subsidiaries are entities under the control of the Group where control, as defined by IFRS 10 Consolidated Financial Statements, is achieved when the Group has: (i) power over the investee; (ii) is exposed, or has rights, to variable returns from its involvement with the investee; and (iii) has the ability to use its power to affect its returns. The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power.

For the LLP balance sheet, investments in subsidiaries are stated at cost less impairment.

Consolidation

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between Group companies are eliminated in full on consolidation.

Disposals

When the Group loses control of a subsidiary, the gain or loss on disposal recognised in profit or loss is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest, and (ii) the previous carrying amount of the assets (including goodwill), less liabilities of the subsidiary and any non-controlling interests.

The fair value of any investment retained in the former subsidiary on the date control is lost is regarded as the fair value on initial recognition for subsequent accounting under IFRS 9 Financial Instruments ('IFRS 9'), when applicable, or the cost on initial recognition for an investment in an associate or joint venture.

Foreign currency

Transactions denominated in foreign currencies are recorded at the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the rates ruling at that date. These translation differences are recognised in the consolidated income statement.

Notes to the Financial Statements

For the year ended 31 May 2026

2. Accounting policies (continued)

2.1 Material accounting policies (continued)

Foreign currency (continued)

The individual financial statements of each Group entity are presented in the currency of the primary economic environment in which it operates (its functional currency). For the purpose of the financial statements, the results and financial position of each Group entity are expressed in £, which is the functional currency of the LLP and the presentation currency for the financial statements.

The assets and liabilities of foreign operations are translated at exchange rates prevailing on the balance sheet date. Income and expense items are translated at the average exchange rates for each month, unless exchange rates fluctuate significantly during that period, in which case the exchange rate at the date of transactions are used. Exchange differences arising on the retranslation of foreign operations are recognised in other comprehensive income and accumulated in equity.

Revenue

The Group generates revenue primarily by delivering professional services to customers and audited entities (referred to as 'customers' hereafter), with the types of services offered being similar within each of its businesses namely Audit & Assurance, Technology & Transformation, Strategy, Risk & Transactions Advisory and Tax & Legal (Note 3). Each business offers a wide range of services and, when delivered to individual customers, these are almost always bespoke in nature.

As a provider of professional services, the Group generally does not have obligations for returns, refunds or other similar obligations, nor does it have warranties or other related obligations.

Revenue is measured as the fair value of consideration received or receivable for satisfying performance obligations contained in contracts with customers, including recoverable expenses incurred on assignments but excluding value added tax. Recoverable expenses represent sub-contractor costs and disbursements incurred in respect of assignments and expected to be recovered from customers. The amount of consideration the Group receives varies both from service to service and from customer to customer, reflecting the bespoke nature of the services provided. The consideration typically reflects the skills and experience of the individuals who provide the services as well as the availability of similar skills and experience in the wider professional services market. These factors tend to vary from business to business.

The Group recognises revenue as it satisfies performance obligations by transferring control of services to customers. When or as performance obligations are satisfied, revenue is recognised and contract assets or trade receivables are simultaneously created. Contract liabilities represent amounts received for performance obligations which are not yet satisfied.

The Group measures progress in satisfying the performance obligations as follows:

- For time and materials contracts, the Group is able to recognise revenue on the basis of time charged to date. This output method approach uses the practical expedient in IFRS 15 Revenue from contracts with customers ('IFRS 15') with the amount recognised as revenue reflecting the amount that the Group has the right to invoice to its customers.
- Fixed fee contracts are recognised over time using an input method based upon the value of the actual services provided to the end of the reporting period as a proportion of the total services to be provided. This is determined based on the actual inputs of time at charge-out rates, via timesheet reporting, and expenses relative to total expected inputs. This input method provides a faithful depiction of the transfer of services to the Group's customers as there is an enforceable right to payment for performance completed to date and either; the customer receives and consumes the benefits from such services simultaneously as these are rendered, or the Group's performance does not create an asset with an alternative use; and therefore revenue is recognised over time.
- Contingent fees are typically fully constrained until the contingency is resolved, and only recognised within the transaction price at that point.
- Transaction related fees are priced on a "per unit" basis, such as data storage or data processing fees, and are typically recognised as the underlying transactions or usage takes place and the right to payment arises on satisfaction of the relevant performance obligation.

Notes to the Financial Statements

For the year ended 31 May 2026

2. Accounting policies (continued)

2.1 Material accounting policies (continued)

Revenue (continued)

Variable consideration is included in the transaction price only to the extent that it is highly probable that a significant reversal will not be required. The Group adjusts its estimate of revenue throughout the contractual period of services, and for amounts which are variable, such as contingent fees, at the earlier of when the most likely amount of consideration the Group expects to receive changes or when the consideration becomes fixed.

Other than for contingent fee arrangements which are constrained in accordance with the requirements of IFRS 15, in virtually all contracts the Group has an enforceable right to payment for services rendered and given the bespoke nature of the services provided, recognises revenue over time as such services are rendered.

When another entity within the Deloitte global network or external party is involved in providing services to a customer, the Group determines whether it is a principal or an agent in these transactions. The Group is a principal and revenue is recognised on a gross basis if it controls the services before transferring them to the customer. However, if the Group acts as an agent then it will recognise revenue net of the amount paid to other parties involved in providing services to the customer.

The Group typically invoices its customers monthly or quarterly in arrears, or for smaller projects at the end of the engagement, but payment terms do vary depending on the types of services being offered or for individual contractual agreements.

The Group has applied the practical expedient in IFRS 15 and not amended its consideration for professional services for the effects of a significant financing component, as the period between when the Group transfers a promised good or service to a customer and when the customer pays is in one year or less.

Determining the number of performance obligations in the contractual arrangements with the Group's customers sometimes involves judgement. Whilst the Group's contractual arrangements often contain extensive details in relation to services to be provided, in many cases these are considered to comprise a single performance obligation. Even when multiple deliverables are to be provided to a customer these are often judged to be a single performance obligation either because there is a significant service of integration performed by the Group in delivering these services or because the services represent a series of substantially similar services all recognised over time (for example, the provision of multiple internal audit reports under an internal audit outsourcing contract). For those contractual arrangements that comprise multiple performance obligations, the transaction price is allocated on the basis of the relative estimated stand-alone selling price of each performance obligation.

Unsatisfied performance obligations

The majority of services performed by the Group are in respect of contracts with an expected duration of one year or less either because the goods or services are expected to be provided within a 12-month period and/or because the customer and/or the Group has the right to terminate the contract without substantive penalty upon the delivery of written notice. In addition, in virtually all contracts the Group has a right to consideration from a customer in an amount that corresponds directly with the value to the customer of the Group's performance completed to date. For all such contracts, the Group has applied the practical expedient available in IFRS 15 and has not disclosed the amount of the transaction price allocated to and the expected revenue recognition profile of unsatisfied performance obligations as at the end year end.

Trade receivables

Trade receivables are recognised initially at their transaction price as defined by IFRS 15 and subsequently measured at amortised cost less expected credit losses.

Trade receivables are recognised when the right to consideration becomes unconditional and an invoice to the customer is raised. The Group's customers, including Deloitte NSE group undertakings and member firms in the Deloitte Touche Tohmatsu Limited ('DTTL') network, are required to settle invoices on invoice presentation or on such other date as is agreed in the engagement terms for that customer. The Group's standard terms generally state that invoices are due for settlement 30 days after the invoice date and after this date invoices are considered past due. 'Due from DTTL network firms' and 'customer receivables' amounts are disclosed within 'Trade and other receivables' (Note 16).

Notes to the Financial Statements

For the year ended 31 May 2026

2. Accounting policies (continued)

2.1 Material accounting policies (continued)

Contract assets

Contract assets represent revenues recognised in satisfying performance obligations where the Group's right to consideration is conditional upon something other than the passage of time, such as the performance of additional performance obligations to be completed in accordance with the terms of the contract, or the final billing amount being agreed with the customer prior to the amounts being billed. These amounts become unconditional when performance obligations are completed in accordance with the terms of the contract, or when the customer has agreed to the amount of final billings. These amounts are reclassified as trade receivables when billed to the customer in accordance with the agreed-upon contractual terms.

Contract liabilities

Contract liabilities arise when invoices are issued, or payments are received from customers in advance of the Group satisfying the performance obligations under the contract. These liabilities are extinguished, and revenues recognised as (or when) the Group satisfies the performance obligations.

Insurance contracts

Annuities to current and former members and other benefits provided to members

The Group provides for members' annuities payable to members with a minimum of ten years' service in their capacity as members following their retirement. The members' annuities were set up in 2002 and benefit entitlements are based on member service and average earnings. Once payments have commenced, benefits are indexed with RPI capped at 5% p.a. The members' annuities are unfunded and are, mainly, dependent on the future generation of profits with annual payments being mainly capped at 8% of applicable Group operating profit before annuity charges in any financial year, as defined in the relevant agreement. The members' annuity scheme was closed to new entrants effective 1 June 2021.

The Group provides the surviving spouse of any member who dies whilst in service and before retirement a death in service benefit from the date of the member's death for the remainder of their life. An additional payment is also made for any children financially supported by the member's spouse. A long-term ill health benefit is also paid when a member is unwell and unable to work. Both death in service and long-term ill health benefits are embedded within the Group's annuity arrangements.

The Group adopted IFRS 17 from 1 June 2022 (the 'transition date' for the Group) and applied the fair value approach ('FVA') for members' annuities, death in service and long-term ill health benefits to calculate the impact of IFRS 17 on transition since it was deemed impracticable to apply the standard retrospectively. The most significant impediment in applying IFRS 17 retrospectively was the inability to determine the risk adjustment in the years prior to transition without significant application of hindsight. These benefits form one portfolio and have been grouped to calculate the impact of IFRS 17 on transition.

The Group's members' annuities, death in service and long-term ill health benefits meet the IFRS 17 criteria of an insurance contract because the LLP has contractual obligations to pay members upon the occurrence of the insured events, being the survival of the annuitant, death and long-term illness while in service. A contract transfers 'significant insurance risk' only if an insured event could cause the Group to pay additional amounts that are significant in any single scenario and only if there is a scenario that has commercial substance in which the issuer has a possibility of a loss on a present value basis upon an occurrence of the insured event, regardless of whether the insured event is extremely unlikely.

The Group's members annuities, death in service and long-term ill health benefits transfers significant insurance risk from the policyholder (the member) to the Group. The Group has concluded that the insurance risk is significant due to the variation in amounts paid to members which are dependent on the members' survival, death and long-term illness while in service and could result in significant additional amounts being paid that would not be otherwise payable.

Notes to the Financial Statements

For the year ended 31 May 2026

2. Accounting policies (continued)

2.1 Material accounting policies (continued)

Insurance contracts (continued)

Annuities to current and former members and other benefits provided to members (continued)

The Group also provides for retirement annuities to members who retire earlier than the firm's normal retirement age. These are separate contractual arrangements from the members' annuities, death in service and long-term ill health. The retirement annuities are paid over a period of one to four years. The payment of these annuities is dependent on the survival of the retiring member and their immediate family, therefore significant insurance risk is present, and the retirement annuities meet the IFRS 17 criteria of an insurance contract. The Group applied the full retrospective approach ('FRA') to measure the retirement annuities on the transition date.

Initial measurement

The members' annuities, the retirement annuities, death in service and long-term ill health are accounted for using the General Measurement Model ('GMM') which is measured as the total of the fulfilment cash flows and the contractual service margin ('CSM'). The fulfilment cash flows consist of the present value of future cash flows calculated using probability-weighted estimates, together with an explicit risk adjustment for non-financial risk ('risk adjustment'). Future cash flows comprise all cash flows that are within the contract boundary such as future annuity payouts required to fulfil the promised services under the contract. The risk adjustment for non-financial risk is the margin for the uncertainty about the amount and timing of the cash flows that arises from non-financial risks. The CSM for the Group's members' annuities, death in service and long-term ill health benefits arose on transition to IFRS 17 on 1 June 2022 as the difference between the fair value of the liability of the remaining coverage and the present value of the fulfilment cash flows as determined on the transition date. The CSM on the balance sheet relates to the insurance services yet to be provided under the insurance contracts and is released to the income statement in future reporting periods as the insurance services are provided.

The fair value of the members' annuities, death in service and long-term ill health benefits were determined following the IFRS 13 Fair Value Measurement ('IFRS 13') principles (except a demand deposit floor was not applied) by reference to the pricing of pension 'buy-out' transactions that shared similar characteristics with the Group's scheme at the transition date. In determining the fair value under this method, the Group took into account the characteristics of the members' annuity, death in service and long-term ill health obligations, including their cashflows, mortality and inflation risk.

A key unobservable input in the valuation of the members' annuities was the future profit expectations which was assumed to increase in line with the CPI inflation curve. This same input determined the impact of the profit cap, which limited annuity payouts to 8% of the annual operating profits. This input was used in conjunction with other inputs to calculate the fair value of the underlying liabilities based on anticipated modelled cash flows. Given the unobservable nature of the input, the fair value measurement was categorised as Level 3 within the fair value hierarchy.

The Group also applied the simplification available on transition to group contracts that were issued in different annual cohorts into a single group for measurement purposes. The CPI inflation curves and the yield curves that were used at the transition date are as follows:

	1 year	5 years	10 years	15 years	20 years	40 years
CPI inflation curve	4.2%	2.3%	3.9%	3.7%	3.1%	2.7%

The yield curves that were used to discount the estimates of future cash flows are as follows:

	1 year	5 years	10 years	15 years	20 years	40 years
Discount rate	1.83%	2.02%	2.44%	2.75%	2.82%	2.53%

The Group has applied the fair value approach in applying IFRS 17 on its members' annuities, death in service and long-term ill health benefits at the transition date which impact the amount of CSM at initial recognition. The Group has also applied the measurement principle of GMM on these benefits and retirement annuities for the subsequent periods as outlined in the 'Subsequent measurement' section below.

Notes to the Financial Statements

For the year ended 31 May 2026

2. Accounting policies (continued)

2.1 Material accounting policies (continued)

Insurance contracts (continued)

Initial measurement (continued)

Where the fulfilment cash flows result in a total net outflow at the date of initial recognition, the contract is deemed onerous, and a loss is recognised immediately in the profit or loss with no CSM recognised on the balance sheet. A loss component of the liability for remaining coverage ('LRC') is established for the amount of loss recognised.

Subsequent measurement

The carrying amount of members' annuities, death in service, long-term ill health benefits and retirement annuities at each reporting date is the sum of the liability for remaining coverage ('LRC') and the liability for incurred claims ('LIC'). The LRC comprises the fulfilment cash flows that relate to the annuities, death in service and long-term ill health payout services that will be provided under the contracts in future periods and any remaining CSM at that date. The fulfilment cash flows are measured at the reporting date using current estimates of future cash flows, current discount rates and current estimates of the risk adjustment for non-financial risk. The LIC includes the fulfilment cash flows for incurred claims that have not yet been paid, including claims that have been incurred but not yet reported.

Changes in fulfilment cash flows are recognised as follows:

- Changes related to past or current service are recognised in the insurance revenue and insurance service expense lines within the income statement. Changes in risk adjustment that relate to past or current service are disaggregated between the insurance revenue and finance income or expenses from insurance contracts;
- The effects of the time value of money and changes in financial risk are recognised as finance income or expenses from insurance contracts; and
- Changes related to future service are adjusted against the CSM unless the group of insurance contracts is or becomes onerous in which case such changes are recognised in the insurance service result.

The carrying amount of the CSM at the end of the reporting period is the carrying amount at the start of the reporting period, adjusted for:

- Interest accreted on the carrying amount of the CSM during the reporting period using the discount rate determined at the date of initial recognition of the group of contracts (for the Group's members' annuities, death in service and long-term ill health this locked-in discount rate was determined on the transition date);
- The changes in fulfilment cash flows relating to future service at the locked-in discount rates and other financial assumptions which for the Group's members' annuities, death in service and long-term ill health were determined on the transition date (except where increases in fulfilment cash flows cause a group of contracts to become onerous or decreases in fulfilment cash flows are allocated to the loss component of the liability for remaining coverage); and
- The amount recognised as insurance revenue because of the insurance contract services provided in the year. This is based on coverage units, a measure used to determine the allocation of the CSM of a group of contracts over the current and remaining coverage periods. The number of coverage units in a group of contracts is the quantity of insurance contract services provided by the contracts in the group, determined by considering for each contract the quantity of benefits provided and its expected coverage period. Coverage units are discounted and are updated at each reporting period to reflect the current best estimate of services expected to be provided in future periods. The Group determines the quantity of the benefits provided for members' annuities in each reporting period based on the annuity payouts expected to be received by the members, for members' death in service and long-term ill health benefits it's based on the sum assured.

When a loss component exists, the loss component is released based on a systematic allocation of subsequent changes relating to future service in the fulfilment cash flows to the loss component and the liability for remaining coverage excluding the loss component. The loss component is also updated for subsequent changes in estimates of the fulfilment cash flows relating to future service. The systematic allocation of subsequent changes to the loss component results in the total amounts allocated to the loss component being equal to zero by the end of the coverage period.

Notes to the Financial Statements

For the year ended 31 May 2026

2. Accounting policies (continued)

2.1 Material accounting policies (continued)

Insurance contracts (continued)

Subsequent measurement (continued)

Discount Rate

Discount rates are applied to best estimate cash flows, the risk adjustment, accretion of interest on the CSM and to discount coverage units. The bottom-up approach is applied in determining discount rates using risk-free yield curves (using the Prudential Regulation Authority ('PRA') risk-free rate curve) adjusted to reflect the characteristics of the cash flows and the liquidity of the contracts. Given that the members' annuities are the most significant insurance component of the Group's insurance arrangements and are unfunded with no backing assets, the illiquidity premium is set at each reporting date to be consistent with the IFRS 17 illiquidity premiums observed in the market for annuity business of UK insurers.

The discount rate assumption for members' annuities, retirement annuities and the additional benefits of death in service and long-term ill health has been set equal to PRA risk-free curve plus an illiquidity premium. Refer to Note 20 for the sensitivity analysis.

Risk Adjustment

The risk adjustment for non-financial risk is the compensation that is required for bearing the uncertainty about the amount and timing of cash flows that arise from non-financial risk as the contract is fulfilled. The Group estimates the risk adjustment separately from other components of the fulfilment cash flows using a cost of capital approach. It is calculated by projecting risk capital over the entire coverage period, discounting and applying a cost of capital assumption.

The risk capital at each point in time reflects the increase in the present value of claims when the non-financial risks over a one-year time horizon are stressed at a 1 in 10-year level, where the non-financial risks cover longevity, entry age of new members, future profit growth and member withdrawal rates.

Over a one-year time horizon the confidence level associated to the risk adjustment is 82% (2025: 83%). This is equivalent to estimating that the probability that adverse changes in best estimate liabilities from non-financial risk over the next year exceed the amount of the risk adjustment is less than 18% (2025: 17%). This is translated, using statistical approximations, into an equivalent confidence level on a value at risk basis over the expected lifetime of in-force annuity policies of approximately 63% (2025: 64%) at the end of the reporting period.

