



Mazars in the Netherlands
Annual Report
2020 / 2021

mazars



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Where this annual report refers to public-interest entities (PIEs) and statutory audits, this refers to the definition under Dutch law.

Pre-advice from the Supervisory Board

Role and responsibilities of the Supervisory Board

The activities of Mazars and more specifically those of the Audit & assurance service line, serve the public interest and consequently the results have to be of an excellent quality. This requires that the general public or rather the public interest is at the heart of all Mazars' actions. The task of the Supervisory Board is to ensure continuous improvement and to safeguard the quality and independence of the service provision, and to this end it supervises the Executive Board and the entire organisation. The Supervisory Board deals with Executive Board appointments, remuneration and quality policy, and partner appointments.

In order to obtain a proper picture, the Supervisory Board has discussions with the Executive Board, but also has regular contact with the Compliance Officer, the Works Council, the Young Profs Board, individual partners, the sounding board committee of the shareholders meeting, the Change Programme team and the individual Executive Board members.

Each year, the Supervisory Board is asked to approve the budget, the remuneration policy, and any proposals regarding the appointment or dismissal of partners in the audit practice. The Supervisory

Board and the Executive Board believe that the Supervisory Board should have a right of approval for every partner appointment. Mazars is one organisation internally as well as externally, and that does not sit well with a difference or a more limited assessment framework for future partners. With the partner appointments as of the 2021 / 2022 financial year, experience was gained with the role of the Supervisory Board in the appointments of partners who do not work as external auditors. The added value is clearly recognised, and therefore this has been included in the Standard Provisions as of December 2021.

There are also incidental matters where the Supervisory Board is asked for approval or advice. This could include decisions to issue shares in Mazars Holding, decisions to transfer shares in Mazars Holding and the remuneration and engagement instructions for the external auditor of Mazars Holding. Each year, the Supervisory Board adopts the annual report, adopts the remuneration for the Executive Board members, and prepares an annual report about its own performance and the activities that were carried out. The Supervisory Board also supervises and advises on the selection, dismissal and remuneration policy of the Executive Board and the (candidate) partners.

Composition of the Supervisory Board

The Supervisory Board of Mazars in the Netherlands consists of three Supervisory Board members with knowledge of and an affinity with the public interest, the markets where Mazars operates in and the characteristics of a partner organisation. The members have years of experience and knowledge in the sphere of sustainable business operations, partner structures, management and boards of large organisations.

We have a diverse Supervisory Board. In 2022, Marga Hoek will leave the Supervisory Board and a selection process is already in place, with the expectation that our female Supervisory Board member will be succeeded by another woman.

Public interest versus company interests

A keen sense of quality inspires the Executive Board and the employees to obtain and retain the trust of clients and other social stakeholders.

The focus is on making the move from measures in the public interest to the organisation structure, communication, actions and records. Progress, measures and status are discussed at every meeting between the Supervisory Board, the Executive Board and other Mazars professionals.

Completed actions and interventions, achieved results and follow-up actions to reach the dot on the horizon that is 'Trust through quality' are tracked closely. The Supervisory Board acknowledges the results of the developments that were put in motion and sees strong developments in quality. However, follow-up steps in that process are required to arrive at the required end result. That means that the Mazars organisation requires sustained attention and energy for further tightening up the quality culture and the corresponding quality-assurance systems.

Appointments

In the context of the proposed appointments of external auditors and partners from all service lines, the Supervisory Board spoke personally with the candidates in question and used those discussions to ascertain the opinions and personal attitude in respect of the public interest debate, quality, professional developments and the proposed contribution to those as (audit) partner and external auditor.

