

Ernst & Young Services Limited

Annual Reports and Financial Statements

27 June 2025

Registered number 02812206

Ernst & Young Services Limited

Registered No. 02812206

Directors

L G Cameron
L Abel
C H Cowling (appointed: 31 March 2025)
G A Jordan (resigned: 31 March 2025)

Secretary

C McSwiggan

Registered Office

1 More London Place
London SE1 2AF

Ernst & Young Services Limited

Strategic report

The directors present their strategic report for the period from 29 June 2024 to 27 June 2025 (the comparative period being the period from 1 July 2023 to 28 June 2024).

Principal activity and review of business

The principal activity of Ernst & Young Services Limited (the “company”) during the current period was that of an investment holding company. Dividends of £31m (2024: £91m) were declared to its shareholder during the period.

The principal activity of the business in the prior period, until 1 February 2024, was the supply of employee services to its ultimate parent entity, Ernst & Young LLP (“EY LLP” or “the firm”). On 1 February 2024 the payroll scheme was closed resulting in the company ceasing to trade.

Future developments

The results for the period are in line with expectations. The directors do not expect significant changes to the present nature of the business in the near future.

Principal risks and uncertainties

The principal risks facing the company relate to the carrying value of its investment in subsidiaries. The directors ensure that there are policies for managing these risks.

Section 172 statement

The company’s parent is EY LLP. Given the company’s principal activity stated above, and the fact that the company has no commercial business, the general stakeholder and other considerations relevant to operating or commercial trading companies do not generally apply to any such decisions of the company’s directors. Furthermore, the company is an indirect subsidiary of EY LLP, so EY LLP’s performance directly influences the future performance and direction of the company. Accordingly, the company’s directors consider that the company’s key stakeholder is EY LLP.

During the period, 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 making decisions. In addition, the company’s directors also had regard to other factors and matters that they considered relevant to decisions made. When and if required, the company’s directors hold board meetings to make key decisions relating to the company, where such above matters and factors are considered, as relevant. This happened, for example, when the company decided to make dividend payments out of distributable profits during the period, and when it was decided to adopt new articles of association.

Employee engagement statement

The company has no employees and so it does not carry out any employee engagement.

On behalf of the Board

DocuSigned by:
Christabel Cowling
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C H Cowling
Director
Date: 27 November 2025

Ernst & Young Services Limited

Directors' report

The directors present their report and financial statements for the period from 29 June 2024 to 27 June 2025 (the comparative period being the period from 1 July 2023 to 28 June 2024).

Results and dividends

The loss for the period after taxation amounted to £5m (2024: profit of £39m).

Dividends of £31m were declared and paid during the period (2024: £91m). The company's business activities, together with its future expected business developments and risk exposures are described in the strategic report.

Financial instruments

The directors are responsible for setting objectives and policies in relation to financial instruments, details of which can be found in note 14.

Directors

The directors who held office during the period ended 27 June 2025 and the period up until approval of the financial statements are listed on page 1.

Going concern

The directors have concluded that it is appropriate to adopt the going concern basis having considered the support that can be provided by EY LLP, the company's ultimate parent entity and sole customer. Ernst & Young LLP has confirmed in a letter of support to the directors of the company that it is committed to providing such support as required.

The directors have considered a base case forecast with multiple downside sensitivities through to 31 December 2026, prepared by EY LLP, focusing on the impact of a range of declines in revenue, reduced cash collection rates and increased costs. These sensitised forecasts include severe but plausible scenarios and the resulting impact on the firm's cash flows, borrowing facilities and associated covenants has then been considered, alongside reverse stress testing. EY LLP has committed borrowing facilities of £450m that expire in June 2030. The scenarios indicate that EY LLP has sufficient facilities in place and no other mitigating actions will be required.

The directors therefore have a reasonable expectation that the company has adequate resources to continue in operational existence for at least a year from the date of signing the financial statements and so continue to adopt the going concern basis of accounting in preparing the annual financial statements.