Presentation

The members' annuities, death in service, long-term ill health and the retirement annuities are grouped as a single portfolio of insurance contracts as they are subject to similar risks and are similar products, being the payment of annuities and benefits to members. The single portfolio of insurance contracts are presented in the balance sheet within non-current liabilities. A portfolio of insurance contracts is presented as a whole and cannot be split into its current and non-current cash flows, therefore the insurance contract liabilities are classified as non-current due to the long-term nature of the fulfilment of the respective obligations with the majority of those due to be settled beyond the next twelve months. A maturity analysis of the estimated future cash flows for these annuities, including the death in service and long-term ill health benefits is provided in Note 20.

The Group disaggregates the amounts recognised in the income statement into insurance revenue, insurance service expense and finance income or expenses from insurance contracts.

Insurance revenue

The Group recognises insurance revenue in each reporting period at an amount which reflects the provision of services arising from the group of insurance contracts in the period. For both the Group and LLP, insurance revenue is comprised of:

- The release of the CSM in the period;
- The release of risk adjustment included within the liability for remaining coverage; and
- The amount of claims (i.e. annuity payments) expected to be paid in the period to members based on estimates at the start of the reporting period, also released from the liability for remaining coverage.

Notes to the Financial Statements

For the year ended 31 May 2026

2. Accounting policies (continued)

2.1 Material accounting policies (continued)

Insurance contracts (continued)

Insurance service expense

Insurance service expenses include the amount of actual claims paid to members during the reporting period. These amounts are included in the liability for incurred claims and are ordinarily settled in cash by the end of the reporting period. Insurance service expenses also includes the recognition and reversal of onerous losses on groups of insurance contracts.

Finance income or expenses from insurance contracts

Insurance finance income or expenses present the effect of the time value of money and the change in the time value of money, together with the effect of financial risk and changes in financial risk of a group of insurance contracts. Finance income or expenses from insurance contracts comprise changes in the carrying amounts of the group of insurance contracts arising from:

- Accretion of interest on CSM;
- Unwind of discounting on fulfilment cash flows; and
- Impact of financial assumption changes (such as inflation rates and discount rates) upon fulfilment cash flows.

These effects are recognised as finance income or expenses from insurance contracts in the consolidated income statement.

Taxation

Taxation payable on profits of the LLP are solely the personal liability of the members and is, therefore, not accounted for as an expense in these financial statements. A retention from profit distributions is made to fund the taxation payments made to HMRC by the LLP on behalf of the LLP members. These amounts retained for tax are treated in the financial statements in the same way as other profits of the partnership and so are included in 'Amounts due to members'.

The tax expense recognised in these financial statements represents the sum of the current and deferred tax relating to consolidated corporate subsidiaries. The current tax expense is based on taxable profits of these companies. Taxable profit differs from 'profit before tax' as reported in the consolidated income statement because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Current and deferred tax are recognised in the income statement, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

Intangible assets

The acquisition method of accounting is used to account for business combinations. Goodwill arises on business combinations where the fair value of the consideration given exceeds the acquisition-date fair values of the assets acquired and liabilities assumed. Acquisition-related costs are expensed as incurred. Goodwill is capitalised as an intangible asset with an indefinite life, with any impairment in carrying value being charged to the income statement. Goodwill is capitalised and subject to an annual impairment review or more frequently if events or changes in circumstances indicate that goodwill might be impaired. For the purpose of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash inflows (cash generating units, or 'CGUs'). Goodwill is allocated to the Group of CGUs that are expected to benefit from the business combination. Any impairment loss in respect of goodwill is not reversed.

Intangible assets acquired separately or internally generated are measured at cost on initial recognition. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation (except goodwill) and any accumulated impairment losses.

Notes to the Financial Statements

For the year ended 31 May 2026

2. Accounting policies (continued)

2.1 Material accounting policies (continued)

Intangible assets (continued)

Amortisation is provided to write off the cost of intangible assets less their estimated residual values, using the straight-line method, over the estimated useful lives as follows:

Asset class	Rate
Computer software	3 – 13 Years
Customer relationships, order books, brands and contracts	5 – 17 Years

Computer software

Computer software comprises purchased software, the development of software for internal use and software acquired through business combinations. Computer software recognised on the acquisition of a business are stated at fair value on acquisition. Costs directly attributable to the development of internally generated computer software are recognised as intangible assets only if all the following conditions have been demonstrated:

- The technical feasibility of completing the intangible asset so that it will be available for use;
- The intention to complete the intangible asset and use it;
- The ability to use the intangible asset;
- How the intangible asset will generate probable future economic benefits;
- The availability of adequate technical, financial and other resources to complete the development and to use the intangible asset; and
- The ability to measure reliably the expenditure attributable to the intangible asset during its development.

Directly attributable costs that are capitalised as part of the asset include employee costs and an appropriate portion of direct overheads. Other development expenditure that does not meet these criteria are recognised in the income statement as an expense as incurred.

Costs directly associated with the purchase or development of computer software are stated at cost less accumulated amortisation.

Customer relationships, order books, brands and contracts

Customer relationships, order books, brands and contracts recognised on the acquisition of a business are stated at fair value on acquisition.

Software-as-a-Service ('SaaS') arrangements

SaaS arrangements (service contracts) provide the Group with the right to access the cloud provider's application software over the contract period. The Group treats SaaS arrangements costs as an operating expense (as the Group does not control the software) and recognises these costs in the income statement as the services are received.

If the Group pays the supplier before receiving those services, the costs are recognised as a prepayment on the face of balance sheet. The amortisation of the prepayment is recognised as an operating expense over the term of the service contract, typically five to ten years.

Costs incurred for the development that enhances, modifies or creates additional capability to existing on-premises systems and meets the definition of and recognition criteria for an intangible asset are recognised as intangible computer software assets.

Notes to the Financial Statements

For the year ended 31 May 2026

2. Accounting policies (continued)

2.1 Material accounting policies (continued)

Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation and any recognised impairment loss. Depreciation is provided to write off the cost of assets less their estimated residual values, using the straight-line method, over the estimated useful lives as follows:

Asset class	Depreciation method and rate
Leasehold improvements	Lesser of useful life, or period of lease
Computer equipment	3 – 5 Years
Fixtures and fittings	5 – 10 Years

The residual value, if material, is reassessed annually in addition to useful lives.

Assets in the course of construction are carried at cost less any recognised impairment loss. Depreciation of these assets, on the same basis as other assets, commences when the assets are ready for their intended use. An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. The gain or loss arising on the disposal or scrapping of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the income statement.

Impairment of tangible and intangible assets including goodwill

Assets that are subject to depreciation or amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the assets exceed its recoverable amount. An impairment loss is recognised immediately in the income statement.

Where the asset does not generate cash inflows that are independent from other assets, the Group estimates the recoverable amount of the CGU to which the asset belongs. This is the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or groups of assets. The Goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to CGUs or group of CGUs expected to benefit from the business combination.

The recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, an impairment loss is recognised. For a CGU, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to the other assets of the CGU on a pro-rata basis based on their carrying amounts, ensuring no asset is reduced to below its recoverable amount (if determinable) or zero. Goodwill is tested annually for impairment, or more frequently if events or changes in circumstances indicate that goodwill might be impaired. The impairment of goodwill is never reversed.

When an impairment loss (for assets other than Goodwill) subsequently reverses, the carrying amount of the asset (or CGU) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or CGU) in prior years. A reversal of impairment is recognised immediately in the income statement to the extent that it eliminates the impairment loss which has been recognised for the asset in prior years.

Cash and cash equivalents

Cash and cash equivalents on the balance sheet comprise cash (cash on hand and demand deposits), short term deposits and other short term highly liquid instruments. Short term deposits and other short term highly liquid instruments are presented as cash equivalents when they are readily convertible to cash, are subject to an insignificant risk of changes in value and have an original maturity of three months or less from the date of acquisition. Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

Notes to the Financial Statements

For the year ended 31 May 2026

2. Accounting policies (continued)

2.1 Material accounting policies (continued)

Cash and cash equivalents (continued)

Bank overdrafts are shown within borrowings in current liabilities in the balance sheet, as they do not meet the netting criteria of IAS 32 Financial Instruments: Presentation. Bank overdrafts are shown in cash equivalents in the cash flow statement where they form an integral part of cash management.

Fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements are categorised into levels based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities; Level 2 inputs are inputs, other than quoted prices included in Level 1, that are directly or indirectly observable for the asset or liability; and Level 3 inputs are unobservable inputs for the asset or liability.

Financial instruments

Financial assets and financial liabilities are recognised in the balance sheet when the Group becomes party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss ('FVTPL')) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities measured at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

(i) Debt instruments

Debt instruments that meet the following conditions are measured subsequently at amortised cost:

- The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets, except for equity instruments (see below), are measured subsequently at fair value through profit or loss ('FVTPL'). The amortised cost of a debt instrument is calculated using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash receipts excluding expected credit losses, through the expected life of the debt instrument. All debt instruments, which consist of loan receivables within other non-current assets, are subsequently measured using amortised cost (disclosed as financial assets at amortised cost).

(ii) Equity instruments

Equity investments other than investments in subsidiaries, associates and joint ventures are subsequently measured at fair value. The Group has made an irrevocable election in relation to the equity investments currently held (on an instrument-by-instrument basis) to designate investments in equity instruments at fair value through other comprehensive income ('FVTOCI'), with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the Members' other reserves. The cumulative gain or loss is not reclassified to profit or loss on disposal of the equity instruments, but instead, it is transferred to Members' other reserves. Dividends on these investments are recognised in the income statement in accordance with IFRS 9 unless the dividends clearly represent a recovery of part of the cost of investment. For equity instruments measured at FVTOCI, exchange differences are recognised in other comprehensive income and accumulated in Members' other reserves.

Notes to the Financial Statements

For the year ended 31 May 2026

2. Accounting policies (continued)

2.1 Material accounting policies (continued)

Financial instruments (continued)

Impairment of financial assets

The Group assesses on a forward-looking basis the expected credit losses associated with its financial instruments carried at amortised cost. The expected credit losses are updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial asset. The impairment methodology applied is as follows:

(i) Trade receivables and contract assets

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets. To measure the expected credit losses, trade receivables have been grouped based on industry and days outstanding. The contract assets relate to amounts to be billed to customers and have substantially the same risk characteristics as the trade receivables for the same types of contracts and therefore it has been concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets. The expected loss rates are based on the payment profiles of sales over a period and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has considered the economic conditions and the regulatory environment for each customer industry and considered the geographical areas in which the Group provides services.

(ii) Amounts owed by Group undertakings and debt instruments

Historical data about incurred losses is utilised as a basis for assessing the expected credit loss. Debt instruments are considered to have low credit risk, with no history of losses incurred, and therefore any loss allowance is limited to 12 months expected losses. There have been no significant changes in the economic conditions or the regulatory environment within the geographical areas in which the counterparty exists and accordingly no adjustment has been made to the historical loss rates in computing expected credit losses.

Definition of default

Information developed internally or obtained from external sources indicating that the counterparty is unlikely to make its contractual payments to its creditors, including the Group, is considered an event of default by the Group as historical experience indicates that financial assets that meet the criteria are generally not recoverable.

Credit impaired financial assets

A financial asset is credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit impaired includes observable data about the following events:

- Significant financial difficulty of the counterparty;
- It is probable that the counterparty will enter bankruptcy or another financial reorganisation; and
- For reasons relating to the counterparty's financial difficulty, the Group has granted the counterparty concessions that the Group would not otherwise consider.

Notes to the Financial Statements

For the year ended 31 May 2026

2. Accounting policies (continued)

2.1 Material accounting policies (continued)

Financial instruments (continued)

Write off policy

The Group writes off a financial asset when there is no reasonable expectation of recovery. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Financial liabilities

Financial liabilities are classified as either financial liabilities at 'FVTPL' or 'amortised cost' at initial recognition. All financial liabilities held by the Group are classified at amortised cost, other than derivative instruments. Financial liabilities at amortised cost are initially measured at fair value net of transaction costs and subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

Derecognition of financial assets and liabilities

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire, or when substantially all the risks and rewards of ownership of the asset are transferred to another entity.

Financial liabilities are derecognised only when the Group's obligations are discharged, cancelled, or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Derivative financial instruments

The Group enters into derivative financial instruments to manage its exposure to foreign exchange rate risk including foreign currency exchange swap contracts and foreign currency forwards. The Group recognises derivative financial instruments at the date the contract is executed. Further details of derivative financial instruments are disclosed in Note 23.

Derivatives are classified as FVTPL and initially recognised at fair value and are subsequently re-measured to their fair value at each balance sheet date. The resulting gain or loss is recognised in profit or loss in the respective period, unless the derivative is designated in an effective hedging relationship, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset whereas a derivative with a negative fair value is recognised as a financial liability. A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and is not expected to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

Leases

The Group assesses whether a contract is or contains a lease, at inception of the contract. Contracts may contain both lease and non-lease components. The Group allocates consideration in such contracts to the lease and non-lease components on the basis of the relative stand-alone price of each lease component and the aggregate stand-alone price of the non-lease components, except for equipment contracts where the Group has elected not to separate lease and non-lease components and instead account for such contracts as a single lease. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low-value (i.e. below \$5,000), as sets where the Group has elected not to (such as small items of office furniture and equipment). For these leases, the Group recognises the lease payments as an operating cost on a straight-line basis over the term of the lease.

Notes to the Financial Statements

For the year ended 31 May 2026

2. Accounting policies (continued)

2.1 Material accounting policies (continued)

Leases (continued)

Lease liabilities include the net present value of the following lease payments:

- Fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable by the Group under residual value guarantees;
- The exercise price of a purchase option if the Group is reasonably certain to exercise that option; and
- Payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate ('IBR') is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the IBR, the Group:

- Where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received;
- Where there is no similar third-party financing to use as a reference point, uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Group; and
- Makes adjustments specific to the lease, e.g. term, country, and security.

The Group is exposed to potential future increases in variable lease payments, that depend on an index or rate, which are initially measured using the index or rate at the lease commencement date. If the variable lease payments change due to a change in the index or rate, the lease liability is reassessed and adjusted against the right-of-use asset.

Lease payments are allocated between principal and finance cost. The finance cost is charged to the consolidated income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost and comprise the following:

- The amount of the initial measurement of lease liability;
- Any lease payments made at or before the commencement date less any lease incentives received;
- Any initial direct costs; and
- Any restoration costs.

Where the Group incurs an obligation to restore buildings to their original condition upon vacating them, a provision is recognised and measured under IAS 37 Provisions, Contingent Liabilities and Contingent Assets ("IAS 37"). To the extent that the restoration costs relate to a right-of-use asset, the costs are included in the measurement of the related right-of-use asset.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. The estimated useful life of right-of-use assets is determined on the same basis as those of the corresponding/related property, plant and equipment. The depreciation starts at the commencement date of the lease.

Extension and termination options are included in a number of property leases across the Group. These are used to maximise operational flexibility in terms of managing the assets used in the Group's operations. The majority of extension and termination options held are exercisable only by the Group and not by the respective lessor. The lease term is a non-cancellable period of the lease. Periods covered by options to extend and terminate the lease are only included in the lease term if it is reasonably certain that the lease will be extended or not terminated. Where the Group has the option to extend the lease term beyond the non-cancellable period, or of not exercising a termination option, all facts and circumstances that create an economic incentive to exercise an extension option or not exercise a termination option are considered.

Notes to the Financial Statements

For the year ended 31 May 2026

2. Accounting policies (continued)

2.1 Material accounting policies (continued)

Leases (continued)

The Group remeasures the lease liability and makes a corresponding adjustment to the related right-of-use asset, when (a) the lease term changes; (b) the lease payments change; or (c) a lease contract is modified and the lease modification is not accounted for as a separate lease. If the carrying amount of the right-of-use asset has been reduced to zero, the remeasurement adjustment is recorded in the income statement. In addition, the right-of-use asset is periodically reduced by impairment losses, if any.

Provisions

Provisions are recognised when a present obligation (legal or constructive) as a result of a past event exists and it is probable that a settlement of that obligation will be paid, and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle that obligation, at the balance sheet date, in consideration of the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material). With respect to professional liability claims and regulatory proceedings, a provision representing the cost of defending and concluding claims is made in the financial statements for all claims and regulatory proceedings where costs are likely to be incurred and can be measured reliably. See Note 19 for further details regarding the measurement of the provisions held by the LLP and Group and the expected timing of settlement.

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

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received, and the amount of the receivable can be measured reliably.

Employee Benefits

Retirement benefit obligations

The Group provides retirement benefits through defined contribution schemes and defined benefit schemes.

Payments to defined contribution schemes are recognised as an expense when employees have rendered service entitling them to the contributions. To the extent that amounts remain unpaid at the balance sheet date, the amounts are included in trade and other payables.

The cost of providing benefits under the defined benefit pension schemes is determined using the projected unit credit method, with actuarial valuations carried out at each balance sheet date. Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling (where applicable) and the return on scheme assets (excluding amounts included in finance costs) are recognised immediately in the consolidated balance sheet with a corresponding debit or credit to members' other reserves through other comprehensive income in the period in which they occur; such reserves are not reclassified to the consolidated income statement. Gains or losses on settlement of a defined benefit plan are recognised when the settlement occurs.

The consolidated income statement includes service costs and interest on the net defined benefit asset or obligation. Net interest cost or income is calculated by applying a discount rate to the net defined benefit liability or asset.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in the consolidated income statement as past service costs. The net defined benefit liability or asset recognised in the balance sheet is the deficit or surplus, adjusted for the effect of limiting the net defined benefit asset to the asset ceiling.

Notes to the Financial Statements

For the year ended 31 May 2026

2. Accounting policies (continued)

2.1 Material accounting policies (continued)

Employee Benefits (continued)

When the defined benefit schemes are in surplus, meaning that the fair value of plan assets exceeds the present value of the defined benefit obligations, the Group measures the net defined benefit asset at the lower of the surplus and the asset ceiling. The asset ceiling is defined as the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

The Group establishes any past service cost, gain, or loss on settlement, without considering the impact of the asset ceiling. This amount is then recognised in profit or loss. Subsequently, the Group determines the effect of the asset ceiling after the plan amendment, curtailment, or settlement. Any change in the effect, excluding amounts included in net interest, is then recognised in other comprehensive income.

Where contributions payable to cover a shortfall on a funding basis, under a minimum funding requirement, will not be available after they have been paid into the plan for refund or reduction in future contributions, the Group recognises an additional liability when the obligation to make such contributions arises. This reduces the net defined benefit asset or increases the net defined benefit liability.

In the absence of statutory or contractual minimum funding requirements, a refund is generally only available when an unconditional right to a refund exists. Therefore, without an unconditional right to refund a net defined benefit asset cannot be recognised and any surplus should be fully restricted under the requirements of the asset ceiling. For the Deloitte UK Pension Scheme ('DUKPS'), no unconditional right to a refund exists; therefore, no surplus is recognised, and any surplus is fully restricted under the asset ceiling requirements. For the defined benefit pension schemes operating in Switzerland, the asset ceiling is determined based on the present value of any economic benefits available in the form of reductions in future contributions to the plan.

Members

Members' capital

The capital requirements for the LLP were determined by the Deloitte NSE Board, with input from the Senior Partner and Chief Executive. Apart from partners who are bodies corporate, each member is required to subscribe to capital. The capital contribution is calculated in relation to the allocated number of units for each member. No interest is paid on capital.