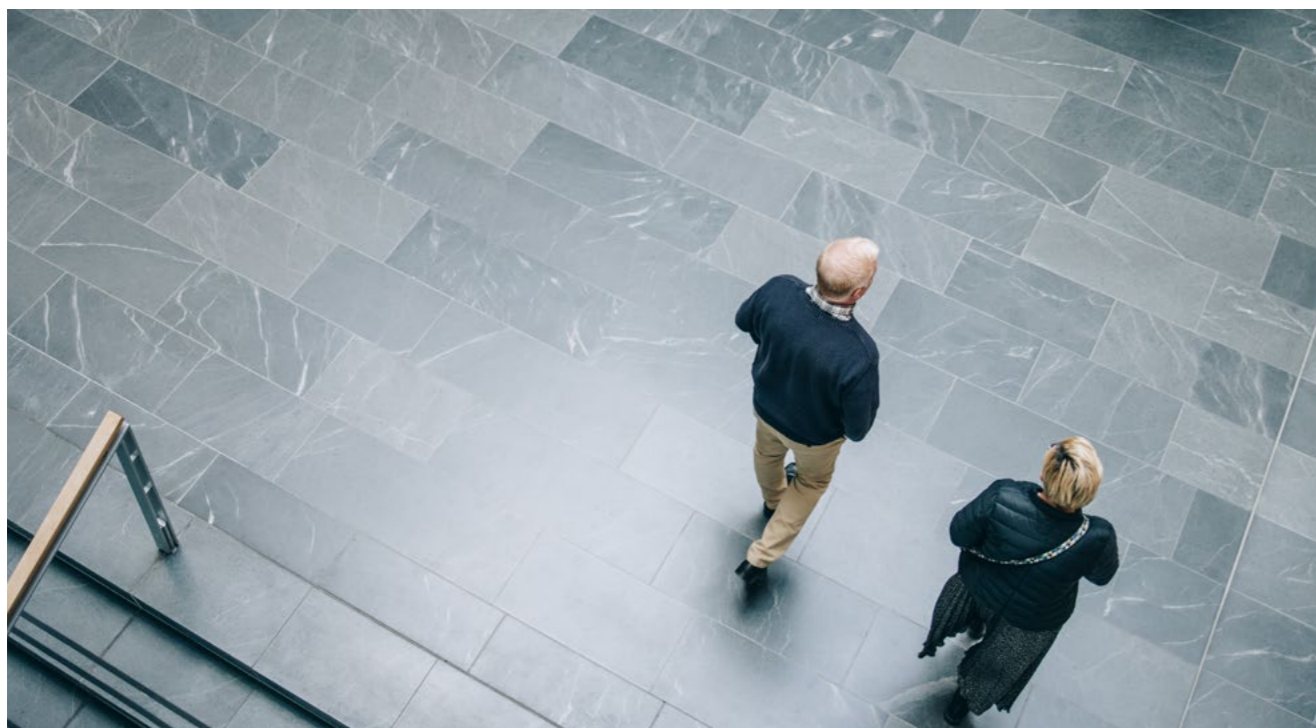
Prior to the individual appointments, the Supervisory Board had a collective discussion with the high potentials of the various service lines at an earlier stage. In this way a picture emerges of the quality of the people in the organisation early on in the appointment process, and this supports the Supervisory Board with the awareness process amongst future partners in respect of their role and responsibility in the change process.

