Financial statements

Coöperatie PricewaterhouseCoopers Nederland U.A.

Annual Report

2022/2023

pwc

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Contents

1. Consolidated financial statements

1.1. Consolidated balance sheet at 30 June 2023 (before appropriation of result) (in € x 1,000)

		30 June 2023		30 June 2022	
Fixed assets					
Intangible fixed assets	**[1]**				
Software		76		147	
Goodwill		2,739		3,773	
			2,815		**3,920**
Tangible fixed assets	**[2]**				
Leasehold improvements		11,597		11,915	
Office furniture		7,143		8,108	
Office equipment		13,240		10,817	
Fixed assets under construction		1,782		341	
			33,762		**31,181**
Financial fixed assets	**[3]**				
Participating interests		1		1	
Other participations		3,568		5,937	
Deferred tax assets (non-current)		197		890	
Other receivables		18,731		18,230	
			22,497		**25,058**
Current assets					
Work in progress	**[4]**		**68,420**		**77,578**
Receivables					
Receivables from clients	[5]	225,603		186,681	
Receivables from other participations	[6]	3,340		54	
Deferred tax assets (current)	[3]	818		657	
Taxes and social security charges		240		-	
Other receivables	[7]	9,850		10,574	
Prepayments and accrued income	[8]	17,710		20,157	
			257,561		**218,123**
Cash and cash equivalents	**[9]**		**135,895**		**173,059**
Total			**520,950**		**528,919**

[..] The numbers in square brackets refer to the corresponding numbers in the notes.

Equity and liabilities

		30 June 2023		30 June 2022	
Group equity	[10]		**94,402**		**88,318**
Provisions	[11]		**11,183**		**12,277**
Long-term liabilities					
Other loans and liabilities	[12]	1,039		1,612	
Accrued expenses and deferred income	[13]	45		1,091	
			1,084		**2,703**
Current liabilities					
Liabilities to suppliers	[14]	28,352		25,505	
Liabilities to members of Coöperatie PricewaterhouseCoopers Nederland U.A.	[15]	201,764		220,227	
Taxes and social security charges	[16]	54,439		53,467	
Other liabilities	[17]	94,701		100,693	
Accrued expenses and deferred income	[18]	35,025		25,729	
			414,281		**425,621**
Total			**520,950**		**528,919**

[..] The numbers in square brackets refer to the corresponding numbers in the notes.

1.2. Consolidated profit and loss account for the year ended 30 June 2023 (in € x 1,000)*

		2022/2023		2021/2022	
Net revenue	[19]	1,037,730		394,872	
Other revenue	[20]	1,181		33,061	
Total revenue			**1,038,911**		**427,933**
Cost of work contracted-out and other external costs	[21]	145,949		34,480	
Salaries		358,454		90,034	
Social security charges		54,163		11,790	
Pension contributions		28,908		6,911	
Amortisation and depreciation of fixed assets	[22]	9,654		2,834	
Travel costs and other personnel costs	[23]	135,136		27,459	
Other operating costs	[24]	114,025		23,807	
Total operating costs			**846,289**		**197,315**
Operating profit			**192,622**		**230,618**
Interest and other financial income	[25]	3,146		1,410	
Interest and other financial expenses	[26]	-849		-956	
Profit before tax			**194,919**		**231,072**
Corporate income tax	[27]	-2,800		-10,459	
Results of participating interests		-		-	
Profit after tax before management fee			**192,119**		**220,613**
Management fee members of Coöperatie PricewaterhouseCoopers Nederland U.A.	[28]	-182,198		-189,095	
Profit after tax			**9,921**		**31,518**

[..] The numbers in square brackets refer to the corresponding numbers in the notes.

* In paragraph 1.8 (page 81), the profit and loss account for the current year is compared with the pro forma profit and loss account for the period 1 July 2021 to 30 June 2022.

1.3. Consolidated statement of cash flows for the year ended 30 June 2023 (in € x 1,000)

		30 June 2023		30 June 2022	
Cash flow from operating activities					
Operating profit			**192,622**		**230,618**
Adjustments for:					
Other revenue		-		-33,061	
Amortisation, depreciation and impairments	[22]	10,726		2,834	
Movements in provisions	[11]	-1,094		-1,064	-
Movement in accrued expenses and deferred income (non-current)	[12]	-1,046			
			8,586		**-31,291**
Changes in working capital					
Receivables	[5-8]	-39,037		-30,183	
Work in progress	[4]	9,158		-29,539	
Current liabilities	[14-18]	-2,219		-100,057	
			-32,098		**-159,779**
Cash flow from business operations			**169,110**		**39,548**
Interest paid	[26]	-849		-956	
Interest received	[25]	3,146		1,410	
Corporate income tax		-11,629		-2,465	
			-9,332		**-2,011**
Management fee Coöperatie PricewaterhouseCoopers Nederland U.A.	[28]		**-182,198**		**-189,095**
Cash flow from operating activities			**-22,420**		**-151,558**
Cash flow from investing activities					
Additions to intangible fixed assets	[1]	-353		-	
Disposals of intangible fixed assets	[1]	28		257	
Additions to tangible fixed assets	[2]	-12,283		-2,754	
Disposals of tangible fixed assets	[2]	406		2,962	
Additions to financial fixed assets	[3]	-6,373		-430	
Disposals of financial fixed assets	[3]	8,241		-	
Acquisitions of group companies and disposal of activities		-		173,557	
			-10,334		**173,592**
Cash flow from financing activities					
Additions to members capital	[33]	9,737		3,800	
Repayment on members capital	[33]	-6,587		-4,600	
Paid members compensation	[34]	-6,987		-6,877	
Other loans and liabilities	[12]	-573		1,071	
			-4,410		**-6,606**
Net cash flow			**-37,164**		**15,428**
Cash and cash equivalents - opening		**173,059**		**157,631**	
Net cash flow		-37,164		15,428	
Cash and cash equivalents - closing			135,895		173,059

1.4. Notes to the consolidated financial statements

Activities
The activities of Coöperatie PricewaterhouseCoopers Nederland U.A. ('the Company') and those of its subsidiaries comprise Assurance, Tax & Legal and Advisory services. These activities are further described in the Report of the Board of Management. The Company is registered at the Chamber of Commerce under number 34344598.

Group relationships
The reshaping of the PwC Europe cooperation was completed last year. Until 24 March 2022, the Company held the sole priority share in Holding PricewaterhouseCoopers Nederland B.V. ('Holding PwC NL'). On 24 March 2022, 100% of the ordinary shares in Holding PwC NL, as held by PwC Europe SE Wirtschaftsprüfungs-gesellschaft, were transferred to the Company and the sole priority share was withdrawn. As a consequence, the Company was required to prepare consolidated financial statements from 24 March 2022 onwards. For practical reasons, consolidation of Holding PwC NL was effected on 1 April 2022.

The private limited liability companies owned by the professional practitioners (the 'partner BVs') have each entered into an association agreement with the Company and, until 30 June 2023, Holding PwC NL, under which the partner BV makes the professional practitioner available to practice one of the professions described under 'Activities' in return for a management fee.

General accounting policies
The consolidated financial statements are prepared in accordance with the requirements of Part 9, Book 2 of the Dutch Civil Code and Dutch Accounting Standards ('Richtlijnen voor de jaarverslaggeving') as published by the Dutch Accounting Standards Board. Where no specific accounting policy is noted, assets and liabilities are carried at the historical cost at which they were acquired or incurred, respectively.

Principles of consolidation
The consolidated financial statements include the financial statements of the Company and of those group companies in which, directly or indirectly, it has a shareholding of more than one half of the voting rights or can otherwise exercise control. Together, these are referred to in the financial statements as 'the Group'. Intercompany transactions and profits, and balances between group companies and other consolidated entities, are eliminated to the extent that the results have not yet been realised through transactions with third parties. The accounting policies of group companies and other consolidated entities have been changed where necessary, to correspond with the prevailing group accounting policies.

The entities included in the consolidation for the period from 1 July 2022 to 30 June 2023 are:
- Coöperatie PricewaterhouseCoopers Nederland U.A., Amsterdam (100%);
- PwC Business Solutions Holding (NL) B.V., Amsterdam (100%);
- Holding PricewaterhouseCoopers Nederland B.V., Amsterdam (100%);
- PricewaterhouseCoopers B.V., Amsterdam (100%);
- PricewaterhouseCoopers Accountants N.V., Amsterdam (100%);
- PricewaterhouseCoopers Advisory N.V., Amsterdam (100%);
- PricewaterhouseCoopers Belastingadviseurs N.V., Amsterdam (100%);
- PricewaterhouseCoopers Certification B.V., Amsterdam (100%);
- PricewaterhouseCoopers Compliance Services B.V., Amsterdam (100%);
- PricewaterhouseCoopers Deelnemingen B.V., Amsterdam (100%);
- PricewaterhouseCoopers Pensions, Actuarial & Insurance Services B.V., Amsterdam (100%);
- PwC Strategy& (Netherlands) B.V., Amsterdam (100%);
- PricewaterhouseCoopers Academy Netherlands VOF, Amsterdam (100%)
- PricewaterhouseCoopers Consulting Services Holding B.V., Amsterdam (100%)
- PricewaterhouseCoopers Consulting Services B.V. in liquidation, Amsterdam (100%);
- PricewaterhouseCoopers Consulting Services NL B.V. in liquidation, Amsterdam (100%).

Fiscal unity
As of 1 July 2022, all the abovementioned consolidated entities form a fiscal unity for corporate income tax purposes with Coöperatie PricewaterhouseCoopers Nederland U.A.

Except for PricewaterhouseCoopers Academy Netherlands VOF and PricewaterhouseCoopers Deelnemingen B.V., all of the abovementioned consolidated entities form a fiscal unity for value-added tax purposes with Coöperatie PricewaterhouseCoopers Nederland U.A.

Acquisitions of group companies
The results and identifiable assets and liabilities of acquired entities are recognised in the consolidated financial statements from the date of acquisition, being the date on which control is obtained.

The purchase price is the monetary amount, or equivalent, agreed for the acquisition of the acquired entity plus any costs directly attributable to the acquisition. Where the acquisition cost exceeds the net fair value of the identifiable assets and liabilities, the excess is recognised as goodwill under intangible fixed assets.

Estimates
In applying accounting policies and financial reporting requirements, the Board of Management needs to make judgements and estimates that may be critical to the amounts reported in the financial statements. The most significant estimates, uncertainties and judgements are considered to be the valuation of work in progress and receivables and the measurement of provisions.

Where necessary to provide the insight required by Article 2:362, clause 1 of the Dutch Civil Code, the nature of these judgements and estimates, and details of the underlying assumptions, are provided in the note disclosures for the relevant balance sheet items.

Related parties
Related parties are defined as those legal entities that can be controlled, jointly controlled or significantly influenced by the Company and those legal entities that can control the Company. The director under the Articles of Association, the authorised executive directors, the members of the Supervisory Board of the Company and the close relatives of these board members are also defined as related parties.

The nature and extent of transactions with related parties are disclosed in the notes insofar as they are not transacted under normal market conditions, together with any other information necessary to provide sufficient insight.

Accounting policies for assets and liabilities

General
The principles used for valuation and determination of the result are based on the going-concern assumption. Unless otherwise indicated, all amounts in the consolidated financial statements are reported in thousands of euros. Amounts followed by ‘m’ are in millions of euros.

In the interests of transparency regarding amounts payable to the professional practitioners and as further described in the management fee policy in the ‘Accounting policies for the profit and loss account’, the Company has decided to deviate from the prescribed reporting formats (‘Besluit modellen jaarrekening’) by including the management fee as the final line item prior to Profit after tax.

