Financial statements for the year ended 30 June 2013

Ernst & Young Nederland LLP

Building a better working world

Partners in Sport

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Members' report

The members (i.e. partners) present their report and financial statements for the year ended 30 June 2013.

Principal activity

Ernst & Young Nederland LLP (hereinafter: "EYNL") provides assistance and coordinating leadership to Ernst & Young Accountants LLP and Ernst & Young Belastingadviseurs LLP in order to optimize their shared course of business and practices and promote their joint strategy. EYNL carries out its operations in the Netherlands but does not provide services to clients.

Board

For the year ended 30 June 2013, the Board is led by Pieter Jongstra, Chairman of EYNL and the board furthermore comprises of:

- Giljam Aarnink
- Kees van Boxel

As of 1 July 2013, the Board is led by Marcel van Loo, Chairman of EYNL. As of that date, the Board furthermore comprises of:

- Giljam Aarnink
- Jeroen Davidson

All members of the board are - through their private limited liability companies (BV) - members of EYNL.

The Chairman of EYNL is appointed by the Chairman of Ernst & Young Europe LLP (hereinafter: "EY Europe"), after appropriate sounding with the members of EYNL. The other members of the Board are appointed by the executive of EY Europe.

The Board is responsible for the day-to-day management and for exercising the duties and powers as determined by the Fundamental Rules and Regulations of EYNL.

Designated Members of EYNL for the year ended 30 June 2013 are:

- G.A.M. Aarnink B.V.
- Drs. C.J.B. van Boxel Belastingadviseur B.V.
- Drs. P.J.A.M. Jongstra Registeraccountant B.V.

Designated Members of EYNL as of 1 July 2013 are:

- G.A.M. Aarnink B.V.
- Mr. J.L. Davidson Belastingadviseur B.V.
- Drs. M.A. van Loo B.V.

BDO LLP was appointed auditor to EYNL for the year ended 30 June 2013.

On behalf of Drs. M.A. van Loo B.V.

M.A. van Loo

Statement of members' responsibilities

The Limited Liability Partnerships (Accounts and Audit) (Application of the Companies Act 2006) Regulations 2008 ('LLP Regulations') require the members to prepare financial statements for each financial period. The members have elected to prepare financial statements in accordance with International Financial Reporting Standards as adopted by the European Union (IFRS).

IAS 1 'Presentation of Financial Statements' requires that financial statements present fairly for each financial period 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 'Framework for the Preparation and Presentation of Financial Statements'. In virtually all circumstances, a fair presentation will be achieved by compliance with all applicable IFRSs. 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; and
- provide additional disclosures when compliance with the specific requirements in IFRSs is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the limited liability partnership's financial position and financial performance.

Under the LLP Regulations, the members are responsible for ensuring that proper accounting records are kept which disclose with reasonable accuracy at any time the financial position of the Group and EYNL, and which enable them to ensure that the financial statements will comply with those regulations. The members have a general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and EYNL and to prevent and detect fraud and other irregularities. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The members' responsibilities set out above are discharged by the designated members on behalf of the members. The designated members at the date of approval of the financial statements confirm that, so far as they are aware, there is no relevant information of which EYNL's auditors are unaware and each designated member has taken all the steps that ought to have been taken by them to make themselves aware of any relevant audit information and to establish that EYNL's auditors are aware of that information.

EYNL, which is part of the EY global network, has considerable financial resources, contracts with a large number of clients across different industries and geographies and has talented and motivated members and employees. Information about its capital and exposure to liquidity risk is set out in notes 24 and 25 to the financial statements. The designated members believe that the firm is well placed to manage its business risks successfully, despite the current uncertain economic outlook, and have a reasonable expectation that the firm has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Independent auditors' report to the members of Ernst & Young Nederland LLP

We have audited the Group and Limited Liability Partnership financial statements (the 'financial statements') of Ernst & Young Nederland LLP for the period from 30 June 2012 to 28 June 2013 which comprise the Consolidated and Limited Liability Partnership Statements of Comprehensive Income, the Consolidated and Limited Liability Partnership Statements of Financial Position, the Consolidated and Limited Liability Partnership Statements of Changes in Equity, the Consolidated and Limited Liability Partnership Statement of Cash Flows and the related notes 1 to 53. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

This report is made solely to the Limited Liability Partnership's members, as a body, in accordance with 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.

Respective responsibilities of members and auditors

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

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and Limited Liability Partnership's affairs as at 28 June 2013 and of the Group's and Limited Liability Partnership's profit for the period then ended;
- have been prepared in accordance with IFRS as adopted by the European Union; and
- 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.

Opinion on other matters

In our opinion the information given in the members' report for the period from 30 June 2012 to 28 June 2013 for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 as applied to limited liability partnerships 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;
- we have not received all the information and explanations we require for our audit.

Matthew White (Senior Statutory Auditor)
For and on behalf of BDO LLP, (Statutory Auditor)
London
United Kingdom
Date: 30 September 2013

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

Consolidated statement of comprehensive income of Ernst & Young Nederland LLP[1]

(for the year ended 30 June 2013)

	notes	2012/2013	2011/2012
		€000	€000
Revenue			
Rendering of services	6.1	614,099	599,258
Other income[2]	6.2	20,839	28,328
		634,938	**627,586**
Operating expenses			
Services provided by foreign EY member firms and third parties	7.1	76,611	67,592
Employee benefits expenses	7.2	262,192	273,719
Depreciation and impairment of property, plant and equipment	10	15,559	14,894
Amortization and impairment of intangible assets	11	297	158
Other operating expenses[2]	7.3	166,114	151,133
		520,773	**507,496**
Operating profit		**114,165**	**120,090**
Finance income	8.1	448	475
Finance expenses	8.2	-9,683	-12,114
Share of profit from joint venture	12	-	12
Profit before tax		**104,930**	**108,463**
Income tax income/(expense)	9	26	56
Profit for the financial year		**104,956**	**108,519**
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year, net of tax		**104,956**	**108,519**
Profit attributable to members of EYNL		**104,956**	**108,519**
Total comprehensive income for the year attributable to members of EYNL		**104,956**	**108,519**

1) *Excluding Holland Van Gijzen Advocaten en Notarissen LLP. For figures including Holland van Gijzen Advocaten en Notarissen LLP see the combined statement of income (unaudited).*

2) *For reclassification in 2011/2012 see Note 2.1 Basis of preparation.*

Consolidated statement of financial position of Ernst & Young Nederland LLP[3]

(as at 30 June 2013)

	notes	30 June 2013	30 June 2012
Assets		€000	€000
Non-current assets			
Property, plant and equipment	10	29,263	45,887
Intangible assets	11	6,874	5,284
Other non-current financial assets	13	4,408	4,689
		40,545	55,860
Current assets			
Trade and other receivables	14	193,731	194,729
Prepayments	15	70,984	97,723
Other current financial assets	13	77	89
Income tax receivable		196	348
Cash and short-term deposits	16	80,304	61,781
		345,292	354,670
Total assets		**385,837**	**410,530**
Equity and liabilities			
Current liabilities			
Trade and other payables	17	180,872	169,495
Interest-bearing loans and borrowings	18	37,677	39,801
Provisions	20	7,382	6,282
Employee benefits	21	34,567	42,258
		260,498	257,836
Non-current liabilities			
Interest-bearing loans and borrowings	18	65,258	106,004
Other non-current financial liabilities	19	303	1,724
Provisions	20	26,517	15,960
Employee benefits	21	5,053	4,404
		97,131	128,092
Total liabilities		357,629	385,928
Equity			
Members' capital	22	72,193	75,543
Reserves	23	-43,985	-50,941
Total equity		28,208	24,602
Total equity and liabilities		**385,837**	**410,530**

These financial statements were approved by Ernst & Young Europe LLP on 27 September 2013 and signed by M.A. van Loo on behalf of Drs. M.A. van Loo B.V.

3) *Excluding Holland Van Gijzen Advocaten en Notarissen LLP. For figures including Holland Van Gijzen Advocaten en Notarissen LLP see the combined statement of financial position (unaudited).*

Consolidated statement of changes in equity of Ernst & Young Nederland LLP

	Members' Capital	Profit available for distribution	Other reserves	Retained earnings	Total reserves	Total equity
	€000	€000	€000	€000	€000	€000
At 1 July 2011	75,036	117,846	-1,751	-157,709	-41,614	33,422
Profit for the financial year	-	98,000	-	10,519	108,519	108,519
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income	-	98,000	-	10,519	108,519	108,519
Profit distribution 2010/2011	-	-112,364	-	-	-112,364	-112,364
Distribution of interest on members' capital	-	-5,482	-	-	-5,482	-5,482
Contributions of capital from members	4,760	-	-	-	-	4,760
Repayment on retirement through equity	-4,253	-	-	-	-	-4,253
At 30 June 2012	**75,543**	**98,000**	**-1,751**	**-147,190**	**-50,941**	**24,602**
Profit for the financial year	-	94,437	-	10,519	104,956	104,956
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income	-	94,437	-	10,519	104,956	104,956
Profit distribution 2011/2012	-	-98,000	-	-	-98,000	-98,000
Contributions of capital from members	3,720	-	-	-	-	3,720
Repayment on retirement through equity	-7,070	-	-	-	-	-7,070
At 30 June 2013	**72,193**	**94,437**	**-1,751**	**-136,671**	**-43,985**	**28,208**

Negative retained earnings are a result of settlement of drawing rights with current and retired members. These negative retained earnings do not have any impact on the going concern assumption under which these statements have been prepared. The future cash flow will be positively influenced as a result of the settlement of the drawing rights. For these reasons EYNL will be able to continue distribution of its profits.

Consolidated statement of cash flows of Ernst & Young Nederland LLP

(for the year ended 30 June 2013)

	notes	2012/2013	2011/2012
		€000	€000
Operating activities			
Profit for the financial year		104,956	108,519
Adjustment for:			
Depreciation and impairment of property, plant and equipment	10	15,559	14,894
Amortization and impairment of intangible assets	11	297	158
Finance income and expenses	8	9,235	11,639
Share of profit from joint venture		-	-12
(Decrease)/Increase in employee benefits provision	21	-7,241	8,292
Increase/(Decrease) in provisions	20	10,851	-5,692
		133,657	137,798
Working capital adjustments:			
Decrease in trade and other receivables and prepayments		18,701	36,380
Increase/(Decrease) in trade and other payables		5,082	-11,334
Income tax received/(paid)		152	-726
Net cash flows from operating activities		**157,592**	**162,118**
Investing activities			
Purchase of property, plant and equipment		-2,178	-1,934
Disposal of property, plant and equipment		147	223
Advances/additions to other non-current financial assets/loans		-50	-3,373
Repayment/disposal of other non-current financial assets/loans		141	1,156
Acquisition of a subsidiary, net of cash acquired	5	-5,946	-5,668
Proceeds from sale of joint venture/ subsidiaries		964	1,954
Interest received		448	475
Net cash flows used in investing activities		**-6,474**	**-7,167**

Consolidated statement of cash flows of Ernst & Young Nederland LLP

(for the year ended 30 June 2013)

	notes	2012/2013	2011/2012
		€000	€000
Financing activities			
Payment from/(to) members (current account)		7,222	-11,458
Prepayments to current members		-45,584	-55,028
Payment of profit distribution 2011/2012 (2010/2011)		-42,972	-57,671
Contributions of capital from members	22	3,720	4,760
Repayment of capital contributions on retirement	22	-7,070	-4,253
Repayment of financing related to drawing rights		-14,840	-7,420
Payment of financial lease liabilities		-2,303	-5,387
Proceeds from interest-bearing loans and borrowings	18	1,850	16,880
Repayment of interest-bearing loans and borrowings	18	-26,610	-20,815
Proceeds from other non-current financial liabilities	19	400	-
Payment of advances received		-	-8,308
Interest paid		-6,408	-8,347
Net cash flows used in financing activities		**-132,595**	**-157,047**
Net cash flow		**18,523**	**-2,096**
Net cash and cash equivalents at 1 July	16	61,781	63,877
Net cash flow		18,523	-2,096
Net cash and cash equivalents 30 June	16	**80,304**	**61,781**

Notes to the consolidated financial statements of Ernst & Young Nederland LLP

The following abbreviations are used in these financial statements:

Abbreviation	standing for
EYNL	Ernst & Young Nederland LLP
EYA	Ernst & Young Accountants LLP
EYB	Ernst & Young Belastingadviseurs LLP
HVG	Holland Van Gijzen Advocaten en Notarissen LLP
EY Europe	Ernst & Young Europe LLP
EY EMEIA	Ernst & Young (EMEIA) Limited Services
EY Global	Ernst & Young Global Ltd
EYGS	EYGS LLP
EYGF	Ernst & Young Global Finance, Inc.

1 Corporate information

1.1 DATE OF PREPARATION

EYNL's consolidated financial statements for the year ended 30 June 2013 were approved by EY Europe on 27 September 2013 and signed on behalf of the members by the designated members on 30 September 2013.

1.2 INCORPORATION

EYNL is a limited liability partnership incorporated and domiciled in England and Wales (United Kingdom). The partnership was incorporated on 14 March 2008.

EYNL is registered in England and Wales with registered number OC335595 and has its registered office at Becket House, 1 Lambeth Palace Road, London SE1 7EU, United Kingdom.
Its principal place of business is at Boompjes 258, 3011 XZ Rotterdam, the Netherlands and it is registered with the Rotterdam Chamber of Commerce with number 24432942.

There are contractual arrangements under which the entire result of EYA and EYB is distributed to EYNL.

All members (partners) participate in EYNL and, depending on their professional grouping, in EYA or EYB.

1.3 FINANCIAL YEAR

A financial year consists of 52 or 53 weeks and therefore the year-end date differs from year to year. The financial year 2012/2013 started on 30 June 2012 (2011/2012: 2 July 2011) and ended on 28 June 2013 (2011/2012: 29 June 2012). Accordingly, references to 30 June 2013 must be read as 28 June 2013 and those to 30 June 2012 must be read as 29 June 2012.

1.4 PRINCIPAL ACTIVITIES

EYNL provides assistance and coordinating leadership to EYA and EYB in order to optimize their shared course of business and practices and promote their joint strategy. EYNL carries out its operations in the Netherlands but does not provide services to external clients.
The principal activities of EYNL's subsidiaries EYA and EYB are the provision of assurance, tax, advisory and transaction advisory services in the Netherlands. Legal services are provided by HVG, which has a strategic alliance with EYB.

1.5 CONTROL STRUCTURE

EYNL is a member firm of EY Global, a worldwide organization of separate legal entities providing assurance, tax, advisory and transaction advisory services which holds a leading position in its market.

Within the EY worldwide organization, operations are organized in four geographic Areas: Americas, Asia-Pacific, EMEIA (Europe, Middle East, India and Africa) and Japan. EY's activities in the Netherlands are a geographical part of the EMEIA organization, consisting of 98 countries divided into 11 geographic Regions and the EMEIA Financial Services Organization Region, which facilitates all services provided to the financial sector.
Together with Belgium, the Netherlands forms the "BeNe" Region.

This does not include the Financial Services sector in both countries, which sector is part of the Financial Services Organization Region.

EY Europe obtained a controlling interest in EYNL on 31 March 2009. EY Europe is a member of EY Global and EY EMEIA.

1.6 POSITION OF THE MEMBERS

In accordance with the contractual terms members provide certain funds to EYNL (members' capital). Since 30 June 2011 both the interest allowance and the repayment of funds have no longer been unconditional but subject to decisions of the Board of EYNL. The funds provided by members classify as equity instruments.
In the situation that the Board might decide to defer interest payments and/or repayments of funds provided, the contractual terms prohibit the distribution of profits. The members are the sole rightful claimants to the result as determined from the consolidated financial statements. The result is subject to tax in the members' professional corporations to the extent that the results of the entities in which participating interests are held have not already been subject to tax according to those entities' legal forms.

2 Accounting policies

2.1 BASIS OF PREPARATION

The consolidated and separate financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union.

The consolidated financial statements have been prepared on the historical cost basis except for available-for-sale financial assets and the contingent consideration resulting from the business combination which have been measured at fair value.

The designated members consider that the financial resources available to EYNL are adequate to meet its operational needs for the foreseeable future. Consequently the going concern basis has been adopted in preparing these financial statements.

The functional currency of EYNL and its subsidiaries is the euro. The financial statements are presented in euros and all amounts are rounded to the nearest thousand (€000), except where indicated otherwise.

For comparative purposes the following restatements were made in the figures of 2011/2012.
Income received for seconded partners has been reclassified from Other operating expenses to Other income (€ 4.2 million).
These reclassifications do not have any impact on the profit or the net assets for neither the periods nor the balance sheet at the beginning of the comparative period. Therefore it is considered appropriate not to present a statement of financial position at the beginning of the comparative period.

Basis of consolidation

The consolidated financial statements include the financial statements of EYNL and its subsidiaries as at 30 June 2013.