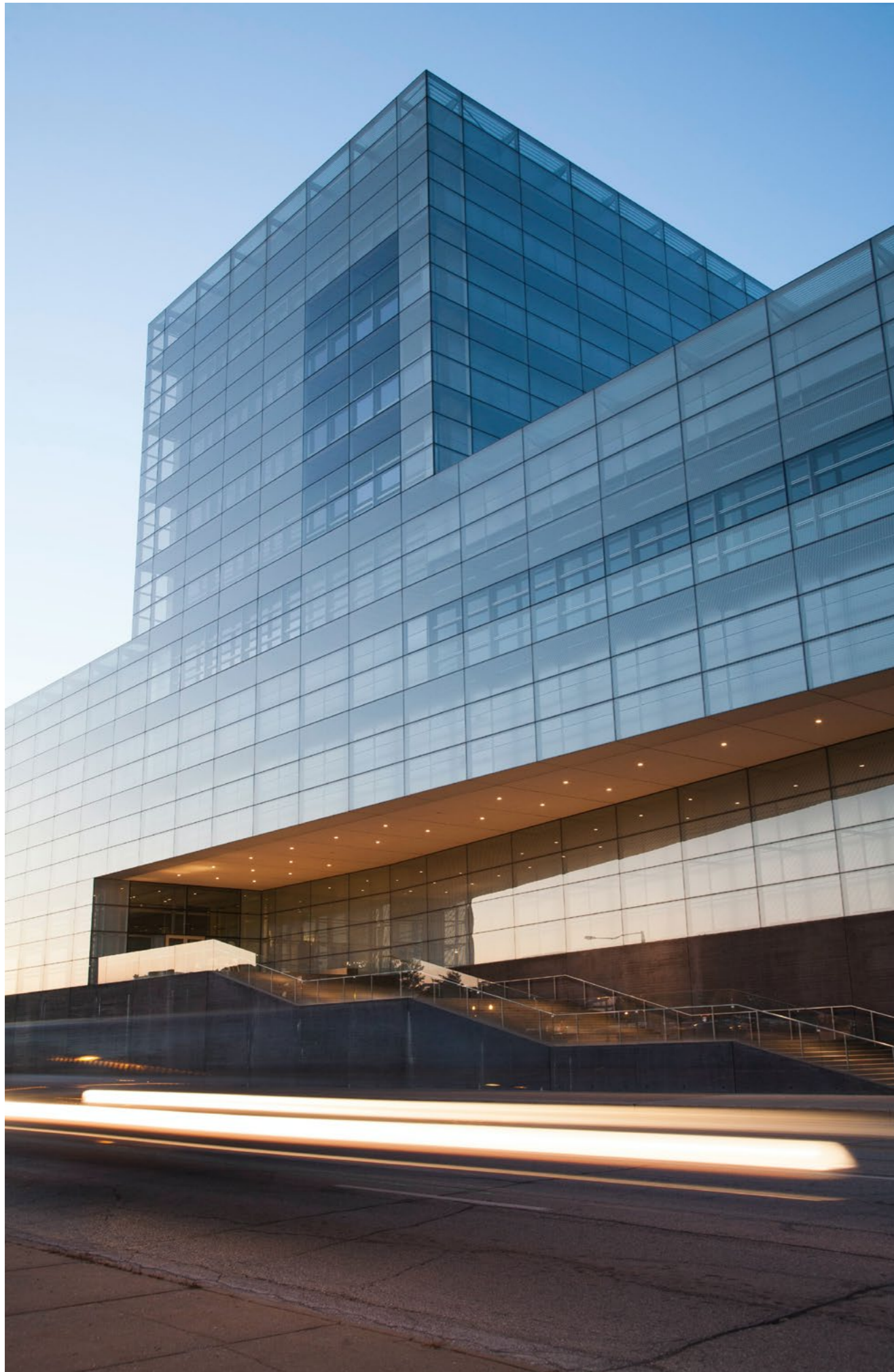
Content of findings, discussions and decision-making

At the start of last year, the Supervisory Board worked on selecting and nominating an Executive Board for the current period. In that context, a long-term strategy for the coming years ('One24') was discussed comprehensively with the Executive Board. As of the last six months of the year, the progress around 'One24' and the development of the new Executive Board, at individual level and as a whole, were important themes. The Supervisory Board also scrutinised the manner in which Mazars approached the consequences of the Covid-19 pandemic.

The Supervisory Board and the Executive Board also dealt with:

- Results of audits by supervisory authorities and following up points of attention
- Developments in the area of Compliance, quality and risk, including various specific client files
- Diversity and inclusiveness
- Sustainability policy and objectives
- Client acceptance
- Financial reports (budgets, forecasts and actual results) and the management letter from the external auditor





Pre-advice from the Supervisory Board

Pre-advice of the Supervisory Board on the basis of Article 32.2 of the articles of association of the company

The Supervisory Board discussed the findings of the external auditor (Marycken van Dijke of RSM Netherlands Accountants N.V.) and the audit approach of RSM in respect of the audit of the 2020 / 2021 annual accounts with her, the Executive Board and the CFO. The Supervisory Board took cognisance of the annual report for 2020 / 2021, consisting of the report of the Executive Board 2020 / 2021 and the consolidated and company annual accounts 2020 / 2021. It also took cognisance of the unqualified audit opinion of 10 February 2022.