Comparison with prior year
The Group’s financial year runs from 1 July to 30 June. As disclosed in the paragraph ‘Group relationships’, the Company prepares consolidated financial statements from 1 April 2022. The comparative figures in the profit and loss account reflect the period 1 April 2022 to 30 June 2022. The profit and loss account for the current year reflects the period 1 July 2022 to 30 June 2023. In paragraph 1.8 Additional disclosures to the profit and loss account, the profit and loss account for the current year is compared with the pro forma profit and loss account for the period 1 July 2021 to 30 June 2022.

In the interests of improved insight an adjustment has been made to the comparative figures. This concerns the receivables from other participations. The comparative amount of receivables from other participations € 54 has been reclassified from receivables from clients € 251, other receivables € 806 and other liabilities (€ 1,003).

Foreign currencies
The financial statements are presented in euro, which is both the functional and the presentation currency of the Company. Foreign currency transactions in the reporting period are converted at the exchange rates prevailing on the transaction dates. Monetary amounts denominated in foreign currencies are converted into the functional currency at the exchange rates prevailing at the balance sheet date. Resulting exchange differences are taken to the profit and loss account, except where hedge accounting is applied. Non-monetary assets carried at acquisition cost in a foreign currency are converted using the exchange rates prevailing on the transaction dates.

Financial instruments
Primary financial instruments comprise other financial interests, receivables, cash and cash equivalents, other loans, liabilities to suppliers and liabilities to members of Coöperatie. The accounting policies for these items are set out individually below.

Derivatives are initially recognised in the balance sheet at fair value. The subsequent measurement of derivative financial instruments depends on whether or not the instrument is quoted in an open market. If the underlying object of the derivative financial instrument is listed on a stock exchange, it is measured at fair value and changes in value are recognised in the profit and loss account (if no hedge accounting is applied). If the object is not listed on a stock exchange, it will be stated at cost or current value, if lower. Insofar as the fair value as determined at the balance sheet date is lower than the cost price of the derivative, the difference is recognised in the profit and loss account (if no hedge accounting is applied).

Software
Software is carried at acquisition cost less accumulated depreciation and impairment provisions. Software is depreciated on a straight-line basis over its expected useful life.

Goodwill
Goodwill is determined as the excess of the acquisition cost over the fair value of identifiable assets and liabilities acquired less accumulated amortisation and impairment provisions. Goodwill is amortised on a straight-line basis over its expected useful life.

Tangible fixed assets
Tangible fixed assets are carried at acquisition cost less accumulated depreciation determined on a straight-line basis over their expected useful lives and taking account of any residual values. Assets under construction are not depreciated.

Impairment of fixed assets

At each balance sheet date, the Company assesses whether there is any indication of asset impairment and, where there are such indications, the recoverable amount of the asset is determined, calculated as the higher of the fair value less costs to sell and the value in use. An asset is deemed to be impaired if its carrying amount, or the carrying amount of the cash-generating unit to which it belongs, exceeds its recoverable amount. Impairment is recognised as an expense in the profit and loss account.

Financial fixed assets

Participating interests over which significant influence is exercised are carried at net asset value, determined using the same accounting policies as used in these financial statements. In the event that 20% or more of the voting rights can be exercised, it may be assumed that there is significant influence. Participating interests acquired are recognised initially at the fair value of the identifiable assets and liabilities on acquisition and subsequently on the basis of the accounting policies used for these financial statements using this initial value as a basis. If the measurement of a participating interest based on net asset value is negative, it will be stated at nil. If and insofar as the Company can be held fully or partially liable for the debts of the participation or has the firm intention of enabling the participation to settle its debts, a provision is recognised for this.

Other participations are carried at the lower of acquisition cost and, where there are indications of impairment, the best estimate of their recoverable amount.

Deferred tax assets are recognised for all deductible temporary differences between the value of the assets and liabilities under tax regulations and the accounting policies used in these financial statements, on the understanding that deferred tax assets are only recognised insofar as it is probable that future taxable profits will be available to offset the temporary differences and available tax losses. The calculation of deferred tax assets is based on the tax rates prevailing at the end of the reporting year or the rates applicable in future years, to the extent that they have already been enacted by law. Deferred income tax is recognised at nominal value.

Other receivables presented under financial fixed assets include loans. These receivables are initially measured at fair value and subsequently carried at amortised cost. Impairments are deducted from amortised cost and expensed in the profit and loss account.

The amount of an impairment loss incurred on financial assets stated at amortised cost is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed on initial recognition). If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss will be reversed. This reversal will not result in a carrying amount of the financial asset that exceeds what the amortised cost would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal will be recognised through profit or loss.

Work in progress

Work in progress comprises services delivered but not yet invoiced and is carried at the amounts expected to be recovered from clients. Where the net amount of work performed, provisions and invoiced amounts on any individual project is negative, this net amount is recognised under other liabilities.

Receivables

Receivables are recognised initially at the fair value of the service provided and subsequently at amortised cost, which for current receivables is the nominal amount, net of provisions for doubtful debts.

Other receivables all mature within one year.

Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, bank balances and deposits with maturities of less than twelve months. Bank overdrafts are included in payables to credit institutions in current liabilities. Cash and cash equivalents are carried at their nominal amounts.

Provisions

Provisions are recognised for legally enforceable or constructive obligations that exist at the balance sheet date, and for which it is probable that an outflow of resources will be required, and a reliable estimate can be made.

Provisions are measured at the best estimate of the amount that is necessary to settle the obligation as at the balance sheet date. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation, unless the time value of money is not material. Where the effect of the time value of money is not material, provisions are measured at nominal value.
If obligations are expected to be reimbursed by a third party, such reimbursement is included as an asset in the balance sheet if it is probable that such reimbursement will be received when the obligation is settled.

Personnel provisions relate to long-term disability benefit top-ups, long-service entitlements and severance pay. The provisions for long-service entitlements are carried at present value using a discount rate of 3.25% (30 June 2022: 2.2%) and taking account of staff turnover probability. The provision for long-term unemployment benefit top-ups is carried at its present value using a discount rate of 3.25% (30 June 2022: 2.2%).

The provision for severance pay and other provisions are carried at the nominal amounts of the expected cost of settlement. Other provisions are measured at present value and include provisions for office vacancy, restoration obligations at the end of rental contracts and professional liability. Restoration obligations at the end of rental contracts are provided evenly over the rental period.

Accrued expenses and deferred income (non-current)

Non-current accrued expenses and deferred income include incentives received in connection with the rent of a number of office premises. These amounts are long-term in nature and are recognised as income on a straight-line basis over the term of the rental contracts.

Non-current liabilities

Liabilities are recognised initially at fair value, increased by transaction costs directly attributable to the assumption of the liability, and subsequently at amortised cost. The difference between the carrying amount and the ultimate repayment is charged to income as interest expense over the term of the liability based on the effective interest rate.

Current liabilities

On initial recognition current liabilities are recognised at fair value. After initial recognition current liabilities are measured at the amortised cost. Bonus and untaken leave entitlements are carried at the amounts required for monetary settlement. The liability recognised for bonuses reflects a best estimate of the expenditure necessary to settle the obligation. This is usually the nominal value. Other current liabilities all mature within one year.

Operating leases

The Group has lease contracts whereby a large part of the risks and rewards associated with ownership are not for the benefit of or incurred by the Group. The lease contracts are recognised as operational leases. Lease payments are recorded on a straight-line basis in the consolidated profit and loss account for the duration of the contract, taking account of reimbursements received from the lessor.

Accounting policies for the profit and loss account

General

Profit after tax represents the difference between the recoverable value of services rendered and the costs and other charges incurred during the year. Losses are recognised as and when they occur and to the extent that they can be reliably estimated.

Net revenue

Net revenue is measured as the fair value of consideration received or receivable for satisfying performance obligations contained in contracts with clients, including expenses and disbursements net of discounts but excluding value-added tax. Variable consideration is included in the transaction price only to the extent that it is highly probable that a significant reversal will not be required when uncertainties regarding the level of the variable consideration are subsequently resolved. Revenue is recognised when, or as, the Group satisfies performance obligations by transferring control of services to clients. This occurs as follows for the Group's various contract types:

- Time-and-materials contracts are recognised as services are provided at the fee rate agreed with the client where there is an enforceable right to payment for performance completed to date.
- Fixed-fee contracts are recognised over time based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided where there is an enforceable right to payment for performance completed to date. This is determined based on actual inputs of time and expenses relative to total expected inputs.
- Performance-fee contracts are recognised when the right to consideration arises on having met the relevant performance-related elements.
- Contingent-fee contracts, over and above any agreed minimum fee, are recognised when the contingent event occurs and the Group has become entitled to the revenue.
- Licence-fee contracts that provide a right to use the Group's intellectual property ('IP'), as it exists at the date the licence is granted, are recognised when the licence agreement is entered into and the licensee is able to use and benefit from the licence. Licence-fee contracts that provide a right of access to the Group's IP, as it exists throughout the licence period, are recognised over time to reflect the pattern in which the benefits of access transfer to the client over the licence period.

Where contracts include multiple performance obligations, the transaction price is allocated to each performance obligation based on its stand-alone sale price. Where these are not directly observable, they are estimated based on the expected cost-plus margin. Adjustments are made to allocate discounts proportionately relative to the stand-alone sale price of each performance obligation.

Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in the profit and loss account in the period in which the circumstances that give rise to the revision become known.

For time-and-materials, fixed-fee and licence-fee contracts, fees are usually billed on account based on a payment schedule. For performance-fee and contingent-fee contracts, fees are usually billed and paid when entitlement to the revenue has been established. If the revenue recognised by the Group exceeds the amounts billed, work in progress [current asset] is recognised. If the amounts billed exceed the revenue recognised, work in progress [other liabilities] is recognised. The Group's standard payment terms require settlement of invoices within 14 days of receipt.

The Group does not adjust the transaction price for the time value of money as it does not have any contracts where the period between the transfer of the promised services to the client and the payment by the client exceeds one year.

Other revenue

Other revenue includes revenue generated from non-core business-related activities.

Cost of work contracted-out and other external costs

Cost of work contracted-out and other external costs are allocated to the period concerned and directly relate to engagements.

Operating costs
Operating costs are recognised at historical cost on an accrual basis.

Salaries and social security charges
Salaries and wages (including bonuses and holiday allowances) and social security charges are recognised in the profit and loss account when they are due.

Pension contributions
The Group has a number of pension schemes. For all schemes, the contributions are based on salary for the year in question (defined contribution schemes) and are payable to insurance companies or pension funds. Contributions are recognised when they become due. Under the schemes, the Group has no further legal or constructive obligation should a funding deficit arise at the insurance company or pension fund.

The Group pays contributions based on (legal) requirements, a contractual or voluntary basis to pension funds and insurance companies. Contributions are recognised as employee cost when they are due. If contributions already paid exceed the contribution payable to the pension provider, the excess is recognised as a prepayment if these lead to a refund or reduction of future payments. Contributions due but not yet paid are presented as liabilities.

Amortisation and depreciation of intangible and tangible fixed assets
Intangible fixed assets, including goodwill, are amortised over their estimated useful lives from the date they are available for use. The effects of any changes in estimated useful economic lives are reflected prospectively in future amortisation charges.

Depreciation of tangible fixed assets is based on acquisition cost and is charged to the profit and loss account on a straight-line basis reflecting the estimated useful lives of the assets and their expected residual values.

Gains and losses from the occasional sale of intangible and tangible fixed assets are included in amortisation and depreciation.

Interest income and expenses
Interest income and expenses, including transaction costs relating to loans received, are recognised evenly over the periods to which they relate based on the effective interest rate inherent in the underlying assets and liabilities.

Exchange differences
Exchange differences arising on settlement or conversion of monetary items in foreign currency are recognised in the profit and loss account in the year in which they arise, unless hedge accounting is applied.