Capital is not repayable until the member retires or withdraws from the LLP. Members are required to give a minimum of six months' notice for exiting the LLP and the notice period must expire at the end of the financial year unless otherwise agreed by the LLP. Upon exiting the LLP, a members' capital must be repaid as soon as practicable after the retirement date. Members' capital is classified as a financial liability. Capital attributable to members who will be retiring within one year after the balance sheet date is classified as a current liability.

The cash flows associated with capital contributions paid into the LLP and repayments of capital to retiring members are classified as financing cash flows in the Statement of Cash Flows.

Allocation and division of profits

The allocation and division of profit was at the discretion of the Deloitte NSE Board in accordance with the formal member remuneration procedures in place. Each member shares in profit based on the proportion of units allocated to them. The Deloitte NSE Board, on recommendation of the Deloitte NSE Chief Executive, considered factors which, among others, include the quality of work and customer and management responsibilities in the determination of the allocation of profits to the individual members. The Audit Non-Executives also had oversight of the policies and processes for ensuring audit member remuneration reflects their contribution to audit quality.

Profits available for discretionary division are classified as equity and included within members' other reserves.

Once such discretionary profits are paid to members, the resulting cash flows are classified as financing cash flows in the Statement of Cash Flows.

Notes to the Financial Statements

For the year ended 31 May 2026

2. Accounting policies (continued)

2.1 Material accounting policies (continued)

Members (continued)

Non-discretionary payments to members

Payments to certain members, which arise in relation to an employment contract, or a different form of contractual obligation such as capital profits, are charged to the consolidated income statement.

Such payments are classified as operating cash flows within the Statement of Cash Flows.

Amounts due to members

Amounts due to members are stated at their nominal value, as this approximates to the amortised cost.

Members are entitled to draw a monthly amount against their expected share of the profit during the course of the year. The Senior Partner and Chief Executive set the level of members' monthly drawings, with the approval of the Deloitte NSE Board.

The final allocation and division of profits and distribution to members was made after assessing each members' contribution for the year. Undivided profits are included in reserves within members' other reserves in equity.

Members's drawings paid to members in advance of the final profit distribution are recognised as in year divisions of profits, in accordance with the partnership agreement. Tax payments made to HMRC by the LLP on behalf of members, before the final profit distribution are treated as in year divisions of profit.

A retention from profit distributions is made to fund the taxation payments on behalf of the LLP members. These amounts retained for tax are treated in the financial statements as part of the final division of profits and so are included in 'Amounts due to members'.

Amounts due to members that retired during the current year are treated on the same basis as the above but presented in other payables.

2.2 Critical accounting judgements and key sources of estimation uncertainty

The preparation of financial statements in conformity with IFRS Accounting Standards requires management to make judgements, estimates and assumptions that affect the reported amount of revenue, expenses, assets and liabilities and the disclosure of contingent assets and liabilities. Estimates and judgements are continually evaluated and are based on historical experience and expectations of future events that are considered reasonable in the circumstances. Actual results may differ from those estimated.

Critical accounting judgements identified for the Group and the LLP

In the process of applying the Group's and LLP's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the consolidated financial statements:

Determination of lease liability lease terms

Extension options are included in a number of the Group's and the LLP's leases to provide operational flexibility. The Group and the LLP exercise significant judgement to determine the lease term for those lease contracts that include an extension option. Such options are included in or excluded from the lease term, depending on whether they are reasonably certain to be exercised. This assessment significantly affects the value of lease liabilities and right-of-use assets recognised on the balance sheet.

Management evaluates all relevant factors that create an economic incentive to exercise extension options. This includes the location of the asset and its importance to the business, whether there are significant penalties for not extending the lease and whether leasehold improvements have significant remaining value.

Notes to the Financial Statements

For the year ended 31 May 2026

2. Accounting policies (continued)

2.2 Critical accounting judgements and key sources of estimation uncertainty (continued)

Key sources of estimation uncertainty identified for the Group and the LLP

The key sources of estimation uncertainty that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year are set out below.

The Key sources of estimation uncertainty for insurance contract liabilities

The Group and the LLP estimate future cash flows for the benefits payable to members, using best estimate assumptions for inflation, unit growth, life expectancy, and other demographics. These assumptions are reviewed at each reporting date to reflect current conditions. The key source of estimation uncertainty for the carrying value of the insurance contract liabilities are discount curves and, for the LLP only, inflation curves.

The impact from changing the life expectancy assumption does not have a material impact on the carrying amount of insurance contract liabilities nor the current year profit or loss or equity. The carrying amount of insurance contract liabilities is not sensitive to changes in life expectancy assumptions largely because changes in fulfilment cash flows would adjust the contractual service margin meaning the net impact of any such adjustment is not expected to materially impact the carrying amount of insurance contract liabilities.

See note 2.1 for methods and techniques used to determine the discount curves. See note 20 for details of sensitivity analysis of the impact of changes in discount curves and inflation curves.

Revenue stage of completion

In determining revenue on customer engagements, management makes certain estimates as to the stage of completion of those engagements. Management estimates the remaining time and external costs to be incurred in completing the engagements and the customer's willingness and ability to pay for the services provided. A different assessment of the outcome on an engagement may result in a different value being determined for revenue and also a different carrying value being determined for contract assets. A 5% movement in contract assets is considered a reasonably possible change. This would be expected to result in a change of £40 million (2025: £39 million) in the Group's revenues.

Provision for claims and regulatory proceedings

The liabilities disclosed for claims and regulatory proceedings are determined by assessing the probable outcome of claims and regulatory proceedings and estimating the level of costs likely to be incurred in defending and concluding these matters. Further details of the estimate and associated uncertainties are set out in Note 19.

2.3 Amendments to IFRS Accounting Standards adopted by the Group and the LLP

In the current year, the Group and LLP have applied the below amendments to IFRS Accounting Standards issued by the IASB and endorsed by the United Kingdom Endorsement Board ('UKEB') that are mandatorily effective for an accounting period that begins on or after 1 January 2025. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements:

- The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability (Amendments to IAS 21)

2.4 Impact of standards issued but not yet applied by the Group and the LLP

At the date of authorisation of these financial statements, the Group and LLP have not applied the following new and revised IFRS Accounting Standards that have been issued but are not yet effective:

- Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7) - effective 1 January 2026;
- Annual Improvements to IFRS Accounting Standards – Volume 11 – effective 1 January 2026;
- Contracts Referencing Nature-dependent Electricity (Amendments to IFRS 9 and IFRS 7 - effective 1 January 2026; and
- Presentation and Disclosure in Financial Statements (IFRS 18) – effective 1 January 2027.

The adoption of the above amendments are not expected to have a significant impact on either the Group or LLP's financial statements in future periods except as noted below.

Notes to the Financial Statements

For the year ended 31 May 2026

2. Accounting policies (continued)

2.4 Impact of standards issued but not yet applied by the Group and the LLP (continued)

IFRS 18 Presentation and Disclosure in Financial Statements ('IFRS 18')

IFRS 18 is a new accounting standard issued by the IASB and endorsed by the UKEB. The requirements are effective on a mandatory basis for annual reporting periods beginning on or after 1 January 2027. As such, the first fiscal year in which the Group and the LLP will apply IFRS 18 is expected to be the year ending 31 May 2028.

While IFRS 18 does not impact recognition and measurement, it is expected to impact presentation and disclosure for all entities applying IFRS accounting standards including the Group and the LLP. The most notable changes introduced by IFRS 18 include:

- the requirement to classify income or expenses into one of five categories in the statement of profit or loss;
- the introduction of required sub-totals being operating profit or loss and profit or loss before financing and income taxes;
- the introduction of a disclosure note for entities that use particular types of management performance measures in communications; and
- the introduction of enhanced criteria relating to the aggregation and disaggregation of financial statement line items.

The Group and LLP are currently performing an assessment to identify all potential impacts that IFRS 18 will have on the presentation and disclosures within its primary financial statements and the accompanying notes.

3. Revenue

The table below shows the Group's revenue from contracts with customers by business:

£'million	2026	2025
Audit & Assurance	1,141	1,105
Strategy, Risk & Transactions Advisory	1,038	1,027
Tax & Legal	1,477	1,451
Technology & Transformation	2,153	2,093
	5,809	5,676

The table below shows the Group's revenue from customers disaggregated by managed territory:

£'million	2026	2025
United Kingdom	5,009	4,873
Switzerland	795	796
Other	5	7
	5,809	5,676

Details of the Group's and LLP's trade receivables and contract assets are disclosed in Note 16 and contract liabilities in Note 17.

The Group has applied the practical expedient set out in IFRS 15 in respect of the presentation of the transaction price allocated to partially or fully unsatisfied contracts with customers either where the contract period is for a year or less or where the right to consideration corresponds directly to the performance completed to date. As at 31 May 2026 and 2025, the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied on fixed price contracts with a duration of greater than one year was not material.

Notes to the Financial Statements

For the year ended 31 May 2026

4. Employee costs

Employee costs incurred during the year in respect of employees were:

£'million	Group 2026	Group 2025	LLP 2026	LLP 2025
Salaries ¹	2,272	2,292	1,224	1,287
Social security costs	284	260	167	157
Pension costs				
Defined contribution (Note 22)	253	248	165	166
Defined benefit – current and past service cost (including curtailments) (Note 22)	52	53	-	-
DUKPS buy-out settlement loss (Note 22)	59	-	59	-
	2,920	2,853	1,615	1,610

1. Salaries include salaries, wages, bonuses, termination benefits and employee benefits excluding pension costs.

The average monthly number of employees during the financial year were:

Number	Group 2026	Group 2025	LLP 2026	LLP 2025
Fee earning employees	21,863	22,578	12,271	13,401
Non-fee earning employees	4,167	4,400	3,633	3,863
	26,030	26,978	15,904	17,264

The average monthly number of employees on a full-time equivalent basis, during the financial year were:

Number	Group 2026	Group 2025	LLP 2026	LLP 2025
Fee earning employees	20,346	21,471	11,408	12,669
Non-fee earning employees	3,624	3,734	3,156	3,239
	23,970	25,205	14,564	15,908

The average monthly number of members of the Group and LLP during the year was 809 (2025: 762). The average monthly number of members on a full-time equivalent basis of the Group and LLP during the year was 799 (2025: 751).

Notes to the Financial Statements

For the year ended 31 May 2026

5. Other operating expenses

Other operating expenses incurred comprise:

£'million	2026	2025
Expenses and sub-contractor costs on customer assignments	1,369	1,311
Impairment charges on non-current assets (Notes 9, 10 and 11)	2	1
Net impairment losses on financial assets (Notes 15 and 16)	3	11
Other ¹	546	616
	1,920	1,939

1. Other primarily comprises DTTL subscription fees, IT costs, non-discretionary payments to members, consultants' costs, professional fees, property costs and rental expenses on short-term leases.

Fees and expenses payable to the Group's auditors, BDO LLP, are as follows:

£'000	2026	2025
Audit of LLP and Group financial statements	487	492
Audit of subsidiaries' financial statements	427	375
Total audit fees	914	867
Other non-audit services	81	65

6. Net finance costs

£'million	2026	2025
Finance income:		
Interest income	(23)	(21)
Net interest income/expense on defined benefit pension scheme assets/obligations (Note 22)	-	-
	(23)	(21)
Finance costs:		
Interest on borrowings	19	17
Finance charges on lease liabilities (Note 11)	13	14
Unwinding of discounts on provisions (Note 19)	2	2
	34	33
Net finance costs	11	12

7. Finance income or expenses from insurance contracts

£'million	2026	2025
Interest accreted	59	57
Effect of changes in interest rates and other financial assumptions	(10)	(61)
Effect of changes in fulfilment cash flows at current rates when contractual service margin is unlocked at locked in rates	-	1
Finance income or expenses from insurance contracts	49	(3)

Notes to the Financial Statements

For the year ended 31 May 2026

8. Tax expense in corporate subsidiaries

Taxation payable on profits of the LLP are solely the personal liability of the members and is, therefore, not accounted for as an expense in these financial statements.

All subsidiary entities consolidated in these financial statements are subject to taxes on their own results:

£'million	2026	2025
Current tax on income of subsidiary entities for the financial year	22	14
Deferred tax movements	-	-
Tax expense in corporate subsidiaries	22	14

The following table reconciles the tax expense at the standard rate to the actual tax expense:

£'million	2026	2025
Profit on ordinary activities of corporate entities before tax	73	44
UK Corporation Tax at 25% (2025: 25%)	18	11
Impact of items not deductible for tax purposes	2	-
Impact of income not taxable for tax purposes	-	1
Adjustment in respect of prior periods	1	1
Other adjustments	1	1
Total tax expense	22	14

Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions. At 31 May 2026, the corporation tax payable is £nil (2025: £1 million) and is included within 'Trade and other payables' (Note 17) in the balance sheet. Additionally, corporation tax receivable is £23 million (2025: £19 million) and is included within 'Trade and other receivables' (Note 16) in the balance sheet.

The Group's deferred tax asset of £2 million (2025: £2 million), is primarily related to temporary differences for property, plant and equipment. Deferred tax balances on temporary differences as at 31 May 2026 have been measured at 25%. Changes in corporation tax rates are accounted for when substantively enacted.

The Organisation for Economic Cooperation & Development ("OECD") reached agreement amongst various countries to implement a global minimum tax rate of at least 15% for multinationals with global revenue exceeding EUR750 million ("Pillar Two"). Pillar Two rules are enshrined in UK legislation. As part of Deloitte NSE, which is the ultimate parent entity for Pillar Two purposes, the LLP and the Group fall within the scope of these rules. These rules came into operation for the year ended 31 May 2025, with reporting by 30 November 2026, and relevant tax authority notifications will be made by Deloitte NSE.

However, effective from 1 June 2026, following the creation of Deloitte EMEA, Deloitte NSE LLP ceased to be the LLP's parent. Deloitte LLP became the ultimate parent entity of the UK group; accordingly, Pillar Two compliance for the year ending 31 May 2027 and subsequent periods will be undertaken at the Deloitte LLP level.

Notwithstanding, the LLP is fiscally transparent, and partnership profits are subject to income tax locally on UK partners at rates significantly higher than the minimum tax rate. Consequently, based on current assessments, the current tax impact on the LLP and the Group under the Pillar Two legislation for the year ended 31 May 2026 is £nil (2025: £nil).

The Group and LLP have applied the exemption available in accordance with the amendments to IAS 12 'Income Taxes', adopted by the United Kingdom on 19 July 2023, with respect to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes.

Notes to the Financial Statements

For the year ended 31 May 2026

9. Intangible assets

Group

£'million	Goodwill	Computer software	Customer relationships, order books, brands and contracts	Total
Cost				
At 1 June 2024	87	14	41	142
Disposals	(6)	(4)	-	(10)
Translation of foreign operations	8	-	4	12
At 31 May 2025	89	10	45	144
Addition	-	5	-	5
Disposals	-	-	(25)	(25)
Translation of foreign operations	1	-	-	1
At 31 May 2026	90	15	20	125
Accumulated amortisation/impairment				
At 1 June 2024	2	10	34	46
Amortisation charge	-	1	1	2
Impairment charge	1	-	-	1
Disposals	(2)	(4)	-	(6)
Translation of foreign operations	-	-	4	4
At 31 May 2025	1	7	39	47
Amortisation charge	-	1	1	2
Impairment charge	-	-	2	2
Disposals	-	-	(25)	(25)
Translation of foreign operations	-	-	-	-
At 31 May 2026	1	8	17	26
Net book value				
At 31 May 2026	89	7	3	99
At 31 May 2025	88	3	6	97

Goodwill acquired in a business combination is allocated, at acquisition, to the group of CGUs that are expected to realise economic benefits from the business combination. Goodwill is capitalised and subject to an annual impairment review or more frequently if events or changes in circumstances indicate that goodwill might be impaired.

The Group's goodwill balances have been allocated for impairment testing purposes to the following groups of CGUs:

£'million	2026	2025
UK Technology & Transformation	37	37
Switzerland National Practice	26	25
UK Tax & Legal	18	18
UK Strategy, Risk & Transactions Advisory	7	7
UK Audit & Assurance	1	1
	89	88

The Group and the LLP tests whether goodwill has suffered any impairment at least annually. For the 2026 and 2025 reporting periods, the recoverable amount of the groups of CGUs was determined based on value in use calculations.

The calculations use cash flow projections based on financial forecasts approved by management covering a five-year period. Cash flows beyond the five-year period are extrapolated using the estimated long-term growth rates stated below. The growth rates used do not exceed the long-term average growth rate of the industries in which the groups of CGUs operate.

Notes to the Financial Statements

For the year ended 31 May 2026

9. Intangible assets (continued)

The key assumptions in preparing these financial forecasts are revenue growth rates, gross margins and operating costs. The revenue growth rates are based on current market trends for the business in each business service line that the Group operates in. Gross margins are based on current year performance and management's expectation for the future. Fixed operating costs are based on the Group's current structure and adjusted for inflationary increases, but do not include any future restructuring or cost saving measures.

The pre-tax discount rates applied to the cash flow forecasts are derived from the Group's post-tax weighted average cost of capital ('WACC'). The post-tax WACCs have been calculated using the Capital Asset Pricing Model ("CAPM") to estimate the cost of equity for each group of CGUs and taking into account the cost of debt. The CAPM model used to estimate the relevant cost of equity includes some inputs specific to certain markets/geographies, such as risk-free rates, equity market risk premium, tax rates, and inflation assumptions, and others that are specific to the activities/sub-sector of the group of CGUs, such as the beta and leverage inputs, as well as considering any other specific risk premiums that may be relevant, such as size premiums.

The pre-tax discount rate used in performing the value in use calculations, for the Group's three largest groups of CGUs, is as follows: Switzerland National Practice 9.5%, UK Technology & Transformation 12.25% and UK Tax & Legal 13.5%.

A long-term growth rate of 2.2%, used to extrapolate cash flows after the five-year forecast period, for the UK groups of CGUs, is based on a forecasted UK Consumer Price Index ('CPI'). For the Switzerland National Practice groups of CGUs, a long-term growth rate of 0.7% has been used, based on a forecasted Swiss CPI.

Management has performed sensitivity analysis on the key assumptions used in preparing the financial forecasts and the value in use calculations. No reasonably possible change in a key assumption used in assessing goodwill for impairment would cause the carrying amounts of the groups of CGUs to exceed their recoverable amounts.

LLP

£'million	Goodwill	Computer software	Customer relationships, order books, brands and contracts	Total
Cost				
At 1 June 2024	19	9	14	42
Disposals	(1)	(3)	-	(4)
At 31 May 2025	18	6	14	38
Addition	-	2	-	2
Disposals	-	-	(2)	(2)
At 31 May 2026	18	8	12	38
Accumulated amortisation/impairment				
At 1 June 2024	-	6	12	18
Amortisation charge	-	1	-	1
Disposals	-	(3)	-	(3)
At 31 May 2025	-	4	12	16
Amortisation charge	-	1	-	1
Disposals	-	-	(2)	(2)
At 31 May 2026	-	5	10	15
Net book value				
At 31 May 2026	18	3	2	23
At 31 May 2025	18	2	2	22

At 31 May 2026, the goodwill within the LLP reflects the business acquisitions attributable to, predominantly, UK Tax & Legal.