We advise the shareholders to adopt these annual accounts unchanged.

Rotterdam, 10 February 2022

Henk Broeders
Chairman

Marga Hoek
Vice-chairman

Pieter Jongstra

Looking back at 2020 / 2021

This year was largely affected by the coronavirus (Covid-19) in the Netherlands and around the world. Increased attention to supporting people with their work-from-home situation, measures focused on the safety of our people in the offices and tighter monitoring of working-capital management continued to be relevant. The period was characterised by continued uncertainty, which influenced choices based on detailed scenarios.

In the 2019 / 2020 financial year, a large amount of energy went into the consequences of Covid-19 for our clients. The initiatives we took at that time were updated for 2020 / 2021. In addition, the coronavirus crisis meant we were asked for new services, particularly for products related to the application and accounting of subsidies, such as the Temporary Emergency Bridging Measure for Sustained

Employment (NOW) and the Reimbursement Fixed Costs (TVL).

The year 2020 / 2021 was also characterised by the first period of our One24 long-term strategy. We defined a number of important themes and objectives together, and started working on those:

- Enhancing our service delivery model (Our clients).
- Fostering a true quality and risk management culture across the firm (Our quality).
- Care for and help develop our people (Our people).
- Evolving towards a more purposeful, sustainable and innovative organisation (Our environment).
- Sustaining our growth (Our financial results).

About Mazars

Mazars is an international integrated audit, tax and consultancy organisation. We take responsibility for shaping a sustainable sector and aim to contribute to creating an economic basis for a fair and prosperous world. Mazars operates as a global partnership with an integrated team of professionals in the area of audit, accountancy, tax and consultancy.

Quality within the ethical and legal frameworks is what you may expect from us. Confidence in our judgement is our raison d'être. With in-depth knowledge of rules and a sound insight into the market we support our clients and contribute to society.

Mazars has 11 sites in the Netherlands, which employ more than 1.050 employees. For medium-sized organisations, the attraction lies in the compact accountancy organisation with short lines of communication and a Dutch branch in the neighbourhood. To large organisations Mazars offers international expertise and a partnership that can provide support in many countries. Mazars can be as large or as small as you want it to be.

Mazars in the Netherlands is part of the Mazars Group. Mazars Group comprises more than 44.000 professionals who serve clients all over the world: 28.000+ professionals in more than 90 countries in the integrated Mazars partnership, and 16.000+ professionals via the Mazars North America Alliance. Mazars is characterised by its highly integrated character and seamless international collaboration. This is reflected in a group-wide approach to projects in the fields of auditing the annual accounts, information technology and human resources and training programmes, and in the joint strategy formation and management of activities. We clearly distinguish ourselves on this point in relation to our colleagues in the market.

As a PIE accountancy firm, we expressly choose to serve the PIE segment as well. We believe that stakeholders and the market both benefit from a varied range of quality offices. Therefore, we support initiatives with a positive impact on the prevention of an overage of market concentration. Our values – which are the clear outcome of our purpose, mission and vision – guide us in everything we do: how we work with our clients, how we empower our people and the role we play in society.