Subsidiaries are consolidated from the date of acquisition, being the date on which EYNL obtains control, and continue to be consolidated until the date when such control ceases.
The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies. All intra-group balances, transactions and gains and losses resulting from intra-group transactions are eliminated in full.

A change in the ownership interest of a subsidiary, without loss of control, is accounted for as an equity transaction. If EYNL loses control over a subsidiary, it:

- derecognizes the assets (including goodwill) and liabilities of the subsidiary;
- recognizes the fair value of the consideration received;
- recognizes the fair value of any investment retained; and
- recognizes any surplus or deficit in profit or loss.

2.2 CHANGES IN ACCOUNTING POLICY AND DISCLOSURES

The accounting policies adopted are consistent with those of the previous financial year, except for the following new and amended IFRS and IFRIC interpretations:

- IAS 1 Financial Statement Presentation – Presentation of Items of Other Comprehensive Income, effective 1 July 2012

The adoption of the standards or interpretations is described below:

IAS 1 FINANCIAL STATEMENT PRESENTATION – PRESENTATION OF ITEMS OF OTHER COMPREHENSIVE INCOME

The amendments to IAS 1 change the grouping of items presented in other comprehensive income. Items that could be reclassified (or 'recycled') to profit or loss at a future point in time (for example, upon derecognition or settlement) would be presented separately from items that will never be reclassified. For the current and previous financial year EYNL does not recognize any items of other comprehensive income. The amendment would affect presentation only and has therefore no impact on EYNL's financial position or performance.
The amendment is effective for annual periods beginning on or after 1 July 2012.

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Foreign currencies

Transactions in foreign currencies are initially recorded at the rate of exchange of the functional currency prevailing at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rate of exchange at the reporting date. All differences arising on settlement or translation of monetary items are taken to the statement of comprehensive income.

Non-monetary items that are measured in terms of historical cost in foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, EYNL elects whether it measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition costs are expensed as incurred.

When EYNL acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, the previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognized in profit or loss.

Any contingent consideration to be transferred by the acquirer will be recognized at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of IAS 39 Financial Instruments: Recognition and Measurement, is measured at fair value with changes in fair value recognized in either profit or loss or as a change to other comprehensive income.

Goodwill is initially measured at cost being the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interests over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the gain is recognized in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of EYNL's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

Revenue recognition
Revenue is recognized to the extent that it is probable that the economic benefits will flow to EYNL and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty.

Rendering of services
Rendering of services represents revenue earned under a wide variety of contracts to provide professional services to clients and to other entities within the EY global network. Revenue is recognized when the stage of completion of the contract, the amounts to be received and the costs incurred and to complete the contract can be measured reliably and it is probable that the revenue will be received. It is measured by reference to the stage of completion of the contract at the estimated fair value of the right to consideration, which represents amounts chargeable to clients, including expenses and disbursements, but excluding value added tax.
Revenue is generally recognized as contract activity progresses, although when it is contingent on an event outside the control of EYNL it is recognized when the contingent event occurs. Revenue not billed to clients is included in unbilled receivables and payments on account in excess of the relevant amount of revenue are included in trade and other payables.
When determining the amount of revenue to be recognized on incomplete contracts, it is necessary to estimate their stage of completion, the remaining time and costs to be incurred and the amounts that will be paid for the services provided. These estimates are made on a contract-by-contract basis and a different assessment of any of these factors would result in a change to the amount of revenue recognized.

Other income
Income earned from charges made to other entities within the EY Global network is recognized based on the applicable contractual terms and conditions.

Finance income
Finance income represents interest earned on cash at banks and deposits. Revenue is recognized as interest accrues, using the effective interest method.

Income tax
Taxes on the result of EYNL are levied directly on the members. Taxes on subsidiaries (other than EYA and EYB) which are autonomous taxpayers are computed on the basis of the disclosed result, taking into account tax-exempt items and non-deductible expenses.

Any differences between measurement for tax purposes and for financial reporting purposes are likewise settled through the members' professional corporations. Consequently, no deferred tax arises.

Profit for the financial year available for distribution among members
The profit for the financial year available for distribution to members as reported in the consolidated statement of comprehensive income is distributed according to an agreed system. The distributions to retired members are a contractual obligation of the members as a whole, and not EYNL.

The distribution of the consolidated result to the members is subject to the approval of EY Europe. Because of the timing difference of the approval the result for the financial year is recognized as part of equity. Distribution of profits is prohibited in the situation that the Board has made use of its discretionary powers and has decided to defer the payment of interest allowance of members' capital and/or the repayment of members' capital to current or retired members.

Drawing rights were settled in the 2006/2007 and 2008/2009 financial years. EYNL and its predecessors facilitated the settlement by making payments on behalf of the members and obtaining the necessary financing. Each year, in accordance with a fixed schedule (in fixed amounts during a remaining period of 13.5 years), part of the consolidated profit available to members will not be distributed, but will be set off against the settled drawing rights in retained earnings.

Amounts paid to members in advance of profit distribution are recoverable from these members and recognized as a financial asset. Profit distributions to members are recognized as a deduction from equity when payment is no longer discretionary.

Work performed by members is not remunerated separately. The statement of comprehensive income does not recognize notional remuneration for members as such remuneration cannot be regarded as determining the profit.

Property, plant and equipment
Property, plant and equipment are stated at cost less accumulated depreciation and/or any accumulated impairment losses.
The present value of the expected dilapidations costs at the end of the lease is included in the cost of the capital expenditure in rented properties if the recognition criteria for a provision are met. It is depreciated over the remaining terms of the leases. See Note 20 "Provisions" for the method for calculating the provision for dilapidations costs.

Depreciation
Depreciation is calculated on a straight-line basis over the estimated useful life of the asset:

‣ Capital expenditure in rented properties	Lease term, usually 10 years
‣ Cars (average lease term)	2013: 4.7 years; 2012: 4.7 years
‣ Fixtures and fittings, computers etc.	5 to 7 years

Depreciation is charged proportionately to additions made during the year.

Contracts are reviewed for possible renewal options when determining the lease term for the capital expenditure in rented properties. The depreciation period for cars equals the term of the finance lease.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively if appropriate.

Derecognition
An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of comprehensive income in the year the asset is derecognized.

Leases
The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date: whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset, even if that right is not explicitly specified in the arrangement.

Finance lease
Finance leases, which transfer substantially all the risks and benefits incidental to ownership of the leased item to EYNL, are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized in the statement of comprehensive income.

Assets leased through finance leases are depreciated over the useful life of the asset. However, if there is no reasonable certainty that EYNL will obtain ownership at the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease
All other lease contracts are considered to be operating leases. Operating lease payments are recognized as an operating expense in the statement of comprehensive income on a straight-line basis over the lease term. Increases in annual rentals following rent reviews are recognized over the remaining lease term from the time they take effect. Lease incentives are recognized as a reduction of rental expenses over the contracted lease term.

Borrowing costs
Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of that asset. Due to the absence of qualifying assets the impact is nil. All other borrowing costs are expensed in the period they occur.

Intangible assets
Intangible assets acquired separately are measured at cost on initial recognition. The costs of intangible assets acquired in a business combination equal their fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses.

Amortization is based on the estimated useful economic life of the asset and charged using the straight-line method:

‣ Software	3 years
‣ Customer relationships	10 years

Intangible assets are tested for impairment whenever there is an indication that they may be impaired.

The amortization period and method for an intangible asset with a finite useful life is reviewed at least at each financial year-end. Changes in the expected useful life are accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets is recognized as a separate line item in the statement of comprehensive income.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of comprehensive income when the asset is derecognized.

Impairment of non-financial assets
EYNL assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, EYNL estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs to sell and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

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. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

EYNL bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of EYNL's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of 1 to 3 years.

Impairment losses of continuing operations, are recognized in the statement of comprehensive income in expense categories consistent with the function of the impaired asset.

For assets excluding goodwill, an assessment is made at each reporting date whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, EYNL estimates the asset's or the CGU's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited such that the carrying amount of the asset does not exceed its recoverable amount nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of comprehensive income unless the asset is carried at a remeasured amount, in which case the reversal is treated as a revaluation increase.

The following assets have specific characteristics for impairment testing.

Goodwill
Goodwill is tested for impairment annually (as at 30 June) and when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognized. Impairment losses relating to goodwill cannot be reversed in future periods.

Investment in joint venture

Until 15 November 2011, EYNL had an interest in the joint venture CE IT Services GmbH, a jointly-controlled entity, whereby the venturers had a contractual agreement that established joint control over the economic activities of the entity. The interest in CE IT Services GmbH was sold on 15 November 2011.

EYNL recognized its interest in the joint venture using the equity method, under which the investment in the joint venture was carried in the statement of financial position at cost plus post-acquisition changes in EYNL's share of net assets of the joint venture. Goodwill relating to the joint venture was included in the carrying amount of the investment and was neither amortized nor individually tested for impairment. The statement of comprehensive income reflects the share of the results of operations of the joint venture in a separate line item.

Financial assets

Initial recognition and measurement

Financial assets within the scope of IAS 39 are classified as loans and receivables or available-for-sale financial assets. The classification of the financial assets is determined at initial recognition.

Financial assets are recognized initially at fair value plus directly attributable transaction costs in the case of loans and receivables.

The financial assets include cash and short-term deposits, trade and other receivables, loans and other receivables and unquoted equity shares.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows.

1) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate method, less impairment.

Receivables are generally carried at the original invoiced amount, less an allowance for doubtful receivables where there is objective evidence that balances will not be recovered in full.

Unbilled receivables are for services provided but not yet billed. If the result of a transaction relating to a service can be estimated reliably, the unbilled receivables for that service are measured by reference to the stage of completion based on the estimated proceeds. Any amounts billed in advance are deducted from unbilled receivables.

Gains and losses are recognized in the consolidated statement of comprehensive income when the loans and receivables are derecognized or impaired, as well as through the amortization process.

2) Available-for-sale assets

Participating interests in companies over which no significant influence is exercised over financial and operating policies are measured at fair value or, if that cannot be established reliably, at cost, taking into account impairment. Unrealized gains and losses are recognized through equity, until the investment is derecognized, at which time the cumulative gain or loss recorded in equity is recognized in the statement of comprehensive income, or determined to be impaired, at which time the cumulative loss recorded in equity is recognized in the statement of comprehensive income.

Derecognition

A financial asset is derecognized on settlement.

Impairment of financial assets
EYNL assesses, at each reporting date, whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtor or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that it will enter bankruptcy or other financial reorganization and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

For financial assets carried at amortized cost, EYNL first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant. If EYNL determines that no objective evidence of impairment exists for an individually assessed financial asset, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment.
If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows.
The carrying amount of the assets is reduced through the use of an allowance account and the loss is recognized in profit or loss.

Financial liabilities
Initial recognition and measurement
Financial liabilities within the scope of IAS 39 are classified as loans and borrowings. The classification of the financial liabilities is determined at initial recognition.

Financial liabilities are recognized initially at fair value plus directly attributable transaction costs in the case of loans and borrowings.

The financial liabilities include trade and other payables and loans and borrowings.

Subsequent measurement
After initial recognition, all interest-bearing and non-interest-bearing loans and borrowings are subsequently measured at amortized cost using the effective interest rate.
Gains and losses are recognized in the statement of comprehensive income when the liabilities are derecognized as well as through the amortization process.

Derecognition
A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the statement of comprehensive income.

Offsetting of financial instruments
Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis or to realize the assets and settle the liabilities simultaneously.

Fair value of financial instruments
The fair value of financial instruments that are traded in active markets is determined by reference to quoted market prices at the reporting date.

For financial instruments not traded in an active market, fair value is determined using appropriate valuation techniques. Such techniques may include:

- using recent arm's length market transactions;
- reference to the current fair value of another instrument that is substantially the same;
- a discounted cash flow analysis or other valuation models.

Cash and short-term deposits

Cash and short-term deposits in the statement of financial position comprise cash at banks and on hand and short-term deposits.

Provisions

Provisions are recognized when EYNL has a present legal or constructive obligation resulting from a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the statement of comprehensive income net of any reimbursement.

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 recognized as a finance cost.

Professional indemnity

In determining the amount of a provision to be recognized in respect of alleged professional negligence claims, it is necessary to make a judgment as to whether EYNL has a present obligation as a result of a past event that gives rise to probable payments and, if so, whether the obligation can be reliably estimated. Where appropriate, provision is made based on the estimated cost to EYNL of defending and settling claims. These judgments and estimates are made on a claim-by-claim basis and take account of all available evidence. A different assessment could result in a change to the amount of the provision recognized.

Obligation for members' drawing rights

During 2008/2009, the drawing rights of certain active members were set at fixed amounts and became an obligation of EYNL, payable upon the members' retirement dates. In specific circumstances, notably when a member leaves before the usual retirement date, no payment is due.
The obligation is recognized at the best estimate of the expected payments upon retirement of the respective partners, using actuarial assumptions and discounted at a contractual determined pre-tax rate. This estimate will be revised annually.

Dilapidations provision

The provision for dilapidations relates to the leases of offices. Dilapidations costs are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognized as part of the cost of that particular asset. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the dilapidations obligation. The unwinding of the discount is expensed as incurred and recognized in the statement of comprehensive income as a finance cost. The estimated future costs of dilapidations are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied are added to or deducted from the cost of the asset.

Contingent liabilities, including liabilities that are not probable or which cannot be measured reliably, are not recognized but are disclosed unless the possibility of settlement is considered remote. Contingent assets are not recognized, but are disclosed where an inflow of economic benefits is probable. Separate disclosure is not made of any individual claim or of expected insurance recoveries where such disclosure might seriously prejudice the position of EYNL.

Provision for employee benefits

Pensions

EYNL has a defined contribution pension plan which is administered by a pension fund (Stichting Pensioenfonds Ernst & Young). The pension fund has reinsured its obligations and actuarial risks through an insurance company. EYNL is only required to pay the agreed contributions to the pension fund. After payment of this premium EYNL does not have any further obligation to the fund or its employees in this respect. EYNL cannot be held liable for any losses suffered by the pension fund, even if the pension fund is discontinued. The premium paid does not contain any elements relating to past services. EYNL is not entitled to any refund. The contributions due to the pension fund are taken to the statement of comprehensive income.
Contributions payable and prepaid contributions are included under current liabilities and current assets, respectively.

There is an obligation to index the paid-up entitlements of a limited, specific and closed group of former employees. This obligation is classified as a defined benefit plan. The plan is unfunded. Measurement is based on the projected unit credit method using a discount rate derived from the interest rate on high-quality corporate bonds. Actuarial gains and losses are recognized immediately through profit or loss.

Salary payments during absence and long-service awards

The salary payments during absence consist of supplementary disability benefits under the Dutch Work and Income Act (WIA) and a provision which is formed for future payments in the event of termination of contracts of employment. Furthermore, a provision for long-service awards is made. The plans are unfunded.
Measurement of disability benefits is computed actuarially using factors for attrition, mortality and disability, and measurement of long-service awards is based on probability rates, mortality rates and future salary increases. Actuarial gains and losses are recognized immediately through profit or loss. These provisions are discounted using a rate derived from the interest rate on high quality corporate bonds.

Annuities regarding retired members

Annuity liabilities regarding retired members are computed actuarially using a discount rate derived from the interest rate on high quality corporate bonds. Annuities are paid until the death of the person for whose benefit the annuity was concluded.

Equity

Members' capital

The funds provided by the members classify as Equity instruments. Reference is made to Note 1.6.

Retained earnings

Since 2008/2009, the distribution of the consolidated result for the financial year has been made following the approval of EY Europe and after the financial statements are signed on behalf of the members by the designated members. Therefore the consolidated result for the financial year is recognized as part of equity.
Distribution of profits is prohibited in the situation that the Board has made use of its discretionary powers and has decided to defer the payment of interest allowance of members' capital and/or the repayment of members' capital to current or retired members.

Amounts paid to members in advance of profit distribution are recoverable from these members and recognized as a financial asset. Profit distributions to members are recognized as a deduction from equity when payment is no longer discretionary.

Drawing rights were settled in the 2006/2007 and 2008/2009 financial years. EYNL and its predecessors facilitated this by making the payment on behalf of the members and obtaining the necessary financing. The settlement was charged against equity (retained earnings) as it related to the settlement of an obligation of the members and not an obligation of EYNL.

Part of the withdrawn drawing rights will be funded each year by the then profit-sharing members. Each year, in accordance with a fixed schedule, part of the profit available to members will not be distributed, but set off against the settled drawing rights in equity (retained earnings).

The drawing rights of current members have also been set at fixed amounts and became an obligation of EYNL, payable upon their retirement dates.

Statement of cash flows

The statement of cash flows has been prepared using the indirect method.

Movements in members' capital, other loans and borrowings from members and current accounts with current and retired members are presented as a single net amount.