Notes to the Financial Statements

For the year ended 31 May 2026

10. Property, plant and equipment

Group

£'million	Leasehold improvements	Computer equipment	Fixture and fittings	Assets under construction	Total
Cost					
At 1 June 2024	272	136	64	52	524
Additions	12	33	2	32	79
Disposals	(7)	(24)	(2)	(1)	(34)
Transfers	26	2	3	(31)	-
Exchange differences	2	1	-	-	3
At 31 May 2025	305	148	67	52	572
Additions	9	17	2	20	48
Disposals	(6)	(12)	(3)	-	(21)
Transfers	58	2	9	(69)	-
Exchange differences	3	1	-	-	4
At 31 May 2026	369	156	75	3	603
Accumulated depreciation/impairment					
At 1 June 2024	141	92	42	-	275
Depreciation charge	22	25	5	-	52
Disposals	(7)	(24)	(2)	-	(33)
Exchange differences	1	1	-	-	2
At 31 May 2025	157	94	45	-	296
Depreciation charge	26	24	6	-	56
Disposals	(5)	(12)	(3)	-	(20)
Exchange differences	2	-	-	-	2
At 31 May 2026	180	106	48	-	334
Net book value					
At 31 May 2026	189	50	27	3	269
At 31 May 2025	148	54	22	52	276

Assets under construction for the Group include IT assets of £1 million and leasehold improvements of £2 million (2025: IT costs of £4 million and leasehold improvements of £48 million).

Capital commitments relating to property, plant and equipment contracted but not provided for at 31 May 2026 amounted to £18 million (2025: £7 million) for the Group and related principally to leasehold improvements.

Notes to the Financial Statements

For the year ended 31 May 2026

10. Property, plant and equipment (continued)

LLP

£'million	Leasehold improvements	Computer equipment	Fixture and fittings	Assets under construction	Total
Cost					
At 1 June 2024	227	121	58	51	457
Additions	12	30	2	30	74
Disposals	(7)	(24)	(2)	-	(33)
Transfers	26	2	3	(31)	-
At 31 May 2025	258	129	61	50	498
Additions	9	16	2	19	46
Disposals	(6)	(11)	(3)	-	(20)
Transfers	58	1	8	(67)	-
At 31 May 2026	319	135	68	2	524
Accumulated depreciation/impairment					
At 1 June 2024	122	82	39	-	243
Depreciation charge	17	22	4	-	43
Disposals	(7)	(23)	(2)	-	(32)
At 31 May 2025	132	81	41	-	254
Depreciation charge	22	21	4	-	47
Disposals	(5)	(11)	(2)	-	(18)
At 31 May 2026	149	91	43	-	283
Net book value					
At 31 May 2026	170	44	25	2	241
At 31 May 2025	126	48	20	50	244

Assets under construction for the LLP include IT assets of £1 million and leasehold improvements of £1 million (2025: IT assets of £3 million and leasehold improvements of £47 million).

Capital commitments relating to property, plant and equipment contracted but not provided for at 31 May 2026 amounted to £18 million (2025: £7 million) for the LLP and related principally to leasehold improvements.

Notes to the Financial Statements

For the year ended 31 May 2026

11. Leases

Right-of-use assets

Movements in the right-of-use assets during the year were as follows:

Group

£'million	Buildings	Equipment	Motor vehicles	Total
Cost				
At 1 June 2024	806	18	24	848
Additions	5	5	9	19
Disposals	(34)	(8)	-	(42)
Remeasurement and other movements ¹	13	(1)	1	13
At 31 May 2025	790	14	34	838
Additions	20	-	9	29
Disposals	(6)	(4)	(14)	(24)
Remeasurement and other movements ¹	12	-	1	13
At 31 May 2026	816	10	30	856
Accumulated depreciation/impairment				
At 1 June 2024	265	13	9	287
Depreciation charge	59	2	11	72
Disposals	(34)	(8)	-	(42)
Remeasurement and other movements ¹	4	(2)	-	2
At 31 May 2025	294	5	20	319
Depreciation charge	57	2	11	70
Disposals	(6)	(4)	(14)	(24)
Remeasurement and other movements ¹	11	-	-	11
At 31 May 2026	356	3	17	376
Net book value				
At 31 May 2026	460	7	13	480
At 31 May 2025	496	9	14	519

1. Other movements include lease modifications, impairments, transfers and foreign exchange movements.

Notes to the Financial Statements

For the year ended 31 May 2026

11. Leases (continued)

Right-of-use assets (continued)

LLP

£'million	Buildings	Equipment	Motor vehicles	Total
Cost				
At 1 June 2024	718	11	24	753
Additions	5	5	9	19
Disposals	(33)	(8)	-	(41)
Remeasurement and other movements ¹	7	(1)	2	8
At 31 May 2025	697	7	35	739
Additions	20	-	9	29
Disposals	(6)	-	(14)	(20)
Remeasurement and other movements ¹	-	1	-	1
At 31 May 2026	711	8	30	749
Accumulated depreciation/impairment				
At 1 June 2024	229	10	9	248
Depreciation charge	50	1	11	62
Disposals	(33)	(8)	-	(41)
Remeasurement and other movements ¹	2	(2)	-	-
At 31 May 2025	248	1	20	269
Depreciation Charge	47	1	12	60
Disposals	(6)	-	(14)	(20)
Remeasurement and other movements ¹	1	-	-	1
At 31 May 2026	290	2	18	310
Net book value				
At 31 May 2026	421	6	12	439
At 31 May 2025	449	6	15	470

1. Other movements include transfers and lease modifications.

Amounts recognised in the income statement consist of:

£'million	Group 2026	Group 2025	LLP 2026	LLP 2025
Depreciation expense on right-of-use assets	70	72	60	62
Finance charges on lease liabilities (Note 6)	13	14	13	13
Expense relating to short-term leases	-	1	-	1
Expense relating to low-value assets	1	1	1	1

The Group has taken the recognition exemption for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low-value assets (such as small items of office furniture and equipment). For these leases, the Group recognises the lease payments as an operating cost on a straight-line basis over the term of the lease.

The maturity analysis (the expected contractual undiscounted lease payments) of the LLP's and Group's lease liabilities is presented in Note 23.

The Group and the LLP lease buildings, equipment and vehicles. At 31 May 2026, the weighted average remaining lease term is 9 years (2025: 10 years) for the Group and 10 years (2025: 10 years) for the LLP. The Group and LLP has several lease contracts that include extension options. The undiscounted future rental payments, relating to periods following the extension exercise date (October 2036), that are not included in the lease liability and right-of-use assets are £164 million (2025: £155 million). The Group has concluded that it will not exercise the available break clauses on its lease portfolios. However, if the Group were to exercise these break clauses, the undiscounted future rental payments that would be avoided, relating to periods following the break clauses' exercise dates, are estimated at £44 million (2025: £35 million). The total cash outflow for leases for the Group and LLP were £81 million (2025: £80 million) and £69 million (2025: £70 million) respectively, consisting of fixed and variable payments. At 31 May 2026, the Group and LLP had not committed to leases which had not yet commenced. The total committed future cash outflow on leases that had not yet commenced was £nil (2025: £nil).

Notes to the Financial Statements

For the year ended 31 May 2026

12. Interests in joint ventures and associates

Group

£'million	2026	2025
At 1 June	22	23
Share of results	2	4
Repayment of capital	-	-
Dividend received	(2)	(5)
At 31 May	22	22

The joint ventures and associates are listed in Note 25. No joint venture or associate is individually material to the Group.

13. Investments in subsidiaries, associates and joint ventures

The subsidiary undertakings of the LLP are set out in Note 25. Movements in investments in subsidiary undertakings, associates and joint ventures during the year were as follows:

LLP

£'million	Subsidiary undertakings ³	Associates & joint ventures ¹	Total
Cost			
At 1 June 2024	11	-	11
Additions ²	193	-	193
31 May 2025	204	-	204
Additions	-	-	-
31 May 2026	204	-	204
Provision			
At 1 June 2024, 31 May 2025 and 31 May 2026	3	-	3
Net book value			
At 31 May 2026	201	-	201
At 31 May 2025	201	-	201

1. The associate and joint venture balances are less than £1million.
2. During the prior year, Deloitte LLP made capital contributions totalling £193 million to its subsidiaries D&T Consulting Holdings Limited (£178 million), Deloitte Management Services Limited (£10 million), and Deloitte SA Services Limited (£5 million).
3. Management considers that the carrying value of the subsidiary undertakings is recoverable.

14. Prepayments for Software-as-a-Service

The movements in the Prepayments for Software-as-a-Service were as follows:

£'million	Group	LLP
At 1 June 2024	-	-
Charge for the year	(1)	(1)
Additions	27	24
At 31 May 2025	26	23
Charge for the year	(10)	(9)
Additions	20	18
At 31 May 2026	36	32

Notes to the Financial Statements

For the year ended 31 May 2026

14. Prepayments for Software-as-a-Service (continued)

£'million	Group 2026	Group 2025	LLP 2026	LLP 2025
Income statement charge	10	1	9	1

£'million	Group 2026	Group 2025	LLP 2026	LLP 2025
Included in current assets	9	3	8	3
Included in non-current assets	27	23	24	20
Total	36	26	32	23

15. Other non-current assets

£'million	Group Equity investments	Group Financial assets at amortised cost	Group Total investments	LLP Equity investments	LLP Financial assets at amortised cost	LLP Total investments
Cost						
At 1 June 2024	13	31	44	10	13	23
Capital repayments	-	(2)	(2)	-	(2)	(2)
Exchange differences	-	(1)	(1)	-	(1)	(1)
Fair value adjustment	2	-	2	2	-	2
At 31 May 2025	15	28	43	12	10	22
Addition during the year	4	8	12	4	8	12
Capital repayments	-	(14)	(14)	-	(9)	(9)
Exchange differences	-	-	-	-	-	-
Share of results of Associates	-	(5)	(5)	-	-	-
Fair value adjustment	(4)	-	(4)	(4)	-	(4)
At 31 May 2026	15	17	32	12	9	21
Provision						
At 1 June 2024, 31 May 2025 and 31 May 2026	-	-	-	-	-	-
Net book value						
At 31 May 2026	15	17	32	12	9	21
At 31 May 2025	15	28	43	12	10	22

Equity investments include non-controlling equity investments in non-listed entities. These investments were irrevocably designated at FVTOCI as the Group considers these investments to be strategic in nature (Note 23).

Included within financial assets at amortised cost are loan receivables from related parties with fixed rates between 0% and 10% and floating rates between 1% and 2.1% above a reference rate (Note 24). Repayment dates range between payable on demand and 2036. The carrying amounts are measured at amortised cost. No loss allowance has been recognised in respect of financial assets at amortised cost as they have a very low credit risk with no history of losses being incurred.

Notes to the Financial Statements

For the year ended 31 May 2026

16. Trade and other receivables and contract assets

Trade and other receivables

	Group	Group Restated ³	LLP	LLP Restated ³
£'million	2026	2025	2026	2025
Customer receivables	741	718	502	488
Due from DTTL network firms ¹	124	144	72	93
Trade receivables	865	862	574	581
Amounts owed by Group undertakings	-	-	72	62
Corporation tax	23	19	-	-
Insurance reimbursement receivable	8	4	8	4
Prepayments	53	54	44	42
Other receivables ^{2&3}	67	51	61	44
	1,016	990	759	733

1. Due from DTTL network firms includes amounts owed by Deloitte NSE Group undertakings (Note 24) as well as other DTTL member firms.

2. Other receivables primarily comprises holiday and bank holiday leave receivables, apprenticeship levy, and employee travel loans.

3. Prior year comparatives have been restated in relation to Members' interests, see Note 21 for further details. These adjustments have been applied consistently to all affected disclosure notes in the financial statements.

As at 1 June 2024, Group and LLP trade receivables from contracts with customers amounted to £970 million and £630 million respectively.

Contract assets

	Group	Group	Group	LLP	LLP	LLP
£'million	2026	2025	1 June 2024	2026	2025	1 June 2024
Contract assets ¹	804	785	811	633	610	609
	804	785	811	633	610	609

1. There were no significant changes in the contract asset balances during the current year.

The carrying amount of trade receivables, contract assets, amounts owed by Group undertakings and certain other receivables approximates their fair value (Note 23).

Notes to the Financial Statements

For the year ended 31 May 2026

16. Trade and other receivables and contract assets (continued)

Loss allowance – Group

The closing loss allowances reconcile to the opening loss allowances as follows:

£'million	Trade receivables		Contract assets	
	2026	2025	2026	2025
At 1 June	25	17	3	3
Individually credit impaired receivables	9	19	-	-
Unused amount reversed	(5)	(8)	(1)	-
Receivables written off during the year as uncollectable	(6)	(3)	-	-
At 31 May	23	25	2	3

The loss allowances as at 31 May 2026 was determined as follows:

Group £'million	Trade receivables				Total	Contract assets	Total
	30 days or less	31 to 90 days	91 to 180 days	More than 181 days			
Gross carrying amount	502	289	67	30	888	806	1,694
Expected credit loss rate	0.28%	0.46%	1.98%	4.94%		0.28%	
Collectively assessed loss allowance	(2)	(1)	(1)	(1)	(5)	(2)	(7)
Individually assessed loss allowance	-	-	(1)	(17)	(18)	-	(18)
Total loss allowance	(2)	(1)	(2)	(18)	(23)	(2)	(25)
Net balance	500	288	65	12	865	804	1,669

The loss allowance as at 31 May 2025 was determined as follows:

Group £'million	Trade receivables				Total	Contract assets	Total
	30 days or less	31 to 90 days	91 to 180 days	More than 181 days			
Gross carrying amount	508	281	66	32	887	788	1,675
Expected credit loss rate	0.35%	0.57%	2.34%	5.03%		0.35%	
Collectively assessed loss allowance	(2)	(1)	(1)	(2)	(6)	(3)	(9)
Individually assessed loss allowance	-	(1)	-	(18)	(19)	-	(19)
Total loss allowance	(2)	(2)	(1)	(20)	(25)	(3)	(28)
Net balance	506	279	65	12	862	785	1,647

Notes to the Financial Statements

For the year ended 31 May 2026

16. Trade and other receivables and contract assets (continued)

Loss allowance – LLP

The closing loss allowances reconcile to the opening loss allowances as follows:

£'million	Trade receivables		Contract assets	
	2026	2025	2026	2025
At 1 June	17	12	2	2
Individually credit impaired receivables	5	13	-	-
Unused amount reversed	(2)	(5)	-	-
Receivables written off during the year as uncollectable	(4)	(3)	-	-
At 31 May	16	17	2	2

The loss allowance as at 31 May 2026 was determined as follows:

£'million	Trade receivables				Total	Contract assets	Total
	30 days or less	31 to 90 days	91 to 180 days	More than 181 days			
Gross carrying amount	340	189	40	21	590	635	1,225
Expected credit loss rate	0.28%	0.46%	1.98%	4.94%		0.28%	
Collectively assessed loss allowance	(1)	(1)	(1)	-	(3)	(2)	(5)
Individually assessed loss allowance	-	-	(1)	(12)	(13)	-	(13)
Total loss allowance	(1)	(1)	(2)	(12)	(16)	(2)	(18)
Net balance	339	188	38	9	574	633	1,207

The loss allowance as at 31 May 2025 was determined as follows:

£'million	Trade receivables				Total	Contract assets	Total
	30 days or less	31 to 90 days	91 to 180 days	More than 181 days			
Gross carrying amount	355	179	42	22	598	612	1,210
Expected credit loss rate	0.35%	0.57%	2.34%	5.03%		0.35%	
Collectively assessed loss allowance	(1)	(1)	(1)	(1)	(4)	(2)	(6)
Individually assessed loss allowance	-	(1)	-	(12)	(13)	-	(13)
Total loss allowance	(1)	(2)	(1)	(13)	(17)	(2)	(19)
Net balance	354	177	41	9	581	610	1,191

Notes to the Financial Statements

For the year ended 31 May 2026

17. Trade and other payables and contract liabilities

Trade and other payables

	Group	Group Restated ³	LLP	LLP Restated ³
£'million	2026	2025	2026	2025
Trade payables	55	34	38	26
Due to DTTL network firms ¹	88	113	60	75
Amounts owed to Group undertakings	-	-	142	67
Corporation tax	-	1	-	-
Social security and other taxes	161	148	123	123
Accruals	650	579	391	369
Others ^{2&3}	28	28	23	14
	982	903	777	674

1. Due to DTTL network firms includes amounts owed to Deloitte NSE Group undertakings (Note 24) as well as other DTTL member firms. Invoices from these entities are typically expected to be settled within 45 days of receipt.

2. Other payables primarily comprise outstanding amounts due to retired members and central shared service costs.

3. Prior year comparatives have been restated in relation to Members' interests, see Note 21 for further details. These adjustments have been applied consistently to all affected disclosure notes in the financial statements.

Contract liabilities

	Group	Group	Group	LLP	LLP	LLP
£'million	2026	2025	1 June 2024	2026	2025	1 June 2024
Contract liabilities	332	294	367	235	213	256
	332	294	367	235	213	256

The carrying amount of trade payables, due to DTTL network firms, amounts owed to Group undertakings and certain accruals and other payables approximates to their fair value (Note 23).

Group

During the financial year ended 31 May 2026, £293 million (2025: £363 million) of the Group's £294 million (2025: £367 million) prior year recorded contract liabilities were recognised as revenue.

LLP

During the financial year ended 31 May 2026, £213 million (2025: £255 million) of the LLP's £213 million (2025: £256 million) prior year recorded contract liabilities were recognised as revenue.

Notes to the Financial Statements

For the year ended 31 May 2026

18. Cash and cash equivalents and borrowings

Cash and cash equivalents comprise:

£'million	Group 2026	Group 2025	LLP 2026	LLP 2025
Cash at bank	149	152	37	53
Demand deposits	115	85	115	85
Cash equivalents:				
Over-night deposits	26	30	26	30
Short-term fixed deposits	41	9	41	9
Short-term liquidity funds	260	290	260	290
	591	566	479	467

Cash and cash equivalents include cash at bank, short-term deposits held with banks and other short-term highly liquid instruments with original maturities of three months or less from the date of acquisition and which are subject to insignificant risk of changes in value. The carrying amount of 'Cash and cash equivalents' approximates fair value owing to the short maturity of these instruments.

Borrowings comprise:

£'million	Group 2026	Group 2025	LLP 2026	LLP 2025
Unsecured borrowings at amortised cost				
Private Placement Loan Notes	250	250	250	250
	250	250	250	250

£'million	Group 2026	Group 2025	LLP 2026	LLP 2025
Amounts due for settlement within 12 months	-	-	-	-
Amounts due for settlement after 12 months	250	250	250	250
	250	250	250	250

Private Placement Loan Notes (the 'Notes')

The coupons and maturities on the Notes are as follows:

Title	Year Issued	Principal Value	Maturity	Semi Annual Coupon
Series A	2023	£180 million	14 November 2033	6.17%
Series B	2023	£20 million	14 November 2035	6.25%
Note 2024	2024	£50 million	20 December 2034	5.64%

The weighted average interest cost of the notes during the year was 6.07% (2025: 6.07%). The Group and the LLP have an option to prepay at any time all, or any part (not less than 5% of the aggregate principal amount of the Notes of all series then outstanding) of the Notes at the principal (including accrued interest) plus a make-whole premium.