Dividends receivable
Dividends from other participations and securities are recognised when the Group becomes entitled to receive them.

Corporate income tax
Corporate income tax on the result is calculated based on the result of the Group before tax reduced by the management fee and taking account non-deductible costs and temporary differences. Corporate income tax on management fees is levied on the partner BVs as the ultimate recipients of the management fees.

Management fee
The members of the Company are entitled to a management fee under the association agreements with the partner BVs of the professional practitioners (which are the members of the Company) and under the financial arrangements with the partners. The Company charges this management fee to Holding PwC NL.

Segment information
As the Group's operations are performed primarily through three Lines of Service (Assurance, Tax & Legal and Advisory) and one central support service line (Other), segment information is provided along these lines.

Basis of preparation of the consolidated statement of cash flow

General
The cash flow statement is prepared using the indirect method. The cash items disclosed in the cash flow statement comprise cash at banks and in hand except for deposits with a maturity longer than three months. Cash flows denominated in foreign currencies are translated at average estimated exchange rates. Exchange differences affecting cash items are shown separately in the cash flow statement. Interest paid and received, dividends received and income taxes are included in cash from operating activities. Dividends paid are recognised as cash used in financing activities. The purchase consideration paid for the acquired group corporation is recognised as cash used in investing activities where it has been settled in cash. Any cash at banks and in hand in the acquired group corporation has been deducted from the purchase consideration.

Working capital
Working capital represents the aggregate amount of receivables and work in progress net of current liabilities excluding amounts owed to credit institutions.

1.5. Notes to the consolidated balance sheet at 30 June 2023 (in € x 1,000 unless otherwise stated)

[1] Intangible fixed assets

The movements are as follows:

			2022/2023	2021/2022
	Software	Goodwill	Total	Total
Balance as at 1 July				
At cost	165	4,146	4,311	-
Accumulated amortisation	-18	-373	-391	-
Carrying amount	**147**	**3,773**	**3,920**	**-**
Movements				
New consolidation	-	-	-	4,568
Disposals	-	-28	-28	-
Remeasurement	-	353	353	257
Amortisation	-71	-1,359	-1,430	-391
	-71	**-1,034**	**-1,105**	**4,434**
Balance at 30 June				
At cost	165	4,471	4,636	4,825
Accumulated amortisation	-89	-1,732	-1,821	-391
Carrying amount	**76**	**2,739**	**2,815**	**4,434**
Amortisation percentages	20-45	10-35		

Goodwill on the acquisition of PricewaterhouseCoopers Technology Consulting (Netherlands) B.V. is amortised on a straight-line basis over four years. During the period from 5 June 2019 to 30 June 2024, the Company will share 30% in the revenues and costs of PricewaterhouseCoopers Technology Consulting Belgium B.V. In addition, 70% of the balance of income and expenses of the corresponding Dutch activities with PwC Belgium, Germany and Switzerland is settled during the same period. The receivable or debt arising from this right and this obligation are included in the balance sheet under other receivables, other loans and liabilities and goodwill. As a result, the original goodwill was adjusted by € 353 in this year and this has been recognised as 'Remeasurement' in the above statement of movements.

[2] Tangible fixed assets

The movements are as follows:

	Leasehold improvements	Office furniture	Office equipment	Fixed assets under construction	2022/2023 Total	2021/2022 Total
Balance as at 1 July						
At cost	12,535	8,339	12,228	341	33,443	-
Accumulated depreciation	-620	-231	-1,411	-	-2,262	-
Carrying amount	**11,915**	**8,108**	**10,817**	**341**	**31,181**	**-**
Movements						
Additions	2,026	511	7,964	1,782	12,283	2,569
New consolidation	-	-	-	-	-	34,017
Disposals	-	-	-416	-341	-757	-3,143
Accumulated depreciation on disposals	-	-	351	-	351	181
Depreciation	-2,344	-1,476	-5,476	-	-9,296	-2,443
	-318	**-965**	**2,423**	**1,441**	**2,581**	**31,181**
Balance at 30 June						
At cost	14,561	8,850	19,776	1,782	44,969	33,443
Accumulated depreciation	-2,964	-1,707	-6,536	-	-11,207	-2,262
Carrying amount	**11,597**	**7,143**	**13,240**	**1,782**	**33,762**	**31,181**
Depreciation percentages	10-20	10-20	13-45			

Depreciation of leasehold improvements is based on the remaining term of the rental contracts adjusted, where necessary, for any early termination of rental contracts.

[3] Financial fixed assets

The movements are as follows:

	Participating interests	Other partici-pations	Deferred tax assets	Other receivables	2022/2023 Total	2021/2022 Total
Balance as at 1 July	**1**	**5,937**	**890**	**18,230**	**25,058**	**57,768**
Additions	-	380	-	5,993	6,373	2,650
New consolidation	-	-	-	-	-	13,625
Disposals/repayment	-	-2,749	-	-5,417	-8,166	-48,340
Movement to the profit and loss account	-	-	-693	-75	-768	-645
Balance at 30 June	**1**	**3,568**	**197**	**18,731**	**22,497**	**25,058**

Participating interests
The number of shareholders in PwC Digital Technology Services B.V. changed during the year. As a result of this change, the Company's share in issued capital increased from 20% to 25%. In addition to the change in shareholders, the number of board members appointed changed from three to four. Two of these board members are now members of the Company, whereas last year one board member was a member of the Company. We evaluated the classification and measurement as a result of the changes related to this other participation, and concluded that significant influence exists. This other participation has accordingly been reclassified to participating interests and is carried at net asset value. The comparative figures have been adjusted.

Other participations
Other participations include a number of participations, primarily participations in other PwC network entities that operate for the benefit of the global PwC network. None of these interests are held for trading.

The Group holds the following participations:

Name and location	Share in issued capital %
PwC Business Solutions B.V., Amsterdam	19.90
PricewaterhouseCoopers Europe GmbH, Frankfurt am Main	16.67
Lifeguard Finance B.V., Amsterdam	16.35
PricewaterhouseCoopers Services B.V., Rotterdam	12.50
PricewaterhouseCoopers IT Services Ltd., London	11.10
Scorius Holding B.V., Haarlem	10.00
L & F Holdings Limited, Bermuda	7.14
PwC Service Delivery Centre (Egypt) Holdings No. 1 Limited, London	5.00
S&H (Guernsey) Ltd., Guernsey	3.00
PwC Strategy& Parent (UK) Ltd., London	2.40

PwC Network Holdings Pte Ltd., Singapore liquidated its assets and repaid the shareholders with a final payment. This participation was valued at nil at 30 June 2022 and therefore the amount of the final payment (€ 0.5 m) is recognised in the profit and loss account. On 11 May 2023 one of the group companies (PricewaterhouseCoopers Belastingadviseurs N.V.) acquired 10% of the shares in Scorius Holding B.V., a consultancy firm that provides an integrated service to its clients on all talent management questions and develops (in-house) applications to provide clients with insights based on data. In 2022/2023 a group company of the Company acquired a 5% shareholding in PwC Service Delivery Centre (Egypt) Holdings No. 1 Limited for $ 50 (€ 47).

Deferred tax assets
Deferred tax assets relate to temporary tax differences of € 1.0 m (30 June 2022: € 1.5 m) arising mainly on differences in depreciation periods for tangible fixed assets and on the timing of recognition of office vacancy costs. An amount of € 0.8 m (30 June 2022: € 0.7 m) of the deferred taxes balance is expected to be recoverable within one year and is presented under current assets.

Other receivables
Other receivables consist of five receivables (30 June 2022: four). The fair value of other receivables does not differ materially from the carrying amount.

The first receivable is a Floating Rate Subordinated Unsecured Loan Note of € 1.7 m provided to Lifeguard Finance B.V. The receivable is subordinated to all other creditors of Lifeguard Finance B.V. Interest is payable semi-annually at the end of February and August and is set at the end of August each year at six-month Euribor plus 0.75%. For the period from 28 February 2023 to 31 August 2023, interest has been set at 0.75%. The principal, together with any unpaid interest, is repayable in full on 31 December 2026.

The second receivable concerns a loan note of $ 2.8 m (€ 2.5 m) provided to PwC Business Solutions B.V. The interest for the loan is set at 12-month LIBOR plus 0.75%. The loan was repaid in full with accrued interest during the year.

The third receivable concerns a loan of € 3.5 m granted to a related party, which gives an annual compensation based on the results of the related party and will be due for repayment no later than 2048. An impairment of € 3.5 m has been recognised in relation to this receivable as a consequence of lower expected repayments.

The fourth receivable concerns loan notes of € 11.8 m (30 June 2022: € 13.6 m) provided to PwC Digital Technology Services B.V. at 30 June 2022. During the year loan notes for in total € 1.1 m were granted and € 2.9 m was repaid. Interest of 3.5% is payable annually. The principal, together with any unpaid interest, is repayable in full on 31 December 2032.

The fifth receivable is a loan granted to a third party for a total amount of € 1.5 m. Interest of 4% is payable annually. The principal, together with any unpaid interest, is repayable in full on 17 August 2027.

The sixth receivable concerns a loan note of $ 3.5 m (€ 3.4 m) granted to PwC Business Solutions B.V. The interest for the loan is set at 5.2% and is payable annually. The principal, together with any unpaid interest, is repayable on 30 June 2035.

[4] Work in progress

Work in progress at 30 June 2023 is stated net of on account billings amounting to € 107 m (30 June 2022: € 161 m).

[5] Receivables from clients

Receivables are due within one year and are not interest-bearing. A provision for doubtful debts of € 5.8 m was carried at 30 June 2023 (30 June 2022: € 6.1 m). The fair value of the receivables from clients approximates the carrying amount, given the current nature of the receivables from clients and the fact that provisions for doubtful debts have been recognised where necessary.

[6] Receivables from other participations

Receivables from other participations are due within one year and are not interest-bearing.

[7] Other receivables

Other receivables are as follows:

	30 June 2023	30 June 2022
Receivables from personnel	553	569
Stichting Verrekenfonds	630	192
Other	8,667	9,813
Total	**9,850**	**10,574**

All other receivables have a maturity of less than one year.

[8] Prepayments and accrued income

Prepayments and accrued income, all due within one year, are as follows:

	30 June 2023	30 June 2022
Prepaid rental costs	5,777	4,525
Accrued income	3,563	2,354
Prepaid car lease cost	1,912	1,252
Prepaid insurance premiums	40	6,213
Other	6,418	5,813
Total	**17,710**	**20,157**

[9] Cash and cash equivalents

€ 2.9 m (30 June 2022: € 3.2 m) of the cash and cash equivalents was not freely available. This relates to lease and other obligations of the Company.

[10] Group equity

Disclosures regarding shareholders' equity are provided in the notes to the company financial statements. A consolidated statement of comprehensive income is not presented, as there is no difference between profit after tax and comprehensive income (2021/2022: the same).

[11] Provisions

The movements are as follows:

			2022/2023	2021/2022
	Personnel	Other	Total	Total
Balance as at 1 July	**4,662**	**7,615**	**12,277**	**16**
Additions	847	4,115	4,962	681
New consolidation	-	-	-	13,322
Utilisation	-561	-107	-668	-1,667
Releases	-	-5,388	-5,388	-75
Balance at 30 June	**4,948**	**6,235**	**11,183**	**12,277**

Approximately € 10.2 m (30 June 2022: € 10.6 m) of the provisions is long-term in nature.

Personnel provisions include amounts for long-term disability benefit top-ups, long-service entitlements and severance pay.

In 2021/2022 other provisions included an office vacancy provision of € 2.4 m. During 2022/2023 this amount was released in full. Other provisions include a provision for obligations to restore leased premises at the end of the lease period of € 1.5 m (2021/2022: € 1.3 m); this provision is recognised evenly over the lease period.