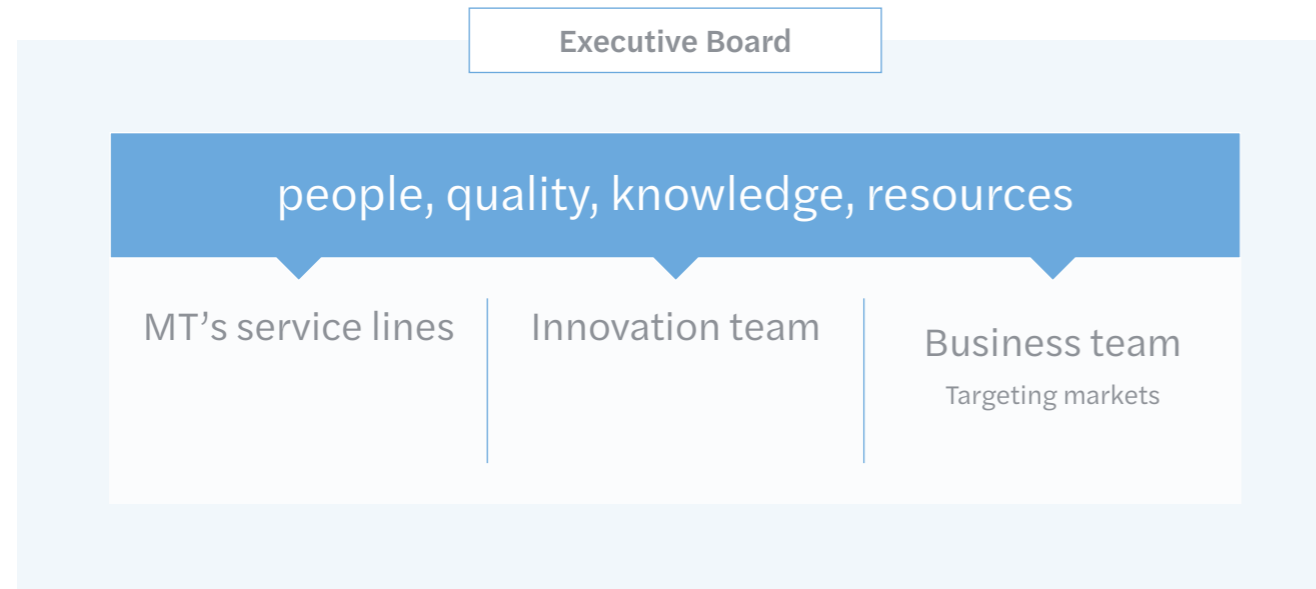


Mazars, the Go-to firm

Over the last year, we embarked on our strategic plan for the next four years: Mazars, the Go-to Firm. The Go-to firm comes back in various aspects, including Business for Good, Mazars University, and most certainly in developing and focusing on our business. In terms of our service delivery model this has produced deliberate choices for markets, propositions, innovation and a broad focus on business. We modified our organisation structure to achieve our ambitions.

1. Enhancing our service delivery model (Our clients)

A new organisation structure became effective as of the new strategic period. We wish to modernise our services on a continuous basis with cooperation between the service lines, innovation and structured business development. We secured this with the new structure, where each body is accountable to our Executive Board.



Over the past year, the Business team analysed our markets portfolio. This market analysis enabled us to identify a number of key and development markets that will receive ample business development support in the coming strategic period to remain or become the Go-to firm for that market in question. In other words: the focus is on those markets. A new team has been set up to support the markets: the Business support team. Besides key and develop markets, key propositions have also been identified for this strategic period. In cooperation with the Innovation team, there is continuous work on further developing our services and market-specific propositions. By now we have achieved a few nice successes.

We are building sustainable relationships with our clients. This means that we truly raise the bar when it comes to our client's needs and requirements and the quality of our services. Over the past year, we also surveyed the satisfaction of our clients. We use these insights to further improve our service-delivery model.

2. Fostering a true quality and risk management culture across the firm (Our quality)

Our quality vision **Mazars enhances trust through leading quality** is the basis of what we do. With this quality vision Mazars underlines that our continued existence comes from delivering trust. Delivering trust is the license to operate for our entire organisation, for all service lines and staff. This trust must be earned constantly.

It is essential that everyone has the public interest in mind and understands why we work on the quality of our service provision. By communicating this clearly, we make it possible for everyone to make their contribution. Over the past year, we have worked systematically and structurally on improving quality. We call that 'working on the organisation'.