Notes to the Financial Statements

For the year ended 31 May 2026

18. Cash and cash equivalents and borrowings (continued)

Private Placement Loan Notes (the 'Notes') (continued)

The notes contain certain prepayment features, which have been considered as a single compound embedded derivative. It was concluded that the compound embedded derivative is not closely related to the host contract and therefore required to be separated and measured at fair value through profit and loss. However, its fair value is negligible at the reporting date.

No prepayment options have been exercised at the reporting date and the Group and the LLP have not otherwise entered into an irrevocable commitment to repay the notes within the next 12 months. Accordingly, they do not affect the classification of the notes, as non-current liabilities.

The current and prior year movements on the Notes are provided below:

£'million	Series A	Series B	Note 2024	Total
At 1 June 2024	180	20	-	200
Issued	-	-	50	50
At 31 May 2025	180	20	50	250
Issued	-	-	-	-
At 31 May 2026	180	20	50	250

Other facilities - Group

At 31 May 2026, the Group had total facilities of £734 million (2025: £730 million) with leading international banks. Please see Note 23 for the LLP's and Group's liquidity risk management policy. These facilities comprised:

- A £700 million (2025: £675 million) revolving credit facility which expires on 08 December 2027; and
- Overdraft facilities of £34 million (2025: £55 million) which are indefinite;

The refinancing of the revolving credit facility will begin in late 2026 and the extension of the facility is expected to be finalised in early 2027.

The revolving credit facility carries an interest rate which is the aggregate of the Sterling Overnight Index Average ('SONIA'), and a margin as well as utilisation fees when drawings reach certain levels. Commitment fees are payable on the amounts undrawn.

At 31 May 2026, £nil (2025: £nil) had been drawn down against these facilities. These facilities are considered adequate to finance variations in the Group's working capital.

Other facilities - LLP

At 31 May 2026 the LLP had total facilities of £710 million (2025: £685 million) with banks. Please see Note 23 for LLP's and Group's liquidity risk management policy. These facilities include the £700 million revolving credit facility described above and a £10 million (2025: £10 million) overdraft facility which is indefinite. At 31 May 2026, £nil (2025: £nil) had been drawn down against these facilities. These facilities are considered adequate to finance variations in the LLP's working capital.

Notes to the Financial Statements

For the year ended 31 May 2026

18. Cash and cash equivalents and borrowings (continued)

Cash flow reconciliations

The tables below detail changes in the Group and LLP's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be classified, in the Group or LLP's cash flow statements within financing activities.

Group £'million	Lease liabilities	Non-current borrowings	Current borrowings	Members' capital	Amounts due to members Restated ²
At 1 June 2024	648	200	-	291	136
Lease payments	(66)	-	-	-	-
Interest payment	(14)	(12)	-	-	-
New borrowings raised	-	50	-	-	-
Repayment of capital to former members	-	-	-	(25)	-
Capital contributions by members	-	-	-	27	-
Payments to members	-	-	-	-	(674)
Interest accrued	14	14	-	-	-
Foreign exchange movements	2	-	-	-	-
Other non-cash movements ¹	26	(2)	-	-	671
At 31 May 2025	610	250	-	293	133
Lease payments	(68)	-	-	-	-
Interest payment	(13)	(15)	-	-	-
New borrowings raised	-	-	-	-	-
Repayment of capital to former members	-	-	-	(29)	-
Capital contributions by members	-	-	-	32	-
Payments to members	-	-	-	-	(872)
Interest accrued	13	15	-	-	-
Foreign exchange movements	4	-	-	-	-
Other non-cash movements ¹	28	-	-	-	789
At 31 May 2026	574	250	-	296	50

1. The Group's other non-cash movements mainly relates to lease additions of £27 million (2025: £19 million) and remeasurements of £1 million (2025: £7 million), allocation and division of profit to members of £773 million (Restated: 2025: £662 million) and amounts due to retired members of £1 million (2025: £1 million).

2. Prior year comparatives have been restated in relation to amounts due to members, see Note 21 for further details. These adjustments have been applied consistently to all affected disclosure notes in the financial statements.

Notes to the Financial Statements

For the year ended 31 May 2026

18. Cash and cash equivalents and borrowings (continued)

Cash flow reconciliations (continued)

LLP					
£'million	Lease liabilities	Non-current borrowings	Current borrowings	Members' capital	Amounts due to members Restated ²
At 1 June 2024	594	200	-	291	136
Lease payments	(57)	-	-	-	-
Interest payment	(13)	(12)	-	-	-
New borrowings raised	-	50	-	-	-
Repayment of capital to former members	-	-	-	(25)	-
Capital contributions by members	-	-	-	27	-
Payments to members	-	-	-	-	(674)
Interest accrued	13	14	-	-	-
Foreign exchange movements	-	-	-	-	-
Other non-cash movements ^{1&2}	25	(2)	-	-	671
At 31 May 2025	562	250	-	293	133
Lease payments	(56)	-	-	-	-
Interest payment	(13)	(15)	-	-	-
New borrowings raised	-	-	-	-	-
Repayment of capital to former members	-	-	-	(29)	-
Capital contributions by members	-	-	-	32	-
Payments to members	-	-	-	-	(872)
Interest accrued	13	15	-	-	-
Foreign exchange movements	-	-	-	-	-
Other non-cash movements ¹	28	-	-	-	789
At 31 May 2026	534	250	-	296	50

1. The LLP's other non-cash movements mainly relates to lease additions of £27 million (2025: £19 million) and remeasurements of £1 million (2025: £6 million), allocation and division of profit to members of £773 million (*Restated*: 2025: £662 million) and amounts due to retired members of £1 million (2025: £1 million).

2. Prior year comparatives have been restated in relation to amounts due to members, see Note 21 for further details. These adjustments have been applied consistently to all affected disclosure notes in the financial statements.

Notes to the Financial Statements

For the year ended 31 May 2026

19. Provisions and contingent liabilities

Group

£'million	Property provisions	Claims and regulatory proceedings	Total
At 1 June 2024	46	48	94
Charge for the year	1	24	25
Paid in the year	(1)	(8)	(9)
Unused amount released	(2)	(7)	(9)
Unwinding of discount (Note 6)	2	-	2
At 31 May 2025	46	57	103
Charge for the year	2	18	20
Paid in the year	(1)	(9)	(10)
Remeasurement	(1)	-	(1)
Unused amount released	(1)	(21)	(22)
Unwinding of discount (Note 6)	2	-	2
At 31 May 2026	47	45	92
Income statement (credit)/charge			
2026	1	(3)	(2)
2025	-	17	17

£'million	Group 2026	Group 2025	LLP 2026	LLP 2025
Included in current liabilities	32	28	33	27
Included in non-current liabilities	60	75	55	72
	92	103	88	99

LLP

£'million	Property provisions	Claims and regulatory proceedings	Total
At 1 June 2024	45	46	91
Charge for the year	1	24	25
Paid in the year	(1)	(8)	(9)
Unused amount released	(2)	(7)	(9)
Unwinding of discount (Note 6)	1	-	1
At 31 May 2025	44	55	99
Charge for the year	2	17	19
Paid in the year	(1)	(8)	(9)
Remeasurement	(1)	-	(1)
Unused amount released	(1)	(21)	(22)
Unwinding of discount (Note 6)	2	-	2
At 31 May 2026	45	43	88
Income statement (credit)/charge			
2026	1	(4)	(3)
2025	(1)	17	16

Notes to the Financial Statements

For the year ended 31 May 2026

19. Provisions and contingent liabilities (continued)

Property provisions

Provisions are recognised for obligations to restore premises to their original condition upon vacating them in consultation with the relevant experts, where such an obligation exists under the lease. The provisions are based on estimated future cash flows discounted to present value, with the amortisation of that discount presented in the income statement as a finance cost.

Property provisions for the Group of £47 million (2025: £46 million) are expected to be utilised by 2041 (2025: 2041). Property provisions for the LLP of £45 million (2025: £44 million) are expected to be utilised by 2040 (2025: 2037). The following table shows the timeline in which undiscounted costs in relation to the property provisions are expected to become current:

Group

2026					
£'million	Current	1-5 years	5-10 years	10 years plus	Total
Property provisions	3	8	12	45	68

2025					
£'million	Current	1-5 years	5-10 years	10 years plus	Total
Property provisions	3	9	9	45	66

LLP

2026					
£'million	Current	1-5 years	5-10 years	10 years plus	Total
Property provisions	3	6	12	45	66

2025					
£'million	Current	1-5 years	5-10 years	10 years plus	Total
Property provisions	3	9	7	45	64

Claims and regulatory proceedings

The Group and its members are involved in a number of disputes in the ordinary course of business which may give rise to claims or regulatory proceedings. A provision representing the cost of defending and concluding claims or regulatory proceedings is made for all matters where costs are likely to be incurred and can be measured reliably. These are measured based upon the most likely outcome of claims however there exists significant uncertainty over the amounts and timings of such costs. This provision is expected to be utilised within the next five years (2025: five years).

The Group carries professional indemnity insurance, and no separate disclosure is made of the detail of claims covered by insurance. Where it is virtually certain that the Group will recover any payments to be made for such professional liability claims, these amounts are recognised as 'insurance reimbursement receivable' assets. The balance was £8 million as at 31 May 2026 (2025: £21 million), with £8 million presented within 'trade and other receivables' (2025: £4 million) (Note 16).

Notes to the Financial Statements

For the year ended 31 May 2026

19. Provisions and contingent liabilities (continued)

Contingent Liabilities

Contingent liabilities are possible obligations whose existence will be confirmed by the outcome of uncertain future events or present obligations where the outflow of resources is considered less than probable or cannot be measured reliably. Contingent liabilities are not recognised in the financial statements but are disclosed unless they are remote. No separate disclosure is made of the detail of such claims or proceedings, or the costs to be recovered by insurance, as to do so could seriously prejudice the position of the group.

Financial guarantee contracts are initially recognised at fair value, which is calculated as the present value of the difference between the net contractual cash flows required under the debt instrument being guaranteed, and the net contractual cash flows that would have been required without the guarantee. Financial guarantees are subsequently measured at the higher of their initial fair value less cumulative amortisation, and the best estimate of the loss allowance determined in accordance with the expected credit loss model. The carrying value of the financial guarantees disclosed below is £nil (2025: £nil).

Deloitte MCS Limited, a subsidiary of the LLP, acts as a guarantor to the LLP in relation to all its banking facilities and all its private placement loan notes (see note 18). At 31 May 2026, the LLP had not drawn down on any of its banking facilities (2025: £nil).

Notes to the Financial Statements

For the year ended 31 May 2026

20. Insurance Contract liabilities

Reconciliation of insurance balances for liability for remaining coverage and liability for incurred claims Group and LLP

Liabilities for remaining coverage				
£'million	Excluding loss component	Loss component ¹	Liability for incurred claims ²	Total
At 1 June 2024				
Insurance contract liabilities	1,638	32	-	1,670
Insurance revenue				
Contracts under the fair value transition approach	(79)	-	-	(79)
	(79)	-	-	(79)
Insurance service expense				
Incurred claims and other insurance service expenses	-	(13)	70	57
Losses and reversal of losses on onerous contracts	-	4	-	4
Insurance service result	(79)	(9)	70	(18)
Finance income or expenses from insurance contracts	(4)	1	-	(3)
Total changes in profit or loss	(83)	(8)	70	(21)
Cash flows				
Claims paid	-	-	(70)	(70)
Total cash flows	-	-	(70)	(70)

At 31 May 2025

Insurance contract liabilities	1,555	24	-	1,579
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1. The loss component comprises retirement annuities and post-transition death in service and long-term ill health benefit cohorts. Being onerous contracts, no insurance revenue has been recognised in relation to these members' benefits.
2. Claims are settled in the period they are incurred, thus no change from past services.

Liabilities for remaining coverage				
£'million	Excluding loss component	Loss component ¹	Liability for incurred claims ²	Total
At 1 June 2025				
Insurance contract liabilities	1,555	24	-	1,579
Insurance revenue				
Contracts under the fair value transition approach	(79)	-	-	(79)
	(79)	-	-	(79)
Insurance service expense				
Incurred claims and other insurance service expenses	-	(9)	70	61
Losses and reversal of losses on onerous contracts	-	5	-	5
Insurance service result	(79)	(4)	70	(13)
Finance income or expenses from insurance contracts	46	3	-	49
Total changes in profit or loss	(33)	(1)	70	36
Cash flows				
Claims paid	-	-	(70)	(70)
Total cash flows	-	-	(70)	(70)

At 31 May 2026

Insurance contract liabilities	1,522	23	-	1,545
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1. The loss component comprises retirement annuities and post-transition death in service and long-term ill health benefit cohorts. Being onerous contracts, no insurance revenue has been recognised in relation to these members' benefits.
2. Claims are settled in the period they are incurred, thus no change from past services.

Notes to the Financial Statements

For the year ended 31 May 2026

20. Insurance Contract liabilities (continued)

Reconciliation of measurement components of insurance contract balances Group and LLP

£'million	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	Contractual Service Margin ¹	Total
At 1 June 2024				
Insurance contract liabilities	1,378	119	173	1,670
Changes that relate to current service				
CSM recognised for services provided	-	-	(6)	(6)
Changes in risk adjustment for non-financial risk for risk expired	-	(14)	-	(14)
Experience adjustments	2	-	-	2
	2	(14)	(6)	(18)
Changes that relate to future services				
Changes in estimate that adjust the CSM	(18)	40	(22)	-
Insurance service result	(16)	26	(28)	(18)
Finance income or expenses from insurance contracts	6	(13)	4	(3)
Total change in profit or loss	(10)	13	(24)	(21)
Cash flows				
Claims paid	(70)	-	-	(70)
Total cash flows	(70)	-	-	(70)
At 31 May 2025				
Insurance contract liabilities	1,298	132	149	1,579

£'million	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	Contractual Service Margin ¹	Total
At 1 June 2025				
Insurance contract liabilities	1,298	132	149	1,579
Changes that relate to current service				
CSM recognised for services provided	-	-	(3)	(3)
Changes in risk adjustment for non-financial risk for risk expired	-	(14)	-	(14)
Experience adjustments	4	-	-	4
	4	(14)	(3)	(13)
Changes that relate to future services				
Changes in estimate that adjust the CSM	78	(2)	(76)	-
Insurance service result	82	(16)	(79)	(13)
Finance income or expenses from insurance contracts	35	9	5	49
Total change in profit or loss	117	(7)	(74)	36
Cash flows				
Claims paid	(70)	-	-	(70)
Total cash flows	(70)	-	-	(70)
At 31 May 2026				
Insurance contract liabilities	1,345	125	75	1,545

1. The CSM for all members' annuities has been determined following the fair value approach on transition.

Notes to the Financial Statements

For the year ended 31 May 2026

20. Insurance Contract liabilities (continued)

Insurance Revenue

£'million	2026	2025
Amounts relating to the changes in liabilities for remaining coverage:		
CSM recognised for services provided	3	6
Change in risk adjustment for non-financial risk for risk expired	14	14
Expected incurred annuity payments	62	59
Total Insurance Revenue	79	79

The following table analyses the expected recognition of the CSM in profit or loss for members' annuities, death in service and long-term ill health benefits:

£'million	Less than 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	5 to 10 years	More than 10 years	Total
At 31 May 2025 ¹	2	3	3	3	3	15	113	142
At 31 May 2026	1	1	2	2	2	8	59	75

1. In the prior year, the comparative CSM run-off disclosure only included members' annuities. The current year's CSM run-off table now presents all components of the liability.

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting obligations associated with members' annuities, retirement annuities, death in service and long-term ill health benefits that are settled by delivering cash. Liquidity risk in respect of liabilities arising from insurance contracts liabilities has been analysed based on the expected payment pattern of the annuities payouts. The members' annuities payouts are contingent on the Group's future profitability; hence, they are limited to the profits generated by the Group, capped at 8% of applicable Group operating profit before annuity charges.

The table below presents for members' annuities, retirement annuities, death in service and long-term ill health benefits the maturity analysis of the group of insurance contracts held that are in a liability position based on the estimated timing of the remaining contractual discounted cash flows.

£'million	Less than 1	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	5 to 10 years	10 to 15 years	More than 15 years	Total
At 31 May 2025	70	68	67	64	63	292	234	440	1,298
At 31 May 2026	71	72	72	70	68	311	254	427	1,345

Key assumptions in the measurement of insurance contracts

The yield curves that were used to discount the estimates of future cash flows are as follows:

	1 year	5 years	10 years	15 years	20 years	40 years
2026	5.6%	5.7%	6.0%	6.3%	6.5%	6.3%
2025	5.7%	5.5%	5.8%	6.1%	6.3%	6.1%

The inflation curves used are as follows:

	1 year	5 years	10 years	15 years	20 years	40 years
2026	4.0%	3.0%	3.3%	3.5%	3.5%	2.9%
2025	3.7%	2.9%	3.3%	3.3%	3.2%	2.7%

Notes to the Financial Statements

For the year ended 31 May 2026

20. Insurance Contract liabilities (continued)

Sensitivity analysis for each significant assumption in the measurement of insurance contracts

The following table demonstrates the effect on profit before tax, insurance contract liability and equity of reasonably possible changes in key assumptions for the Group and the LLP, assuming other assumptions remain unchanged. In practice this is unlikely to occur, and changes in some assumptions may be correlated.

£'million	Change in variable	Increase (reduction) in profit before tax	2026	
			Increase (reduction) in insurance contract liabilities	Increase (reduction) in equity
Discount rate	1.00% reduction	(188)	188	(188)
	1.00% increase	155	(155)	155
Inflation rate	0.50% reduction	34	(24)	34
	0.50% increase	(34)	34	(34)

£'million	Change in variable	Increase (reduction) in profit before tax	2025	
			Increase (reduction) in insurance contract liabilities	Increase (reduction) in equity
Discount rate	1.00% reduction	(189)	189	(189)
	1.00% increase	157	(157)	157
Inflation rate	0.50% reduction	36	(36)	36
	0.50% increase	(33)	33	(33)

Notes to the Financial Statements

For the year ended 31 May 2026

21. Members' interests

Prior year restatement

The LLP and the Group have identified restatements required under IAS 8.42 relating to the accounting treatment of members' drawings on account of profit and certain tax retentions made from partners' profit shares.

Drawings include payments made directly to partners and payments made to tax authorities in advance of profit division. Historically, where members' drawings exceeded their profit allocation, including tax retentions, during the year, the net amount due from the member was recognised as a current asset within 'amounts due from members' on the balance sheet. This treatment was also reflected in Note 2.1 of the financial statements. The accounting treatment has been retrospectively restated to recognise the in-year distributions as divisions of profit and distributions to members when they are made, rather than as recoverable amounts due from members, as this more accurately reflects the LLP and Group's inability to recover those amounts when paid.

Additionally, tax retentions have been made from profit shares awarded to partners, to allow the firm to pay tax liabilities on behalf of partners as they arise. A portion of these retentions is held to settle partners' tax liabilities on their behalf, although the relevant partners and amounts have not yet been determined. This element of the retention has previously been treated as equity (as part of members' other reserves). However, these tax retentions arise in respect of profits that have previously been divided amongst partners. While the related tax retentions have not yet been allocated to individual partners, the underlying profits have already been awarded and therefore do not represent amounts available for future profit division. As the retained amounts must ultimately be paid either to partners or to tax authorities on their behalf, they represent a liability of the firm and are therefore presented within amounts due to members.