Other provisions also include professional liability provisions of € 4.1 m (30 June 2022: € 3.3 m) relating to work performed until the balance sheet date. Releases relate primarily to changes in the estimated costs of outstanding claims. All of the claims are disputed, and provisions have been formed for any loss still expected to be incurred by the Group in relation to ongoing claims. The Group is insured against any such claims. While the outcome of these disputes cannot be predicted with certainty, legal advice and other information received indicate that they will have no significant effect on the financial position of the Group.

[12] Other loans and liabilities

PricewaterhouseCoopers Enterprise Advisory BV has provided PricewaterhouseCoopers Advisory N.V. a loan. This loan will be repaid in four instalments. The last instalment is due on 30 September 2024. The interest rate is set at 3.5%. No security has been provided.

The remaining amount of the loan at 30 June 2023 is € 277 (30 June 2022: € 415), of which € 144 is short-term (30 June 2022: € 148).

The remainder of the other loans and liabilities concerns the obligation as disclosed under [1] Intangible fixed assets. The amount at 30 June 2023 is € 761 (30 June 2022: € 1,198), of which € 437 is short-term (30 June 2022: € 803).

[13] Accrued expenses and deferred income (non-current)

Non-current accrued expenses and deferred income include the long-term element of incentives received under a number of office lease agreements released to the profit and loss account over the duration of the related rental contracts. The portion to be released to the profit and loss account in 2023/2024 is included in short-term accrued expenses and deferred income in current liabilities.

The deferred rental incentives are released as follows:

	30 June 2023	30 June 2022
From 1-5 years	45	1,091
Carrying amount	**45**	**1,091**

[14] Liabilities to suppliers

Liabilities to suppliers are all due within one year.

[15] Liabilities to members of Coöperatie PricewaterhouseCoopers Nederland U.A.

The liability to members of Coöperatie PricewaterhouseCoopers Nederland U.A. has a remaining term of less than one year and is interest-bearing. The average interest rate for 2022/2023 was 0.41% (2021/2022: 0.26%).

Part of this debt is an amount withheld as a clawback from the profit share of partners who are auditors in public practice for 2022/2023. The clawback withholding is remitted to Foundation Measure 3.5. The remittance of the deduction for 2022/2023 takes place after the balance sheet date. For more detailed information on the clawback scheme we refer to page 104.

[16] Taxes and social security charges

Taxes and social security charges, all due within one year, are as follows:

	30 June 2023	30 June 2022
Value-added tax	37,154	30,182
Wage tax and social security charges	17,285	14,164
Corporation tax	-	9,121
Total	**54,439**	**53,467**

[17] Other liabilities

Other liabilities are as follows:

	30 June 2023	30 June 2022
Work in progress for which on account billings exceed the project revenue earned	39,726	47,988
Bonuses payable	29,451	27,865
Accrued leave entitlements and holiday allowances	24,601	23,738
Other	923	1,102
Total	**94,701**	**100,693**

Work in progress at 30 June 2023 is stated net of on account billings amounting to € 94 m (30 June 2022: € 145 m).

All other liabilities fall due in less than one year. The fair value of the other liabilities approximates the book value due to their short-term character.

[18] Accrued expenses and deferred income (current)

Accrued expenses and deferred income comprise accruals for invoices to be received and the current portion of incentives received under a number of office lease agreements.

	30 June 2023	30 June 2022
Invoices to be received	32,611	21,534
Current portion of incentives received under lease agreements for office premises	1,046	2,159
Other	1,368	2,036
Total	**35,025**	**25,729**

Off-balance sheet liabilities and commitments

- PricewaterhouseCoopers B.V. stands surety for the annual Group profit-linked periodic benefit payments administered by Stichting Verrekenfonds, for the beneficiaries of one of the legal predecessors of the legacy firm Coopers & Lybrand. In 2022/2023, the payments amounted to € 0.4 m (2021/2022: € 0.4 m). The payments are due for the lifetimes of the individual beneficiaries.
- Guarantees provided in relation to lease and other obligations amount to € 2.5 m at 30 June 2023 (€ 3.2 m at 30 June 2022), with the longest-running guarantee expiring on 30 September 2029.
- PricewaterhouseCoopers B.V. has undertaken to indemnify a third party for 2.4% of certain liabilities that that party may incur under an agreement to fund supplementary payments of non-Dutch pensions.
- PricewaterhouseCoopers Deelnemingen B.V. has undertaken to bear 2.4% of the damages certain third parties may suffer in relation to their responsibilities in a certain non-Dutch Retirement Medical Trust.
- PricewaterhouseCoopers Deelnemingen B.V. entered into a loan agreement with PwC Digital Technology Services B.V. of € 15.3 m. At 30 June 2023, an amount of € 11.8 m had been drawn down (30 June 2022: € 13.6 m).
- PricewaterhouseCoopers B.V. entered into a loan agreement with a third party of € 2.0 m. At 30 June 2023, an amount of € 1.5 m had been drawn down (30 June 2022: € nil).
- Upon request PwC Deelnemingen B.V. is obliged to provide additional funding to PwC Service Delivery Centre (Egypt) Holding No. 1 Limited for a maximum amount of USD 450. At 30 June 2023 no additional funding was provided.
- During the year PricewaterhouseCoopers Deelnemingen B.V. entered into a loan agreement with PwC Business Solutions B.V. of $ 25.4 m for the development and roll-out of a new global audit methodology system. The interest rate is set at 5.2%. At 30 June 2023, an amount of € 3.4 m had been drawn down.

The Group has long-term rental contracts (offices and cars), other operating lease obligations (office equipment) and facility services insourcing obligations totalling € 207 m (30 June 2022: € 215 m).

These obligations mature as follows:

in € millions	30 June 2023	30 June 2022
< 1 year	62	58
From 1-5 years	124	119
> 5 years	21	38
Total obligations	**207**	**215**

1.6. Notes to the consolidated profit and loss account for the year ended 30 June 2023 (in € x 1,000)

The comparative figures apply for the period 1 April 2022 to 30 June 2022. The management fee represents the results of Holding PwC NL as charged by the Company to Holding PwC NL for the period 1 July 2021 to 1 April 2022.

[19] Net revenue

Net revenue consists of the operations performed primarily through the three Lines of Service (Assurance, Tax & Legal and Advisory).

	2022/2023	2021/2022
Assurance	393,592	100,884
Advisory	371,890	80,349
Tax & Legal	267,496	68,134
Charged costs	4,493	5,943
Management fee Holding PricewaterhouseCoopers Nederland B.V.	-	133,232
Car and expense reimbursement	-	5,629
Turnover Partner Advies Groep	-	1,000
Other	259	-299
Total	**1,037,730**	**394,872**

Net revenue is earned primarily in the Netherlands. In addition to work performed, revenue includes the charging of costs incurred (particularly travel costs) to clients. In 2022/2023 there are no amounts reported for Management fee Holding PricewaterhouseCoopers Nederland B.V., Car and expense reimbursements and Turnover Partner Advies Groep due to the consolidation at the level of the Company.

[20] Other revenue

In 2022/2023 the final part of retained holdbacks on the proceeds of the divestment of the business activity Global Mobility, Immigration and Expat Payroll business (GM) was paid to a group company (PricewaterhouseCoopers Belastingadviseurs N.V.).

[21] Cost of work contracted-out and other external costs

These relate to third-party services, including those from other members of the PwC network, and out-of-pocket expenses directly attributable to engagements.

[22] Amortisation and depreciation of fixed assets

The amortisation and depreciation of fixed assets is as follows:

	2022/2023	2021/2022
Amortisation of intangible fixed assets	1,430	391
Depreciation of tangible fixed assets	9,296	2,443
	10,726	**2,834**
Result on disposals	-1,072	-
Total	**9,654**	**2,834**

[23] Travel costs and other personnel costs

Travel costs and other personnel costs are as follows:

	2022/2023	2021/2022
Travel costs	57,258	12,888
Other personnel costs	77,878	14,571
Total	**135,136**	**27,459**

A part of the travel costs in particular is reimbursed by clients. The other personnel costs consist, among others, of costs for temporary staff, education, non-salary related benefits for personnel, personnel-related activities and costs related to well-being.

[24] Other operating costs

Other operating costs are as follows:

	2022/2023	2021/2022
Occupancy costs	32,944	8,216
Technology	32,300	4,021
Sales and business development	8,623	-374
External consultants' fees	6,457	2,640
Early-retirement benefits	800	554
Car and expense reimbursements	-	5,629
Other costs	32,901	3,121
Total	**114,025**	**23,807**

Other costs include membership contributions to PricewaterhouseCoopers International Ltd., insurances and other costs related to professional liability. In 2022/2023 there is no amount reported for Car and expense reimbursements due to the consolidation at the level of the Company.

Operating leases
The Group charged € 46.8 m (2021/2022 pro rata € 11.5 m) to the profit and loss account for operating lease costs during the year, relating to office premises and the leased car fleet and parking space.

[25] Interest and other financial income

Interest and other financial income are as follows:

	2022/2023	2021/2022
Foreign currency results	526	539
Dividends	13	-
Other interest income	2,607	871
Total	**3,146**	**1,410**

[26] Interest and other financial expenses

Interest and other financial expenses are as follows:

	2022/2023	2021/2022
Interest paid to members of the Company	639	420
Other interest expenses	210	536
Total	**849**	**956**

[27] Corporate income tax

Corporate income tax is as follows:

	2022/2023	2021/2022
Profit before tax	194,919	231,072
Management fee Coöperatie PricewaterhouseCoopers Nederland U.A.	-182,198	-189,095
Book/tax differences		
- Non-deductible items	1,490	2,607
- Temporary differences	-2,007	-2,769
Taxable profit	**12,204**	**41,815**
Tax thereon	2,985	8,955
Adjustments relating to prior year deferred tax	532	645
Correction of previous years	-717	859
Corporate income tax	**2,800**	**10,459**
Effective tax rate	1.4%	4.5%
Applicable tax rate	25.8%	25.4%

Corporate income tax on the management fees is levied at the level of the members of the Company (the partner BVs). Permanent differences include non-deductible amortisation of goodwill. Temporary differences relate primarily to different rates for the amortisation and depreciation of assets.

Corporate income tax paid and received is included in one aggregate net amount in the statement of cash flow.

[28] Management fee Coöperatie PricewaterhouseCoopers Nederland U.A.

The Company charges a management fee to Holding PwC NL (until 30 June 2023) for making available the professional practitioners who are associated with the members of the Company.

The aggregate remuneration accruing from the Dutch PwC entities to the members of the Company, is as follows:

	2022/2023	2021/2022
Management fee payable by the Company to its members	182,198	189,095
Return on capital contributions paid to members of Coöperatie*	9,921	6,924
	192,119	**196,019**
Average number of partners (FTE)	288	284
Average management fee per partner**	668.1	690.3
Allocation of net profit to capital and reserve accounts (per partner)*	-	86.4

* After adoption of the financial statements.
** Includes return on members' capital contributions as part of the profit appropriation.

In addition to their management fee, the members of the Company also receive car and expense allowances, amounting to € 8.6 m (2021/2022: € 7.7 m), and interest on their current accounts, amounting to € 0.6 m (2021/2022: € 0.4 m). These interest expenses are recognised as an expense by the Company.

1.7. Other notes (in € x 1,000, unless otherwise stated)

External auditor's fees

The following fees were charged to and borne by the Group for work done during the year by the auditor and the auditor's firm as defined in Section 1 (1 a and e) of the Audit Firms Supervision Act. The fees charged in 2021/2022 are pro rata fees that refer to the Group.

	2022/2023	2021/2022
Audit of the financial statements	464	90
Tax advisory services	-	-
Other audit engagements	102	7
Other non-audit services	9	-
Total	**575**	**97**

Financial instruments and risk management

Foreign exchange risk

The Group operates primarily within the European Union. Foreign exchange risks arise mainly on positions and transactions in US dollars. The Board of Management's policy is to hedge foreign exchange positions and not to take speculative positions. The Group uses both primary and derivative financial instruments for hedging purposes.