On behalf of the Board

DocuSigned by:

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C H Cowling
Director
Date: 27 November 2025

Statement of directors' responsibilities

The directors are responsible for preparing the annual reports and the financial statements in accordance with applicable United Kingdom law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with UK adopted international accounting standards. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

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

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

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

Ernst & Young Services Limited

Statement of comprehensive income

for the period ended 27 June 2025

	<i>Notes</i>	<i>2025 £m</i>	<i>2024 £m</i>
Revenue		—	1,039
Staff costs	4	—	(978)
Gross profit		—	61
Administrative expenses		(1)	(3)
Operating (loss)/profit	3	(1)	58
Finance costs		(4)	(4)
(Loss)/profit before taxation		(5)	54
Tax charge	6	—	(15)
(Loss)/profit and total comprehensive (loss)/income for the period		(5)	39

Statement of changes in equity

for the period ended 27 June 2025

	<i>Notes</i>	<i>Share capital £m</i>	<i>Retained earnings £m</i>	<i>Total £m</i>
At 30 July 2023		—	104	104
Profit and total comprehensive income for the period		—	39	39
Dividends		—	(91)	(91)
At 28 June 2024		—	52	52
Loss and total comprehensive loss for the period		—	(5)	(5)
Dividends	12	—	(31)	(31)
At 27 June 2025		—	16	16

The notes on pages 8 to 16 form part of these financial statements.

Ernst & Young Services Limited

Balance sheet

at 27 June 2025

Registered number 02812206

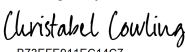
		27 June 2025	28 June 2024
	Notes	£m	£m
Assets			
Non-current assets			
Investments in subsidiaries	7	119	120
		119	120
Current assets			
Trade and other receivables	8	—	9
		—	9
Total assets		119	129
Equity and liabilities			
Current liabilities			
Trade and other payables	10	103	77
Total liabilities		103	77
Equity			
Share capital	11	—	—
Retained earnings		16	52
Total equity		16	52
Total equity and liabilities		119	129

Statements

For the period ended 27 June 2025:

- 1
- the company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies;
- 2
- the member has not required the company to obtain an audit of its financial statements in accordance with section 476 of the Companies Act 2006; and
- 3
- the directors acknowledge their responsibilities for:
 - ensuring that the company keeps accounting records which comply with section 386 of the Companies Act 2006; and
 - preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial period and of its profit or loss for the financial period in accordance with the requirements of section 393 of the Companies Act 2006, and which otherwise comply with the requirements of that Act relating to financial statements, so far as applicable to the company.

The financial statements of Ernst & Young Services Limited for the period ended 27 June 2025 were authorised for issue by the board of directors and signed on their behalf by:

DocuSigned by:

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C H Cowling
Director

Date: 27 November 2025

The notes on pages 8 to 16 form part of these financial statements.

Ernst & Young Services Limited

Statement of cash flows

for the period ended 27 June 2025

	<i>2025</i>	<i>2024</i>
	<i>£m</i>	<i>£m</i>
(Loss)/profit before taxation	(5)	54
Adjustments for:		
Finance costs	4	4
Impairment	1	1
Decrease in receivables	9	11
Increase in amounts due to ultimate parent	(12)	(12)
Increase/(decrease) in trade and other payables	3	(58)
<i>Net cash inflows from operating activities</i>	—	—
Repayment of amounts receivable from employees	—	5
<i>Net cash inflows from investing activities</i>	—	5
Payment of lease liabilities	—	(5)
<i>Net cash outflows from financing activities</i>	—	(5)
<i>Cash and cash equivalents at beginning of period</i>	—	—
<i>Cash and cash equivalents at end of period</i>	—	—

The notes on pages 8 to 16 form part of these financial statements.

Notes to the financial statements

1. Corporate information

Ernst & Young Services Limited (the "company") is a private company limited by shares, incorporated, domiciled, and registered in England and Wales (Registered number 02812206). The company's registered office address is 1 More London Place, London SE1 2AF.

2. Significant accounting policies

Basis of preparation

The financial statements have been in accordance with international accounting standards in conformity UK adopted international accounting standards ("IFRS").

The financial statements have been prepared on a going concern basis. The directors have concluded that it is appropriate to adopt the going concern basis having considered the support that can be provided by Ernst & Young LLP, the company's ultimate parent entity and sole customer. Ernst & Young LLP has confirmed in a letter of support to the directors of the company that it is committed to providing such support as required. The directors have considered multiple forecasts covering a period up to 31 December 2026, prepared by Ernst & Young LLP. The forecasts consider a range of severe but plausible scenarios including varying declines in revenue, reduced cash collection rates and increased costs and the resulting impact on the firm's cash flows, borrowing facilities and associated covenants has then been considered, alongside reverse stress testing. The scenarios indicate that Ernst & Young LLP has sufficient facilities in place, and no other mitigating actions will be required. Further details of this assessment can be found within the Directors' report.

The functional currency of the company is pounds sterling. The financial statements are presented in pounds sterling and, unless otherwise indicated, are rounded to the nearest million pounds (£m).