The effect of these restatements are shown in the tables below.

Changes to comparative amounts

Changes to comparative amounts impact the 1 June 2024 and 31 May 2025 balance sheets and statements of changes in equity for the LLP and the Group.

(a) Changes to 1 June 2024 opening balance sheet for the Group:

Balance Sheet (£'million)	As previously reported	Drawings	Tax	Impact of Restatement	As restated
Amount due from Members	160	(178)	18	(160)	-
Trade and other receivables	1,087	(11)	(1)	(12)	1,075
Current assets	2,626	(189)	17	(172)	2,454
Total assets	3,621	(189)	17	(172)	3,449
Amount due to Members	-	-	65	65	65
Trade and other payables	984	1	2	3	987
Current liabilities	1,464	1	67	68	1,532
Amounts due to Members	-	-	71	71	71
Non-Current Liabilities	2,808	-	71	71	2,879
Total liabilities	4,272	1	138	139	4,411
Net liabilities attributable to members	(651)	(190)	(121)	(311)	(962)
Members' other reserves	(651)	(190)	(121)	(311)	(962)
Total members' interests	(520)	(12)	(3)	(15)	(535)

Notes to the Financial Statements

For the year ended 31 May 2026

21. Members' interests (continued)

Prior year restatement (continued)

(b) Changes to 1 June 2024 opening balance sheet for the LLP:

Balance Sheet (£'million)	As previously reported	Drawings	Tax	Impact of Restatement	As restated
Amount due from Members	160	(178)	18	(160)	-
Trade and other receivables	768	(11)	(1)	(12)	756
Current assets	1,988	(189)	17	(172)	1,816
Total assets	2,782	(189)	17	(172)	2,610
Amount due to Members	-	-	65	65	65
Trade and other payables	682	1	2	3	685
Current liabilities	1,047	1	67	68	1,115
Amounts due to Members	-	-	71	71	71
Non-Current Liabilities	2,737	-	71	71	2,808
Total liabilities	3,784	1	138	139	3,923
Net liabilities attributable to members	(1,002)	(190)	(121)	(311)	(1,313)
Members' other reserves	(1,002)	(190)	(121)	(311)	(1,313)
Total members' interests	(871)	(12)	(3)	(15)	(886)

(c) Changes to 31 May 2025 balance sheet for the Group:

Balance Sheet (£'million)	As previously reported	Drawings	Tax	Impact of Restatement	As restated
Amount due from Members	198	(193)	(5)	(198)	-
Trade and other receivables	995	(4)	(1)	(5)	990
Current assets	2,547	(197)	(6)	(203)	2,344
Total assets	3,546	(197)	(6)	(203)	3,343
Amount due to Members	-	-	130	130	130
Trade and other payables	903	-	-	-	903
Current liabilities	1,304	-	130	130	1,434
Amounts due to Members	-	-	3	3	3
Non-Current Liabilities	2,770	-	3	3	2,773
Total liabilities	4,074	-	133	133	4,207
Net liabilities attributable to members	(528)	(197)	(139)	(336)	(864)
Members' other reserves	(528)	(197)	(139)	(336)	(864)
Total members' interests	(433)	(4)	(1)	(5)	(438)

(d) Changes to 31 May 2025 balance sheet for the LLP:

Balance Sheet (£'million)	As previously reported	Drawings	Tax	Impact of Restatement	As restated
Amount due from Members	198	(193)	(5)	(198)	-
Trade and other receivables	738	(4)	(1)	(5)	733
Current assets	2,016	(197)	(6)	(203)	1,813
Total assets	3,012	(197)	(6)	(203)	2,809
Amount due to Members	-	-	130	130	130
Trade and other payables	674	-	-	-	674
Current liabilities	984	-	130	130	1,114
Amounts due to Members	-	-	3	3	3
Non-Current Liabilities	2,686	-	3	3	2,689
Total liabilities	3,670	-	133	133	3,803
Net liabilities attributable to members	(658)	(197)	(139)	(336)	(994)
Members' other reserves	(658)	(197)	(139)	(336)	(994)
Total members' interests	(563)	(4)	(1)	(5)	(568)

Notes to the Financial Statements

For the year ended 31 May 2026

21. Members’ interests (continued)

Prior year restatement (continued)

(e) Changes to 31 May 2025 statement of changes in equity for the Group:

Balance Sheet (£'million)	As previously reported	Drawings	Tax	Impact of Restatement	As restated
Balance at 1 June 2024	(651)	(190)	(121)	(311)	(962)
Allocated/divided profit in the year	(637)	(7)	(18)	(25)	(662)
Transactions with owners	(638)	(7)	(18)	(25)	(663)
Balance at 31 May 2025	(528)	(197)	(139)	(336)	(864)

(f) Changes to 31 May 2025 statement of changes in equity for the LLP:

Balance Sheet (£'million)	As previously reported	Drawings	Tax	Impact of Restatement	As restated
Balance at 1 June 2024	(1,002)	(190)	(121)	(311)	(1,313)
Allocated/divided profit in the year	(637)	(7)	(18)	(25)	(662)
Transactions with owners	(638)	(7)	(18)	(25)	(663)
Balance at 31 May 2025	(658)	(197)	(139)	(336)	(994)

Notes to the Financial Statements

For the year ended 31 May 2026

21. Members' interests (continued)

Group

£'million	Members' capital	Members' other reserves	Amounts due to/(from) members	Total
Balance at 1 June 2024 (as previously stated)	291	(651)	(160)	(520)
Effect of restatement ³	-	(311)	296	(15)
Balance at 1 June 2024 (restated) ³	291	(962)	136	(535)
Profit for the year	-	757	-	757
Other comprehensive income for the year	-	4	-	4
	291	(201)	136	226
Operating profit allocated/divided to members ^{1&3}	-	(662)	662	-
Capital contributions by members	27	-	-	27
Repayment of capital	(25)	-	-	(25)
Payments to members	-	-	(674)	(674)
Transfer out – Retired members' balances (net) ²	-	-	9	9
Deemed distribution to parent	-	(1)	-	(1)
Balance at 1 June 2025 (restated) ³	293	(864)	133	(438)
Profit for the year	-	769	-	769
Other comprehensive income for the year	-	92	-	92
	293	(3)	133	423
Operating profit allocated/divided to members ¹	-	(773)	773	-
Members Remuneration Charged as expense	-	-	17	17
Capital contributions by members	32	-	-	32
Repayment of capital	(29)	-	-	(29)
Payments to members	-	-	(872)	(872)
Transfer out – Retired members' balances (net) ²	-	-	(1)	(1)
Deemed distribution to parent	-	(1)	-	(1)
Balance at 31 May 2026	296	(777)	50	(431)

1. Throughout the year, cash distributions to partners are made which represent interim divisions of profit. In addition, the final profit division is completed after the year end. As a result, profits included within members other reserves only represent the balance of profits available for future discretionary division among members as at 31 May 2025 and 2026. Amounts becoming due to members as a result of equity participation rights following a discretionary division of profits are reflected in the statement of changes in equity in the year in which the division occurs. Consequently, in the current year profit divisions represents interim profit divisions for the current year and the balancing profit division from the previous year.

2. The balances above have been transferred out of 'Amounts due to members' to 'Other creditors'.

3. Prior year comparatives have been restated in relation to Members' interests, see the prior year restatement tables above. These adjustments have been applied consistently to all affected disclosure notes in the financial statements.

Notes to the Financial Statements

For the year ended 31 May 2026

21. Members' interests (continued)

LLP

£'million	Members' capital	Members' other reserves	Amounts due to/(from) members	Total
Balance at 1 June 2024 (as previously stated)	291	(1,002)	(160)	(871)
Effect of restatement ³	-	(311)	296	(15)
Balance at 1 June 2024 (restated)	291	(1,313)	136	(886)
Profit for the year	-	981	-	981
Other comprehensive income for the year	-	1	-	1
	291	(331)	136	96
Operating profit allocated/divided to members ^{1&3}	-	(662)	662	-
Capital contributions by members	27	-	-	27
Repayment of capital	(25)	-	-	(25)
Payments to members	-	-	(674)	(674)
Transfer out – Retired members' balances (net) ²	-	-	9	9
Deemed distribution to parent	-	(1)	-	(1)
Balance at 1 June 2025 (restated) ³	293	(994)	133	(568)
Profit for the year	-	765	-	765
Other comprehensive income for the year	-	56	-	56
	293	(173)	133	253
Operating profit allocated/divided to members ¹	-	(773)	773	-
Members Remuneration Charged as expense	-	-	17	17
Capital contributions by members	32	-	-	32
Repayment of capital	(29)	-	-	(29)
Payments to members	-	-	(872)	(872)
Transfer out – Retired members' balances (net) ²	-	-	(1)	(1)
Deemed distribution to parent	-	(1)	-	(1)
Balance at 31 May 2026	296	(947)	50	(601)

1. Throughout the year, cash distributions to partners are made which represent interim divisions of profit. In addition, the final profit division is completed after the year end. As a result, profits included within members other reserves only represent the balance of profits available for future discretionary division among members as at 31 May 2025 and 2026. Amounts becoming due to members as a result of equity participation rights following a discretionary division of profits are reflected in the statement of changes in equity in the year in which the division occurs. Consequently, in the current year profit divisions represents interim profit divisions for the current year and the balancing profit division from the previous year.

2. The balances above have been transferred out of 'Amounts due to members' to 'Other payables'.

3. Prior year comparatives have been restated in relation to Members' interests, see the prior year restatement tables above. These adjustments have been applied consistently to all affected disclosure notes in the financial statements.

Notes to the Financial Statements

For the year ended 31 May 2026

21. Members' interests (continued)

Group and LLP

The liabilities related to members' interests are classified as:

£'million	Members' capital	Restated Amounts due to
2025		
Non-Current	279	3
Current	14	130
Restated balance at 31 May 2025 ¹	293	133
2026		
Non-Current	279	17
Current	17	33
Balance at 31 May 2026	296	50

1. Prior year comparatives have been restated in relation to amounts due to members, see Note 21 for further details. These adjustments have been applied consistently to all affected disclosure notes in the financial statements.

Members' capital is classified as a financial liability, because it is repayable when a member leaves the Group.

The negative members' interests arise as a result of the members' distributable profit being determined by the Group's management accounts, which are based on different accounting policies to these financial statements. The difference between these financial statements and the Group's management accounts (recognised on a cash accounting basis) primarily relates to the recognition of insurance contract liabilities of £1,545 million (2025: £1,579 million). The payment of these insurance contracts is mainly conditional on the future generation of profits and is payable over a number of years with £71 million (2025: £70 million) expected to be payable in the 12 months from the date of when the financial statements are authorised for issue.

Members' other reserves includes accumulated profits/losses and other immaterial reserves such as the retranslation of foreign operations.

Members' other reserves rank after unsecured creditors and loans, and other debts due to members ranking pari passu with unsecured creditors in the event of a winding up.

Members' profit share

The Group's distributable profits are allocated according to members' units. The unit allocation and final profit division is completed after the year-end and accordingly, there was no automatic division of profits among the members at 31 May 2026. Throughout the year, additional divisions of profit are made by monthly drawings and payments on account made to tax authorities. As a result, the balance of profit available for division among the members as at 31 May 2026 is included in members' other reserves.

Notes to the Financial Statements

For the year ended 31 May 2026

22. Employee Benefits

The cost of employee benefits included in the income statement for the year was:

£'million	Group 2026	Group 2025	LLP 2026	LLP 2025
Contributions to defined contribution scheme (Note 4)	253	248	165	166
Current and past service cost for employee benefit schemes (including curtailments) and net interest income	52	53	-	-
Loss from settlements	59	-	59	-
	364	301	224	166

The employee benefits liability for the year was:

£'million	Group 2026	Group 2025	LLP 2026	LLP 2025
Defined benefit retirement obligation	7	42	-	-
	7	42	-	-

Retirement benefit schemes

Defined contribution schemes

The Group's primary defined contribution scheme, the Deloitte Pension Plan ('DPP'), is a defined contribution master trust arrangement operated by Standard Life where the assets are held separately from those of the Group. The DPP is open for employees in the UK, Jersey and Guernsey (except those employees who retained their personal pension policy arrangements in the Channel Islands). For employees in the UK, a salary sacrifice arrangement also exists, known as the SMART Pensions, under which the employer contributions are increased by 5% of the employee contribution to provide a share of the Group's saving of its National Insurance contribution. This is paid into the DPP in addition to the employer contributions. Employees can opt out of the SMART pensions' arrangement of the DPP.

As at 31 May 2026, the DPP scheme had 21,284 members (2025: 21,492), of which 14,260 members (2025: 15,310) related to employees of the LLP. At 31 May 2026, the Group and LLP had £nil (2025: Group and LLP £nil) contributions payable to the DPP respectively.

Defined benefit schemes

UK Pension Scheme ('DUKPS')

In the UK, via the Deloitte LLP entity, the Group provided retirement benefits on a defined benefit basis through the Deloitte UK Pension Scheme up until 31 March 2021. On 1 April 2021, the assets and liabilities of the Scheme were transferred to the DUKPS Section of the Deloitte Pensions Master Plan (the 'UK Scheme'). There were no changes to the benefits provided to the members.

The UK Scheme was closed to future accrual for remaining active members with effect from 31 January 2013. Under the UK Scheme, members are entitled to retirement benefits of up to two-thirds of their final salary on attainment of retirement ages between 60 and 65, depending upon their pensionable service. No other post-retirement benefits are provided. The UK Scheme is a funded scheme, with the UK Scheme assets held separately under trust to meet the long-term pension liabilities for past members. The Trustee of the UK Scheme is required by law to act in the interest of all of the beneficiaries of the UK Scheme and is responsible for the investment policy with regard to the UK Scheme assets and for determining the contribution by Deloitte LLP to the UK Scheme.

The most recent triennial actuarial valuation of the UK Scheme, based on the 31 March 2024 funded position, was completed on 21 May 2024 by a qualified independent actuary. The valuation used for the purposes of IAS 19 Employee Benefits ('IAS 19') has been based on the results of this valuation to take account of the requirements of IAS 19 to value the assets and liabilities of the scheme at the balance sheet date.

Notes to the Financial Statements

For the year ended 31 May 2026

22. Employee Benefits (continued)

Retirement benefit schemes (continued)

Defined benefit schemes (continued)

The UK pension Scheme Buy-in and Buy-out

During the current year, the trustees of the UK Scheme completed a Buy-in and Buy-out transaction with Standard Life. The transaction resulted in substantially all of the UK Scheme's benefits and liabilities being settled in exchange for consideration of £703 million. The consideration was settled from the UK Scheme's existing assets. In addition, while the LLP initially incurred the directly attributable expenses, these were fully reimbursed by the UK Scheme, resulting in no net cash impact on the LLP.

The 16 April 2026, the buy-out date, is considered the settlement date, as it is the point at which all further legal or constructive obligations for the benefits provided under the scheme are extinguished. Upon settlement, for the year ended 31 May 2026, a charge of £59 million has been recognised within the line item "Employee Costs" in the LLP's and the Group's Income Statement, relating to the settlement of the UK Scheme following the completion of the Buy-out. Additionally, a gain of £97 million has been recognised in the LLP's and the Group's Statement of Comprehensive Income within "Changes in asset ceiling – UK and Swiss pension schemes". The gain represents the remeasurement of the asset ceiling restriction at the settlement date. The overall net impact of the settlement charge and the gain on asset ceiling remeasurement arising from the buy-out transaction across the Income Statement and Statement of Comprehensive Income was £nil. There was also no balance sheet effect, with nil net pension liability in both the current year and prior year for the DUKPS.

The calculation of gain and loss on settlement:

£'million	At Settlement
Fair value of plan assets transferred	703
Administrative expenses related to settlement	10
Total settlement price	713
Less- value of defined benefit obligations settled	(654)
Loss recognised in the Income Statement	59

The principal actuarial assumptions at the settlement date were as follows:

Percentage	UK
Discount rate	5.9
Inflation (RPI)	3.3
Inflation (CPI)	2.9
Expected increase in pension payments	
RPI subject to a maximum of 5.0 % pa	3.0
RPI subject to a maximum of 4.0% pa	2.8
RPI subject to a maximum of 2.5% pa	2.0

The assumed life expectancy following retirement at age 65 for the UK Scheme members at the settlement date were as follows:

	2026
<i>Retiring today:</i>	
Males	23
Females	24
<i>Retiring in 20 years:</i>	
Males	24
Females	26

Notes to the Financial Statements

For the year ended 31 May 2026

22. Employee Benefits (continued)

Retirement benefit schemes (continued)

Swiss Schemes

In the prior year, the Switzerland national practice changed its third-party pension provider from a fully insured scheme operated by Baloise, to a semi-autonomous collective foundation operated by Profond (the 'Swiss Schemes', and when taken together with the UK Scheme, the 'Schemes'). Profond's board of Trustees are responsible for the investment policy with regards to the assets of the fund. The Trustees of the pension fund are required by law to act in the interest of the fund and of all relevant stakeholders in the plans.

Under the Swiss Schemes, the final benefit is contribution-based with certain minimum guarantees. Due to these minimum guarantees, the Group's Swiss Schemes are treated as a defined benefit scheme for the purposes of these financial statements, although the Swiss Schemes have many of the characteristics of a defined contribution plan.

The Swiss Schemes require contributions from employees and the Group. The employee contributions are based on the age of the employee through an age dependent contribution rate applied to the salary of the employees. Employees can also make discretionary contributions to the plans. The Group funds the cost of the entitlements expected to be earned on a yearly basis. The funding requirements are based on a local actuarial measurement framework. The contributions made to the collective foundation are invested at the discretion of Profond's board of Trustees.

In circumstances where an under-funding arises on a statutory basis, this may be remedied by various measures such as increasing employee and employer contributions, lowering interest rates on retirement savings, or reducing prospective benefits. However, as at 31 May 2026 there is no underfunding requirement.

Scheme risks

The Schemes expose the Group to risks such as investment risk, interest rate risk and longevity risk.

Investment risk

Under IAS 19, the present value of the Swiss Schemes' liability is calculated using a discount rate determined by reference to high-quality corporate bond yields. Under Swiss law, calculation of the surplus/deficit is made using a different valuation methodology: the liabilities are determined by discounting future cash-in and cash-out flows of the scheme; the cash-flows are determined using actuarial valuation methods and discounting is done using a best-estimate or prudent discount rate. Assets are valued at market value. The surplus/deficit is the derived comparing assets and liabilities. Only if/when the Scheme is in deficit under the Swiss statutory valuation method further contributions could be required from the Group, after a series of other deficit mitigation measures.

The Swiss Scheme's assets, representing the savings capital of employees and the reserves of the annuitants, are invested across a relatively balanced portfolio of equity securities, debt instruments, and real estate. Due to the long-term nature of the plan liabilities, the Trustees of the pension fund consider it appropriate that a reasonable portion of the plan assets should be invested in equity securities and in real estate to leverage the return generated by the fund. Strategic management of the assets of the Schemes, including setting the asset allocation guidelines is the responsibility of the Trustees. The Trustees take into consideration the Schemes' liability, the covenant of the Group and funding levels, when setting the investment strategy. The Trustees of the Schemes continue to review the investment strategy on a regular basis.