Combined transactions are not recognized on the basis of their individual components: e.g. assets acquired through a finance lease are not recognized in the net cash flows used in investing activities or the net cash flows used in financing activities. Instead, only the actual payment of the finance lease obligations is included in the net cash flows used in financing activities. The interest element is recognized as part of overall interest in the financing cash flow. In 2011/2012, additions to property, plant and equipment of €9.1 million were recognized as capital expenditure but financed through a finance lease. In 2012/2013 this is nil, due to the change in lease contracts of cars in 2011/2012.

Transactions denominated in foreign currencies are recognized at the exchange rates ruling on the transaction date.

On 6 July 2012 Ernst & Young Participaties B.V. acquired 100% of the shares of Ernst & Young Real Estate Advisory Services B.V.

On 11 October 2012 Ernst & Young Participaties B.V. acquired 100% of the shares of BECO Groep B.V.

On 4 July 2011, Partake Consulting B.V. was acquired, including the control of its wholly-owned subsidiaries in Belgium, France and the UK.
On the same date, the control of the Belgian, French and UK operations was transferred to the respective EY member firms in these countries.
Due to the Final Settlement agreed in October 2012 with the previous owner of Partake Consulting B.V., the final agreed consideration for Partake Consulting B.V. was paid in October 2012.

During 2008/2009, the drawing rights of current members were settled at fixed amounts and became an obligation, payable upon their retirement dates. During 2012/2013, an amount of €4.3 million was paid to retiring members (2011/2012: €3.7 million).

3 Standards issued but not yet effective

Standards issued but not yet effective up to the date of issuance of the EYNL's financial statements are listed below:

- IFRS 7 Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities, effective 1 January 2013
- IFRS 9 Financial Instruments[4], effective 1 January 2015
- IFRS 10 Consolidated Financial Statements, effective 1 January 2014
- IFRS 11 Joint Arrangements, effective 1 January 2014
- IFRS 12 Disclosure of Interests in Other Entities, effective 1 January 2014
- IFRS 10-12 Transition Guidance, effective 1 January 2013
- IFRS 10, IFRS 12 and IAS 27 Investment Entities[4], effective 1 January 2014
- IFRS 13 Fair Value Measurement, effective 1 January 2013
- IAS 12 Income Taxes – Recovery of Tax Assets, effective 1 January 2013
- IAS 19 Employee Benefits (amended), effective 1 January 2013
- IAS 27 Separate Financial Statements, effective 1 January 2014
- IAS 28 Investments in Associates and Joint Ventures, effective 1 January 2014
- IAS 32 Financial Instruments: Presentation: Offsetting Financial Assets and Financial Liabilities, effective 1 January 2014
- IAS 36 Recoverable Amount Disclosures for Non-Financial Assets - Amendments to IAS 36[4], effective 1 January 2014
- IAS 39 Novation of Derivatives and Continuation of Hedge Accounting - Amendments to IAS 39[4], effective 1 January 2014
- IFRIC 20 Stripping Costs in the Production Phase of a Surface Mine, effective 1 January 2013
- IFRIC 21 Levies[4], effective 1 January 2014
- Annual Improvements to IFRS (Issued May 2012), effective 1 January 2013

The standards and interpretations discussed below are those which EYNL reasonably expects to have an impact on disclosures, financial position or performance when applied at a future date. EYNL intends to adopt these standards when they become effective.

IFRS 9 Financial Instruments: Classification and Measurement

IFRS 9 as issued reflects the first phase of the IASBs work on the replacement of IAS 39 and applies to the classification and measurement of financial assets and financial liabilities as defined in IAS 39. In subsequent phases, the IASB will address hedge accounting and impairment of financial assets.
The standard becomes effective for annual periods beginning on or after 1 January 2015.
EYNL has studied the standard and is currently assessing its impact.

IFRS 10 Consolidated Financial Statements

IFRS 10 replaces the portion of IAS 27 Consolidated and Separate Financial Statements that addresses the accounting for consolidated financial statements. It also includes the issues raised in SIC-12 Consolidation — Special Purpose Entities. IFRS 10 establishes a single control model that applies to all entities including special purpose entities. The changes introduced by IFRS 10 will require management to exercise significant judgment to determine which entities are controlled, and therefore, are required to be consolidated by a parent, compared with the requirements that were in IAS 27.
This standard becomes effective for annual periods beginning on or after 1 January 2014.
Based on the preliminary analyses performed, IFRS 10 is not expected to have an impact on EYNL's financial position or performance.

IFRS 12 Disclosure of Interests in Other Entities

IFRS 12 includes all of the disclosures that were previously in IAS 27 related to consolidated financial statements, as well as all of the disclosures that were previously included in IAS 31 and IAS 28. These disclosures relate to an entity's interests in subsidiaries, joint arrangements, associates and structured entities. A number of new disclosures are also required. The standard will affect disclosure only and will have no impact on EYNL's financial position or performance. This standard becomes effective for annual periods beginning on or after 1 January 2014.

4) Not yet endorsed by the EU as at September 2013.

IFRS 10-12 Transition Guide

The amendments clarify the transition guidance in IFRS 10 Consolidated Financial Statements and also provide additional transition relief in IFRS 10, IFRS 11 Joint Arrangements and IFRS 12 Disclosure of Interests in Other Entities. The transition guidance becomes effective for financial years beginning on or after 1 January 2013.

IFRS 13 Fair Value Measurement

IFRS 13 establishes a single source of guidance under IFRS for all fair value measurements. IFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under IFRS when fair value is required or permitted. Based on preliminary analyses, the standard is not expected to have a material impact on the EYNL's financial position or performance. This standard becomes effective for annual periods beginning on or after 1 January 2013.

IAS 19 Employee Benefits (Amendment)

The IASB has issued numerous amendments to IAS 19. These range from fundamental changes such as removing the corridor mechanism and the concept of expected returns on plan assets to simple clarifications and re-wording. EYNL is assessing the impact this standard will have on its financial position and performance. The amendment becomes effective for annual periods beginning on or after 1 January 2013.

IAS 27 Separate Financial Statements (as revised in 2011)

Following the new IFRS 10 and IFRS 12, what remains of IAS 27 is limited to accounting for subsidiaries, jointly controlled entities, and associates in separate financial statements. The revised standard is not expected to have an impact on EYNL's financial position or performance.
The amendment becomes effective for annual periods beginning on or after 1 January 2014.

Improvements to IFRSs (Issued May 2012)

In May 2012, the IASB issued the 2009-2011 cycle improvements to its standards and interpretations, primarily with a view to removing inconsistencies and clarifying wording.
These improvements are not expected to have an impact on EYNL, but include:

- IAS 1 Presentation of Financial Statements: Clarifies the difference between voluntary additional comparative information and the minimum required comparative information.

These improvements become effective for financial years beginning on or after 1 January 2013.

4 Significant accounting judgments, estimates and assumptions

The preparation of EYNL's consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Judgments

In the process of applying EYNL's accounting policies, management has made the following judgments, which have the most significant effect on the amounts recognized in the consolidated financial statements.

Drawing rights

Drawing rights were settled/redeemed in the 2006/2007 and 2008/2009 financial years. EYNL and its predecessors facilitated this by making the payment on behalf of the members and obtaining the necessary financing.

To finance the settlement of drawing rights in 2008/2009, EYGS, on behalf of EY Europe, committed (interest-free) loans totalling €98.9 million and an equity contribution of €74.1 million.
On 27 June 2012 these loans were transferred to EYGF.
The loans were measured on receipt at the fair value of the future consideration, using a discount rate of 5%. The settlement/redemption was charged against equity as it related to the settlement of a liability of the members and not a liability of EYNL.

Finance and operating leases

Until 31 December 2011, EYNL ran all significant risks and enjoyed all significant rewards inherent in the ownership of the cars and, accordingly, they were recognized as finance leases.

Effective 1 January 2012, EYNL entered into a new contract with a single lease company. Under this new contract, the cars are recognized as operating leases. The contracts with the other lease companies remain unchanged and continue to be classified as finance leases.

Management established on the basis of an evaluation of the terms and conditions for the arrangements that not all the significant risks and rewards of ownership of personal computers had been transferred to EYNL. Consequently, the personal computers are recognized as operating leases.

Pension plan

The contractual arrangements laid down in the pension rules, the agreements with the pension fund, transparent communication on employees' entitlements and the insurance contract with leading professional insurance companies are of such a nature that, viewed from EYNL's perspective there is a plan under which all actuarial risks and rewards are placed outside EYNL after payment of the fixed annual premium. Based thereon it has been concluded that the pension plan qualifies as a defined contribution plan.
The obligation to index certain paid-up entitlements qualifies as a defined benefit plan, but because it relates to a limited, specific and closed group of former employees it is regarded as a separate plan and does not impact the classification of the general pension plan.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are described below.
EYNL based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances beyond the control of EYNL. Such changes are reflected in the assumptions when they occur.

Revenue measurement

Estimates of the fair value of the services rendered have to be made to determine revenue. The estimates are made using a method based on a primary estimate by the member with final responsibility plus a review procedure. Revenue is determined taking into account the progress of the work. Where applicable, the variations in the contracted work are also taken into account.

Property, plant and equipment

Expenditure on property, plant and equipment is allocated according to estimates of the expected useful life of the asset and any residual value. In the case of capital expenditure in rented properties, there is also a review of whether options to renew the lease will be exercised. Part of the amount capitalized is the estimated expenditure required at the end of the lease for returning the leased premises to their original state. Further details on property, plant and equipment are disclosed in Note 10.

Impairment of non-financial assets

An impairment exists when the carrying amount of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the budget and forecasts for the next 1 to 5 years. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash inflows and the growth rate used for extrapolation purposes. The key assumptions used to determine the recoverable amount for the different CGUs, including a sensitivity analysis, are further explained in Note 11.

Measurement of trade receivables

Trade receivables are measured on the basis of individual reviews and a collective review. Any impairment of outstanding receivables (including unbilled amounts) is assessed on the basis of objective evidence regarding the recoverability at the reporting date. Information becoming available after the reporting date that evidences that a loss already existed at the reporting date is also taken into account. Further details on trade receivables are disclosed in Note 14.

Provision for professional indemnity

An estimate is made of future cash outflows and of the time they are expected to arise when determining this provision. Further details are disclosed in Note 20.

Provision for premises

A provision for premises has been formed for the rent due for the remaining term of the leases of offices, or parts of them, rented by EYNL but unoccupied. In determining the amounts, assumptions and estimates are made in relation to discount rate, expected fixed expenses and expected income from sublease. For further details see Note 20.

Employee benefits

Bonuses and payments to employees are determined annually based on budgeted assumptions. During the year and as at year end, the amounts of these bonuses and payments to employees are assessed as to whether they are still applicable regarding the business circumstances. Further details are disclosed in Note 21.

Fair value measurement of contingent consideration

Contingent consideration, resulting from business combinations is measured at fair value at the acquisition date as part of the business combination. A contingent consideration meets the definition of a financial liability and is subsequently remeasured to fair value at each reporting date.
The determination of the fair value is based on discounted cash flows.
The key assumptions take into consideration the probability of meeting each performance target and the discount factor. As part of the identification and measurement of assets and liabilities in the acquisition of Partake Consulting B.V. on 4 July 2011, EYNL identified an element of contingent consideration with a fair value of €0.9 million at the acquisition date, remeasured to €1.0 million as at 30 June 2012, which was classified as other financial liability (see Notes 5 and 19). In October 2012, the total consideration was paid under the Final Settlement.

5 Business combinations

Acquisitions in 2012/2013

Ernst & Young Real Estate Advisory Services B.V.

On 6 July 2012 Ernst & Young Participaties B.V. acquired 100% of the shares of Ernst & Young Real Estate Advisory Services B.V. (hereinafter referred to as: REAS). REAS provides real estate advisory services.

The transaction consisted of a swap of 100% shares in REAS held by Ernst & Young Real Estate GmbH and the 6.77% shareholding in Ernst & Young Real Estate GmbH held by Ernst & Young Participaties B.V., plus an additional cash payment by Ernst & Young Participaties B.V.

Assets acquired and liabilities assumed

The fair value of the identifiable assets and liabilities of REAS as at the date of acquisition was:

	Fair value recognized on acquisition
	€000
Assets	
Trade and other receivables	393
Deferred tax receivables	106
Cash and cash equivalents	148
	647
Liabilities	
Provision	-58
Trade and other payables	-698
	-756
Total identifiable net assets at fair value	**-109**
Goodwill arising on acquisition (note 11)	476
Purchase consideration transferred	**367**

The fair value of the trade receivables amounts to €0.2 million. The gross amount of trade receivables is €0.2 million. None of the trade receivables have been impaired and it is expected that the full contractual amounts can be collected.

The goodwill of €0.5 million comprises the value of expected synergies arising from the acquisition. Goodwill is allocated entirely to the Transaction Advisory service line. None of the goodwill recognized is expected to be deductible for income tax purposes.

The acquisition took place at 6 July 2012. From the date of acquisition, REAS B.V. has contributed €2.3 million of revenue and €1.2 million to the gross margin of EYNL.

Purchase consideration

	€ 000
6.77% shareholding in EY REAS Germany	339
Cash paid	28
Total consideration	**367**

Analysis of cash flows on acquisition:

Cash paid	-28
Net cash acquired with the subsidiary (included in cash flows from investing activities)	148
Net cash flow on acquisition	**120**

BECO Groep B.V.

On 11 October 2012 Ernst & Young Participaties B.V. acquired 100% of the shares of BECO Groep B.V.

BECO Groep operates in the field of corporate responsibility & sustainability. The acquisition has made EYNL the market leader in the field of corporate responsibility & sustainability in the Netherlands.

Assets acquired and liabilities assumed

The fair value of the identifiable assets and liabilities of BECO Groep B.V. as at the date of acquisition was:

	Fair value recognized on acquisition
	€000
Assets	
Property, plant and equipment	219
Trade and other receivables	873
Cash and cash equivalents	10
	1,102
Liabilities	
Trade and other payables	-476
	-476
Total identifiable net assets at fair value	**626**
Goodwill arising on acquisition (note 11)	1,411
Purchase consideration transferred	**2,037**

The fair value of the trade receivables amounts to €0.5 million. The gross amount of trade receivables is €0.5 million. None of the trade receivables have been impaired and it is expected that the full contractual amounts can be collected.

The goodwill of €1.4 million comprises the value of expected synergies arising from the acquisition, the assembled workforce and customer relationships which cannot be separately recognized. Goodwill is allocated entirely to the Assurance service line. None of the goodwill recognized is expected to be deductible for income tax purposes.

The acquisition took place at 11 October 2012. From the date of acquisition, BECO Groep B.V. has contributed €1.7 million of revenue of EYNL and a negligible contribution to the gross margin of EYNL.
If the acquisition had taken place at the beginning of the financial year, revenue from continuing operations would have been increased with €0.8 million, the profit from continuing operations for EYNL would not have been significantly influenced.

Purchase consideration

	€ 000
Cash paid	2,037
Total consideration	**2,037**

Analysis of cash flows on acquisition:

Cash paid	-2,037
Net cash acquired with the subsidiary (included in cash flows from investing activities)	10
Net cash flow on acquisition	**-2,027**

Acquisition of Partake Consulting B.V. in 2011/2012

On 4 July 2011 Ernst & Young Participaties B.V. acquired 100% of the shares of Partake Consulting B.V. including the control of its wholly-owned subsidiaries Partake Consulting Nederland B.V., Partake Consulting Belgium b.v.b.a, Partake Consulting SAS and Partake Consulting UK Ltd (hereinafter collectively referred to as: "Partake"). Partake is active in the field of enterprise performance management systems. The acquisition has made EYNL market leader in the field of enterprise intelligence in Belgium, France and the Netherlands.
On the same date EYNL transferred control of the Belgian, French and UK operations to the respective EY member firms in these countries at fair value.

Assets acquired and liabilities assumed

The fair value of the identifiable assets and liabilities of Partake Consulting B.V. as at the date of acquisition was:

	Fair value recognized on acquisition
	€000
Assets	
Intangible assets identified at acquisition date	2,600
Property, plant and equipment	17
Trade and other receivables	1,250
Assets held for sale (subsidiaries with Belgian, French and UK operations)	4,447
Cash and cash equivalents	152
	8,466
Liabilities	
Trade and other payables	-867
Income tax payable	-95
	-962
Total identifiable net assets at fair value	**7,504**
Goodwill arising on acquisition (Note 11)	2,776
Purchase consideration transferred	**10,280**

At acquisition date, customer relationships of €2.6 million were separately recognized.

The goodwill of €2.8 million comprises the value of expected synergies arising from the acquisition. Goodwill is allocated entirely to the Advisory service line. None of the goodwill recognized is expected to be deductible for income tax purposes.

The acquisition took place at 4 July 2011. From the date of acquisition, Partake Consulting B.V. has contributed €3.9 million of revenue and €1.1 million to the gross margin of EYNL.

As part of the purchase agreement with the previous owner of Partake Consulting B.V., a contingent consideration was agreed. Due to the Final Settlement agreed in October 2012 with the previous owner of Partake Consulting B.V., the final agreed consideration for Partake Consulting B.V. was paid in October 2012.