Any significant foreign exchange risk relating to future cash flows from operating activities in foreign currencies is hedged by means of currency forward contracts under terms determined by the timing of the underlying receivables and obligations. Gains and losses on instruments used to hedge off-balance sheet positions are deferred until the hedged positions are recognised. There were no contracts outstanding at 30 June 2023.

At 30 June 2023, receivables in US dollars and other currencies amounted to € 7.5 m (30 June 2022: € 8.6 m) and € 3.5 m (30 June 2022: € 2.8 m) respectively. Liabilities in US dollars and other currencies amounted to € 6.0 m (30 June 2022: € 7.8 m) and € 3.2 m (30 June 2022: € 4.4 m) respectively.

Interest-rate and cash flow risk

Interest-rate risk for the Group relates primarily to the loan of € 1.7 m receivable from Lifeguard Finance B.V., with interest receivable semi-annually at six-month Euribor plus 0.75% at the end of August each year (for the period from 28 February 2023 to 31 August 2023: 0.75%).

Interest-rate risk on financial assets and liabilities is not hedged.

Credit risk

The Group is exposed to the risk of counterparty default, though this risk is limited due to the large number and diversity of the Group's receivables. There is concentration of credit risk only as a result of the limited geographical spread of receivables concentrated in the Netherlands. Credit risk is further mitigated by the application of client acceptance and credit control procedures.

Liquidity risk

Liquidity risk is mitigated by the fact that cash flow from operating activities generates sufficient liquidity to meet ongoing obligations. Furthermore, the Group has access to revolving credit facilities with one large Dutch bank of € 25 m in total (last year: two banks and € 50 m). There were no credit facilities outstanding at 30 June 2023.

Fair value

The carrying amounts of financial instruments under receivables and liabilities carried at amortised cost do not differ significantly from fair values.

1.8. Additional disclosures to the profit and loss account (in € x 1,000 unless otherwise stated)

Full year profit and loss account for the year ended 30 June 2023

The profit and loss account reflects the consolidated financial performance of the Company for the year ended 30 June 2023. To enable comparison and insight the comparative figures reflect the financial performance of the Company in the situation that consolidation had applied for that entire fiscal year.

		2022/2023		2021/2022	
Net revenue	[a]	1,037,730		936,681	
Other revenue	[b]	1,181		33,861	
Total revenue			**1,038,911**		**970,542**
Cost of work contracted-out and other external costs		145,949		107,890	
Salaries		358,454		325,874	
Social security charges		54,163		43,256	
Pension contributions		28,908		27,135	
Amortisation and depreciation of fixed assets	[c]	9,654		10,692	
Travel costs and other personnel costs	[d]	135,136		110,139	
Other operating costs	[e]	114,025		111,938	
Total operating costs			**846,289**		**736,924**
Operating profit			**192,622**		**233,618**
Interest and other financial income	[f]	3,146		1,616	
Interest and other financial expenses	[g]	-849		-1,765	
Profit before tax			**194,919**		**233,469**
Corporate income tax		-2,800		-12,856	
Profit after tax before management fee			**192,119**		**220,613**
Management fee members of Coöperatie PricewaterhouseCoopers Nederland U.A.		-182,198		-189,095	
Profit after tax			**9,921**		**31,518**

[..] The letters in square brackets refer to the corresponding numbers in the additional disclosures to the profit and loss account.

[a] Net revenue

The net revenue of each segment (after elimination of internal revenue) is as follows:

	2022/2023	2021/2022
Assurance	393,592	348,340
Tax & Legal	267,496	287,754
Advisory	371,890	294,879
Other	4,752	5,708
Total	**1,037,730**	**936,681**

Net revenue is earned primarily in the Netherlands. In addition to work performed, revenue includes the charging of costs incurred (particularly travel costs) to clients. “Other” relates to recharges for partners on an international assignment in the PwC-network.

[b] Other revenue

In the previous financial year, in addition to the divestment of GM with a gross transaction result of € 33.061 (see note 20) the Company divested Taxmarc/Taxolutions in January 2022 with a gross transaction result of € 800. Both divestments were asset deals. The amount presented under ‘Other revenue’ is the gross transaction result on these divestments. The 2022/2023 amount is the final part of the retained holdbacks on the proceeds of the divestment of the business activity GM.

[c] Amortisation and depreciation of fixed assets

Amortisation and depreciation of fixed assets are as follows:

	2022/2023	2021/2022
Amortisation of intangible fixed assets	1,430	2,000
Depreciation of tangible fixed assets	9,296	8,692
	10,726	**10,692**
Result on disposals	-1,072	-
Total	**9,654**	**10,692**

[d] Travel costs and other personnel costs

Travel costs and other personnel costs are as follows:

	2022/2023	2021/2022
Travel costs	57,258	47,918
Other personnel costs	77,878	62,221
Total	**135,136**	**110,139**

A part of the travel costs in particular is reimbursed by clients. The other personnel costs consist, among others, of costs for temporary staff, education, non-salary related benefits for personnel, personnel-related activities and costs related to well-being.

[e] Other operating costs

Other operating costs are as follows:

	2022/2023	2021/2022
Occupancy costs	32,944	31,717
Technology	32,300	29,051
Sales and business development	8,623	6,962
External consultants' fees	6,457	4,729
Other costs	33,701	39,479
Total	**114,025**	**111,938**

Other costs include membership contributions to PricewaterhouseCoopers International Ltd., insurances and other costs related to professional liability.

Operating leases
The Group charged € 46.8 m (2021/2022: € 46.8 m) to the profit and loss account for operating lease costs during the year, relating to office premises and the leased car fleet and parking space.

[f] Interest and other financial income

Interest and other financial income are as follows:

	2022/2023	2021/2022
Foreign currency results	526	724
Dividends	13	-
Other interest income	2,607	892
Total	**3,146**	**1,616**

[g] Interest and other financial expenses

Interest and other financial expenses are as follows:

	2022/2023	2021/2022
Interest paid to members of the Company	639	420
Other interest expenses	210	1,345
Total	**849**	**1,765**

External auditor's fees
The following fees were charged to and borne by the Group for work done during the year by the auditor and the auditor's firm as defined in Section 1 (1 a and e) of the Audit Firms Supervision Act:

	2022/2023	2021/2022
Audit of the financial statements	464	361
Tax advisory services	-	-
Other audit engagements	102	26
Other non-audit services	9	-
Total	**575**	**387**

Segment information (in € x 1,000)

2022/2023	Assurance	Tax & Legal	Advisory	Other [1]	Eliminations	Total
Net revenue from external clients	393,592	267,496	371,890	4,752	-	1,037,730
Net internal revenue	9,543	37,487	21,394	477	-68,901	-
Other revenue	-	1,181	-	-	-	1,181
Total revenue	**403,135**	**306,164**	**393,284**	**5,229**	**-68,901**	**1,038,911**
Costs of work contracted-out and other external costs	51,385	41,686	113,953	87	-61,162	145,949
Staff costs	147,511	94,574	117,496	81,944	-	441,525
Amortisation and depreciation of fixed assets	-	333	1,026	8,295	-	9,654
Other operating costs	148,844	97,950	96,776	-86,670	-7,739	249,161
Total operating costs	**347,740**	**234,543**	**329,251**	**3,656**	**-68,901**	**846,289**
Operating profit	**55,395**	**71,621**	**64,033**	**1,573**	**-**	**192,622**
Net financial income and expenses	-1,687	-1,548	-1,329	6,861	-	2,297
Corporate income tax	182	55	114	-3,151	-	-2,800
Management fee to members	-	-	-	-182,198	-	-182,198
Profit after tax	**53,890**	**70,128**	**62,818**	**-176,915**	**-**	**9,921**

[1] Internal costs are charged to group companies and recognised as other operating costs under Other.

People employed in FTE [2]	Assurance	Tax & Legal	Advisory	Firm Services	Total
Average number in 2022/2023					
- Partners	104	98	85	1	288
- Other professionals	1,826	985	1,189	10	4,010
- Support staff	48	14	10	997	1,069
Total	**1,978**	**1,097**	**1,284**	**1,008**	**5,367**
Working active outside the Netherlands	19	13	7	1	40

[2] FTE (excluding trainees) means full-time equivalents.

Segment information (in € x 1,000)

2021/2022	Assurance	Tax & Legal	Advisory	Other [1]	Eliminations	Total
Net revenue from external clients	348,340	287,754	294,879	5,708	-	936,681
Net internal revenue	16,486	23,967	26,201	64	-66,718	-
Other revenue	-	33,861	-	-	-	33,861
Total revenue	**364,826**	**345,582**	**321,080**	**5,772**	**-66,718**	**970,542**
Costs of work contracted-out and other external costs	43,451	45,618	73,782	41	-55,002	107,890
Staff costs	135,225	91,382	98,688	70,970	-	396,265
Amortisation and depreciation of fixed assets	-	333	1,596	8,763	-	10,692
Other operating costs	134,007	96,936	83,072	-80,222	-11,716	222,077
Total operating costs	**312,683**	**234,269**	**257,138**	**-448**	**-66,718**	**736,924**
Operating profit	**52,143**	**111,313**	**63,942**	**6,220**	**-**	**233,618**
Net financial income and expenses	-1,067	-713	104	1,527	-	-149
Corporate income tax	-786	-9,167	-592	-2,311	-	-12,856
Management fee to members	-	-	-	-189,095	-	-189,095
Profit after tax	**50,290**	**101,433**	**63,454**	**-183,659**	**-**	**31,518**

[1] Internal costs are charged to group companies and recognised as other operating costs under Other.

People employed in FTE [2]	Assurance	Tax & Legal	Advisory	Firm Services	Total
Average number in 2021/2022					
- Partners	106	100	78	-	284
- Other professionals	1,752	1,047	1,026	11	3,836
- Support staff	61	14	10	927	1,012
Total	**1,919**	**1,161**	**1,114**	**938**	**5,132**
Working active outside the Netherlands	17	5	3	1	26

[2] FTE (excluding trainees) means full-time equivalents.

2.1. Company balance sheet at 30 June 2023 (before appropriation of result) (in € x 1,000)

		30 June 2023		30 June 2022	
Fixed assets					
Financial fixed assets					
Participating interests	[29]	10,259		10,259	
Subordinated loans to participating interest	[30]	69,352		48,340	
Deferred tax assets (non-current)		187		-	
			79,798		**58,599**
Current assets					
Receivables					
Subordinated loans to participating interest	[30]	4,869		-	
Receivables from group companies	[31]	185,390		225,788	
Deferred tax assets (current)		818		-	
Taxes and social security charges	[32]	71		4,407	
Other receivables		2,080		1,429	
Prepayments and accrued income		165		9	
			193,393		**231,633**
Cash and cash equivalents			**24,039**		**28,151**
Total			**297,230**		**318,383**
Equity and liabilities					
Equity					
Member capital accounts	[33]	84,481		56,800	
Undistributed profit	[34]	9,921		31,518	
			94,402		**88,318**
Provisions	[35]		**211**		**328**
Current liabilities	[36]				
Liabilities to suppliers		180		-	
Liabilities to members of Coöperatie PricewaterhouseCoopers Nederland U.A.	[15]	201,764		220,227	
Taxes and social security charges	[37]	33		8,712	
Other liabilities		640		798	
			202,617		**229,737**
Total			**297,230**		**318,383**

[..] The numbers in square brackets refer to the corresponding numbers in the notes.