Interest rate risk

Under IAS 19, the present value of the Swiss Scheme's' liability is calculated using a discount rate determined by reference to high-quality corporate bond yields. A decrease in yield rate will increase the Schemes' liability. This will, however, be partially offset by an increase in the value of the Swiss Scheme's' interest rate sensitive investments. The Swiss statutory valuation of liabilities is exposed to the same interest rate risks, but on the different discount rate applied.

Notes to the Financial Statements

For the year ended 31 May 2026

22. Employee Benefits (continued)

Retirement benefit schemes (continued)

Assumptions

The principal actuarial assumptions at the balance sheet date are as follows:

Percentage	2026		2025	
	UK ¹	Swiss	UK	Swiss
Discount rate	n/a	1.3	5.7	1.0
Inflation (RPI)	n/a		3.0	
Inflation (CPI)	n/a		2.5	
Interest Credit on Retirement Savings		3.5		3.5
Social Security Increase		0.5		1.0
Expected increase in pension payments				
RPI subject to a maximum of 5.0 % pa	n/a		2.9	
RPI subject to a maximum of 4.0% pa	n/a		2.6	
RPI subject to a maximum of 2.5% pa	n/a		1.9	
Expected salary increase rate		1.9		2.4

1. At the balance sheet date, the UK Pension Scheme's net liabilities were £2 million, following the completion of the buy-out. Therefore, based on materiality, no assumptions have been disclosed in the current year for this scheme.

For the Swiss Schemes, the mortality of the Scheme's members for the current year is assumed to be in line with the BVG 2025 generational tables (2024: BVG 2020 generational tables).

Sensitivity analysis for each significant actuarial assumption

For the current reporting period, management has assessed the actuarial assumptions used in determining the defined benefit obligations for both the UK and Swiss pension schemes. Based on this assessment, no individual actuarial assumption has been identified as significant in the context of the LLP and the Group's overall financial position, nor do they represent a Key Source of Estimation Uncertainty under IAS 1 Presentation of Financial Statements. This conclusion is supported by the fact that sensitivity analyses performed for each assumption indicate that any reasonably possible changes in these assumptions would result in an immaterial impact on the net defined benefit liability (or asset) for both the UK and Swiss schemes. Consequently, no detailed sensitivity analysis for actuarial assumptions has been presented in these financial statements.

Amounts recognised in the Income Statement

The amounts recognised in the income statement in respect of the defined benefit schemes are as follows:

£'million	Group	Group	LLP	LLP
	2026	2025	2026	2025
Operating expenses – Current and past service cost	52	59	-	-
Loss from settlements	59	-	59	-
Finance costs – Asset ceiling	5	5	5	5
Finance costs – Net interest income	(5)	(5)	(5)	(5)
	111	59	59	-

Notes to the Financial Statements

For the year ended 31 May 2026

22. Employee benefits (continued)

Retirement benefit schemes (continued)

Amounts recognised in the Statement of Comprehensive Income

Re-measurements recognised in the statement of comprehensive income are:

Group £'million	2026 UK	2026 Swiss	2026 Total	2025 UK	2025 Swiss	2025 Total
Return on Scheme assets (excluding amounts included in the net interest cost)	15	(55)	(40)	66	2	68
Actuarial losses/(gains) arising from changes in demographic assumptions	18	(10)	8	(4)	-	(4)
Actuarial losses/(gains) arising from changes in financial assumptions	(3)	(18)	(21)	(49)	72	23
Actuarial losses/(gains) arising from changes in experience assumptions	8	41	49	(2)	(63)	(65)
Re-measurements of defined benefit pension schemes	38	(42)	(4)	11	11	22
Effect of asset ceiling (excluding amounts included in the net interest cost) – restrictions on asset recognised	(97)	1	(96)	(11)	(1)	(12)
	(59)	(41)	(100)	-	10	10

Funded status and Scheme assets

The amount recognised in the balance sheet arising from the obligations in respect of the defined benefit schemes is:

Group £'million	2026			2025		
	UK	Swiss	Total	UK	Swiss	Total
Fair value of Scheme assets	6	614	620	735	481	1,216
Present value of Scheme obligations	(2)	(620)	(622)	(639)	(523)	(1,162)
Funded status	4	(6)	(2)	96	(42)	54
Asset ceiling – restrictions on asset recognised ¹	(4)	(1)	(5)	(96)	-	(96)
Asset ceiling – gain following settlement ¹	-	-	-	-	-	-
Net liability recognised in the balance sheet	-	(7)	(7)	-	(42)	(42)

1. As the LLP and the Group does not have an unconditional right to a refund, an adjustment has been made in the amount of £4 million (2025: £96 million) for the UK Pension Scheme, representing the funded status where recoverability is contingent on events outside of the LLP and the Group's control. The net liability for the Swiss pension schemes represents two separate schemes, where one is in surplus (£1 million) and the other is in deficit (£7 million). In the prior year, both Swiss schemes were in deficit. The Swiss schemes have been offset on the basis of materiality.

Movement in Scheme assets

The movements in the Schemes' assets were as follows:

Group £'million	2026			2025		
	UK	Swiss	Total	UK	Swiss	Total
Opening fair value of Scheme assets	735	481	1,216	802	439	1,241
Interest income	36	5	41	40	7	47
Re-measurement loss: Return on Scheme assets (excluding amounts included in net interest cost)	(15)	55	40	(66)	(4)	(70)
Group contributions	-	48	48	-	40	40
Contributions from employees	-	23	23	-	22	22
Benefits paid	(37)	(27)	(64)	(41)	(42)	(83)
Exchange movement	-	29	29	-	19	19
Fair value of Scheme assets before settlement	719	614	1,333	735	481	1,216
Plan assets transferred to insurer	(703)	-	(703)	-	-	-
Administrative expenses related to settlement	(10)	-	(10)	-	-	-
Closing fair value of Scheme assets	6	614	620	735	481	1,216

Notes to the Financial Statements

For the year ended 31 May 2026

22. Employee benefits (continued)

Retirement benefit schemes (continued)

Allocation and market value of Scheme assets

The allocation and market value of Scheme assets at the balance sheet date were as follows:

Group		2026			2025		
£'million		UK	Swiss	Total	UK	Swiss	Total
Global equity	Unquoted	-	298	298	-	222	222
Corporate bonds	Quoted	-	-	-	620	-	620
Physical Gold (allocated)	Quoted	-	18	18	-	-	-
UK property	Unquoted	8	-	8	37	-	37
Swiss property	Unquoted	-	128	128	-	104	104
Money market	Quoted	-	-	-	-	6	6
Debt fund	Unquoted	-	62	62	-	58	58
Debt fund	Quoted	-	-	-	-	9	9
Infrastructure	Unquoted	-	24	24	72	19	91
Private market and funds	Unquoted	-	37	37	-	23	23
Insured annuities	Unquoted	-	-	-	1	-	1
Managed Futures and funds	Unquoted	-	27	27	-	-	-
Cash at bank		4	20	24	5	40	45
Other liabilities ¹		(6)	-	(6)	-	-	-
		6	614	620	735	481	1,216

1. Other liabilities include £0.5 million payable to Standard Life in relation to the settlement price and £5.2 million payable to the LLP for the reimbursement of expenses in relation to the UK pension scheme's buy-out transaction.

Scheme obligations

The changes in defined benefit obligations were as follows:

Group		2026			2025		
£'million		UK	Swiss	Total	UK	Swiss	Total
Opening present value of defined benefit obligations		639	523	1,162	700	448	1,148
Current service cost		-	52	52	-	35	35
Interest cost		31	5	36	35	7	42
Contributions from employees		-	23	23	-	22	22
Remeasurement losses/(gains):							
Changes in demographic		18	(10)	8	(4)	-	(4)
Changes in financial assumptions		(3)	(18)	(21)	(49)	72	23
Experience adjustments on defined benefit		8	41	49	(2)	(63)	(65)
Past service cost (including curtailments)		-	-	-	-	24	24
Benefits paid		(37)	(27)	(64)	(41)	(42)	(83)
Exchange movement		-	31	31	-	20	20
Present value of defined benefit obligations buy-out		656	620	1,276	-	-	-
Obligations transferred to insurer at settlement		(654)	-	(654)	-	-	-
Closing present value of defined benefit obligations		2	620	622	639	523	1,162

Asset ceiling

The changes in asset ceiling were as follows:

Group		2026			2025		
£'million		UK	Swiss	Total	UK	Swiss	Total
Opening restriction due to asset ceiling		96	-	96	102	1	103
Interest on asset ceiling		5	-	5	5	-	5
Change in asset ceiling excluding interest		(97)	1	(96)	(11)	(1)	(12)
Closing restriction due to asset ceiling		4	1	5	96	-	96

Notes to the Financial Statements

For the year ended 31 May 2026

22. Employee benefits (continued)

Retirement benefit schemes (continued)

Maturity profile of the defined benefit obligation

The remaining defined benefit obligation for the UK pension scheme is expected to be settled in full within 12 months of the reporting date. Upon settlement of this obligation and the discharge of any remaining scheme assets, the UK pension scheme will be formally wound up. Consequently, the average duration of the remaining liabilities is considered to be less than one year. The average duration of the UK Scheme at the end of the prior reporting period was 10 years. This number can be subdivided into the duration related to:

- Deferred members: 12 years; and
- Former members: 9 years.

The average duration of the Swiss Schemes at the end of the reporting period is 9 years (2025: 10 years).

Expected contributions to the Schemes for the next annual reporting period

Group and LLP

A contribution of CHF 41 million (2025: CHF 44 million) is expected to be made by the Group in respect of the Swiss Schemes in the next financial year, based on the local actuarial measurement framework.

23. Financial instruments

Capital and financial risk management

The Group's objective when managing capital is to safeguard its ability to continue as a going concern and to maintain a capital structure that supports the cash requirements of the business and its strategic objectives.

To achieve this objective, the Group manages its capital by:

- Regularly reviewing its funding requirements: The Group undertakes regular reviews of its funding requirements to ensure that capital and debt facilities are adequate across the planning horizon. This involves forecasting cash flows and assessing the impact of plausible downside scenarios. Funding needs are identified well in advance, allowing for timely action to secure necessary resources.
- Periodically reviewing its financing strategy: The Group periodically reviews its financing strategy to ensure an appropriate mix of capital sources. This includes evaluating the balance between partner capital contributions, retained earnings, and external debt financing. This review also considers the cost of capital, financial covenants associated with debt facilities, and the Group's overall risk appetite. The Group's capital structure and treasury policies are periodically reviewed by the Group's Executive to ensure they remain relevant to the business and its plans for growth.
- Monitoring its capital composition: The Group's capital principally comprises members' capital, undistributed profits, and net debt, as detailed in Notes 18 and 21. The balance of capital and debt is actively monitored, and adjustments are made as needed to ensure a capital structure which is consistent with the business and its strategic objectives. For example, if internal limits for debt are projected to be met, the Group may consider increasing partner capital contributions or adjusting the pace of distributions.
- Actively managing working capital: The Group aims to minimize the level of short-term borrowing by actively managing and targeting customer receivables, amounts due from DTTL network firms, and contract assets. This includes optimizing billing cycles and implementing robust credit control procedures.

This approach to capital management enables the Group to meet its operational needs, pursue strategic opportunities, and navigate economic uncertainties while maintaining a robust financial position.

The Group holds financial instruments to finance its operations and manage foreign currency risks arising from its operations. The principal financial instruments held by the Group are summarised in the tables below by measurement category. Such instruments give rise to liquidity, counterparty credit, interest rate and foreign currency risks. Information about these risks and how they are managed is set out on the following pages.

Notes to the Financial Statements

For the year ended 31 May 2026

23. Financial instruments (continued)

Capital and financial risk management (continued)

The carrying amounts of financial instruments are as follows:

Group

£'million	Carrying value				Fair value
	Assets at amortised cost	FVTPL	FVTOCI – designated	Liabilities at amortised cost	
At 31 May 2026					
Assets					
Trade and other receivables ¹	876	-	-	-	876
Contract assets	804	-	-	-	804
Cash and cash equivalents	331	260	-	-	591
Other non-current assets	17	-	15	-	32
Liabilities					
Trade and other payables ²	-	-	-	398	398
Borrowings	-	-	-	250	256
Lease liabilities	-	-	-	574	n/a
Amounts due to members	-	-	-	50	50
Members' capital	-	-	-	296	296
At 31 May 2025					
Assets					
Trade and other receivables ¹	876	-	-	-	876
Contract assets	785	-	-	-	785
Amounts due from members (restated) ³	-	-	-	-	-
Cash and cash equivalents	276	290	-	-	566
Other non-current assets	28	-	15	-	43
Liabilities					
Trade and other payables ²	-	-	-	443	443
Borrowings	-	-	-	250	257
Amounts due to members (restated) ³	-	-	-	133	133
Lease liabilities	-	-	-	610	n/a
Members' capital	-	-	-	293	293

1. Trade and other receivables in the balance sheet includes prepayments, corporation tax receivables, insurance reimbursement receivables and certain other receivables, which are not financial assets and hence excluded from the tables above.

2. Trade and other payables in the balance sheet includes social security and other taxes, corporation tax and certain accruals and other payables, which are not financial liabilities and hence excluded from the tables above.

3. Prior year comparatives have been restated in relation to amounts due to members, see Note 21 for further details. These adjustments have been applied consistently to all affected disclosure notes in the financial statements.

Notes to the Financial Statements

For the year ended 31 May 2026

23. Financial instruments (continued)

Capital and financial risk management (continued)

LLP

£'million	Assets at amortised cost	Carrying value			Fair value
		FVTPL	FVTOCI – designated	Liabilities at amortised cost	
At 31 May 2026					
Assets					
Trade and other receivables ¹	656	-	-	-	656
Contract assets	633	-	-	-	633
Cash and cash equivalents	219	260	-	-	479
Other non-current assets	9	-	12	-	21
Liabilities					
Trade and other payables ²	-	-	-	414	414
Borrowings	-	-	-	250	256
Lease liabilities	-	-	-	534	n/a
Amounts due to members	-	-	-	50	50
Members' capital	-	-	-	296	296

At 31 May 2025

Assets					
Trade and other receivables ¹	655	-	-	-	655
Contract assets	610	-	-	-	610
Amounts due from members (restated) ³	-	-	-	-	-
Cash and cash equivalents	177	290	-	-	467
Other non-current assets	10	-	12	-	22
Liabilities					
Trade and other payables ²	-	-	-	372	372
Borrowings	-	-	-	250	257
Lease liabilities	-	-	-	562	n/a
Amounts due to members (restated) ³	-	-	-	133	133
Members' capital	-	-	-	293	293

1. Trade and other receivables in the balance sheet includes prepayments, corporation tax receivables, insurance reimbursement receivables and certain other receivables, which are not financial assets and hence excluded from the tables above.

2. Trade and other payables in the balance sheet includes, social security and other taxes, corporation tax and certain accruals and other payables, which are not financial liabilities and hence excluded from the tables above.

3. Prior year comparatives have been restated in relation to amounts due to members, see Note 21 for further details. These adjustments have been applied consistently to all affected disclosure notes in the financial statements.

Notes to the Financial Statements

For the year ended 31 May 2026

23. Financial instruments (continued)

Fair value measurement

The Group's foreign exchange swap contracts, typically with maturities of one month or less, are measured at fair value at the end of each reporting period using the discounted cash flow valuation technique. The fair value of these instruments is estimated using future cash flows based on contractual interest rates (if applicable) and the foreign exchange rates discounted by the market interest rate and adjusted for counterparty credit risk.

The investments in equity instruments are designated at FVTOCI because recognising short-term fluctuations in these investments in line with a FVTPL approach would not be consistent with the Group's strategy of holding these investments for long-term purposes. The fair value of such investments as at 31 May 2026 for the Group and LLP is £15 million (2025: £15 million) and £12 million (2025: £12 million) respectively (Note 15). The fair value of these equity instruments, that are not traded in an active market, is determined using valuation techniques. The Group uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period. The fair values of such equity instruments have been determined mainly using the dividend discount model with the key assumption being the discount rate applied to the anticipated future returns and the market approach using prices and other relevant information generated by market transactions involving identical or comparable equity instruments.

In respect of the equity investment made in Deloitte NSE Investments Limited ('DNSEI') disclosed in Note 24, a discounted cash flow valuation methodology was used to derive the fair value.

There was no transfer of cumulative gain or loss within equity during the years ended 31 May 2026 and 2025 related to such investments. No equity investments measured at FVTOCI have been de-recognised during the period.

Borrowings are measured at amortised cost in the balance sheet. The fair value of borrowings was determined using the discounted cash flow valuation technique. The fair value of these instruments is estimated using future cash flows based on contractual interest rates and adjusted for counterparty credit risk.

The fair value of the short-term liquidity funds is categorised within level 1 of the fair value hierarchy as it is based on quoted market prices. The fair value of the foreign exchange swap contracts and borrowings are categorised within Level 2 of the fair value hierarchy as it is based on inputs other than quoted prices and maximises the use of observable data. The fair value measurement of equity investments is Level 3 within the fair value hierarchy as set out in IFRS 13, due to the unobservable inputs. There were no transfers between Level 1, 2 and 3 in the years ended 31 May 2026 and 2025.

Financial risk management objectives

The Deloitte NSE Executive Group determined the treasury policies of the Group. These policies related to specific risks that the Deloitte NSE Executive Group wished to manage including liquidity, counterparty credit risk, interest rate and foreign currency exposures. No speculative trading is permitted, and hedging is undertaken for specific exposures to reduce risk.

Liquidity risk

Ultimate responsibility for liquidity risk management lay with the Deloitte NSE CEO, in combination with the Deloitte NSE Executive Group, which had developed an appropriate liquidity risk management framework for management of the Group's funding and liquidity management requirements.

The Group manages liquidity risk by maintaining adequate banking facilities, reserve borrowing facilities and by continually monitoring forecast and actual cash flows to ensure that its facilities are adequate across the planning horizon and that any funding needs are identified well in advance. Liquidity risk arises from the Group's ongoing financial obligations, including settlement of financial liabilities such as trade and other payables, lease liabilities, borrowings and members' capital.

The Group's financing requirements vary during the year, partly as a result of payments to and on behalf of members and partly as a result of other major payments such as leasehold improvements. See Note 18 for details of the Group's borrowings, including available facilities.

Notes to the Financial Statements

For the year ended 31 May 2026

23. Financial instruments (continued)

Contractual maturity

The following tables detail the Group's remaining contractual maturity for its financial liabilities with regard to the repayment periods. The tables have been drawn up based on the undiscounted cash flows of the financial liabilities based on the earliest date on which the Group can be required to pay. The tables include both interest and principal cash flows. To the extent that interest rate flows are floating, the undiscounted amount is derived from interest rate curves at the end of the reporting period.