Mazars Code of Conduct

In the context of culture and conduct, the global Mazars Code of Conduct is decisive. This Code of Conduct is a practical guide that helps all our employees, irrespective of their age, job or country, with making difficult, correct choices and taking good decisions, fully in line with our values. The Code of Conduct is based on the following core values:

Integrity

To provide excellent services is a must, but would be insufficient for us, our clients and society without it being tested against our ethical and moral principles. Integrity is the foundation of our relationship with employees, clients and other stakeholders. We always have to be honest and sincere if we wish to earn and cherish trust.

Responsibility

Sustainable organisations are those that are accountable. We believe in taking responsibility for our personal and professional conduct. We take account of the effect of our work on our society and aim to make a difference in that regard.

Diversity and respect

Our clients rely on our talents and expertise, and our strength is in our people. Respect for every individual and their personal contribution forms part of who we are. We value different opinions and diversity in the knowledge that new insights make our organisation better and stronger.

Technical excellence

In all our projects and engagements, providing our clients and society with services in line with the highest quality standards comes first and foremost. Therefore, we strive for technical excellence in everything we do. With innovation and talent development we aim to meet the expectations of all our stakeholders.

Independence

Independence has always been the raison d'être and mindset of Mazars. Independence is essential, whether we work as an auditor or a consultant.

Stewardship

Since our incorporation, our Executive Board and partners have managed to transfer their knowledge and experience to new generations to pave the way for a better future. Continuity and stewardship are crucial ingredients for our long-term development and that of our clients.

Integrity

Responsibility

Diversity and respect

Technical excellence

Independence

Stewardship

2. Fostering a true quality and risk management culture across the firm (Our quality)

Quality

Leading quality is the foundation of all our activities and makes us valuable in our societal role. Our values guide everything we do: how we meet the needs of clients, how we develop our people and the role we play in society. These values demonstrate that we endeavour to go beyond what is expected from us, either now or in the future.

Quality and reputation are crucial to Mazars' continued existence and development. So it is only natural that we continue to uphold our quality vision, 'Mazars enhances trust through leading quality' for the next four years. Delivering impeccable and high quality, not only from the point of view of our clients and society but also from the point of view of our own people and partners, is one of the cornerstones of our reputation. Reputation as viewed by our stakeholders, including clients, supervisory authorities, society and the labour market. With an impeccable reputation we earn the trust of our stakeholders.

Aspirational foundation

Quality defined

Quality is in our DNA and fundamental to Mazars' culture globally. Quality is achieving the **highest standards** in our evolving processes and activities, to ensure that clients, teams, markets and regulators can **trust** our work and be confident in the ability of all Mazarians to do what is right. It is our obligation to **consistently** meet or exceed our client expectations in an ethical manner.

Responsible

Mazars is a responsible organisation: Mazarians **consistently** identify with common and strong values, behaviours and are recognised for technical excellence across **all** service lines.

Culture

Mazars had a strong and identified culture of compliance through **consistently** applied quality objectives and indicators that we measure and hold ourselves accountable for.

In view of current developments in the accountancy profession and in the sector in general, the outcomes of internal dossier and themed studies (2019 / 2020), and other signals in the area of quality, the Executive Board decided early 2021 that clear and robust additional actions were required alongside measures taken in recent years, to achieve a further positive change in quality. Under the header 'Trust through quality – Reset' a number of important developments were put in motion including:

- Continuous implementation of, and above all learning from, root cause analyses at dossier and organisational level
- To intensify quality reviews
- To raise quality of the internal reviewers
- To increase the quality and effectiveness of the internal training programme
- To redetermine the quality indicators for the audit practice, partly based on the proposal from the Quartermasters for the Supervision of the Accountancy sector
- To strengthen 'Learning on the job'
- In-depth attention to monitoring the composition of the portfolio
- Attention to process management and clarity of roles
- Culture and behaviour in the form of 'tone at the top' from the Executive Board and the partners

2. Fostering a true quality and risk management culture across the firm (Our quality)

Risk management

It is an essential prerequisite for quality and performance that we remain highly critical in accepting, but also in retaining, the right clients and engagements. This places high demands on our client-acceptance system and on ongoing risk monitoring. Last year we started with implementing an integrated approach to client and risk management for the acceptance and records of processes in relation to clients and engagements in order to meet the increasing information need and to comply with control in the context of SIRA; it also makes us future-proof.