2.2. Company profit and loss account for the year ended 30 June 2023 (in € x 1,000)

		2022/2023		2021/2022	
Net revenue	[38]		**202,857**		**242,967**
Salaries		779		755	
Social security charges		98		89	
Pension contributions		178		184	
Other operating costs	[39]	10,256		10,317	
Total operating costs			**11,311**		**11,345**
Operating profit			**191,546**		**231,622**
Interest and other financial income	[40]	4,440		427	
Interest and other financial expenses	[41]	-716		-575	
Profit on ordinary activities before tax			**195,270**		**231,474**
Corporate income tax		-3,151		-10,861	
Management fee members of Coöperatie PricewaterhouseCoopers Nederland U.A.	[28]	-182,198		-189,095	
Profit after tax			**9,921**		**31,518**

[..] The numbers in square brackets refer to the corresponding numbers in the notes.

2.3. Notes to the company financial statements

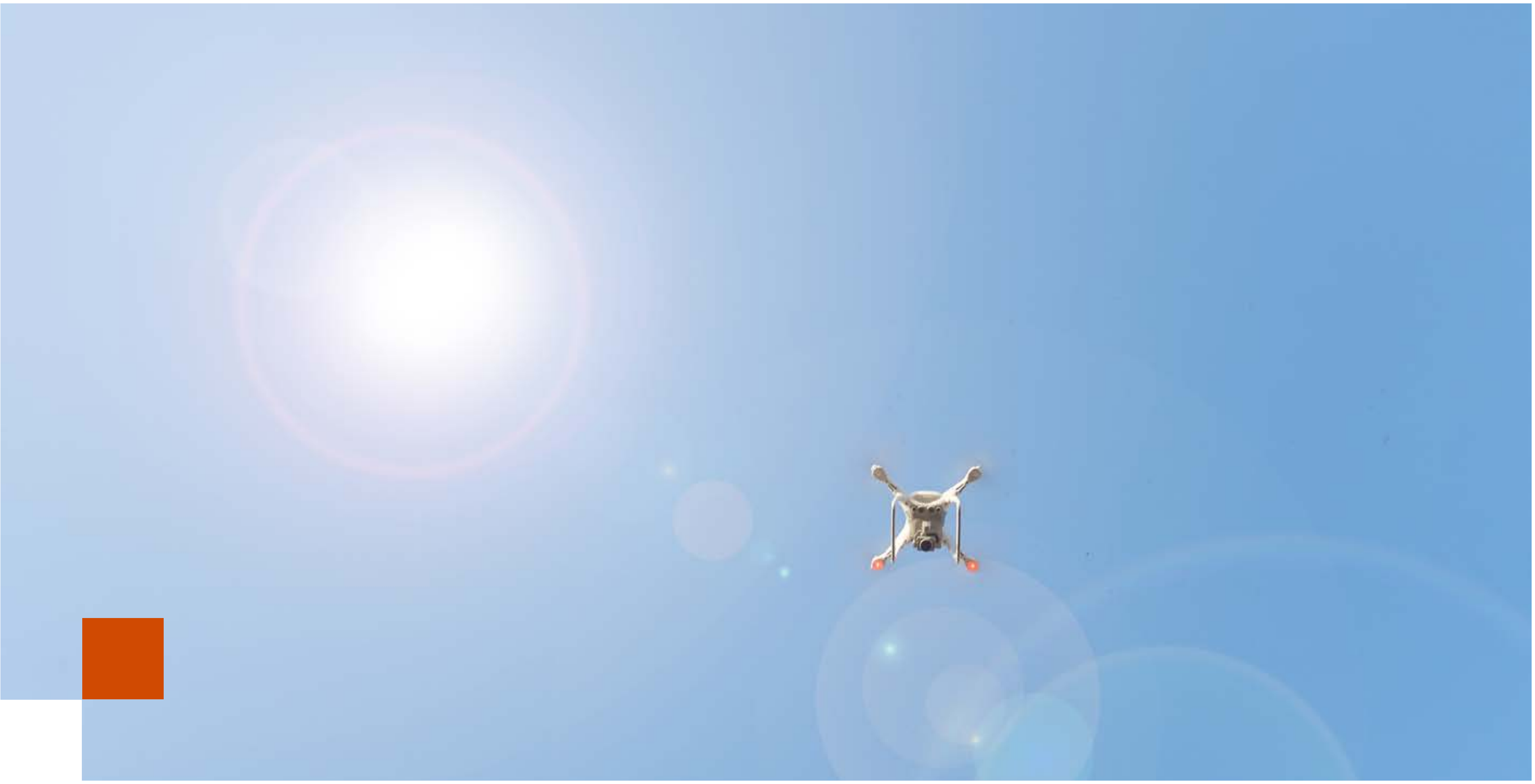
Activities
Among other things, the activities of the Company with its registered office in Amsterdam consist of the management and financing of the activities of its participations, as well as making available natural persons ('professional practitioners') who practice a profession as stated in the 'Activities' [note 1.4] of the Company via the private limited companies ('partner BVs') held by them either directly or indirectly, as well as making professionals available to the Lines of Service.

Accounting policies for assets and liabilities and for the profit and loss account

General
The accounting policies used for the company financial statements are the same as those used for the consolidated financial statements. Participating interests over which significant influence or control can be exercised are carried at net asset value, determined in accordance with the accounting policies used for the consolidated financial statements. The accounting policies are included in the general notes to the consolidated financial statements.

Comparison with prior year
In the interests of improved insight the comparative amount of receivables of participating interests (€ 48.340) has been reclassified from current to non-current (financial fixed assets). Furthermore, in the comparative figures an amount of € 317 is reclassified from Other liabilities to Provisions.

Management fee
The members of the Company are entitled to a management fee under the association agreements with the partner BVs of the professional practitioners (which are the members of the Company) and under the financial arrangements with the partners. The Company charges this management fee to Holding PwC NL (until 30 June 2023).



2.4. Notes to the company balance sheet at 30 June 2023 (in € x 1,000 unless otherwise stated)

[29] Participating interests

These consist of direct holdings in the following entities:
- PwC Business Solutions Holding (NL) B.V., Amsterdam (100%);
- Holding PricewaterhouseCoopers Nederland B.V., Amsterdam (100% since 24 March 2022).

Movements during the year are as follows:

	2022/2023	2021/2022
Balance at 1 July	**10,259**	**57,599**
Add: investments	-	10,260
Movements equity rights Konsortium PwC Europe	-	-57,600
Balance at 30 June	**10,259**	**10,259**

[30] Subordinated loans to participating interest

On 1 December 2022 some changes were made to the financing structure of the Group. The nominal loan amount per professional practitioner made available was increased to € 286 (2021/2022: € 163). During the financial year 2023/2024, this amount will be further increased to € 325. On 30 June 2023, the principal amount lend by the Company is € 74,221 (30 June 2022: € 48,340). The interest rate is 5.75% (2021/2022: 5.25%), based on 15-year external capital market interest rate plus a risk premium. The principal amount of the loan fluctuates annually on 1 July based on the number of professional practitioners made available.

	2022/2023	2021/2022
Holding PricewaterhouseCoopers Nederland B.V.	74,221	48,340
Receivable within one year	-4,869	-
Balance at 30 June	**69,352**	**48,340**

[31] Receivables from group companies

Receivables from group companies are due within one year and are not interest-bearing.

[32] Taxes and social security charges

Taxes and social security charges, all due within one year, are as follows:

	30 June 2023	30 June 2022
Corporate income tax	71	-
Value-added tax	-	4,407
Total	**71**	**4,407**

[33] Member capital accounts

At 30 June 2023, the balance of the member capital accounts is € 84,481 divided into 295 capital contributions of € 286 each (30 June 2022: € 56,800 divided into 284 contributions of € 200 each).

Movements during the year are as follows:

	2022/2023	2021/2022
Balance as at 1 July	**56,800**	**57,600**
Add: undistributed profit	24,531	-
Capital deposit	9,737	3,800
Less: repayment of capital	-6,587	-4,600
Balance at 30 June	**84,481**	**56,800**

As part of the profit allocation for 2021/2022, an amount of € 24,531 of the Company's profit after tax was added to the individual member capital accounts (€ 86.4 per member). This is the net result of the divestment of the business activity GM as completed in 2021/2022. The members of the Company agreed in 2022/2023 to increase the member capital contributions to € 325 each, with an effective date of 1 July 2023. Subject to approval by the General Meeting of the Company, the Board of Management proposes to distribute from the individual member capital account an amount of € 86.4 per member.

[34] Undistributed profit

Movements during the year are as follows:

	2022/2023	2021/2022
Balance as at 1 July	**31,518**	**6,877**
Add: result current financial year	9,921	31,518
Less: addition to member capital accounts	-24,531	-
Less: profit distribution	-6,987	-6,877
Balance at 30 June	**9,921**	**31,518**

[35] Provisions

The movements are as follows::

			2022/2023	2021/2022
	Personnel	Other	Total	Total
Balance at 1 July	**11**	**317**	**328**	**400**
Additions	13	-	13	31
Utilisation	-	-98	-98	-98
Releases	-	-32	-32	-5
Balance at 30 June	**24**	**187**	**211**	**328**

Personnel provisions include amounts for long-term disability benefit top-ups, long-service entitlements and severance pay. Other concerns a provision for a disability benefit to a former partner.

[36] Current liabilities

All current liabilities are due within one year. Given the short-term nature of the liabilities, the fair values of current liabilities approximate their carrying amounts.

[37] Taxes and social security charges

Taxes and social security charges, all due within one year, are as follows:

	30 June 2023	30 June 2022
Wages tax and social security charges	33	33
Corporate income tax	-	8,679
Total	**33**	**8,712**

Off-balance sheet assets and commitments
The Company is jointly and severally liable for remittance of the corporate income tax and value-added tax due under the fiscal unities for these taxes.

2.5. Notes to the company profit and loss account for the year ended 30 June 2023 (in € x 1,000 unless otherwise stated)

[38] Net revenue

Net revenue is as follows:

	2022/2023	2021/2022
Management fee Holding PricewaterhouseCoopers Nederland B.V.	189,656	228,003
Car and expense reimbursements	8,646	7,693
Charged costs	4,493	5,943
Revenue Partner Advies Groep	-	1,328
Other	62	-
Total	**202,857**	**242,967**

[39] Other operating costs

Other operating costs are as follows:

	2022/2023	2021/2022
Car and expense reimbursements	8,646	7,693
Early-retirement benefits	800	554
Other costs	810	2,070
Total	**10,256**	**10,317**

[40] Interest and other financial income

Interest and other financial income are as follows:

	2022/2023	2021/2022
Other interest income	4,440	427
Total	**4,440**	**427**

[41] Interest and other financial expenses

Interest and other financial expenses are as follows:

	2022/2023	2021/2022
Interest paid to members of Coöperatie	639	420
Other interest expenses	77	155
Total	**716**	**575**

2.6. Other notes

Remuneration of the members of the Board of Management and the Supervisory Board

	2022/2023	2021/2022
Members of the Board of Management	5,050	7,319
Members of the Supervisory Board	365	445
	5,415	**7,764**

Members and former members of the Board of Management

The remuneration of the Board of Management, comprising the director under the Articles of Association and the four authorised executive directors, amounted to € 5.1 m for 2022/2023 (2021/2022: € 7.3 m for the director under the Articles of Association and the six authorised executive directors). In addition to their remuneration, the members of the Board of Management also receive car and expense allowances, amounting to € 0.2 m (2021/2022: € 0.2 m).

Members and former members of the Supervisory Board

The Company has a Supervisory Board since 24 March 2022. The Supervisory Board currently has six members. Reference is made to the Remuneration Report of the Supervisory Board included on page 103 of this Annual Report.

On 30 June 2023, Prof. Dr. N. Ellemers and Mr. F.W. Oldenburg stepped down as members of the Supervisory Board.