The financial statements have been drawn up for the period from 29 June 2024 to 27 June 2025 (the comparative period being from 1 July 2023 to 28 June 2024).

The company is exempt from the obligation to prepare group accounts under section 400 of the Companies Act 2006 as it is a wholly owned subsidiary undertaking and its ultimate parent undertaking prepares group accounts (see note 16). Consequently, these financial statements contain information about Ernst & Young Services Limited as an individual entity.

Key judgements and sources of estimation uncertainty

The preparation of financial statements requires the application of judgement and the use of estimates that affect the amounts reported for assets, liabilities, revenues and expenses. Information about these judgements and estimates is included in the accounting policies and other notes. Although estimates are based on the best information available, actual outcomes could differ from the amounts included in the financial statements. There are no significant judgements in the preparation of the financial statements in the current or preceding period.

Estimates

- Impairment of investments (page 9)

Revenue

Revenue is earned from the supply of employee services which fall within the ordinary activities of the company. These services represent performance obligations which are satisfied over time.

Revenue is recognised over time as services are provided, as the customer receives the benefit of these services as they are performed. The input method is used to measure progress toward complete satisfaction of the service as it provides a faithful depiction of the transfer of services, as the company charges its customer on a cost plus margin basis.

The company has concluded that it is the principal in its revenue arrangements because it controls the services before transferring them to the customer.

Payment terms involve periodic billings as services are provided. Where amounts billed to the customer are less than the revenue recognised at the period end date, the difference is recognised as contract assets or, when the company has a present right to payment, as unbilled receivables.

2. Significant accounting policies (continued)

Pensions

Contributions to the defined contribution schemes are charged to the income statement when they become payable. Differences between contributions payable in the period and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

Notes to the financial statements

Staff costs

Amounts relating to staff costs are recognised as an expense in the income statement as incurred. Unpaid staff costs are included in trade and other payables.

Leases

A lease is a contract or part of a contract that conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Leases are accounted for as a right to use the underlying asset and a lease liability from commencement date (i.e., the date the underlying asset is available for use).

Lease liabilities are measured initially at the present value of lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable. The present value is determined using the company's incremental borrowing rate (IBR) as the interest rate implicit in leases is not readily determinable. Thereafter the amount of lease liabilities is increased to reflect the accretion of interest and reduced for lease payments made.

On recognition of a lease liability, an equivalent amount receivable from employees is also recognised. Such amounts receivable from employees are measured at amortised cost, less a provision for expected credit losses. Amounts receivable from employees are repaid in line with the payment of the lease liability.

Investments

Investments in subsidiaries are carried at cost less provision for impairment.

Significant estimates

Impairment tests are carried out where there is an indicator of impairment. For the purpose of impairment testing, the cost of investments is compared to their value in use.

The estimation of value in use is based on assumptions including estimates on future growth rates and appropriate discount rates. These assumptions are based on future events and are therefore revised as circumstances change.

In carrying out impairment testing, consideration is given to events which have taken place after the balance sheet date. Those events which provide evidence of conditions that existed at the balance sheet date are taken into account when estimating value in use.

A decrease in revenue compound annual growth rate of 1% would result in an impairment of £5m in the investment of EY Professional Services Limited. An increase in the discount rate of 1% would result in an impairment of £2m in the investment of EY Professional Services Limited.

Financial instruments

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

Trade and other receivables

Trade receivables represent the company's right to an amount of consideration that is unconditional (i.e. only the passage of time is required before payment of the consideration is due).

Trade and other receivables are carried at amortised cost, which is equal to the original transaction amount, less a provision for expected credit losses (ECLs). ECLs are based on the difference between the contractual cash flows due in accordance with the contract and the cash flows that the company expects to receive.

Trade and other payables

Trade and other payables are carried at amortised cost, which is equal to their original invoiced amount.

2. Significant accounting policies (continued)

Income taxes

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Interest levied on unpaid tax is classified as a finance cost.

Deferred income tax is recognised on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred income tax assets are recognised only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carried forward tax credits or unused tax losses can be utilised.

Deferred income tax assets and liabilities are measured on an undiscounted basis at the tax rates that are expected to apply when the temporary differences reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Notes to the financial statements

Dividends

A liability is recognised to pay dividends to the shareholder when the dividend is appropriately authorised and no longer at the discretion of the company.

Dividends proposed or declared after the balance sheet date but before the financial statements are authorised, are not recognised but disclosed in the notes to the financial statements.