Last year we also invested in formulating our Compliance Structure of the Future. This is the so-called 'dot on the horizon' in terms of Compliance, quality monitoring & risk within Mazars. It goes beyond Audit & assurance, as it is about Mazars and all the service lines. The layers of the 'Structure' for the various service lines resulted from an analysis of the risks within the relevant service line, which is used as the baseline for determining its 'own' approach. The Compliance Structure of the Future enables us to be 'in control' across the board.

Data security & privacy

Taking suitable security measures to safeguard the confidentiality, integrity and availability of our business data is the starting point for information security. The effectiveness of the implemented measures is monitored to assess whether additional measures need to be taken and to determine how we should communicate on this internally with partners and employees.

We believe that the security of our information systems and the storage and processing of data on our clients, partners and employees is at an adequate level. Processes and procedures have been implemented that ensure there is punctual follow-up of potential security incidents to ensure they can be prevented where possible and to mitigate their impact. In order to move the level of information security to an even higher plane, the preparations for obtaining ISO 27001 certification have been started.

During the past year, there has been a noticeable global rise in the number of phishing attacks. All phishing reports are investigated in detail, and additional measures are taken where necessary.

Partners and employees are trained in recognising phishing attacks with the Security Awareness training programme. Despite the global rise in the number of phishing emails, we did not experience a single incident or data breach due to phishing in the past year.

Remote working and working from home in the context of the coronavirus crisis involves additional security risks. Partners and employees have been informed by means of various channels and were told how they can contribute to secure working methods. The security on and around workstations has also been tightened up in many ways, finding a good balance between functionality and security.

The number of recorded security incidents for 2020 / 2021 was nil (the year before: 12). For this purpose, security incidents are defined as follows:

- Incidents where partners or employees were the victims of phishing
- Incidents where partners or employees were the victims of stolen laptops
- Incidents where third parties gained access to our IT systems and/or data in another way

Of the six incidents that required a report to the Dutch Data Protection Authority, further investigation demonstrated that this led to unauthorised access to data in six cases. As a result, additional steps were taken to increase the awareness of this issue in the teams in question.

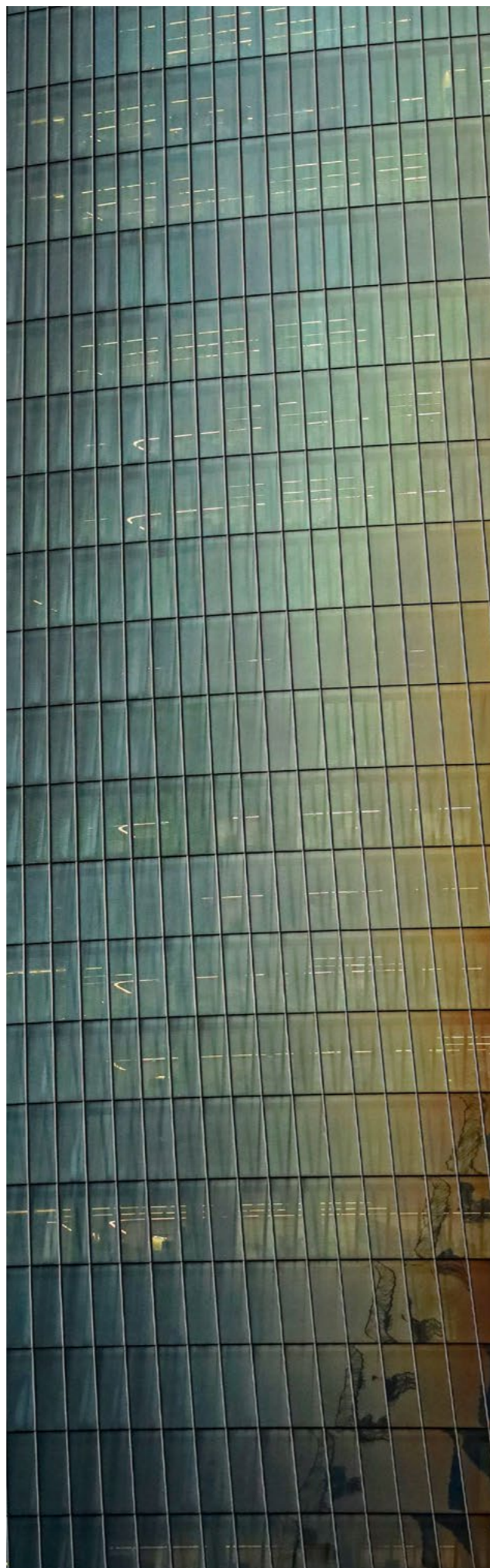
	2020 / 2021	2019 / 2020
Number of security incidents recorded	none	12
Number of registered data breaches	14	9
Number of data breaches reported to the Authority for the Protection of Personal Data	6	6