6 Revenue

EYNL is not required to disclose segment information.

6.1 RENDERING OF SERVICES

Fee income from the rendering of services is generated almost entirely in the Netherlands and can be broken down by service line as follows:

	2012/2013	2011/2012
	€000	€000
Assurance services	287,080	288,231
Tax services	198,699	193,685
Advisory services	85,673	83,528
Transaction advisory services	42,647	33,814
	614,099	**599,258**

6.2 OTHER INCOME

Other income was as follows:

	2012/2013	2011/2012
	€000	€000
Services to other entities within the EY network[5]	20,083	27,307
Share of HVG's result	756	1,021
	20,839	**28,328**

5) *For reclassification in 2011/2012 see Note 2.1 Basis of preparation.*

7 Operating expenses

7.1 SERVICES PROVIDED BY FOREIGN EY MEMBER FIRMS AND THIRD PARTIES

These are services and expenses directly attributable to assignments.

7.2 EMPLOYEE BENEFITS EXPENSES

The breakdown is as follows:

	2012/2013	2011/2012
	€000	€000
Salaries and bonuses	180,427	181,468
Social security charges	24,334	24,945
Pension contribution	23,701	22,352
Mobility expenses	26,357	23,419
Other staff expenses	7,373	21,535
	262,192	**273,719**

Salaries and bonuses include vacation allowance.

Mobility expenses includes lease payments recognized as operating lease expenses of €11.5 million (2011/2012: €7.2 million).

The average number of staff (excluding members) during the year was:

	2012/2013	2011/2012
	FTE	FTE
Client serving staff	2,558	2,656
Support staff	707	779
	3,265	**3,435**

7.3 OTHER OPERATING EXPENSES

	2012/2013	2011/2012
	€000	€000
Premises expenses	48,455	29,495
Other staff expenses	13,067	13,585
Office expenses	16,554	17,335
IT expenses	23,488	22,829
International EY charges	40,871	39,967
Net foreign exchange gains and losses	133	-575
Other expenses[6]	23,546	28,497
	166,114	**151,133**

The increase of the premises expenses is due to an addition of €18.4 million to the provision for premises relating to our office space reduction plan.

Premises expenses includes lease payments recognized as operating lease expense of €25.3 million (2011/2012: €24.8 million).

IT expenses includes lease payments recognized as operating lease expense of €1.3 million (2011/2012: €1.2 million).

Auditors' remuneration of €220,000 (2011/2012: €249,000) is included in other expenses. Of these amounts, €170,500 (2011/2012: €190,000) was charged in respect of the audit of the financial statements of all entities and an amount of €49,500 (2011/2012: €59,000) for various other audit services.

6) *For reclassification in 2011/2012 see Note 2.1 Basis of preparation.*

8 Finance income and expenses

8.1 FINANCE INCOME

	2012/2013	2011/2012
	€000	€000
Interest on bank balances and deposits	408	451
Interest income on loans and receivables	40	24
	448	**475**

8.2 FINANCE EXPENSES

	notes	2012/2013	2011/2012
		€000	€000
Interest on loans granted by current and retired members		2,117	2,149
Interest on current and retired members' current account balances		2,064	2,339
Total interest paid to current and retired members		4,181	4,488
Finance charges payable under finance leases		559	1,222
Interest on bank loans and borrowings (including amortized cost of loans and borrowings)		1,536	2,453
Unwinding of discount on provisions and loans	18,19,20,21	3,201	3,743
Other interest and similar expense		206	208
		9,683	**12,114**

9 Income tax income/(expense)

	2012/2013	2011/2012
	€000	€000
Income tax: current financial year	-47	17
Income tax: previous financial year	73	39
	26	**56**

These tax charges relate exclusively to autonomous taxpaying subsidiaries. Tax on the remainder of the result for the financial year is borne by the members. As this also applies to differences in measurement for tax purposes and financial reporting purposes, EYNL has no deferred tax assets or liabilities.

There are no direct equity movements on which current or deferred tax is computed.

There are no recognized or unrecognized losses available for relief.

The tax reconciliation in respect of group profits is as follows.

	2012/2013	2011/2012
	€000	€000
Profit before tax	104,930	108,463
Tax at 25% (2011/2012: 25%)	-26,233	-27,116
Tax on partnership profits borne personally by the members	26,186	27,133
Taxes receivable/(payable) for previous year	66	-15
Taxes receivable by USA tax desk (previous year)	7	54
Taxes receivable by subsidiaries	**26**	**56**

10 Property, plant and equipment

The movements were as follows.

	Capital expenditure in rented properties	Cars	Fixtures and fittings, computers	Total
	€000	€000	€000	€000
At 1 July 2011	29,966	31,809	11,156	72,931
Additions	1,450	9,069	484	11,003
Disposals	-8	-22,930	-215	-23,153
Depreciation	-5,634	-5,387	-3,873	-14,894
At 30 June 2012	**25,774**	**12,561**	**7,552**	**45,887**
Acquisition	161	-	58	219
Additions	610	-	1,568	2,178
Disposals	-147	-3,315	-	-3,462
Impairment	-5,163	-	-	-5,163
Depreciation	-4,799	-2,303	-3,294	-10,396
At 30 June 2013	**16,436**	**6,943**	**5,884**	**29,263**
Cost	64,961	50,023	47,923	162,907
Accumulated depreciation and impairments	-34,995	-18,214	-36,767	-89,976
At 1 July 2011	**29,966**	**31,809**	**11,156**	**72,931**
Cost	61,942	22,009	41,495	125,446
Accumulated depreciation and impairments	-36,168	-9,448	-33,943	-79,559
At 30 June 2012	**25,774**	**12,561**	**7,552**	**45,887**
Cost	57,358	12,338	38,302	107,998
Accumulated depreciation and impairments	-40,922	-5,395	-32,418	-78,735
At 30 June 2013	**16,436**	**6,943**	**5,884**	**29,263**

Contractual obligations for purchasing property, plant and equipment were negligible at 30 June 2013 and 30 June 2012.

Until 31 December 2011, EYNL ran all significant risks and enjoyed all significant rewards inherent in the ownership of the cars and, accordingly, they were recognized as finance leases. Effective 1 January 2012, EYNL entered into a new contract with a single lease company. Under this new contract, the cars are recognized as operating lease.
The contracts with the other lease companies remain unchanged and continue to be classified as finance leases.

As a result of our office space reduction plan there is an impairment loss of €5.2 million on capital expenditure in rented properties.

All other property, plant and equipment is at the free disposal of EYNL (i.e. it has not been pledged as security).

11 Intangible assets

	Customer relationships	Goodwill	Software	Total
	€000	€000	€000	€000
At 1 July 2011	-	-	66	66
Additions	-	-	-	-
Acquisition of a subsidiary (Note 5)	2,600	2,776	-	5,376
Amortization	-130	-	-28	-158
At 30 June 2012	**2,470**	**2,776**	**38**	**5,284**
Additions	-	-	-	-
Acquisition of a subsidiary (Note 5)	-	1,887	-	1,887
Amortization	-275	-	-22	-297
At 30 June 2013	**2,195**	**4,663**	**16**	**6,874**
Cost	-	-	722	722
Accumulated amortization	-	-	-656	-656
At 1 July 2011	**-**	**-**	**66**	**66**
Cost	2,600	2,776	722	6,098
Accumulated amortization	-130	-	-684	-814
At 30 June 2012	**2,470**	**2,776**	**38**	**5,284**
Cost	2,600	4,663	722	7,985
Accumulated amortization	-405	-	-706	-1,111
At 30 June 2013	**2,195**	**4,663**	**16**	**6,874**

Acquisition during the year

Further details of acquired customer relationships and goodwill are included in Note 5.

Customer relationships

The amortization period and method for an intangible asset with a finite useful life is reviewed at least at each financial year-end. On the basis of this review it was decided to decrease the amortization period to 10 years (2011/2012: 20 years). Amortization has been changed prospectively.

Impairment testing of goodwill

Goodwill acquired through business combinations has been allocated to the three CGU's below, which are also operating segments for impairment testing:

	30 June 2013	30 June 2012
	€000	€000
Advisory services	2,776	2,776
Assurance services	1,411	-
Transaction advisory services	476	-
	4,663	**2,776**

Key assumptions used in value in use calculations

The calculation of value in use is most sensitive to the following assumptions: budgeted revenue, budgeted gross margin and budgeted operating income.

Sensitivity to changes in assumptions

With regard to the assessment of value in use, management believes that no reasonably possible change in any of the above key assumptions would cause the carrying value of the unit to materially exceed their recoverable amount.

As a result of analysis, management did not identify an impairment as at 30 June 2013.

12 Investment in joint venture

On 15 November 2011, Ernst & Young Participaties B.V. sold a 50% interest in CE IT Services GmbH, a jointly controlled entity which is involved in providing IT services to the member firms of EY Global, to GFIS GmbH at the carrying amount (€25,000).

During 2011/2012, an adjustment to the result for previous years in the amount of €12,000 was received.

13 Other non-current and current financial assets

	Effective interest rate	Maturity (financial year)	30 June 2013	30 June 2012
	%		€000	€000
Non-current				
Available-for-sale investment – unquoted equity shares	n/a	n/a	4,376	4,578
Loans granted to current members	6.25%	2014-2015	32	61
Loans granted to employees	n/a		-	50
			4,408	**4,689**
Current				
Loans granted to current members	6.25%	2014	22	40
Loans granted to employees	n/a	2014	55	49
			77	**89**

As at 30 June 2013 and 30 June 2012, there were no past-due amounts.

Available-for-sale investment – unquoted equity shares

EYNL holds non-controlling interests in EYGI B.V. (5.86%), EY Holdings Ltd (19.68%) and EY Global Finance Inc. (4.57%). The fair value of the investments in equity instruments cannot be estimated reliably and, accordingly, they are measured at cost.

During 2011/2012 Ernst & Young Participaties B.V. acquired a 4.57% interest in EY Global Finance Inc.

The non-controlling interest in Ernst & Young Real Estate GmbH (6.77%), was transferred to Ernst & Young Real Estate GmbH on 6 July 2012. The transaction consisted of a swap of 100% of the shares in Ernst & Young Real Estate Advisory Services B.V. held by Ernst & Young Real Estate GmbH and the 6.77% shareholding in Ernst & Young Real Estate GmbH held by Ernst & Young Participaties B.V., plus an additional cash payment by Ernst & Young Participaties B.V.

Further details of the transaction are included in Note 5.

14 Trade and other receivables

	30 June 2013	30 June 2012
	€000	€000
Unbilled receivables	80,089	74,136
Trade receivables	92,590	94,869
Receivables from related parties	15,766	20,432
Other receivables	5,286	5,292
	193,731	**194,729**

14.1 UNBILLED RECEIVABLES

Payments on account in excess of the relevant amount of revenue are included in trade and other payables.

Unbilled receivables are pledged to Stichting Confidentia 2004 as security for the loans granted by current and retired members.

Amounts are not yet billed and measured at expected realisable value and therefore neither past due nor impaired.

14.2 TRADE RECEIVABLES

Trade receivables are generally payable within 14 days.

Trade receivables are pledged to Stichting Confidentia 2004 as security for the loans granted by current and retired members.
The trade receivables are shown net of impairment. The total amount of impairment as at 30 June 2013 for these receivables is €3.2 million (30 June 2012: €3.5 million). The movement in the provision for impairment was as follows.

	Total
	€000
At 1 July 2011	-3,286
Charge for the year	-1,904
Release of unused amounts	973
Written off	714
At 30 June 2012	**-3,503**
Charge for the year	-923
Release of unused amounts	824
Written off	400
At 30 June 2013	**-3,202**

The ageing of trade receivables at 30 June was as follows.

			Past due but not impaired				
	Total	**Neither past due nor impaired**	**<30 days**	**30-90 days**	**90-180 days**	**180-365 days**	**>365 days**
	€000	€000	€000	€000	€000	€000	€000
30 June 2013	92,590	38,353	33,750	12,230	4,841	2,247	1,169
30 June 2012	94,869	41,223	28,198	16,011	5,696	2,598	1,143

See note 24.1 on how EYNL manages credit risk.

14.3 RECEIVABLES FROM RELATED PARTIES

The receivables from related parties are shown net of impairment. The total amount of impairment as at 30 June 2013 for these receivables is nil (30 June 2012: nil).

The ageing of related-party receivables at 30 June was as follows.

			Past due but not impaired				
	Total	**Neither past due nor impaired**	**<30 days**	**30-90 days**	**90-180 days**	**180-365 days**	**>365 days**
	€000	€000	€000	€000	€000	€000	€000
30 June 2013	15,766	11,226	2,773	1,526	255	-15	1
30 June 2012	20,432	19,245	759	246	67	100	15

14.4 OTHER RECEIVABLES

Other receivables are shown net of impairment. The total amount of impairment as at 30 June 2013 for these receivables is €0.1 million (30 June 2012: €0.1 million). The movement in the provision for impairment was as follows.

	Total
	€000
At 1 July 2011	-149
Charge for the year	-229
Release of unused amounts	63
Written off	192
At 30 June 2012	**-123**
Charge for the year	-32
Release of unused amounts	60
Written off	-
At 30 June 2013	**-95**

The ageing of other receivables at 30 June was as follows:

			Past due but not impaired				
	Total	**Neither past due nor impaired**	**<30 days**	**30-90 days**	**90-180 days**	**180-365 days**	**>365 days**
	€000	€000	€000	€000	€000	€000	€000
30 June 2013	5,286	3,901	310	802	78	159	36
30 June 2012	5,292	4,529	84	203	91	355	30

15 Prepayments

	30 June 2013	30 June 2012
	€000	€000
Profit-share advances paid to current members	45,584	55,028
Prepaid pension contributions	6,237	11,430
Other prepayments	19,163	31,265
	70,984	**97,723**

16 Cash and short-term deposits

	30 June 2013	30 June 2012
	€000	€000
Cash at bank and in hand	80,304	61,781

Cash at bank earns interest at floating rates based on daily bank deposit rates (varying between 0.7% and 1.1% at 30 June 2013 and between 0.08% and 0.38% at 30 June 2012).

As of 27th June 2013 EYNL has contracted a revolving credit facility at ABN AMRO Bank N.V. for the finance of its operational activities. EYNL has not drawn funds from this credit facility during the fiscal year.

17 Trade and other payables

	Notes	30 June 2013	30 June 2012
		€000	€000
Amounts due to current and retired members		56,475	49,253
Trade payables		16,698	12,963
Taxes and social security		32,665	29,252
Related-party payables		12,004	12,421
Amounts received in advance from clients		44,377	43,723
Other financial liabilities at amortized cost	19	78	3,224
Other payables		18,575	18,659
		180,872	**169,495**

Trade payables are normally settled on 30 day terms.

Amounts due to current and retired members are current account balances. Amounts drawn by current members as advances on the profit share are presented as prepayments.

18 Interest-bearing loans and borrowings

	Notes	Effective interest rate	Maturity (financial year)	30 June 2013	30 June 2012
		%		€000	€000
Current					
Loans granted by current and retired members		4.3%	2014	10,765	11,130
Bank loan to finance settlement of drawing rights		4.5%	2014	10,000	10,000
Private loan to finance settlement of drawing rights		5.0%	2014	14,133	14,133
Car lease obligations	27	3.2%	2014	2,779	4,538
				37,677	**39,801**
Non-current					
Loan granted by current and retired members		4.9%	2015-2019	23,285	37,680
Bank loan to finance settlement of drawing rights		4.5%	2016	17,500	27,500
Private loan to finance settlement of drawing rights		5.0%	Up to 2049	20,309	32,802
Car lease obligations	27	3.2%	2016	4,164	8,022
				65,258	**106,004**

Loans granted by current and retired members

These loans are held by Stichting Confidentia 2004 on behalf of the current and retired members. This foundation holds pledges on the unbilled receivables and receivables from clients. In the event of the death of a current or former member, his/her professional corporation can demand early repayment of the amount of the loan outstanding at that time.

The loans are repayable according to the following schedule.

Unsubordinated loans	Interest rate	In €000
31 March 2014	4.25%	10,765
31 May 2015	5.25%	9,685
30 June 2016	5.00%	6,875
1 February 2017	Variable	2,100
31 December 2017	3.75%	1,850

Subordinated loans	Interest rate	In €000
1 February 2019	6.25%	2,775

Bank loan to finance settlement of drawing rights

This loan was obtained from Van Lanschot to finance the partial settlement of drawing rights of retired members in 2006/2007. The original term of the loan was ten years. The loan is being repaid in quarterly instalments of €2.5 million and expires on 31 March 2017. The interest on the loan is 4.5% per year.

In June 2012 an extra repayment of €10 million was made. It is possible to repay an additional 10% of the original sum each year without penalty.