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

A number of standards and pronouncements have been issued and are effective for the financial period. These are either not applicable to the company or have not had any significant impact on the company's financial statements.

A number of standards and other pronouncements are in issue that are not yet effective and have not been adopted, including *IFRS 18 Presentation and Disclosure in Financial Statements*, none of which are expected to have a material impact on the financial statements.

3. Operating profit

Operating profit is stated after charging:

	2025	2024
	£m	£m
Charitable donations	—	2
Impairment	1	1

Fees payable to the company's auditor for the audit of the company financial statements were £nil (2024: £28,000).

4. Staff costs

	2025	2024
	£m	£m
Wages and salaries	—	836
Social security costs	—	92
Pension costs – defined contribution schemes	—	46

Ernst & Young Services Limited

Notes to the financial statements

Other benefit costs	—	4
	—	978

The average number of employees, excluding directors during the period was as follows:

	<i>2025</i>	<i>2024</i>
	<i>No.</i>	<i>No.</i>
Client service staff	—	9,167
Support staff	—	1,348
	—	10,515

5. Directors' remuneration

The directors of Ernst & Young Services Limited received no remuneration for their services as directors or their services in connection with the management of the company.

6. Tax

(a) Tax on profit

	<i>2025</i>	<i>2024</i>
	<i>£m</i>	<i>£m</i>
<i>Current income tax</i>		
UK corporation tax arising on profits in the period	—	11
Total current income tax	—	11
<i>Deferred income tax</i>		
Origination and reversal of temporary differences	—	3
Derecognition of deferred tax asset	—	1
Total deferred tax	—	4
Total tax charge	—	15

(b) Reconciliation of total tax charge

The tax assessed on the profit for the period is in line with the standard rate of corporation tax in the UK of 25% (2024: 25%). The differences are explained below:

<i>2025</i>	<i>2024</i>
<i>£m</i>	<i>£m</i>

Notes to the financial statements

(Loss)/profit before tax	(5)	54
(Loss)/profit multiplied by standard rate of corporation tax in the UK of 25% (2024: 25%)	(1)	14
Unrecognised deferred tax on losses	1	–
Derecognition of deferred tax asset	–	1
Total tax charge reported in the income statement	–	15

(c) Deferred tax

There is no deferred tax asset or liability included in the balance sheet.

Ernst & Young Services Limited

Notes to the financial statements

7. Investment in subsidiaries

	2025	2024
	£m	£m
Cost less impairment	119	120

The decrease in the investment in subsidiaries of £1m relates to an impairment of the investment in EY Incentives Limited. No acquisitions were made during the financial year.

The company has the following subsidiaries:

<i>Subsidiary undertakings</i>	<i>Country of incorporation</i>	<i>Nature of business</i>
EY Professional Services Limited	UK	Consultancy service provider
AgilityWorks India Private Limited *	India	Consultancy service provider
EY Incentives Limited	UK	Non-trading entity
EY Private Client Services Limited	UK	Personal taxation service provider
Pythagoras Communications Holdings Limited *	UK	Holding entity of Pythagoras Communications Limited
Pythagoras Communications Limited *	UK	Non-trading entity
Creative Sharepoint Limited *	UK	Dormant
Pointbeyond Limited *	UK	Dormant
Seaton Partners Limited *	UK	Non-trading entity
Peak EPM Limited*	UK	Non-trading entity
Peak EPM US Inc *	United States	Non-trading entity
Peak EPM Canada Inc *	Canada	Non-trading entity
Lane 4 Management Group Holdings Limited*	UK	Holding entity of Lane 4 Management Group Limited
Lane 4 Management Group Limited *	UK	Non-trading entity
Digital Detox Ventures Limited *	UK	Holding entity of Digital Detox Limited
Digital Detox Limited *	UK	Non-trading entity
Whyaye Limited *	UK	Non-trading entity

* Interest held indirectly.

All subsidiaries are wholly owned.

The registered addresses of the subsidiaries are:

UK entities: 1 More London Place, London, SE1 2AF.

Indian entity: 779, Sector-15A, Faridabad, Haryana 121007, India.

United States entity: 108 West 13th Street, Wilmington, Delaware 19801, United States

Canadian entity: TD Tower, 77 Westmorland Street Suite 300, Fredericton, New Brunswick E3B6Z3, Canada

Ernst & Young Services Limited

Notes to the financial statements

8. Trade and other receivables

	<i>2025</i>	<i>2024</i>
	<i>£m</i>	<i>£m</i>
Unbilled receivables	—	9
	<u>—</u>	<u>9</u>
	<u>—</u>	<u>9</u>

There were no impairments in respect of trade and other receivables (2024: £nil).