On 1 July 2023, Mr. B.C. Dreimüller, Prof. Dr. F.A. Rink and drs. S.J. Vlaar were appointed as members of the Supervisory Board.

Average number of employees

The Company has an average number of employees of 10 (2021/2022: 10) of which nil (2021/2022: nil) work outside the Netherlands.

Amsterdam, 4 October 2023

The Board of Management:
A.L. Koops-Aukes RA (director under the Articles of Association)
Drs. M.C.W. van de Pol RA *
Drs. W.J. van der Molen RA *
Drs. V.A.P.M. Roos-Emonds *
Drs. J. Visbeen *

The Supervisory Board:
Drs. C.P. Buijink (Chair)
Mr. B.C. Dreimüller
Prof. Dr. F.A. Rink
Ir. C.L. van Schooten
Dr. J. Sijbrand
Drs. S.J. Vlaar

* Authorised titulair member

3. Other information

3.1. Provisions of the Articles of Association governing the appropriation of result

Article 27 of the Company's Articles of Association prescribes the following:

- After adoption of the Annual Accounts by the General Meeting, the net profits of the Company shall be allocated in equal shares to the Capital and Reserve Accounts of the members as of the end of the financial year, unless the General Meeting decides otherwise. The 'net gains' or 'net losses' of the Cooperative shall be the gains or losses of the Cooperative determined by applying the accounting methods and principles used to prepare the Annual Accounts.
- The net losses of the Company for each financial year of the Cooperative shall also be charged in equal shares to the Capital and Reserve Accounts of the members, unless the General Meeting decides otherwise.
- The General Meeting is authorised to decide on (i) distributions to members - each for an equal share - from their respective Capital and Reserve Accounts and (i) interim distributions by way of advance payment.
- The resolutions referred to in the above bullet point may be passed only if and to the extent that the balance of the members' Capital and Reserve Accounts does not become less than the amount of the Capital Contribution multiplied by the number of members of the Cooperative.
- Payments made by the Cooperative to a member under this Article shall be made to a bank account designated by the member for that purpose.

3.2. Combined independent auditor's and assurance report

To: the members and Supervisory Board of Coöperatie PricewaterhouseCoopers Nederland U.A.

Summary

We have summarized our opinions and the main features of our audit for the year ended 30 June 2023 of Coöperatie PricewaterhouseCoopers Nederland U.A. below. The full text of the independent auditor's report, which includes the audit opinion on the financial statements and the reasonable assurance report on the other (integrated) information included in the Annual Report is included on the following pages.

The other (integrated) information in scope of our assurance engagement is included in 'PwC at a glance 2022/2023', 'Five-year summary of financial and operational performance', 'Report of the Board of Management' (excluding 'Outlook' per pillar and 'Statement by the Board of Management' on page 49), and the appendices to this Annual Report (hereafter: other (integrated) information in the Annual Report).

	Financial statements	Other (integrated) information in the Annual Report
Opinion	Unqualified audit opinion on financial statements (see page 95).	Unqualified reasonable assurance opinion on other (integrated) information in the Annual Report (see page 95).
Materiality	▶ Materiality of € 10,370,000 ▶ 1.0% of reported consolidated revenues (see page 61).	Based on our professional judgement, we determined materiality levels for each relevant part of the other (integrated) information and for the other (integrated) information as a whole (see page 94).
Fraud risks	Based on the audit procedures performed, we consider the potential fraud risks sufficiently addressed (see page 45).	Based on our assurance procedures performed, we consider the potential fraud risks sufficiently addressed.
Going Concern	Based on the audit evidence obtained up to the date of our auditor's report, we support management's assumption that the entity is a going concern (see page 39).	N/A
Key audit and assurance matters	▶ Valuation and existence work in progress (see page 98).	▶ Materiality assessment (see page 109) ▶ Fair view on material impact: 'Impact on people and environment of services that promote transparency and trust in society' (see page 30-31).

A. Report on the audit of the financial statements and other (integrated) information included in the annual report 2022/2023

Our opinion

We have audited the financial statements and other (integrated) information in the Annual Report for the year ended 30 June 2023 of Coöperatie PricewaterhouseCoopers Nederland U.A. based in Amsterdam. The financial statements comprise the consolidated financial statements and the company financial statements.

We have audited	Our opinion
Financial statements The financial statements comprise: 1. the consolidated and company balance sheet as at 30 June 2023; 2. the consolidated and company profit and loss account for the period from 1 July 2022 to 30 June 2023; and 3. the notes comprising a summary of the accounting policies and other explanatory information.	*Financial statements* In our opinion, the accompanying financial statements give a true and fair view of the financial position of Coöperatie PricewaterhouseCoopers Nederland U.A. as at 30 June 2023 and of its result for the period from 1 July 2022 to 30 June 2023 in accordance with Part 9 of Book 2 of the Dutch Civil Code.
Other (integrated) information in the Annual Report The other (integrated) information in the Annual Report comprise: 4. 'PwC at a glance 2022/2023', 'Five-year summary of financial and operational performance', 'Report of the Board of Management' (excluding 'Outlook' per pillar and 'Statement by the Board of Management' on page 49), and the appendices to this Annual Report (hereafter: other (integrated) information in the Annual Report). The other (integrated) information in the Annual Report includes prospective information such as ambitions, objectives, targets and expectations. Inherent to this information is that the actual results may differ in the future and are therefore uncertain. We do not provide any assurance on the achievability of the prospective information in the Annual Report.	*Other (integrated) information in the Annual Report* In our opinion the other (integrated) information in the Annual Reports presents, in all material respects, a reliable and adequate view of: • the policy and business operations with regard to corporate responsibility; and • the thereto related events and achievements for the year ended 30 June 2023 in accordance with the Sustainability Reporting Standards 2021 of the Global Reporting Initiative (GRI) and the supplementary internally applied reporting criteria as disclosed on page 108.

Basis for our opinion

We conducted our audits in accordance with Dutch law, including the Dutch Standards on Auditing and the Dutch Standard 3810N 'Assurance-opdrachten inzake maatschappelijke verslagen' (Assurance engagements relating to sustainability reports), which is a specific Dutch standard that is based on the International Standard on Assurance Engagements (ISAE) 3000: 'Assurance Engagements other than Audits or Reviews of Historical Financial Information'. Our responsibilities under those standards are further described in the 'Our responsibilities for the audit of the financial statements and the other (integrated) information in the Annual Report' section of our report.

We are independent of Coöperatie PricewaterhouseCoopers Nederland U.A. in accordance with the Wet toezicht accountantsorganisaties (Wta, Audit firms supervision act), the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics).

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

B. Information in support of our opinion

We designed our audit procedures in the context of our audit of the financial statements and the other (integrated) information in the Annual Report as a whole and in forming our opinion thereon. The following information in support of our opinion was addressed in this context, and we do not provide a separate opinion or conclusion on these matters.

Materiality financial statements

We determined the materiality for the financial statements as a whole at € 10,370,000. Following the request of the audit committee of PwC, the materiality is based on the benchmark of revenues (representing 1.0% of the consolidated revenues on page 61).

We assessed that members of the company have considered profit before tax and before management fee members of Coöperatie PricewaterhouseCoopers Nederland U.A. to be the most relevant benchmark in assessing the financial performance of the company. Taking into account the fact that the materiality level of 1% of revenue leads to a lower materiality level when compared to the materiality level of profit before tax and before management fee members of Coöperatie PricewaterhouseCoopers Nederland U.A., we have decided to agree applying this lower materiality level. We have also taken into account misstatements and/or possible misstatements that in our opinion are material for the users of the financial statements for qualitative reasons.

We agreed with the Supervisory Board that misstatements in excess of € 518,500, which are identified during the audit, would be reported to them, as well as smaller misstatements that in our view must be reported on qualitative grounds.

Materiality other (integrated) information in the Annual Report

Based on our professional judgement, we determined materiality levels for each relevant part of the other (integrated) information and for the other (integrated) information as a whole. For the information that we identified as most significant we used a lower materiality than for the other information. When evaluating our materiality levels, we have taken into account quantitative and qualitative considerations. Furthermore, we took the significance of the impact based on the stakeholders' dialogue into account.

We agreed with the Supervisory Board that misstatements which are identified during the audit and which in our view must be reported on quantitative or qualitative grounds, would be reported to them.

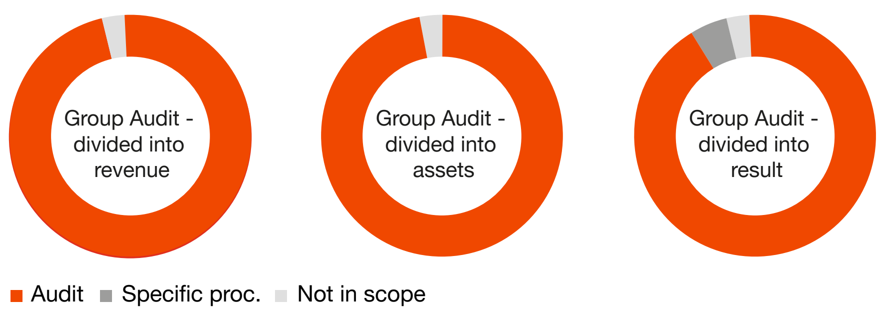
Scope of the group audit

Coöperatie PricewaterhouseCoopers Nederland U.A. is at the head of a group of entities. The financial information of this group is included in the consolidated financial statements. The other (integrated) information in the Annual Report incorporates the consolidated information of this group of entities.

Our group audit mainly focused on significant group entities. We consider an entity significant when:
- it is of individual financial significance to the group; or
- the component, due to its specific nature or circumstances, is likely to include significant risks of material misstatement, whether due to fraud or error of the group financial statements.

We have:
- performed audit procedures ourselves at group entities:
  - Holding PricewaterhouseCoopers Nederland B.V.;
  - PricewaterhouseCoopers B.V.;
  - PricewaterhouseCoopers Accountants N.V.;
  - PricewaterhouseCoopers Belastingadviseurs N.V.; en
  - PricewaterhouseCoopers Advisory N.V.
- performed review procedures or specific audit procedures at other group entities.

For clarification purposes we hereby show our scope:



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

Audit approach going concern

As explained in the section 'Going concern' on page 64 of the financial statements, the board has carried out a going concern assessment and identified no going concern risks. Our procedures to evaluate the going concern assessment of the board include:

- We discussed and evaluated the assessment with management exercising professional judgment and maintaining professional skepticism. We specifically focused on the process followed by management to make the assessment, management bias that could represent a risk, the impact of current events and conditions have on the Company's operations and forecasted cash flows, with a focus on whether the Company will have sufficient liquidity to continue to meet its obligations.
- We took notice of the budget for the upcoming year 2023/2024, the most recent results in 2023/2024 and discussed recent developments regarding the going concern assumption with several relevant bodies (finance management, Management Board and Supervisory Board) within the organization.

We concluded that management's use of the going concern basis of accounting is appropriate, and based on the audit evidence obtained, that no material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. We found the disclosure in section 'Going Concern' on page 64 of the financial statements to be adequate.

Audit approach fraud risks

We identified and assessed the risks of material misstatements of the financial statements due to fraud. During our audit we obtained an understanding of the entity and its environment and the components of the system of internal control, including the risk assessment process and management's process for responding to the risks of fraud and monitoring the system of internal control and how the Supervisory Board exercises oversight, as well as the outcomes. As described on page 45, PwC conducts an internal fraud risk analysis every year.

We evaluated the design and relevant aspects of the system of internal control and in particular the internal fraud risk assessment, as well as among others the code of conduct, whistle blower procedures and incident registration. We evaluated the design and the implementation and, where considered appropriate, tested the operating effectiveness, of internal controls designed to mitigate fraud risks.