Private loan to finance settlement of drawing rights
On behalf of EY Europe, EYGS has committed a total of €98.9 million in loans to finance the settlement of drawing rights in 2008/2009, and €49.5 million of this amount was received on 1 July 2009. The remaining €49.4 million was received on 31 December 2009.

On 27 June 2012, these loans were transferred to EYGF.

The loans are interest-free and were measured on receipt at the fair value of the future consideration using a discount rate of 5%. For the financial year 2012/2013 the interest charge due to application of the amortized cost method amounts to €2.3 million (2011/2012 €2.6 million).

An amount of €14.8 million was repaid in June 2013 (June 2012: €7.4 million). An amount of €29.6 million of the loans will be repaid in two equal annual instalments of €14.8 million in 2014 and 2015.
The amortized cost of the loan with a face value of €39.5 million will be assessed annually based on current information on future cash flows (and, if necessary, revising the amortized cost).

Lease obligations for cars
Until 31 December 2011, EYNL ran all significant risks and enjoyed all significant rewards inherent in the ownership of the cars and, accordingly, they were recognized as finance leases.
Effective 1 January 2012, EYNL entered into a new contract with a single lease company. Under this new contract, the cars are recognized as operating leases.
The contracts with the other lease companies remain unchanged and continue to be classified as finance leases.

19 Other financial liabilities

	Notes	30 June 2013	30 June 2012
		€000	€000
Financial liabilities at fair value through profit or loss			
Contingent consideration		-	973
Other financial liabilities at amortized cost			
Other payables		381	-
Other considerations		-	3,975
Total other financial liabilities		**381**	**4,948**
With a term < 1 year	17	78	3,224
With a term > 1 year		303	1,724
		381	**4,948**

Other payables as at 30 June 2013 consist of an advanced payment of €0.4 million which EYNL received from a supplier as a guarantee for deliverance of services. The amount to be repaid in the next financial year is included in the trade and other payables (Note 17).

Financial liabilities as at 30 June 2012 consisted of considerations for Partake Consulting B.V. As part of the purchase agreement with the previous owner of Partake Consulting B.V., a contingent consideration was agreed in 2011 (see Note 5). The fair value at the acquisition date, 4 July 2011 was €0.9 million, which was adjusted as of 30 June 2012 to €1.0 million due to the interest charge as a result of the application of the amortized cost method.

The other consideration as at 30 June 2012 consisted of the deferred consideration and additional fixed consideration based on the share purchase agreement of Partake Consulting B.V. As at 30 June 2012, the amount to be paid in the next financial year was included in the trade and other payables (Note 17).

Under the Final Settlement agreed with the previous owner of Partake Consulting B.V. in October 2012, the total final agreed consideration for Partake Consulting B.V. was paid in October 2012.

20 Provisions

	Professional indemnity	Premises	Drawing rights of current members	Total
	€000	€000	€000	€000
At 1 July 2011	3,728	3,548	19,762	27,038
Additions	629	336	-	965
Payments	-762	-763	-3,662	-5,187
Amounts released	-996	-470	-4	-1,470
Unwinding of discount	-	91	805	896
At 30 June 2012	**2,599**	**2,742**	**16,901**	**22,242**
Additions	490	18,649	-	19,139
Payments	-1,135	-332	-4,298	-5,765
Amounts released	-930	-138	-1,397	-2,465
Unwinding of discount	-	98	650	748
At 30 June 2013	**1,024**	**21,019**	**11,856**	**33,899**
At 30 June 2012				
with a term < 1 year	2,599	428	3,255	6,282
with a term > 1 year	-	2,314	13,646	15,960
	2,599	**2,742**	**16,901**	**22,242**
At 30 June 2013				
with a term < 1 year	1,024	4,603	1,755	7,382
with a term > 1 year	-	16,416	10,101	26,517
	1,024	**21,019**	**11,856**	**33,899**

Professional indemnity

Professional indemnity claims, other than the policy excess, are insured under the EY International insurance program. The professional indemnity provision serves to cover current exposures, with a maximum per event of the uninsured policy excess. Based on the best estimate of timing the cash outflow is not discounted.

In the normal course of business, EYNL may receive claims for alleged negligence. Substantial insurance cover is carried in respect of professional negligence. Cover is principally written through captive insurance companies involving other EY firms and a significant proportion of the total cover is reinsured through the commercial market. Cases are usually resolved within three years, although claims that involve court action may take longer to resolve. Contingent liabilities arise where payments resulting from a claim are not probable or where it is not possible to reliably estimate the financial effect of a claim.

Premises

A provision has been formed for the rent due for the remaining term of the leases of offices, or parts of them, rented by EYNL but unoccupied.

This provision also relates to the expected cost of returning rented offices to their original condition when they are vacated.

In 2012/2013, an amount of €18.4 million was added to the provision of vacant office buildings relating to our office space reduction plan.

The provisions for vacant office buildings and dilapidation costs are calculated at present value using a discount rate of 1.6% for lease contracts ending within 6 years (30 June 2012: 4.0%) and of 2.1% for lease contract with a term of 6 years or longer (30 June 2012: 4.0%).

Drawing rights of current members

During 2008/2009, the drawing rights of current members were set at fixed amounts and became an obligation of EYNL, payable upon their retirement dates.

The obligation is recognized at the best estimate of the expected payments upon retirement of the respective partners, using actuarial assumptions and discounted at a pre-tax rate of 5.0% (30 June 2012: 5.0%).

21 Employee benefits

	30 June 2013	30 June 2012
	€000	€000
Current liabilities		
Payments to be made to staff	26,421	25,825
Salary payments during absence	7,746	16,006
Provision for long-service awards	365	392
Annuities regarding retired members	35	35
	34,567	**42,258**
Non-current liabilities		
Defined benefit pension plan	2,256	1,969
Salary payments during absence	422	382
Provision for long-service awards	2,271	1,953
Annuities regarding retired members	104	100
	5,053	**4,404**

Payments to be made to staff relates to amounts to be paid for holidays, overtime and bonuses.

21.1 DEFINED CONTRIBUTION PENSION PLAN

EYNL has a defined contribution pension plan, which is administered by a pension fund (Stichting Pensioenfonds Ernst & Young). The pension fund has reinsured its obligations and actuarial risks through an insurance company. EYNL is only required to pay the agreed contributions to the pension fund. After payment of this premium EYNL does not have any further obligation to the fund or its employees in this respect. EYNL cannot be held liable for any losses suffered by the pension fund, even if the pension fund is discontinued. The premium paid does not contain any elements relating to past services. EYNL is not entitled to any refund. The contributions due to the pension fund are taken to the statement of comprehensive income. Contributions payable and prepaid contributions are included under current liabilities and current assets, respectively.

The total amount of the defined contribution plan charged to profit or loss during the financial year was €23.7 million (2011/2012: €22.4 million).

21.2 INDEXATION OBLIGATION

There is an obligation to index the paid-up entitlements of a limited, specific and closed group of former employees. This obligation is classified as a defined benefit plan. The plan is unfunded. Measurement is based on the projected unit credit method using a discount rate derived from the interest rate on high-quality corporate bonds. Actuarial gains and losses are recognized immediately through profit or loss.

The tables below summarize the components of the funded status and amounts recognized in the statement of financial position for the plan:

Defined Benefit Obligation	**2012/2013**	**2011/2012**
	€000	€000
At 1 July	1,969	1,966
Interest cost	83	92
Current service cost	-	-
Benefits paid	-	-
Actuarial losses/(gains) on obligation	204	-89
At 30 June	**2,256**	**1,969**

	30 June 2013	**30 June 2012**
With a term < 1 year	-	-
With a term > 1 year	2,256	1,969
	2,256	**1,969**

The principal assumptions used are:

	30 June 2013	**30 June 2012**
	%	%
Discount rate	3.0	4.2
General salary increase	0.0	0.0
Inflation	0.3	0.3
Mortality rates	2012-2062 Forecast tables of the Dutch Actuarial Association	2010-2060 Forecast tables of the Dutch Actuarial Association

The total amount of defined benefit obligation charged to profit or loss during the financial year was €0.3 million (2011/2012: nil).

21.3 SALARY PAYMENTS DURING ABSENCE

This provision relates to salary to be paid in the event of termination of contracts of employment and supplementary disability benefits under the Dutch Work and Income Act (WIA).

The movements in the provision were as follows.

	2012/2013	2011/2012
	€000	€000
At 1 July	16,388	4,026
Additions	2,425	16,774
Payments	-6,933	-3,215
Released	-3,730	-1,381
Unwinding of discount	18	184
At 30 June	**8,168**	**16,388**

	30 June 2013	30 June 2012
With a term < 1 year	7,746	16,006
With a term > 1 year	422	382
	8,168	**16,388**

The principal assumptions used for the provision for supplementary disability benefits under the WIA are:

	30 June 2013	30 June 2012
	%	%
Discount rate	3.0	4.0
Probability rate	Kazo 2000	Kazo 2000
Mortality rates	2012-2062 Forecast tables of the Dutch Actuarial Association	2010-2060 Forecast tables of the Dutch Actuarial Association

21.4 PROVISION FOR LONG-SERVICE AWARDS

The provision for long-service awards relates to costs attributable to future long-service payments relating to past years of employment, taking into account the probability of staff leaving and death.

The movements in the provision were as follows.

	2012/2013	2011/2012
	€000	€000
At 1 July	2,345	2,248
Additions	729	572
Payments	-532	-564
Released	-	-1
Unwinding of discount	94	90
At 30 June	**2,636**	**2,345**

	30 June 2013	30 June 2012
With a term < 1 year	365	392
With a term > 1 year	2,271	1,953
	2,636	**2,345**

The principal assumptions used are:

	30 June 2013	30 June 2012
	%	%
Discount rate	3.0	4.0
Factor for attrition, mortality and disability	19.2	20.4
Future salary increase	3.7	3.5

22 Members' capital

	30 June 2013	30 June 2012
	€000	€000
Contractual capital contribution by members	**72,193**	**75,543**

The movements were as follows.

	2012/2013	2011/2012
	€000	€000
At 1 July	75,543	75,036
Contributions	3,720	4,760
Repayment on retirement	-7,070	-4,253
At 30 June	**72,193**	**75,543**

The number of members and the capital contribution for each LLP and/or partnership is as follows.

	30 June 2013		30 June 2012	
	Number of members	Capital contribution (in € million)	Number of members	Capital contribution (in € million)
EYA	131	46.9	140	50.0
EYB	72	25.3	74	25.5
EYNL	203	72.2	214	75.5
Members retired in financial year	20		13	
Number of profit-sharing partners	**223**		**227**	

Each member is required to make a capital contribution according to a capital-contribution method that is equal for all members.

23 Reserves

23.1 RESULT FOR THE FINANCIAL YEAR

The determination of the consolidated result for the financial year and any distribution thereof is made following the approval of EY Europe.

23.2 RETAINED EARNINGS

This reserve relates to the settlement of drawing rights in the 2006/2007 and 2008/2009 financial years to former members and partners, which will be settled in annual instalments in the period to 2026 (13.5 years) with the then profit-sharing members. It also includes the present value of the arrangements made in 2008/2009 for drawing rights of members eligible in that year. The amount of contributions and other amounts for this received from EYGS on behalf of EY Europe is deducted from the reserve.

23.3 OTHER RESERVE

This refers to the initial recognition of the defined benefit obligation at date of first time adoption of IFRS as a reporting framework.

23.4 MOVEMENTS

Reference is made to the consolidated statement of changes in equity.

24 Financial instruments

24.1 FINANCIAL RISK MANAGEMENT AND OBJECTIVES

EYNL's financial instruments arise from normal commercial activities and include amounts owed to and receivable from current and retired members. EYNL does not use financial instruments for speculative activities, and complex financial instruments are avoided.

Financial instruments give rise to credit, liquidity, interest rate and foreign currency risks. Information about how these risks arise and are managed is set out below.

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Credit risk arises primarily from client debtors and unbilled receivables and other financial assets, including deposits with banks and financial institutions and amounts due from members. EYNL's maximum exposure to credit risk for the components of the statement of financial position at 30 June 2013 and 30 June 2012 is the carrying amounts presented in Notes 14 and 16. Due to the nature of the receivables presented in Note 13 (members, employees and EY member firms) no or very limited risk applies.

EYNL maintains procedures to minimize the risk of default by trade debtors. Services are provided to such a large group of clients that there is no concentration of credit risk. Credit risk is not covered by credit insurance or other credit instruments other than billing in advance in certain cases.

During the financial year, the impairment of trade debtors is based on ageing. Per year end, the requirement for an impairment is analysed on an individual basis.

Unbilled receivables are typically billed to clients within a month of arising and invoices are generally payable within 14 days after presentation.

Note 14 presents information on the ageing of receivables and provisions for impairment.

Amounts due from members are recovered from the current year's profit distribution or otherwise contractually reclaimed from the members.

Cash deposits are placed with creditworthy banks only. Deposits of surplus funds are made only with approved counterparties only and within limits assigned to each counterparty. The limits are set to adhere to professional independence rules, to minimize the concentration of risks and, therefore, to mitigate financial loss from a potential counterparty failure.

Liquidity risk
Liquidity risk is the risk that EYNL is unable to meet its financial obligations on the due date. Liquidity risk arises from the ongoing financial obligations of EYNL, including settlement of financial liabilities such as trade and other payables, as well as interest-bearing loans and borrowings and members' capital. The policy is to maintain a positive working capital balance. Depending on the time of year, there can be a considerable balance of cash and cash equivalents.

The maturity profile of the contractual payments, including interest, arising from EYNL's financial liabilities at year end, is as follows (the amounts disclosed are the gross undiscounted cash flows).

Year ended 30 June 2013	< 1 year	1 to 2 years	2 to 5 years	> 5 years	Total
	€000	€000	€000	€000	€000
Interest-bearing loans and borrowings:					
- Contractual payments	38,544	36,370	20,703	42,775	138,392
- Interest payments	2,954	1,941	1,318	101	6,314
Trade and other payables	180,872	-	-	-	180,872
	222,370	**38,311**	**22,021**	**42,876**	**325,578**

Year ended 30 June 2012	< 1 year	1 to 2 years	2 to 5 years	> 5 years	Total
	€000	€000	€000	€000	€000
Interest-bearing loans and borrowings:					
- Contractual payments	41,083	42,298	57,564	42,925	183,870
- Interest payments	3,890	3,154	3,506	289	10,839
Trade and other payables	169,495	-	-	-	169,495
	214,468	**45,452**	**61,070**	**43,214**	**364,204**

The financing requirements of EYNL vary during the year, primarily as a result of the incidence of major payments. Capital expenditure on cars is funded by both finance leases and operating leases; reference is made to Note 10. The other main source of financing capital expenditure is funding supplied by current and retired members.

Interest rate risk
Interest rate risk is the risk that the fair value or future cash flows of financial instruments will fluctuate because of changes in market interest rates. Interest rate risk arises primarily from interest-bearing loans and borrowings and cash and cash equivalents.

An inherent feature of a structure in which current and retired members provide a significant part of the funding for activities is that the variability is not hedged by derivatives.

A fixed rate of interest is paid on long-term loans granted by current and retired members equal to the effective yield on government bonds with a remaining maturity of five years, plus a premium of one to two percentage points. A variable rate of interest is paid on one loan granted by current and retired members. The interest on current account liabilities to current and retired members is assessed quarterly.

Funds drawn for settlement of drawing rights are interest-free or bear a fixed interest rate. Interest on finance leases is fixed for the term of the lease.

Interest rate risks are not hedged in any way by derivatives.

The following table shows the sensitivity to a reasonably possible change in interest rates. With all other variables held constant, the profit of EYNL before tax is affected through the impact on floating rate borrowings as follows.

	Increase/ decrease	**Effect on profit before tax**
	in base points	€000
2012/2013		
Euro	+15	120
Euro	-15	-120
2011/2012		
Euro	+15	93
Euro	-15	-93

Foreign currency risk
Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Although the majority of the income and expenses of EYNL are denominated in euros, foreign currency risk arises from transactions denominated in other currencies, particularly the US dollar and pound sterling. Balances in foreign currency bank accounts are held to facilitate cash management and to provide means for future payments in currencies other than euros.

If the US dollar exchange rate were to change by 10%, the impact on profit or loss would be €1.8 million (2011/2012: €2.3 million) as a result of changes in the carrying amount of US dollar-denominated cash and amounts receivable/payable. If the pound sterling exchange rate were to change by 10%, the impact on profit or loss would be €0.19 million (2011/2012: €0.03 million) as a result of changes in the carrying amount of pound sterling-denominated cash and amounts receivable/payable.

24.2 OTHER NOTES

Reconciliation of classes and categories
All presented groups of financial assets, except other non-current financial assets, are part of the loans and receivables category measured at amortized cost. The financial assets in other non-current financial assets are in the available-for-sale category and are measured at fair value, if they can be measured reliably, or otherwise at cost.

All presented groups of financial liabilities are part of the loans and borrowings category, measured at amortized cost. Contingent consideration, resulting from business combinations, is valued at fair value at the acquisition date as part of the business combination and is subsequently remeasured to fair value at each reporting date.

