

## Strategic report

The directors present their strategic report for the period from 2 July 2022 to 30 June 2023 (the comparative period being from 3 July 2021 to 1 July 2022).

### Principal activity and review of the business

The principal activity of EY Global Delivery Services (UK) Limited (“the company”) during the period ended 30 June 2023 was the provision of Global Delivery Services to EY GDS (CS) Limited.

The company generated a profit after tax of \$176m in the period (2022: \$135m). During the period, the company received profit allocation and dividends from subsidiaries of \$175m (2022: \$135m), and also paid dividends of \$176m (2022: \$137m).

The key performance indicator for this company during the period was revenue of \$18m, which is earned from delivery of services on a cost plus margin basis to its parent entity, EY GDS (CS) Limited. As the company only commenced the provision of these services during this period, there is no prior period comparative.

The name of the company was changed to EY Global Delivery Services (UK) Limited with effect from 22 July 2022.

### Principal risks and uncertainties

The principal risk facing the company relates to the exposure to foreign currency risk from transactions and balances that are denominated in a different currency to the functional currency of the company. The directors review and agree policies for managing this and other risks as set out in note 11.

### Going concern

The company’s business remains largely unaffected by the ongoing situation in Ukraine and inflationary/cost of living challenges being encountered in many countries. The directors closely monitor the impact of external factors on the company and act pro-actively to mitigate risks on the business.

The directors have considered cashflow forecasts up to December 2024 and have a reasonable expectation, taking account of the levers at their disposal, that the company has adequate resources to continue in operational existence for at least 12 months from the date of approval of these financial statements and so continue to prepare the financial statements on a going concern basis.

### Section 172 statement

During the period ended 30 June 2023, the company’s directors acted in a way that they considered, in good faith, would most likely promote the success of the company for the benefit of its members as a whole and, in doing so, have had regard to the matters set out in section 172(1)(a)-(f) of the Companies Act 2006 when performing their duties and making decisions.

In the performance of their duty to promote the success of the company, the directors had regard to a number of matters, consistent with the size and complexity of the business and its purpose. They had also considered, as appropriate, the views of the company’s key stakeholders, as described in more detail below.

#### *Key decisions of the company*

As a result of the company’s activity, the decisions of the board mainly relate to the provision of Global Delivery Services to EY GDS (CS) Limited. The principal decisions taken in the period include the determination of the Global Delivery Services to be provided and preparation and approval of the company’s annual budget for these services.

In the period, the company also paid dividends equal to \$176m.

In taking these decisions, the directors have focused, among other things, on what they considered may have an impact on the business of the company and the delivery of Global Delivery Services in the long term.

## Strategic report (continued)

### *Culture and strategy*

The company's approach to business ethics and integrity reflects EY shared values as embedded in the EY Code of Conduct and other EY Global Policies.

### *Stakeholder engagement*

The directors recognise the importance of engaging with the views of the company's key stakeholders to understand and consider their views and issues when making decisions and in maintaining a reputation for high standards of business conduct.

The main categories of stakeholders with whom engagement takes place and how such engagement takes form are described below.

- **Ultimate shareholders and customers:** the Member Firms of the EY network ("Member Firms") are the company's ultimate owners. The company creates value for the Member Firms by the provision of Global Delivery Services to its customer, EY GDS (CS) Limited, which then coordinates the provision of these services to Member Firms. Engagement with the Member Firms and their evolving needs mainly takes place within the relevant EY network governance arrangements.
- **People:** the quality of the Global Delivery Services that the company provides to EY GDS (CS) Limited is central to the sustainability of the business of the company in the long term. Accordingly, the professionals who are responsible for the delivery of such services are an important part to the success of the company. The company's engagement and communication with these professionals is principally managed by the relevant functional and service line leaders and/or, where applicable, other Member Firms via a number of relevant initiatives. Wherever the directors are not directly involved in these initiatives and activities, they are still able to access the outcome of this engagement and to consider it in the board decision-making process.
- **Community and Environment:** the company assists its subsidiaries in their engagement with the environment and local communities through a series of initiatives which are part of the EY global Corporate Responsibility programme, which encourages the participation of EY professionals in opportunities which have a social or environmental impact, and contribution toward Member Firm sustainability targets.

## **Non-financial and sustainability information statement**

This financial year's Strategic Report includes climate-related financial disclosures for the first time, following the Companies (Strategic Report) (Climate-related Financial Disclosure) Regulations 2022 and drawing from the Task Force on Climate-Related Financial Disclosures ("TCFD") framework.

### **Governance**

The Board has direct responsibility and oversight of the company's climate-related risks and opportunities. The Board reviewed and approved the results of the climate scenario assessment, details of which are set out later, and the disclosures presented in this section. The Board plans to consider results of an updated climate scenario assessment on a biennial basis or as necessary.

Board members who have responsibility for climate-related matters have broad relevant professional experience and full access to numerous internal sustainability and climate change e-learning available to people within the EY network.