As part of our process of identifying fraud risks, we evaluated fraud risk factors with respect to financial and non-financial reporting fraud, misappropriation of assets and bribery and corruption. We evaluated whether these factors indicate that a risk of material misstatement due to fraud is present.

We considered available information and made enquiries of relevant executives, directors, internal audit, the Audit Commitee and the Supervisory Board.

We identified the following fraud risks and performed the following specific procedures:

Management override of internal controls
As in all of our audits, we addressed the risk of management override of internal controls, including evaluating whether there was possible bias by management that may represent a risk of material misstatement due to fraud. We have performed the following procedures to address the risk of management override:

- Evaluation of the design, existence and operative effectiveness of internal controls which mitigate the fraud risk;
- Performing a retrospective analysis of estimates which management made within the preparation of the Annual Report, including estimates regarding work in progress, valuation of assets and estimates regarding provisions;
- Performing journal entry testing procedures regarding unexpected or unusual journal entries;
- Assessment of significant extraordinary events outside of the normal course of business;
- Furthermore we incorporated elements of unpredictability in our audit.

We also considered the outcome of our other audit procedures and evaluated whether any findings were indicative of fraud or non-compliance.
Based on these procedures, we have no indications of the breach of internal control and subsequent material fraud as a result of management override.

Valuation and existence of work in progress as a result of estimates
This is part of the key audit matters, for this we refer to the key audit matters 'valuation and existence work in progress'.

Accuracy and existence of accounts receivable
We assume a fraud risk with regard to the accuracy and existence of the accounts receivable. Our audit procedures included an assessment of the design, implementation and effectiveness of the internal controls within PwC as described in the internal fraud risk analysis to the extent relevant for the audit of the financial statements, testing relevant controls and performing substantive procedures.

We concluded that the internal control system regarding the accuracy and existence of the accounts receivable is sufficient. As described in the internal fraud risk analysis, the controls are also designed to prevent fraudulent reporting.

The substantive procedures consisted of an analysis of the aging of the accounts receivable, we have tested the collectability of the accounts receivable after the year end and took notice of the credit rating of the accounts receivable in relation with the accounted provision for bad debts.

Our procedures did not result in material findings related with fraud with respect to accuracy and existence of the accounts receivable at 30 June 2023.

Our key audit and assurance matters

Key audit and assurance matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements and non-financial information. We have communicated the key audit and assurance matters to the Supervisory Board. The key audit and assurance matters are not a comprehensive reflection of all matters discussed.

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

KEY AUDIT MATTER **Valuation and existence work in progress** *Refer to note 4 and 17 of the financial statements*	**Our audit approach**
Valuation of work in progress is an important focus area during our audit due to accounting estimates where management makes significant judgements. Both the valuation and existence of work in progress are a potential fraud risk due to the significant accounting estimates. In our professional judgement, the presumed risk of fraud in revenue recognition will, if this occurs, lead to errors regarding the valuation and existence of work in progress balances at year end. The valuation of work in progress at balance sheet date requires a high degree of judgement due to inherent uncertainty about the accuracy of the expected results of current engagements which is based on an estimate of time and costs to be incurred in comparison with the fee received.	Our audit procedures included an assessment of the design, implementation and effectiveness of the internal controls within PwC as described in the internal fraud risk analysis to the extent relevant for the audit of the financial statements, testing relevant controls and performing substantive procedures. We concluded that the internal control system regarding the existence and valuation of work in progress and revenue recognition is adequate to mitigate the identified risks and we relied on some internal key controls during our audit. As described in the internal fraud risk analysis, the controls are also designed to prevent fraudulent reporting of work in progress. The substantive procedures consisted of an analysis to determine whether the balance of the work in progress at year-end is invoiced in the next financial year andreconciliation of confirmations received from the responsible partners and directors. Furthermore we tested the provision for work in progress by comparing the realization for each partner during the year with the realization for each project included in work in progress at year-end. We discussed the findings of these analysis' with the responsible LoS controllers. Our procedures did not result in material findings with respect to the valuation work in progress at 30 June 2023.

KEY ASSURANCE MATTER **Materiality assessment** *(refer to page 11 what our stakeholders want)*	**Our audit approach**
The materiality assessment is one of the most important parts of our audit of the other (integrated) information in the Annual report. The material topics as included on page 11 are a representation of the topics with PwC's most significant impact on the economy, environment and people, including human rights. This year PwC implemented a new materiality assessment procedure, in line with the revised voluntary GRI standards and specifically 'GRI 3: Material Topics 2021'. PwC also considered draft requirements from the draft European Sustainability Reporting Standards (ESRS) that apply under the CSRD. To conclude on the new material topics PwC conducted the following activities: - Created an overview of the business and activities; - Identified and classified stakeholders; - Drafted a list of sustainability matters; - Mapped the sustainability clusters and key stakeholders along the value chain steps; - Identified impacts; and - Assessed the significance of the impacts.	During our audit we performed the following audit procedures on the materiality assessment: - We verified, by observing the business, peer review and by inquiry of employees, the identified activities which are relevant for the materiality assessment; - We determined the existence of the process of the identification and classification of the stakeholders and verified the arithmetical accuracy of the stakeholder classification; - We determined that the long-list of sustainability matters includes every sub-sub topic of the draft ESRS, topics from peer review and topics identified in previous years; - We verified the accuracy of the sustainability clusters and key stakeholders along the value chain steps;; - We verified the supporting documentation regarding the assessment of the impacts internally and determined that the assessment was discussed by the board of management of PwC. We also verified that the scoping of the material topics by management is reflected correctly in the list on page 11; - We performed a non-statistical sample on the minutes of interviews with stakeholders to determine whether the outcomes of these conversations are taken into account by defining the material topics; and - We verified the arithmetical accuracy of the impact assessment and verified the type and direction of the impacts. We conclude that the material topics have been assessed through an adequate process for determining the most significant impacts. Furthermore, based on our assurance procedures on the activities performed by PwC, we verified that the material topics as included on page 11 are a fair representation of the topics with PwC's most significant impact on the economy, environment and people, including human rights.

KEY ASSURANCE MATTER **MATERIAL IMPACT 'Impact on people and environment of services that promote transparency and trust in society'**	**Our audit approach**
According to the materiality assessment as included on page 11 one of the significant impacts in the Annual Report is the impact on people and environment of services that promote transparency and trust in society. This impact is one of the most important parts of our audit of the other (integrated) information in the Annual Report.	During our audit we performed the following audit procedures on the impact 'Impact on people and environment of services that promote transparency and trust in society': - We determined what information in the other (integrated) information in the Annual Report refers to this material impact. We made a distinction between quantitative and qualitative information. With respect to this information, we determined the design and operating effectiveness of the internal control framework regarding the creation of the information on this impact. - Regarding the figures, we reconciled the figures with information from underlying databases. We determined the reliability of the information in these databases by reconciling the information with supporting external and internal information. - For the text claims, we examined a selection, based on professional judgement, of the texts and made a reconciliation with supporting external and internal information. Our procedures did not result in material findings with respect to the reported numbers- and text claims of this material impact, in accordance with the internally applied reporting criteria.

Limitations to the scope of our audit

The other (integrated) information in the Annual Report includes prospective information such as ambitions, strategy, plans, expectations, estimates and risk assessments. Inherent to prospective information, the actual future results are uncertain. We do not provide any assurance on the assumptions and achievability of prospective information in the other (integrated) information in the Annual Report.

The references to external sources or websites in the other (integrated) information in the Annual Report are not part of the other (integrated) information in the Annual Report as audited by us. We therefore do not provide assurance on this information.

C. Report on other information included in the Annual Report

In addition to the financial statements and our auditor's report thereon, the annual report contains other information that consists of:

- A personal note from our chair;
- PwC at a glance 2022/2023;
- Five-year summery of financial and operational performance;
- Report of the Board of Management;
- Report of the Supervisory Board;
- The other information;
- Appendices.

Based on the following procedures performed, we conclude that the other information:

- is consistent with the financial statements and does not contain material misstatements;
- contains the information as required by Part 9 of Book 2 of the Dutch Civil Code.

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing these procedures, we comply with the requirements of Part 9 of Book of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements.

The Management Board is responsible for the preparation of the other information, including the management report in accordance with Part 9 of Book 2 of the Dutch Civil Code and other information as required by Part 9 of Book 2 of the Dutch Civil Code.

D. Report on other legal and regulatory requirements

Engagement

We were engaged by the Supervisory Board as auditor of Coöperatie PricewaterhouseCoopers Nederland U.A. on 17 June 2016, as of the audit for financial year ended 30 June 2017 and have operated as statutory auditor ever since that financial year.

E. Description of responsibilities regarding the financial statements and the other (integrated) information in the Annual Report

Responsibilities of the Management Board and the Supervisory Board for the financial statements and the other (integrated) information in the Annual Report

The Management Board is responsible for the preparation and fair presentation of the financial statements in accordance with Part 9 of Book 2 of the Dutch Civil Code. The Management Board is responsible for the preparation of the other information, including the management report in accordance with Part 9 of Book 2 of the Dutch Civil Code, the other information as required by Part 9 of Book 2 of the Dutch Civil Code and the reporting criteria of PwC, based on the Sustainability Reporting Standards 2021 of the Global Reporting Initiative (GRI). Furthermore, The Management Board is responsible for such internal control as The Management Board determines is necessary to enable the preparation of the financial statements and the other (integrated) information in the Annual Report that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, The Management Board is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting framework mentioned, The Management Board should prepare the financial statements using the going concern basis of accounting, unless The Management Board either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

The Management Board should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the financial statements.

The Supervisory Board is responsible for overseeing the company's financial reporting process and the preparation of the other (integrated) information in the Annual Report.

Our responsibilities for the audit of the financial statements and the other (integrated) information in the Annual Report

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

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

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We apply the ‘Nadere voorschriften kwaliteitssystemen)’ (NVKS, regulations for Quality management systems) and accordingly maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We have exercised professional judgement and have maintained professional skepticism throughout the audit, in accordance with Dutch Standards on Auditing and the Dutch assurance standard 3810N, ethical requirements and independence requirements. Our audits included among others:

- identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control;
- evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by The Management Board;
- concluding on the appropriateness of The Management Board use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause a company to cease to continue as a going concern;
- evaluating the overall presentation, structure and content of the financial statements, including the disclosures; and
- evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Our assurance engagement of the other (integrated) information in the Annual Report in accordance with the Dutch assurance standard 3810N included among others:

- Performing an analysis of the external environment and obtaining an understanding of relevant social themes and issues, and the characteristics of the organization;
- Identifying and assessing the risks of material misstatement of the other (integrated) information, whether due to errors or fraud, designing and performing assurance procedures responsive to those risks, and obtaining assurance evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from errors, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtaining an understanding of internal control relevant to the assurance engagement in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company’s internal control;
- Evaluating the appropriateness of the reporting criteria used and its consistent application, including the evaluation of the results of the stakeholders’ dialogue, and the reasonableness of estimates made by management and related disclosures;
- Evaluating the overall presentation, structure and content of the other (integrated) information, including the disclosures;
- Evaluating whether the other (integrated) information represents the underlying transactions and events free from material misstatement;
- Evaluating the procedures performed by the internal audit department of PwC.

Because we are ultimately responsible for the opinion, we are also responsible for directing, supervising and performing the group audit. In this respect we have determined the nature and extent of the audit procedures to be carried out for group entities. Decisive were the size and/or the risk profile of the group entities or operations. On this basis, we selected group entities for which an audit or review had to be carried out on the complete set of financial information or specific items.

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

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

From the matters communicated with the Supervisory Board, we determine the key audit matters: those matters that were of most significance in the audit of the financial statements. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, not communicating the matter is in the public interest.

Utrecht, 4 October 2023

For and on behalf of BDO Audit & Assurance B.V.,

drs. J.F. van Erve RA