Fair values
Based on the following assumptions, the fair value of EYNL's financial instruments approximates their carrying amount.

The fair value of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

- Cash and short-term deposits, trade and other receivables and trade and other payables approximate their carrying amounts largely due to the short-term maturities of these instruments.
- Long-term fixed-rate receivables are evaluated by EYNL using parameters such as interest rates, individual creditworthiness of the borrower and the risk characteristics of the financed project. Based on this evaluation, no impairment has been deemed necessary to recognize expected losses on these receivables. At 30 June 2013 and 30 June 2012, the carrying amounts of these receivables approximated their fair value.
- The fair value of the available-for-sale investments cannot be established reliably; therefore, these investments are measured at cost.
- The fair value of fixed-rate borrowings and obligations under finance leases is estimated by discounting future cash flows using rates currently available for debt on similar terms and remaining maturities.

Fair value hierarchy
As at 30 June 2013 and 30 June 2012, EYNL did not hold financial instruments measured at fair value.

25 Capital management

EYNL's objective when managing capital is to safeguard its ability to continue as a going concern. Partly in view of its professional independence requirements, EYNL aims for financing which is predominantly provided voluntarily or compulsorily by the members (and retired members).
Each member can be demanded to contribute an amount, not exceeding the amount (if any) unpaid in respect of the capital obligation for which the member is liable as a member.
Certain categories of property, plant and equipment, such as cars and computer equipment, are funded through finance or operating leases.
Working capital is managed in such a manner that in principle no other external bank needs to be called upon and no other financing needs to be drawn. The same criteria apply to advances of profit shares to the members for the financial year. An exception to this is specific financing of the settlement of drawing rights for which a bank loan and loans from EYGF have been drawn.

26 Related-party disclosures

Ultimate parent

EYNL's immediate and ultimate parent is EY Europe, a partnership with limited liability under English law. The results of the firm will be included in the Group financial statements of EY Europe, copies of which will be available from its registered office, Becket House, 1 Lambeth Palace Road, London SE1 7EU.

Other related parties

The financial statements include the financial information of EYNL and the subsidiaries listed in the following table.

		% Equity interest	
Name	**Country of incorporation**	**30 June 2013**	**30 June 2012**
Ernst & Young Accountants LLP	United Kingdom	100%	100%
Ernst & Young Belastingadviseurs LLP	United Kingdom	100%	100%
Ernst & Young Participaties Coöperatief U.A.	The Netherlands	100%	100%
Ernst & Young Participaties B.V.	The Netherlands	100%	100%
Ernst & Young VAT Rep B.V.	The Netherlands	100%	100%
Ernst & Young Actuarissen B.V.	The Netherlands	100%	100%
Partake Consulting B.V.	The Netherlands	100%	100%
Partake Consulting Nederland B.V.	The Netherlands	100%	100%
Ernst & Young CertifyPoint B.V.	The Netherlands	100%	100%
GS Participation Ltd	United Kingdom	100%	100%
Ernst & Young Real Estate Advisory Services B.V.	The Netherlands	100%	-
BECO Groep B.V.	The Netherlands	100%	-
Ernst & Young CA B.V.	The Netherlands	100%	-

EYB has a strategic alliance with HVG.

On 6 July 2012 Ernst & Young Participaties B.V. acquired 100% of the shares of Ernst & Young Real Estate Advisory Services B.V.

On 11 October 2012 Ernst & Young Participaties B.V. acquired 100% of the shares of BECO Groep B.V.

On 28 June 2013 Ernst & Young CA B.V. was founded.

On 4 July 2011 Ernst & Young Participaties B.V. acquired 100% of the shares of Partake Consulting B.V., including the control of its wholly-owned subsidiaries Partake Consulting Nederland B.V., Partake Consulting Belgium b.v.b.a, Partake Consulting SAS and Partake Consulting UK Ltd.
On the same date EYNL transferred control of the Belgian, French and UK operations to the respective EY member firms in these countries.
On 5 July 2011 the assets and liabilities of Partake Consulting B.V. and Partake Consulting Nederland B.V. were transferred to Ernst & Young Accountants LLP.

The following table provides the total amounts for which transactions were entered into with related parties during the relevant financial years.
For information regarding outstanding balances at 30 June 2013 and 30 June 2012, reference is made to Notes 14 and 17.

		Sales to related parties	Purchases from related parties	Amounts owed by related parties*	Amounts owed to related parties
		€000	€000	€000	€000
Entity with control and/or significant influence over EYNL:					
EY Europe	2012/2013	-	-	-	-
	2011/2012	-	-	-	-
Entities under common control	2012/2013	23,094	41,299	6,094	7,014
	2011/2012	18,152	25,976	6,797	4,720
HVG	2012/2013	8,973	5,414	740	574
	2011/2012	8,851	4,430	2,319	-

** Gross amounts*

Terms and conditions of transactions with related parties

Services provided to and received from related parties are generally settled at prices applicable under normal market circumstances.

Outstanding balances at year-end are unsecured and interest-free, and settlement occurs in cash. No guarantees were provided or received for any related-party receivable or payable.

For the year ended 30 June 2013 EYNL did not record any impairment of related-party receivables (30 June 2012: nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which it operates.

Entities under common control comprise entities controlled by EYNL's parent undertaking, EY Europe LLP, and therefore represent a related-party relationship.

EY Europe LLP is able to exert significant influence over EY Global Finance, Inc, which means that it is a party related to the firm. At the period end, loans of €98.9 million were provided by EY Global Finance, Inc. These loans are interest-free (see Note 27).

EY Europe LLP is also able to exert significant influence over EYGS LLP, which means that it, and its subsidiaries, are parties related to the firm. At year–end, balances owed by and to EYGS LLP Group were €8.9 million (30 June 2012: €11.3 million) and €4.4 million (30 June 2012: €7.7 million) respectively. Sales to EYGS LLP Group during the year amounted to €25.8 million (2011/2012: €32.4 million). Purchases from EYGS LLP Group during the year amounted to €64.4 million (2011/2012: €73.3 million).

Compensation of key management personnel of EYNL

Key management personnel are the designated members of EYNL, EYA and EYB during the financial year. These members do not receive any remuneration other than their participation in the result available for distribution through their professional corporations, being a total of €3,386,000 (2011/2012: €2,813,000).

27 Commitments and contingencies

Operating lease commitments

EYNL has entered into long-term leases for office premises and operating leases for personal computers and cars. These leases have an average life between 1 and 10 years and may contain renewal options. Future minimum rentals payable are as follows.

Year ended 30 June 2013

	Personal computers, copiers	Cars	Office leases	Total
	€000	€000	€000	€000
Within 1 year	1,253	10,256	27,239	38,748
Between 1 and 5 years	-	17,320	83,241	100,561
More than 5 years	-	-	48,288	48,288
	1,253	**27,576**	**158,768**	**187,597**

Year ended 30 June 2012

	Personal computers, copiers	Cars	Office leases	Total
	€000	€000	€000	€000
Within 1 year	2,642	5,570	28,734	36,946
Between 1 and 5 years	1,253	11,085	80,994	93,332
More than 5 years	-	-	20,573	20,573
	3,895	**16,655**	**130,301**	**150,851**

The lease commitments relate only to the actual commitments at year end, excluding any service or other charges. Future rent increases were disregarded, except for those contracts which have been indexed (assumed to be 1.5%). Guarantees totalling some €1.2 million (2011/2012: €1.0 million) have been issued for lease commitments.

Effective 1 January 2012, EYNL entered into a new contract with a single lease company. Under this new contract, the cars are recognized as operating leases.
The contracts with the other lease companies remain unchanged and continue to be classified as finance leases.

Finance lease commitments
Until 31 December 2011, EYNL had entered into finance lease contracts to finance the fleet of cars, with an average term of five years at fixed lease rates.
Effective 1 January 2012, EYNL entered into a new contract with a single lease company. Under this new contract, the cars are recognized as operating leases.
The contracts with the other lease companies remain unchanged and continue to be classified as finance leases.

Finance lease charges for the financial year amount to €4.2 million (2011/2012: €14.7 million).

Future minimum lease payments under finance leases and the present value of the net minimum lease payments are as follows:

	2013 Minimum payments	2013 Present value of payments (Note 18)	2012 Minimum payments	2012 Present value of payments (Note 18)
	€000	€000	€000	€000
Within 1 year	4,141	3,714	7,466	6,692
Between 1 and 5 years	5,558	5,136	10,579	9,715
After 5 years	-	-	-	-
Total minimum lease payments	9,699	8,850	18,045	16,407
Lease charges still to be incurred (incl. fuel)	-2,110	-1,907	-4,240	-3,848
Total minimum lease commitment	7,589	6,943	13,805	12,559
Less: amounts representing finance charges	-646	-	-1,246	-
Present value of minimum lease commitment	**6,943**	**6,943**	**12,559**	**12,559**

The leases for cars have a remaining average term of 1.7 years (2011/2012: 1.7 years). Leased assets are pledged as security for the related finance lease.

Contingent assets

In connection with the representation of VGAN[7] with effect from 1 March 1999 and the termination of the joint operating agreement with EYB, an amount is conditionally payable by HVG which will be recognized as income when received.

Income of €0.8 million (2011/2012: €1.0 million) has been taken to the 2012/2013 statement of comprehensive income within this context (see Note 6.2).

7) VGAN is the legal predecessor of Holland Van Gijzen Advocaten en Notarissen LLP.

Proceedings and claims
Disciplinary and civil law proceedings and claims have been brought against EYNL for alleged professional negligence and other claims. EYNL puts up forceful defence against such proceedings and claims, which sometimes involve substantial amounts. In many cases it is exceedingly difficult to estimate the risk to EYNL due to many uncertainties regarding facts, the legal position of EYNL and other parties involved and other legal issues.

Insurance cover is carried in respect of professional indemnity. Cover is principally written through captive insurance companies and a proportion of the total cover is reinsured through the commercial market. Cases are usually resolved within three years, although claims that involve court action may take longer to resolve. Where appropriate, provision is made for costs arising from such claims representing the estimated costs of defence and settlements below the uninsured policy excess. Separate disclosure is not made of any individual claim or expected insurance recoveries where such disclosure might seriously prejudice the position of EYNL.

Contingent liabilities, including liabilities that are not probable or which cannot be measured reliably, are not recognized but are disclosed unless the possibility of settlement is considered remote.

Deferred balance – member firms
EY member firms, including EYNL, have entered into an agreement under which certain expenses of, and investments in, the global network are charged to the member firms. An annual charge is levied on each member firm existing at the time based on a percentage of the member firm's revenues for that period. These charges are recognized as an expense in the period in which the revenues are earned. No liability is recognized in respect of potential future charges because no current obligation is considered to arise at year-end.

Funding of settlement of drawing rights
Contributions totalling €217.9 million were obtained from EYGS on behalf of EY Europe to fund the settlement of drawing rights:

- On behalf of EY Europe, EYGS has committed a total of €98.9 million in loans to finance the settlement of drawing rights in 2008/2009. On 27 June 2012, this loan was transferred to EYGF. An amount of €29.6 million will be repaid over 2 years, with the final instalment being paid in 2015. Repayment of €39.5 million will be determined based on future cash flows.
- A contribution of €74.1 million has to be repaid under the following circumstances only.
  - Bankruptcy or suspension of payments, failure to meet the loan terms and conditions, or appointment of a receiver or administrator.
  - Termination of participation in EY Global.
- The difference (€44.9 million) between the amounts received and the fair value at the time of receipt in 2008/2009 is recognized as a contribution to the withdrawals paid (net amount recognized in equity, see Note 23).

28 Events after the reporting period

After the reporting date no events occurred that need to be reported.

Ernst & Young Nederland LLP

Separate financial statements for the year ended 30 June 2013

Statement of comprehensive income of Ernst & Young Nederland LLP

(for the year ended 30 June 2013)

	notes	2012/2013	2011/2012
		€000	€000
Revenue			
Rendering of services	33	30	61
Other income[8]	33	133,815	161,072
		133,845	**161,133**
Operating expenses			
Rendering of services provided by foreign EY member firms		2,291	2,563
Employee benefits expenses	34.1	47,205	59,898
Depreciation and impairment of property, plant and equipment	37	15,529	14,894
Amortization of intangible assets	38	22	28
Other operating expenses[8]	34.2	88,781	75,652
		153,828	**153,035**
Operating (loss)/profit		**-19,983**	**8,098**
Finance income	35.1	7,597	7,515
Finance expenses	35.2	-9,515	-11,839
Share of profit from subsidiaries	39	128,126	105,224
Profit before tax		**106,225**	**108,998**
Income tax expenses	36	-	-
Profit for the financial year		**106,225**	**108,998**
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year, net of tax		**106,225**	**108,998**
Profit attributable to members of EYNL		**106,225**	**108,998**
Total comprehensive income for the year attributable to members of EYNL		**106,225**	**108,998**

8) *For reclassification in 2011/2012 see Note 30.1 Basis of preparation.*

Statement of financial position of Ernst & Young Nederland LLP

(as at 30 June 2013)

	Notes	30 June 2013	30 June 2012
Assets		€000	€000
Non-current assets			
Property, plant and equipment	37	29,074	45,887
Intangible assets	38	16	38
Investment in subsidiaries	39	1	1
Other non-current financial assets	40	760	760
		29,851	46,686
Current assets			
Other receivables	41	88,722	97,926
Prepayments	42	65,333	87,798
Cash and short-term deposits	43	86,722	61,223
		240,777	246,947
Total assets		**270,628**	**293,633**
Equity and liabilities			
Current liabilities			
Trade and other payables	44	94,166	86,692
Interest-bearing loans and borrowings	45	37,677	39,801
Provisions	46	6,318	3,683
Employee benefits	47	8,181	13,807
Income tax payable		-	-
		146,342	143,983
Non-current liabilities			
Interest-bearing loans and borrowings	45	65,258	106,004
Other non-current financial liabilities		303	-
Provisions	46	26,411	15,960
Employee benefits	47	2,837	2,605
		94,809	124,569
Total liabilities		241,151	268,552
Equity			
Members' capital	48	72,193	75,543
Reserves	49	-42,716	-50,462
Total equity		29,477	25,081
Total equity and liabilities		**270,628**	**293,633**

These financial statements were approved by Ernst & Young Europe LLP on 27 September 2013 and signed by M.A. van Loo on behalf of Drs. M.A. van Loo B.V.

Statement of changes in equity of Ernst & Young Nederland LLP

	Members' capital	Profit available for distribution	Other reserves	Retained earnings	Total reserves	Total Equity
	€000	€000	€000	€000	€000	€000
At 1 July 2011	75,036	117,848	-1,751	-157,709	-41,612	33,424
Profit for the financial year	-	98,479	-	10,519	108,998	108,998
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income	-	98,479	-	10,519	108,998	108,998
Profit distribution 2010/2011	-	-112,366	-	-	-112,366	-112,366
Distribution of interest on members' capital	-	-5,482	-	-	-5,482	-5,482
Contributions of capital from members	4,760	-	-	-	-	4,760
Repayment on retirement through equity	-4,253	-	-	-	-	-4,253
At 30 June 2012	**75,543**	**98,479**	**-1,751**	**-147,190**	**-50,462**	**25,081**
Profit for the financial year	-	95,706	-	10,519	106,225	106,225
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income	-	95,706	-	10,519	106,225	106,225
Profit distribution 2011/2012	-	-98,479	-	-	-98,479	-98,479
Contributions of capital from members	3,720	-	-	-	-	3,720
Repayment on retirement through equity	-7,070	-	-	-	-	-7,070
At 30 June 2013	**72,193**	**95,706**	**-1,751**	**-136,671**	**-42,716**	**29,477**

Negative retained earnings are a result of settlement of drawing rights under IFRS with current and retired members. These negative retained earnings do not have any impact on the going concern principle under which these statements have been prepared. The future cash flow will be positively influenced as a result of the settlement of the drawing rights. For these reasons EYNL will be able to continue distribution of its profits.