9. Leases

The company provided its employees the option to lease a car through its salary sacrifice scheme up to 1 February 2024 when the salary sacrifice scheme was transferred to Ernst & Young LLP.

The carrying amounts of lease liabilities and amounts due from employees, and the movements during the period, were as follows:

	<i>2025</i>	<i>2024</i>
	<i>£m</i>	<i>£m</i>
At the beginning of the period	—	8
Additions	—	6
Payments	—	(5)
Disposals	—	(9)
	<u>—</u>	<u>—</u>
At the end of the period	<u>—</u>	<u>—</u>

The company had total cash outflows for leases of £nil (2024: £5m) during the period.

10. Trade and other payables

	<i>2025</i>	<i>2024</i>
	<i>£m</i>	<i>£m</i>
Other creditors	8	5
Amounts due to ultimate parent company	95	72
	<u>103</u>	<u>77</u>
	<u>103</u>	<u>77</u>

11. Share capital

	<i>2025</i>	<i>2024</i>
	<i>£</i>	<i>£</i>
<i>Authorised</i>		

Notes to the financial statements

Ordinary shares of £1 each			100	100
	2025	2025	2024	2024
Issued and fully paid	No.	£	No.	£
Ordinary shares of £1 each	2	2	2	2

Each share carries one vote and has the right to receive dividends.

The company's objective when managing capital is to safeguard its ability to continue as a going concern. Capital is monitored by the directors to ensure this objective is met. No long-term financing is required by the company other than continuing support of its parent.

12. Dividends paid and proposed

	2025	2024
	£m	£m
Dividends declared and paid during the period		
Dividends on ordinary shares		
Final dividend of 2022 profits: £9,818,520.50 per share	–	20
Final dividend of 2023 profits: £35,561,498.50 per share	–	71
Final dividend of 2024 profits: £15,576,193.50 per share	31	–
	31	91

13. Non-cash transactions

- The company has settled several transactions through its intercompany accounts with its parent undertakings, which represent non-cash transactions as follows:
- Ernst & Young LLP has paid tax of £nil (2024: £11m) on the company's behalf which was reduced from the intercompany trading account.
 - The company entered into an arrangement with Ernst & Young LLP and Rolls House Holdings Limited to settle the final dividend payable to Rolls House Holdings Limited of £31m (2024: £91m) and interest on the loan payable to Ernst & Young LLP of £4m (2024: £4m).

Notes to the financial statements

14. Financial instruments

Financial instruments give rise to liquidity, interest and credit risks. The directors review and agree policies for managing these risks. Financial instruments are not used for speculative activity and complex financial instruments are avoided. Information about how these risks are managed is set out below:

Liquidity risk

Liquidity risk arises from the company's ongoing financial obligations, including settlement of financial liabilities such as trade and other payables, all of which are payable within one year (2024: within one year).

The company's objective is to maintain a balance between continuity of funding and flexibility through balances with the company's parent undertaking, Ernst & Young LLP. These balances are considered more than adequate to finance variations in forecast working capital.

Interest rate risk

The company's exposure to the risk of changes in market interest rates related to the interest-bearing loan provided by Ernst & Young LLP. The impact of a 1% change in interest rates would be £1m.

Credit risk

The company only has balances with Ernst & Young LLP and does not hold collateral. Receivable balances are monitored and collected on an ongoing basis and as a result exposure to bad debts is not significant. After the transfer of the payroll scheme to Ernst & Young LLP on 1 February 2024, there has been a cessation of charges from the company to Ernst & Young LLP.

15. Related parties

The company earned revenue of £nil (2024: £1,039m) from its ultimate parent undertaking, Ernst & Young LLP. Amounts owed to Ernst & Young LLP at 27 June 2025 were £95m (2024: £72m). All balances with group undertakings are interest bearing which carry interest at 1% (2024: 1%) above the Bank of England base rate.

The key management personnel comprise the directors of the company and the key management personnel of its parent entities. There were no transactions with key management personnel. Except as disclosed above and elsewhere in the financial statements, there are no other related party transactions.

16. Ultimate controlling party

The company's immediate parent undertaking is Rolls House Holdings Limited, a company registered in England and Wales. The company's ultimate parent undertaking and controlling party is Ernst & Young LLP. Ernst & Young LLP is the parent undertaking of the smallest and largest group that consolidates these financial statements, copies of which are available from its registered office, 1 More London Place, London, SE1 2AF.