Group

£'million	Gross contractual cash flows	Within one year	2-5 years	5-10 years	More than 10 years
At 31 May 2026					
Accruals	247	247	-	-	-
Trade payables	55	55	-	-	-
Due to DTTL network firms	88	88	-	-	-
Other payables	8	8	-	-	-
Lease liabilities	635	81	268	261	25
Private Placement Loan Notes	368	15	61	292	-
Amounts due to members ²	50	33	17	-	-
Members' capital ³	296	17	279	-	-
	1,747	544	625	553	25
At 31 May 2025					
Accruals	292	292	-	-	-
Trade payables	34	34	-	-	-
Due to DTTL network firms	113	113	-	-	-
Other payables	4	4	-	-	-
Lease liabilities	674	82	269	263	60
Private Placement Loan Notes	386	15	61	289	21
Amounts due to members (restated) ^{1&2}	133	130	3	-	-
Members' capital ³	293	14	279	-	-
	1,929	684	612	552	81

1. Prior year comparatives have been restated in relation to Members' interests, see Note 21 for further details. These adjustments have been applied consistently to all affected disclosure notes in the financial statements.
2. Amounts due to members are classified as current liabilities when there is no right to defer settlement beyond one year. Non-current balances have no specified repayment date and are included within the two-to-five-year category.
3. Members' capital is included in the earliest time band in which the Group can be required to pay the amount. Members' capital payable within one year is based on retirement notices received. The remaining capital is repayable on retirement, subject to six to twelve months' notice.

Notes to the Financial Statements

For the year ended 31 May 2026

23. Financial instruments (continued)

Contractual maturity (continued)

LLP

£'million	Gross contractual cash flows	Within one year	2-5 years	5-10 years	More than 10 years
At 31 May 2026					
Accruals	167	167	-	-	-
Trade payables	38	38	-	-	-
Due to DTTL network firms	60	60	-	-	-
Other payables	7	7	-	-	-
Amounts owed to Group undertakings	142	142	-	-	-
Lease liabilities	600	73	243	260	24
Private Placement Loan Notes	368	15	61	292	-
Amounts due to members ²	50	33	17	-	-
Members' capital ³	296	17	279	-	-
	1,728	552	600	552	24
At 31 May 2025					
Accruals	204	204	-	-	-
Trade payables	26	26	-	-	-
Due to DTTL network firms	75	75	-	-	-
Amounts owed to Group undertakings	67	67	-	-	-
Lease liabilities	632	74	240	259	59
Private Placement Loan Notes	386	15	61	289	21
Amounts due to members (restated) ^{1&2}	133	130	3	-	-
Members' capital ³	293	14	279	-	-
	1,816	605	583	548	80

1. Prior year comparatives have been restated in relation to Members' interests, see Note 21 for further details. These adjustments have been applied consistently to all affected disclosure notes in the financial statements.
2. Amounts due to members are classified as current liabilities when there is no right to defer settlement beyond one year. Non-current balances have no specified repayment date and are included within the two-to-five-year category.
3. Members' capital is included in the earliest time band in which the Group can be required to pay the amount. Members' capital payable within one year is based on retirement notices received. The remaining capital is repayable on retirement, subject to six to twelve months' notice.

Counterparty credit risk

Cash deposits and other financial instruments with banks and financial institutions give rise to counterparty credit risk. As a means of mitigating the risk of financial loss from defaults, the Group has adopted a policy of only dealing with creditworthy counterparties and limiting the aggregate amount and duration of exposure to any one counterparty based on counterparty credit ratings. For banks and financial institutions, only independently rated counterparties with a minimum rating of 'A3/A' are accepted. The Group's other significant credit risk relates to customer receivables (Note 16). Customer receivables are spread across diverse industries and the Group does not have any significant credit risk exposure to any single industry, counterparty or any group of counterparties having similar characteristics. The Group defines counterparties as having similar characteristics if they are related entities. Credit risk for new and existing customers are assessed as part of the Group's customer acceptance processes. In addition, credit risk is managed by maintaining close contact with each customer and by routine billing and cash collection as work is completed. Amounts due from DTTL network firms, group undertakings, and members presents low credit risk, with minimal historical losses, and their management is similar to that of customer receivables.

Notes to the Financial Statements

For the year ended 31 May 2026

23. Financial instruments (continued)

Interest rate risk

Interest rate risk for the Group arises from variable interest rate borrowings, and material cash balances. Interest rates fluctuate over time and the Group accepts this risk for borrowings and cash balances as a reasonable change in the interest rate for borrowings and cash balances would have an immaterial impact on the pre-tax profits and the members' interests of the Group. The Group acknowledges that interest rate risk impacts the members' annuities on a statutory basis, as the discount rate used in the valuation of the liability is based on the market risk-free rate. A reasonable change in the discount rate for members' annuities would have a material impact on the pre-tax profits and the members' interests of the Group. However, members' distributable profits are determined by the Group's management accounts profit and the management accounts only recognise the members' annuity payments.

Foreign currency risk

The Group's income and expenditure are primarily in Pounds Sterling. However, some income and costs are denominated in foreign currencies, as are the majority of transactions with DCTL member firms. The principal foreign currency exposures for the Group are to the US dollar, Euro and Swiss franc. The Group seeks to minimise its exposure to fluctuations in exchange rates by hedging against foreign currency exposures using foreign exchange swap contracts to economically manage foreign exchange risk.

At 31 May 2026, the Group had \$240 million (2025: \$240 million) of US dollar and €50 million (2025: €50 million) of euro foreign exchange swap contracts to economically manage exposure to foreign exchange risk arising from receivables and payables. The foreign exchange swap contracts held by the Group, all had a maturity of 1 month or less and therefore typically have a trivial fair value. The foreign exchange swaps were subject to the same risk management policies as all other derivative contracts.

The following table is a summary of the Group and LLP's net foreign currency-denominated monetary (liabilities)/assets, which include assets such as cash and cash equivalents, trade and other receivables, contract assets and liabilities such as Trade and other payables.

	Group	Group	LLP	LLP
£'million	2026	2025	2026	2025
Euro	106	6	141	83
US dollar	148	95	(357)	(325)
Swiss franc	8	5	106	107
Other	10	14	67	62
	272	120	(43)	(73)

Foreign currency sensitivity analysis

The following tables detail the Group and LLP's sensitivity to a 10% (2025: 10%) decrease in the sterling amount against the relevant foreign currencies. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in the next twelve months in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency-denominated monetary items (including derivative instruments) and adjusts the translation at the year-end for a 10% change in exchange rates. A positive number below indicates an increase in profit or equity (as relevant), where the functional currency weakens 10% against the relevant currency.

	Group	Group	LLP	LLP
£'million	2026	2025	2026	2025
Impact on profit				
Euro currency impact	10	1	13	8
US dollar currency impact	13	9	(32)	(30)
Swiss franc currency impact	1	-	10	10
Other foreign currency impact	1	1	6	6
	25	11	(3)	(6)

Notes to the Financial Statements

For the year ended 31 May 2026

24. Related party transactions

Parent undertaking and controlling party

The ultimate holding and controlling party of the LLP was Deloitte NSE LLP, a limited liability partnership incorporated in the UK under the Limited Liability Partnership Act 2000. The parent undertaking of the largest group which includes the LLP and for which group accounts are prepared is Deloitte NSE LLP. The parent undertaking of the smallest such group is Deloitte LLP. The financial statements of Deloitte NSE LLP are publicly available and can be obtained from the Registrar of Companies, Companies House, Crown Way, Cardiff, CF14 3UZ.

Deloitte NSE LLP served as the ultimate holding and controlling party of the LLP for the year ended 31 May 2026. However, effective from 1 June 2026, following the creation of Deloitte EMEA, Deloitte NSE LLP ceased to be the LLP's parent entity.

Trading transactions

Transactions with subsidiaries of the Group, which are related parties, have been eliminated on consolidation. These transactions include management charges from the LLP and charges for the costs of services. Details of transactions between the Group, the LLP and other related parties are disclosed below. The table also includes outstanding balances at the end of each financial year.

Group	Provision of services to and income from related parties		Purchase of services from related parties		Amounts due from related parties		Amount due to related parties	
£'million	2026	2025	2026	2025	2026	2025	2026	2025
Deloitte NSE LLP	-	-	-	-	1	1	-	-
Deloitte NSE Group subsidiaries	244	273	(244)	(213)	40	87	(33)	(28)
Associates of the Deloitte NSE Group	208	206	(375)	(390)	26	42	(9)	(14)
	452	479	(619)	(603)	67	130	(42)	(42)

LLP	Provision of services to and income from related parties		Purchase of services from related parties		Amounts due from related parties		Amount due to related parties	
£'million	2026	2025	2026	2025	2026	2025	2026	2025
Subsidiaries	212	287	-	(35)	73	63	(146)	(67)
Deloitte NSE LLP	-	-	-	-	1	1	-	-
Deloitte NSE Group subsidiaries	183	187	(157)	(153)	38	49	(29)	(21)
Associates of the Deloitte NSE Group	158	155	(304)	(305)	21	32	(5)	(8)
	553	629	(461)	(493)	133	145	(180)	(96)

The amounts outstanding at year-end are unsecured and are available to be settled in cash. These balances are non-interest bearing. No expense has been recognised in the period for bad or doubtful debts in respect of the amounts due from related parties.

Investment in Deloitte NSE Investments Limited

The LLP (and therefore the Group) has subscribed to different classes of non-voting redeemable shares in Deloitte NSE Investments Limited (Note 15), a Deloitte NSE Group entity set up to hold Deloitte NSE Group investments in strategic projects. The cumulative amount subscribed to date is £23.1 million, with £0.6 million subscribed for this financial year (2025: £1.1 million). For the purposes of these financial statements, an amount of £0.5 million (2025: £1.1 million) was accounted for as a deemed distribution to Deloitte NSE.

After the year end, Deloitte NSE Investments Limited changed its name to Deloitte Investments Holdings Limited, issued new ordinary shares to the previous holders of non-voting shares and cancelled the ordinary shares held by Deloitte NSE LLP. Following this, Deloitte LLP held 46.7% of the voting rights in the Company. In the following financial year, we expect to account for our shareholding as an associate interest under IAS28.

Notes to the Financial Statements

For the year ended 31 May 2026

24. Related party transactions (continued)

Transactions with Key Management Personnel

Key Management Personnel ('KMP') are those members who are responsible for planning, directing and controlling the activities of the Group and/or the LLP. Where a member of the KMP sat on both the UK and NSE Executive Groups, only the proportion of their profit share relating to their services provided to the Group or the LLP has been included.

Prior year comparatives in relation to amounts due to/from KMP have been restated below. For further details regarding the restatement see Note 21.

Group

For the year ended 31 May 2026, the average number of KMP of the Group comprised 14 members (2025: 14 members) and their profit entitlement was £30 million (2025: £26 million). At 31 May 2026, the amounts due to the KMP of the Group is £11 million (restated 2025: £12 million) and the amounts due from them is £nil (restated 2025: £nil).

LLP

For the year ended 31 May 2026, the average number of KMP of the LLP comprised 13 members (2025: 13 members) and their profit entitlement was £27 million (2025: £24 million). At 31 May 2026, the amounts due to the KMP of the LLP is £10 million (restated 2025: £11 million) and the amounts due from them is £nil (restated 2025: £nil).

In addition, the Group and the LLP provides for members' annuities payable to 14 KMP's (2025: 14) for the Group and 13 KMP's (2025: 13) for the LLP, with a minimum of ten years' service in their capacity as members following their retirement, the payment of which is mainly dependent on the future generation of profits. Further details of members' annuities are included in Note 20.

Notes to the Financial Statements

For the year ended 31 May 2026

25. Group undertakings

Subsidiary undertakings

All subsidiaries prepare financial statements to 31 May and are consolidated within these financial statements. The associated undertakings and joint operations provide management information at 31 May for the purposes of group reporting. All entities prepare financial statements under local accounting standards. Where those differ from IFRS, adjustments have been made in these consolidated financial standards. All entities operate principally in their country of incorporation.

Entity name	Country of incorporation	Share class	% directly held by LLP	% held by Group
Registered office: 1 New Street Square, London, EC4A 3HQ				
D&T Consulting Holdings Limited	England & Wales	£1 ordinary 'A' shares	100	100
		£1 ordinary 'B' shares	100	100
		£1 ordinary 'C' shares	100	100
D&T Pension Trustees Limited	England & Wales	£1 ordinary shares	100	100
Deloitte & Touche Advisory Limited	England & Wales	£1 ordinary shares	100	100
Deloitte & Touche Holdings Limited	England & Wales	£1 ordinary shares	100	100
Deloitte India Services Limited	England & Wales	£1 ordinary shares	100	100
Deloitte International Services Limited	England & Wales	£1 ordinary shares	100	100
Deloitte Management Services Limited	England & Wales	£1 ordinary shares	100	100
Deloitte MCS Limited	England & Wales	£1 ordinary shares	-	100
Deloitte SA Services Limited	England & Wales	£1 ordinary shares	100	100
Island Trustees Limited	England & Wales	£1 ordinary shares	100	100
Monitor Company Europe	England & Wales	£1 ordinary shares	-	100
		£1 Redeemable preference 'A' shares	-	100
		£1 Redeemable preference 'C' shares	-	92
Monitor Company UK Limited	England & Wales	£1 ordinary shares	-	100
Monitor Deloitte Limited	England & Wales	£1 ordinary shares	-	100
Stonecutter Limited	England & Wales	£1 ordinary shares	100	100
Registered office: The Old Courthouse, Athol Street, Douglas, Isle of Man, IM1 1LD				
Deloitte & Touche Services (IOM) Limited	Isle of Man	£1 ordinary shares	-	100
Registered office: Gaspé House, 66-72 Esplanade, St Helier, Jersey, JE2 3QT				
Deloitte & Touche Management Limited	Jersey	£1 ordinary shares	100	100
Registered office: Regency Court, Gategny Esplanade, St Peter Port, Guernsey, GY1 3HW				
Deloitte & Touche Management (Guernsey) Limited	Guernsey	£1 ordinary shares	-	100
Registered office: Old Police Station, Units 120/3 Irish Town, Gibraltar, GX11 1AA				
Deloitte Limited (Gibraltar)	Gibraltar	£1 ordinary 'A' shares	100	100
		£1 ordinary 'B' shares	100	100
		£1 ordinary 'C' shares	100	100
		£1 ordinary 'D' shares	100	100
Registered office: Pfingstweidstrasse 11, 8005 Zürich, Switzerland				
Deloitte AG	Switzerland	CHF 100 ordinary shares (voting stock)	-	100
		CHF 1,000 ordinary shares	-	100
Deloitte Consulting AG	Switzerland	CHF 1,000 ordinary shares	-	100
Registered office: 29 Earlsfort Terrace, Dublin 2, D02 AY28, Ireland				
Deloitte UK Privacy (EU Rep) Limited	Ireland	EUR 1 ordinary shares	100	100
Registered office: Egertastrasse 2, 9490 Vaduz, Liechtenstein				
Deloitte (Liechtenstein) AG	Liechtenstein	CHF 1 ordinary shares	-	100

Notes to the Financial Statements

For the year ended 31 May 2026

25. Group undertakings (continued)

Entities in liquidation

The entities below are currently in voluntary strike off or liquidation:

Entity name	Country of incorporation	Share class	% directly held by LLP	% held by Group
Registered office: 4th Floor 95 Gresham Street, London, EC2V 7AB				
ACNE Production Limited	England & Wales	£1 ordinary shares	-	100
Deloitte Services Limited	England & Wales	£1 ordinary shares	100	100
Market Gravity Limited	England & Wales	£0.01 ordinary shares	-	100
Registered office: Lincoln Building, 27-45 Great Victoria Street, Belfast, BT2 7SL, Northern Ireland				
Etain Limited	Northern Ireland	£1 ordinary 'A' shares	-	100
		£1 ordinary 'B' shares	-	100
		£1 ordinary 'C' shares	-	100
Registered office: c/o Deloitte AB 11357 Stockholm				
ACNE Advertising AB	Sweden	SEK 0.10 ordinary shares	-	100

Joint ventures and associates

Entity name	Country of incorporation	Share class	% directly held by LLP	% held by Group
Registered office: 1 New Street Square, London, EC4A 3HQ				
Braxton Associates Limited	England & Wales	£1 ordinary shares	67	67
Deloitte ERDC Limited	England & Wales	£1 ordinary shares	-	37
Deloitte European Support Services Limited	England & Wales	EUR 1 ordinary shares	-	51
Registered office: 27-32 Floor, Tower 3, One International Center, Senapati Bapat Marg, Prabhadevi (West), Mumbai - 400013 India				
Deloitte Global Financial Advisory India Private Limited	India	INR 10 ordinary shares	-	33
Registered office: Gategny Court, Gategny Esplanade, St Peter Port, GY1 1WR, Guernsey				
DTME 2 LLP	Guernsey	Designated Member	-	50
Registered office: Erna-Scheffler-Straße. 2, 40476 Düsseldorf, Germany				
Deloitte PWD Service Management GmbH	Germany	EUR 1 ordinary shares	-	49

1. On 4 August 2026, Braxton Associates Limited was dissolved.

Notes to the Financial Statements

For the year ended 31 May 2026

26. Events after the reporting date

On 23 February 2026, Deloitte announced the formation of Deloitte EMEA, a new regional organisation comprising participating Deloitte firms across Europe, the Middle East and Africa, effective from 1 June 2026. In addition, Deloitte NSE LLP ceased to be the LLP's parent entity, and the existing governance structures of the LLP and Deloitte NSE were revised.

Although the restructuring was approved and announced before 31 May 2026, Deloitte NSE LLP remained the LLP's parent and the relevant control and governance arrangements remained in force at that date. The approval and announcement did not, in themselves, change the LLP's parent, control or governance arrangements at 31 May 2026. Those changes arose only when the amended legal and governance arrangements became effective on 1 June 2026. Accordingly, the event is indicative of conditions arising after the reporting period and has been treated as a non-adjusting event in accordance with IAS 10.

As a consequence of the revised group structure, the LLP expects that certain reporting exemptions previously available through the Deloitte NSE group will no longer be available from the next reporting year. In particular, the LLP expects to be required to prepare and publish its own Energy and Carbon Report, including Streamlined Energy and Carbon Reporting and Climate-related Financial Disclosures. The preparation of standalone disclosures is expected to require the LLP to provide entity-specific information on climate-related governance, strategy, risk management, metrics and targets, including carbon and energy.

As part of the revised governance arrangements, the LLP has established its own Board, responsible for the stewardship and governance of the LLP. The Board is supported by an Audit and Risk Committee, a committee of the Board with delegated responsibility for oversight of key areas of governance, risk and business operations. The Deloitte UK Climate Steering Committee will be responsible for the management and delivery of climate-related matters including approach, strategy and risk management. These arrangements are expected to support the LLP's future climate-related governance and reporting responsibilities.

The LLP expects to continue to identify, assess, manage and monitor all risks including the climate-related risks through its Enterprise Risk Framework. The Enterprise Risk Framework provides the overarching framework through which risks are evaluated, escalated and overseen across the LLP. The transition to Deloitte EMEA LLP is not expected to result in significant changes to the LLP's underlying risk management processes; however, the LLP will be responsible for reporting on these processes and their application to climate-related risks within its standalone disclosures.

The LLP will also be required to provide entity-specific disclosures on the climate-related risks and opportunities affecting its operations, their actual and potential impacts on the LLP's business model and strategy, and the resilience of the LLP's business model and strategy under different climate-related scenarios. While the reporting responsibility will transition from Deloitte NSE LLP to Deloitte LLP, no significant change to the LLP's underlying approach to managing climate-related risks and opportunities is currently expected. The LLP has also historically reported its CFD metrics and targets, SECR and climate related KPIs as part of Deloitte NSE's reporting. No significant changes are anticipated in respect of the targets, which are set by Deloitte at the global level.



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