Statement of cash flows of Ernst & Young Nederland LLP

(for the year ended 30 June 2013)

	Notes	2012/2013	2011/2012
		€000	€000
Operating activities			
Profit for the financial year		106,225	108,998
Share of profit from subsidiaries	39	-128,126	-105,224
		-21,901	3,774
Adjustment for:			
Depreciation and impairment of property, plant and equipment	37	15,529	14,894
Amortization of intangible assets	38	22	28
Finance income and expenses	35	1,918	4,324
Decrease/(increase) in employee benefits provision	47	-5,508	7,500
Increase/(decrease) in provisions	46	12,338	-4,563
		2,398	25,957
Working capital adjustments:			
Decrease in trade and other receivables and prepayments		44,371	15,306
(Decrease) in trade and other payables		175	-13,003
Net cash flows from operating activities		**46,944**	**28,260**
Investing activities			
Purchase of property, plant and equipment		-2,178	-1,934
Disposals of property, plant and equipment		147	223
Disposals of other non-current financial assets	40	-	33
Interest received		7,597	1,024
Net cash flows used in investing activities		**5,566**	**-654**

Statement of cash flows of Ernst & Young Nederland LLP

(for the year ended 30 June 2013)

	Notes	2012/2013	2011/2012
		€000	€000
Financing activities			
Payment from (to) members (current account)		113,202	114,565
Prepayment to current members		-45,584	-57,673
Payment of profit distribution 2011/2012 (2010/2011)		-43,451	-55,028
Contributions of capital from members	48	3,720	4,760
Repayment of capital contributions on retirement	48	-7,070	-4,253
Repayment of financing related to drawing rights		-14,840	-7,420
Payment of finance lease liabilities		-2,303	-5,387
Proceeds from interest-bearing loans and borrowings	45	1,850	16,880
Repayment of interest-bearing loans and borrowings	45	-26,610	-29,124
Proceeds from other non-current financial liabilities		400	-
Interest paid		-6,325	-1,805
Net cash flows used in financing activities		**-27,011**	**-24,485**
Net cash flow		**25,499**	**3,121**
Net cash and cash equivalents 1 July	43	61,223	58,102
Net cash flow		25,499	3,121
Net cash and cash equivalents 30 June	**43**	**86,722**	**61,223**

Notes to the separate financial statements

29 Financial year

A financial year consists of 52 or 53 weeks and therefore the year-end date differs from year to year. The financial year 2012/2013 started on 30 June 2012 (2011/2012: 2 July 2011) and ended on 28 June 2013 (2011/2012: 29 June 2012). Accordingly, references to 30 June 2013 must be read as 28 June 2013 and those to 30 June 2012 must be read as 29 June 2012.

30 Accounting policies

30.1 BASIS OF PREPARATION

The separate financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union.

The separate financial statements have been prepared on the historical cost basis. EYNL's objective is to safeguard its status as a going concern; therefore the separate financial statements are prepared on a going concern basis.

The functional currency of EYNL is the euro. The financial statements are presented in euros and all amounts are rounded to the nearest thousand (€000) except where indicated otherwise.

For comparative purposes the following restatements were made in the figures of 2011/2012.
Income received for seconded partners has been reclassified from Other operating expenses to Other income (€0.2 million).
These reclassifications do not have any impact on the profit or the net assets for neither the periods nor the balance sheet at the beginning of the comparative period. Therefore it is considered appropriate not to present a statement of financial position at the beginning of the comparative period.

30.2 CHANGES IN ACCOUNTING POLICY AND DISCLOSURES

Reference is made to Note 2.2 of the consolidated financial statements.

30.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reference is made to the summary in Note 2.3 of the consolidated financial statements for information on significant accounting policies.

Subsidiaries are measured at cost less impairment. EYNL exercises control over EYA and EYB except in specific professional matters. EYA and EYB have no capital and, under contractual arrangements, distribute their entire result for the financial year to EYNL. Accordingly, the cost and/or net-asset value of both EYA and EYB are nil.

31 Standards issued but not yet effective

Reference is made to Note 3 of the consolidated financial statements.

32 Significant accounting judgments, estimates and assumptions

Reference is made to Note 4 of the consolidated financial statements.

33 Revenue

EYNL does not report segment information.

Other income

Other income relates to expenses charged to EYA, EYB, other subsidiaries and HVG. These expenses include employee expenses, premises, office expenses, IT expenses, International EY charges, finance income and expenses and other expenses.

34 Operating expenses

34.1 EMPLOYEE BENEFITS EXPENSES

The breakdown is as follows.

	2012/2013	2011/2012
	€000	€000
Salaries and bonuses	34,333	36,632
Social security costs	5,045	6,725
Pension contributions	4,461	4,273
Mobility expenses	3,484	3,129
Other staff expenses	-118	9,139
	47,205	**59,898**

Salaries and bonuses include vacation allowance.

The other staff expenses include a release of the provision for termination of contracts for an amount of €2.4 million (2011/2012: an addition of €9.3 million).

The average number of staff (excluding members) during the year was:

	2012/2013	2011/2012
	FTE	FTE
Client serving staff	1	2
Support staff	666	734
	667	**736**

34.2 OTHER OPERATING EXPENSES

	2012/2013	2011/2012
	€000	€000
Premises expenses	50,984	32,736
Office expenses	13,333	13,526
IT expenses	16,676	17,742
Other staff expense	1,386	3,509
International EY charges	1,370	-496
Fees charged to subsidiaries	-1,500	-906
Other expenses[9]	6,532	9,541
	88,781	**75,652**

The increase of the premises expenses is due to an addition of €18.4 million to the provision for premises relating to our office space reduction plan.

Premises expenses includes lease payments recognized as operating lease expense of €25.3 million (2011/2012: €24.8 million).

IT expenses includes lease payments recognized as operating lease expenses for 2012/2013 amounting to €1.3 million (2011/2012: €1.2 million).

Auditors' remuneration of €181,000 (2011/2012: €203,000) is included in Other expenses. Of this amount, €131,500 (2011/2012: €144,000) was charged in respect of the partnership and the consolidated financial statements and €49,500 (2011/2012: €59,000) for various other audit services.

9) *For reclassification in 2011/2012 see Note 30.1 Basis of preparation.*

35 Finance income and expenses

35.1 FINANCE INCOME

	2012/2013	2011/2012
	€000	€000
Interest on bank balances and deposits	1,101	761
Interest on (un)billed receivables held by subsidiaries	6,019	6,491
Other interest and similar income	477	263
	7,597	**7,515**

35.2 FINANCE EXPENSES

	notes	2012/2013	2011/2012
		€000	€000
Interest on loans granted by current and retired members		2,117	2,149
Interest on current and retired members' current account balances		2,064	2,339
Total interest paid to current and retired members		4,181	4,488
Finance charges payable under finance leases		559	1,222
Interest on bank loans and borrowings (including amortized cost of loans and borrowings)		1,536	2,453
Unwinding of discount on provisions and loans	45,46,47	3,116	3,542
Other interest and similar expense		123	134
		9,515	**11,839**

36 Income tax expenses

Tax on the result for the financial year is borne by the members. As this also applies to differences in measurement for tax purposes and financial reporting purposes, EYNL has no deferred tax assets or liabilities.

There are no direct equity movements on which current or deferred tax is computed.

There are no recognized or unrecognized losses available for relief.

37 Property, plant and equipment

The movements were as follows.

	Capital expenditure in rented properties	Cars	Fixtures and fittings, computers	Total
	€000	€000	€000	€000
At 1 July 2011	29,966	31,809	11,156	72,931
Additions	1,450	9,069	484	11,003
Disposals	-8	-22,930	-215	-23,153
Depreciation	-5,634	-5,387	-3,873	-14,894
At 30 June 2012	**25,774**	**12,561**	**7,552**	**45,887**
Additions	610	-	1,568	2,178
Disposals	-147	-3,315	-	-3,462
Impairment	-5,163	-	-	-5,163
Depreciation	-4,785	-2,303	-3,278	-10,366
At 30 June 2013	**16,289**	**6,943**	**5,842**	**29,074**
Cost	64,961	50,023	47,923	162,907
Accumulated depreciation and impairment	-34,995	-18,214	-36,767	-89,976
At 1 July 2011	**29,966**	**31,809**	**11,156**	**72,931**
Cost	61,942	22,009	41,495	125,446
Accumulated depreciation and impairment	-36,168	-9,448	-33,943	-79,559
At 1 June 2012	**25,774**	**12,561**	**7,552**	**45,887**
Cost	57,197	12,338	38,244	107,779
Accumulated depreciation and impairment	-40,908	-5,395	-32,402	-78,705
At 30 June 2013	**16,289**	**6,943**	**5,842**	**29,074**

Contractual obligations for purchasing property, plant and equipment were negligible at 30 June 2013 and 30 June 2012.

Until 31 December 2011, EYNL ran all significant risks and enjoyed all significant rewards inherent in the ownership of the cars and, accordingly, they were recognized as finance leases. Effective 1 January 2012, EYNL entered into a new contract with a single lease company. Under this new contract, the cars are recognized as operating leases.
The contracts with the other lease companies remain unchanged and continue to be classified as finance leases.

As a result of our office space reduction plan there is an impairment loss of €5.2 million on capital expenditure in rented properties.

All other property, plant and equipment is at the free disposal of EYNL (i.e. it has not been pledged as security).

38 Intangible assets

	Software
	€000
At 1 July 2011	66
Additions	-
Amortization	-28
At 30 June 2012	**38**
Additions	-
Amortization	-22
At 30 June 2013	**16**
Cost	722
Accumulated amortization	-656
At 30 June 2011	**66**
Cost	722
Accumulated amortization	-684
At 30 June 2012	**38**
Cost	722
Accumulated amortization	-706
At 30 June 2013	**16**

39 Investments in subsidiaries

Name	Country of incorporation	% Equity interest 30 June 2013	% Equity interest 30 June 2012
Ernst & Young Accountants LLP	United Kingdom	100%	100%
Ernst & Young Belastingadviseurs LLP	United Kingdom	100%	100%
Ernst & Young Participaties Coöperatief U.A.	The Netherlands	33.33%	33.33%

EYNL also owns the remaining 66.67% of Ernst & Young Participaties Coöperatief U.A. through indirect share holdings.

The share of profit from investments is as follows:

	30 June 2013	30 June 2012
	€000	€000
Ernst & Young Accountants LLP	73,874	65,572
Ernst & Young Belastingadviseurs LLP	54,252	42,652
	128,126	**105,224**

40 Other non-current and current financial assets

	Effective interest rate	Maturity (financial year)	30 June 2013	30 June 2012
	%		€000	€000
Non-current				
Loans granted to subsidiaries	5.0%	2015	760	760
			760	**760**

Loans granted to subsidiaries

The loans granted to subsidiaries are as follows.

Subsidiary	Nominal amount	Interest rate	Maturity (financial year)	30 June 2013	30 June 2012
	€000	%		€000	€000
Ernst & Young Actuarissen B.V.	760	5%	2015	760	760
				760	**760**

41 Other receivables

	30 June 2013	30 June 2012
	€000	€000
Receivables from related parties	83,158	92,212
Tax receivables	3,609	3,359
Other receivables	1,955	2,355
	88,722	**97,926**

41.1 RECEIVABLES FROM RELATED PARTIES

The receivables from related parties are shown net of impairment. The total amount of impairment as at 30 June 2013 for these receivables is nil (30 June 2012: nil).

The ageing of related-party receivables at 30 June was as follows.

			Past due but not impaired				
	Total	Neither past due nor impaired	<30 days	30-90 days	90-180 days	180-365 days	>365 days
	€000	€000	€000	€000	€000	€000	€000
30 June 2013	83,158	80,758	1,084	1,056	259	-	1
30 June 2012	92,212	91,570	546	108	2	-20	6

41.2 OTHER RECEIVABLES

Other receivables are shown net of impairment. The total amount of impairment as at 30 June 2013 is nil (30 June 2012: €0.1 million). The movement in the provision for impairment was as follows.

	Totaal
	€000
At 1 July 2011	-127
Charge for the year	-162
Release of unused amounts	53
Written off	144
At 30 June 2012	**-92**
Charge for the year	-
Release of unused amounts	60
Written off	-
At 30 June 2013	**-32**

The ageing of other receivables at 30 June was as follows.

			Past due but not impaired				
	Total	Neither past due nor impaired	<30 days	30-90 days	90-180 days	180-365 days	>365 days
	€000	€000	€000	€000	€000	€000	€000
30 June 2013	1,955	1,825	28	15	71	9	7
30 June 2012	2,355	2,027	7	7	12	276	26

42 Prepayments

	30 June 2013	30 June 2012
	€000	€000
Profit-share advances paid to current members	45,584	55,028
Prepaid pension contributions	1,234	2,250
Other prepayments	18,515	30,520
	65,333	**87,798**

43 Cash and short-term deposits

	30 June 2013	30 June 2012
	€000	€000
Cash at bank and in hand	86,722	61,223
	86,722	**61,223**

Cash at bank earns interest at floating rates based on daily bank deposit rates (varying between 0.7% and 1.1% at 30 June 2013 and between 0.08% and 0.38% at 30 June 2012).

As of 27th June 2013 EYNL has contracted a revolving credit facility at ABN AMRO Bank N.V. for the finance of its operational activities. EYNL has not drawn funds from this credit facility during the fiscal year.

44 Trade and other payables

	30 June 2013	30 June 2012
	€000	€000
Amounts due to current and retired members	56,475	49,253
Trade payables	13,856	10,991
Taxes and social security	1,472	1,522
Related-party payables	5,484	8,407
Other financial liabilities at amortized cost	78	-
Other payables	16,801	16,519
	94,166	**86,692**

Trade payables are normally settled on 30-day terms.

Amounts due to current and retired members are current account balances. Amounts drawn by current members as advances on the profit share are presented as prepayments.

45 Interest-bearing loans and borrowings

Reference is made to Note 18 of the consolidated financial statements.

46 Provisions

	Premises	Drawing rights of current members	Total
	€000	€000	€000
At 1 July 2011	3,548	19,762	23,310
Additions	336	-	336
Payments	-763	-3,662	-4,425
Amounts released	-470	-4	-474
Unwinding of discount	91	805	896
At 30 June 2012	**2,742**	**16,901**	**19,643**
Additions	18,503	-	18,503
Payments	-332	-4,298	-4,630
Amounts released	-138	-1,397	-1,535
Unwinding of discount	98	650	748
At 30 June 2013	**20,873**	**11,856**	**32,729**
At 30 June 2012:			
with a term < 1 year	428	3,255	3,683
with a term > 1 year	2,314	13,646	15,960
	2,742	**16,901**	**19,643**
At 30 June 2013:			
with a term < 1 year	4,563	1,775	6,318
with a term > 1 year	16,310	10,101	26,411
	20,873	**11,856**	**32,729**

Notes to the separate financial statements

Premises

A provision has been formed for the rent due for the remaining term of the leases of offices, or parts of them, rented by EYNL but unoccupied. This provision also relates to the expected cost of returning rented offices to their original condition when they are vacated.
In 2012/2013, an amount of €18.4 million was added to the provision of vacant office buildings relating to our office space reduction plan.

The provisions for vacant office buildings and dilapidation costs are calculated at present value using a discount rate of 1.6% for lease contracts ending within 6 years (30 June 2012: 4.0%) and 2.1% for lease contracts with a term of 6 years or longer (30 June 2012: 4.0%).

Drawing rights of current members

During 2008/2009, the drawing rights of current members were set at fixed amounts and became an obligation of EYNL, payable upon their retirement dates.

The provision is recognized at the best estimate of the expected payments upon retirement of the respective partners, using actuarial assumptions and discounted at a pre-tax rate of 5.0% (30 June 2012: 5.0%).

47 Employee benefits

	30 June 2013	30 June 2012
	€000	€000
Current		
Payments to staff	4,323	4,707
Provision for long-services awards	88	90
Salary payments during absence	3,770	9,010
	8,181	**13,807**
Non-current		
Defined benefit pension plan	2,256	1,969
Provision for long-services awards	443	438
Salary payments during absence	138	198
	2,837	**2,605**

Payments to staff relates to amounts to be paid for holidays, overtime and bonuses.

47.1 DEFINED CONTRIBUTION PLAN

EYNL has a defined contribution pension plan which is administered by a pension fund (Stichting Pensioenfonds Ernst & Young). The pension fund has reinsured its obligations and actuarial risks through an insurance company. EYNL is only required to pay the agreed contributions to the pension fund. After payment of this premium EYNL does not have any further obligation to the fund or its employees in this respect. EYNL cannot be held liable for any losses suffered by the pension fund, even if the pension fund is discontinued. The premium paid does not contain any elements relating to past services. EYNL is not entitled to any refund. The contributions due to the pension fund are taken to the statement of comprehensive income. Contributions payable and prepaid contributions are included under current liabilities and current assets, respectively.

The total amount of the defined contribution plan charged to profit or loss during the financial year was €4.5 million (2011/2012: €4.3 million).

47.2 INDEXATION OBLIGATION

There is an obligation to index the paid-up entitlements of a limited, specific and closed group of former employees. This obligation is classified as a defined benefit plan. The plan is unfunded. Measurement is based on the projected unit credit method using a discount rate derived from the interest rate on high-quality corporate bonds. Actuarial gains and losses are recognized immediately through profit or loss.

The plan covers former staff who were previously employed by the legal predecessors of EYNL, EYA and EYB. These obligations have been recognized in full in the separate financial statements of EYNL.

The tables below summarize the components of the funded status and amounts recognized in the statement of financial position for the plan.

Defined Benefit Obligation	**2012/2013**	**2011/2012**
	€000	€000
At 1 July	1,969	1,966
Interest cost	83	92
Current service cost	-	-
Benefits paid	-	-
Actuarial losses/(gains) on obligation	204	-89
At 30 June	**2,256**	**1,969**

	30 June 2013	**30 June 2012**
With a term < 1 year	-	-
With a term > 1 year	2,256	1,969
	2,256	**1,969**

The total amount of defined benefit obligation charged to profit or loss during the financial year was €0.3 million (2011/2012: nil).

The principal assumptions used are:

	30 June 2013	**30 June 2012**
	%	%
Discount rate	3.0	4.2
General salary increase	0.0	0.0
Inflation	0.3	0.3
Mortality rates	2012-2062 Forecast tables of the Dutch Actuarial Association	2010-2060 Forecast tables of the Dutch Actuarial Association

47.3 PROVISION FOR LONG-SERVICE AWARDS

The provision for long-service awards relates to costs attributable to future long-service payments relating to past years of employment, taking into account the probability of staff leaving and death.

The movements in the provision were as follows.

	2012/2013	2011/2012
	€000	€000
At 1 July	528	500
Additions	102	125
Payments	-121	-117
Released	-	-
Unwinding of discount	22	20
At 30 June	**531**	**528**

	30 June 2013	30 June 2012
With a term < 1 year	88	90
With a term > 1 year	443	438
	531	**528**

The principal assumptions used are:

	30 June 2013	30 June 2012
	%	%
Discount rate	3.0	4.0
Factor for outflow, decease and disability	19.2	20.4
Future salary increase	3.7	3.5

47.4 SALARY PAYMENTS DURING ABSENCE

This provision relates to salary to be paid in the event of termination of contracts of employment and supplementary disability benefits under the Dutch Work and Income Act (WIA).

The movements in the provision were as follows.

	2012/2013	2011/2012
	€000	€000
At 1 July	9,208	960
Additions	105	9,463
Payments	-2,372	-767
Released	-3,042	-486
Unwinding of discount	9	38
At 30 June	**3,908**	**9,208**

	30 June 2013	30 June 2012
With a term < 1 year	3,770	9,010
With a term > 1 year	138	198
	3,908	**9,208**

The principal assumptions used for the provision for supplementary disability benefits under the WIA are:

	30 June 2013	30 June 2012
	%	%
Discount rate	3.0	4.0
Probability rate	Kazo 2000	Kazo 2000
Mortality rates	2012-2062 Forecast tables of the Dutch Actuarial Association	2010-2060 Forecast tables of the Dutch Actuarial Association

48 Members' capital

Reference is made to Note 22 of the consolidated financial statements.

49 Reserves

49.1 RESULT FOR THE FINANCIAL YEAR

The determination of the consolidated result for the financial year and any distribution thereof is made following the approval of EY Europe.

49.2 RETAINED EARNINGS

This reserve relates to the settlement of drawing rights in the 2006/2007 and 2008/2009 financial years to former members and partners, which will be settled in annual instalments in the period to 2026 (13.5 years) with the then profit-sharing members. It also includes the present value of the arrangements made in 2008/2009 for drawing rights of members eligible in that year. The amount of contributions and other amounts for this received from EYGS on behalf of EY Europe is deducted from the reserve.

49.3 OTHER RESERVE

This refers to the initial recognition of the defined benefit obligation at date of first time adoption of IFRS as a reporting framework.

49.4 MOVEMENTS

Reference is made to the statement of changes in equity.

50 Financial instruments

50.1 FINANCIAL RISK MANAGEMENT AND OBJECTIVES

EYNL's financial instruments arise from normal commercial activities and include amounts owed to and receivable from current and retired members. EYNL does not use financial instruments for speculative activities and complex financial instruments are avoided.

Financial instruments give rise to credit, liquidity, interest rate and foreign currency risks. Information about how these risks arise and are managed is set out below.

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Credit risk arises primarily from financial assets, including deposits with banks and financial institutions and amounts due from members. EYNL's maximum exposure to credit risk for the components of the statement of financial position at 30 June 2013 and 30 June 2012 is the carrying amounts presented in Notes 41 and 43. Due to the nature of the receivables presented in Note 40 (members, employees and member firms) no or very limited risk applies.

EYNL maintains procedures to minimize the risk of default by debtors. Credit risk is not covered by credit insurance or other credit instruments.

Amounts due from members are recovered from the current year's profit distribution or otherwise contractually reclaimed from the members.

Cash deposits are placed with creditworthy banks only. Deposits of surplus funds are made with approved counterparties only and within limits assigned to each counterparty. The limits are set to adhere to professional independence rules, to minimize the concentration of risks and, therefore, to mitigate financial loss from a potential counterparty failure.

Liquidity risk

Liquidity risk is the risk that EYNL is unable to meet its financial obligations on the due date. Liquidity risk arises from EYNL's ongoing financial obligations, including settlement of financial liabilities such as trade and other payables, as well as interest-bearing loans and borrowings and members' capital. The policy is to maintain a positive working capital balance. Depending on the time of year, there can be a considerable balance of cash and cash equivalents.

The maturity profile of the contractual payments, including interest, arising from EYNL's financial liabilities at year end, is as follows (the amounts disclosed are the gross undiscounted cash flows).

Year ended 30 June 2013	< 1 year	1 to 2 years	2 to 5 years	> 5 years	Total
	€000	€000	€000	€000	€000
Interest-bearing loans and borrowings:					
- Contractual payments	38,544	36,370	20,703	42,775	138,392
- Interest payments	2,954	1,941	1,318	101	6,314
Trade and other payables	94,166	-	-	-	94,166
	135,664	**38,311**	**22,021**	**42,876**	**238,872**

Year ended 30 June 2012	< 1 year	1 to 2 years	2 to 5 years	> 5 years	Total
	€000	€000	€000	€000	€000
Interest-bearing loans and borrowings:					
- Contractual payments	41,083	42,298	57,564	42,925	183,870
- Interest payments	3,890	3,154	3,506	289	10,839
Trade and other payables	86,692	-	-	-	86,692
	131,665	**45,452**	**61,070**	**43,214**	**281,401**

The financing requirements of EYNL vary during the year, primarily as a result of the incidence of major payments. Capital expenditure on cars is funded by finance leases. The other main source of financing capital expenditure is funding supplied by current and retired members.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of financial instruments will fluctuate because of changes in market interest rates. Interest rate risk arises primarily from interest-bearing loans and borrowings and cash and cash equivalents.

An inherent feature of a structure in which current and retired members provide a significant part of the funding for activities is that the variability is not hedged by derivatives.

A fixed rate of interest is paid on long-term loans granted by current and retired members equal to the effective yield on government bonds with a remaining maturity of five years, plus a premium of one to two percentage points. A variable rate of interest is paid on one loan granted by current and retired members. The interest on current account liabilities to current and retired members is assessed quarterly.

Funds drawn for settlement of drawing rights are interest-free or bear a fixed interest rate. Interest on finance leases is fixed for the term of the lease.

Interest rate risks are not hedged in any way by derivatives.

The following table shows the sensitivity to a reasonably possible change in interest rates. With all other variables held constant, the profit of EYNL before tax is affected through the impact on floating rate borrowings as follows.

	Increase/ decrease	**Effect on profit before tax**
	in base points	€000
2012/2013		
Euro	+15	120
Euro	-15	-120
2011/2012		
Euro	+15	93
Euro	-15	-93

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Although the majority of the income and expenses of EYNL are denominated in euros, foreign currency risk arises from transactions denominated in other currencies, particularly the US dollar and pound sterling. Balances in foreign currency bank accounts are held to facilitate cash management and to provide means for future payments in other currencies than euros.

If the US dollar exchange rate were to change by 10%, the impact of such a change on profit or loss would be €1.9 million (2011/2012: €2.6 million) as a result of changes in the carrying amount of US dollar-denominated cash and amounts receivable/payable. If the pound sterling exchange rate were to change by 10%, the impact of such a change on profit or loss would be €0.93 million (2011/2012: €0.09 million) as a result of changes in the carrying amount of pound sterling-denominated cash and amounts receivable/payable.

50.2 OTHER NOTES

Reconciliation of classes and categories

All presented groups of financial assets, except other non-current financial assets, are part of the loans and receivables category measured at amortized cost. The financial assets in other non-current financial assets are in the available-for-sale category and are measured at fair value, if they can be measured reliably, or otherwise at cost.

All presented groups of financial liabilities are part of the loans and borrowings category, measured at amortized cost.

Fair values

Based on the following assumptions, the fair value of EYNL's financial instruments approximates their carrying amount.

The fair value of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

- Cash and short-term deposits, trade and other receivables and trade and other payables approximate their carrying amounts largely due to the short-term maturities of these instruments.
- Long-term fixed-rate receivables are evaluated by EYNL using parameters such as interest rates, individual creditworthiness of the borrower and the risk characteristics of the financed project. Based on this evaluation, no impairment has been deemed necessary to recognize expected losses on these receivables. At 30 June 2013 and 30 June 2012, the carrying amounts of these receivables approximated their fair value.
- The fair value of the available-for-sale investments cannot be established reliably; therefore, these investments are measured at cost.
- The fair value of fixed-rate borrowings and obligations under finance leases is estimated by discounting future cash flows using rates currently available for debt on similar terms and remaining maturities.

Fair value hierarchy

As at 30 June 2013 and 30 June 2012, EYNL did not hold financial instruments measured at fair value.

51 Related party disclosures

Ultimate parent

EYNL's immediate and ultimate parent is EY Europe, a partnership with limited liability under English law. The results of the firm will be included in the Group financial statements of EY Europe, copies of which will be available from its registered office, Becket House, 1 Lambeth Palace Road, London SE1 7EU.

Other related parties

The financial statements include the financial information of EYNL and the subsidiaries listed in the following table.

Notes to the separate financial statements

Direct subsidiaries

Name	Country of incorporation	% Equity interest 30 June 2013	% Equity interest 30 June 2012
Ernst & Young Accountants LLP	United Kingdom	100%	100%
Ernst & Young Belastingadviseurs LLP	United Kingdom	100%	100%

Indirect through subsidiaries

Name	Country of incorporation	% Equity interest 30 June 2013	% Equity interest 30 June 2012
Ernst & Young Participaties Coöperatief U.A.	The Netherlands	100%	100%
Ernst & Young Participaties B.V.	The Netherlands	100%	100%
Ernst & Young VAT Rep B.V.	The Netherlands	100%	100%
Ernst & Young Actuarissen B.V.	The Netherlands	100%	100%
Partake Consulting B.V.	The Netherlands	100%	100%
Partake Consulting Nederland B.V.	The Netherlands	100%	100%
Ernst & Young CertifyPoint B.V.	The Netherlands	100%	100%
GS Participation Ltd	United Kingdom	100%	100%
Ernst & Young Real Estate Advisory Services B.V.	The Netherlands	100%	-
BECO Groep B.V.	The Netherlands	100%	-
Ernst & Young CA B.V.	The Netherlands	100%	-

EYB has a strategic alliance with HVG.

On 6 July 2012 Ernst & Young Participaties B.V. acquired 100% of the shares of Ernst & Young Real Estate Advisory Services B.V.

On 11 October 2012 Ernst & Young Participaties B.V. acquired 100% of the shares of BECO Groep B.V.

On 28 June 2013 Ernst & Young CA B.V. was founded.

On 4 July 2011 Ernst & Young Participaties B.V. acquired 100% of the shares of Partake Consulting B.V. including the control of its wholly-owned subsidiaries Partake Consulting Nederland B.V., Partake Consulting Belgium b.v.b.a, Partake Consulting SAS and Partake Consulting UK Ltd.
On the same date EYNL transferred control of the Belgian, French and UK operations to the respective EY member firms in these countries.
On 5 July 2011 the assets and liabilities of Partake Consulting B.V. and Partake Consulting Nederland B.V. were transferred to Ernst & Young Accountants LLP.

The following table provides the total amounts for which transactions were entered into with related parties during the relevant financial years. For information regarding outstanding balances at 30 June 2013 and 30 June 2012, reference is made to Notes 41 and 44.

		Sales to related parties	Purchases from related parties	Amounts owed by related parties*	Amounts owed to related parties
		€000	€000	€000	€000
Entity with control and/or significant influence over EYNL:					
EY Europe	2012/2013	-	-	-	-
	2011/2012	-	-	-	-
Entities under common control	2012/2013	667	1,283	116	613
	2011/2012	2,316	36	844	955
Subsidiaries of EYNL	2012/2013	-	-	77,863	198
	2011/2012	-	-	83,501	154
HVG	2012/2013	8,093	1,051	-	301
	2011/2012	8,479	335	919	-

** Gross amounts*

Terms and conditions of transactions with related parties

Services provided to and received from related parties are generally settled at prices applicable under normal market circumstances.

Outstanding balances at year-end are unsecured and interest-free and settlement occurs in cash. No guarantees were provided or received for any related-party receivable or payable.

For the year ended 30 June 2013 EYNL did not record any impairment of related-party receivables (30 June 2012: nil). An assessment is undertaken each financial year by examining the financial position of the related party and the market in which it operates.

Entities under common control comprise entities controlled by EYNL's parent undertaking, EY Europe LLP, and therefore represent a related-party relationship.
EY Europe LLP is able to exert significant influence over EY Global Finance, Inc, which means that it is a party related to the firm. At the period end, loans of €98.9 million were provided by EY Global Finance, Inc. These loans are interest-free (see Note 27 of the consolidated financial statements).
EY Europe LLP is also able to exert significant influence over EYGS LLP, which means that it, and its subsidiaries, are parties related to the firm. At year-end, balances owed by and to EYGS LLP Group were €4.4 million (30 June 2012: €6.9 million) and €4.4 million (30 June 2012: €7.3 million) respectively. Sales to EYGS LLP Group during the year amounted to €16.5 million (2011/2012: €25.9 million). Purchases from EYGS LLP Group during the year amounted to €62.9 million (2011/2012: €71.4 million).

Compensation of key management personnel of EYNL
Key management personnel are the designated members of EYNL. These members do not receive any remuneration other than their participation in the result available for distribution through their professional corporations, being a total of €3,386,000 (2011/2012: €2,813,000).

52 Commitments and contingencies

Reference is made to Note 27 of the consolidated financial statements.

53 Events after the reporting period

After the reporting date no events occurred that need to be reported.

Appendices

Combined statement of income (unaudited) of Ernst & Young Nederland LLP and Holland Van Gijzen Advocaten en Notarissen LLP[10]

(for the year ended 30 June 2013)

	2012/2013	2011/2012
	€000	€000
Revenue		
Rendering of services	652,056	634,768
Other income	20,839	28,328
	672,895	**663,096**
Operating expenses		
Services provided by foreign EY member firms and third parties	79,286	70,362
Employee benefits expenses	279,925	290,165
Depreciation and impairment of property, plant and equipment	15,559	14,894
Amortization and impairment of intangible assets	297	158
Other operating expenses	176,702	162,574
	551,769	**538,153**
Operating profit	**121,126**	**124,943**
Finance income	515	585
Finance expenses (including interest on members' capital)	-9,898	-12,749
Share of profit from joint venture	-	13
Profit before tax from continuing operations	**111,743**	**112,792**
Income tax expenses	-271	49
Profit from continuing operations	**111,472**	**112,841**
Discontinued operations		
Profit after tax from discontinued operations	-	-
Profit for the financial year	**111,472**	**112,841**

10) Basis of preparation of the combined statement of income: Aggregation of the consolidated statements of income of Ernst & Young Nederland LLP and Holland Van Gijzen Advocaten en Notarissen LLP without elimination of any transactions between the two groups, except current account balances between the two groups.

Combined statement of financial position (unaudited) of Ernst & Young Nederland LLP and Holland Van Gijzen Advocaten en Notarissen LLP[11]

(as at 30 June 2013)

	30 June 2013	30 June 2012
	€000	€000
Assets		
Non-current assets		
Property, plant and equipment	29,411	46,035
Intangible assets	6,874	5,284
Other non-current financial assets	4,408	4,689
	40,693	56,008
Current assets		
Trade and other receivables	205,117	202,818
Prepayments	74,643	102,067
Other current financial assets	77	89
Income tax receivable	196	348
Cash and short-term deposits	87,006	66,777
	367,039	372,099
Total assets	**407,732**	**428,107**
Equity and liabilities		
Current liabilities		
Trade and other payables	190,816	177,798
Interest-bearing loans and borrowings	38,305	40,143
Provisions	7,822	6,517
Employee benefits	36,098	43,492
	273,041	267,950
Non-current liabilities		
Interest-bearing loans and borrowings	66,863	106,440
Other non-current financial liabilities	303	1,724
Provisions	26,872	16,598
Employee benefits	5,145	4,455
	99,183	129,217
Total liabilities	372,224	397,167
Equity		
Members' capital	76,708	80,408
Reserves	-41,200	-49,468
Total equity	35,508	30,940
Total equity and liabilities	**407,732**	**428,107**

11) Basis of preparation of the combined statement of financial position: Aggregation of the consolidated statements of financial position of Ernst & Young Nederland LLP and Holland Van Gijzen Advocaten en Notarissen LLP without elimination of any transactions between the two groups, except current account balances between the two groups.