2. Fostering a true quality and risk management culture across the firm (Our quality)

Change programme

The Change programme for culture and behaviour has continued unabated and has become a recognisable part of the organisation for everyone involved. We have seen that partners and employees have embraced the notions and move them on each day. We monitor the Change programme, and with regular culture measurements, we check whether we are achieving the identified positive development and whether the actions need to be intensified or adjusted in practice.

Having a healthy organisation culture is not a 'nice to have' but pure necessity when ethical behaviour is the standard and when you wish to attract and retain the right talent. This required organisation culture can only be achieved by knowing the existing organisation culture and by having a clear picture of the culture you aim to achieve. You can only move the organisation culture away from a paper exercise by talking, and by literally stepping into the organisation. This is exactly what Josephine van der Hoeven, our new Purpose & Culture Officer, will be doing. We continue to build on a more diverse and vital Mazars, a healthy 'work-life-study balance' and in doing so we produce vitality for us all. Our people-centric culture and flexible working are positive contributing factors.



3. Care for and help develop our people (Our people)

Mazars consists of people and our people make Mazars. In the current labour market, retaining people is an enormous challenge at national and international level. Talent development is a priority in our strategy, and our objective is: **'Mazars, a global school of excellence. A great place to learn for all'**.

'People-oriented' is a defining characteristic of our culture. Mazars is a professional business service provider, but it is also a training institute where we invest in the care for and development of our people. People choose an organisation if they are convinced that they can continue to develop within that organisation, if the organisation 'takes care of' them and if they can derive a sense of pride from their work. Meaningful and challenging work, professional support, modern training programmes and extensive personal attention and coaching by partners and managers are essential to retaining our people and recruiting new talent, and it demonstrates our people-focused culture.

To guarantee a lasting and sustainable future as an organisation requires us to invest in and care for our people. Training, developing, retaining and attracting talent is essential and important to us. More importantly, we also invest in the wellbeing of our people, centred on a good work-life balance, health and joy, and our vitality programme contributes to that.

Above all, we aim to be an inclusive organisation where everyone feels at home, where everyone can be themselves. We believe in the power of a diverse and inclusive organisation, and it is only with inclusiveness that we can grow, improve, and build on a sustainable future.

Mazars, a global school of excellence, a great place to learn for all

We invest in our people based on a people-oriented culture. This applies to all the service lines: Audit & assurance, AOS, Tax, Consultancy, Financial advisory and Staff. At national and international level, Mazars invests in the quality of the training programmes. In the Netherlands we play a leading role in developing an excellent range.

Over the past year, we have expanded our Learning & Development department, amongst others with Caroline van Egmond who leads this department, in order to meet our strategic objectives. This has produced a more integrated approach to our training courses.

In cooperation with Mazars Group, we are working on improving the training programmes with increased focus on specific programmes for advanced talents.

We also devote more attention to our existing policy of encouraging our people to actively participate as teachers in the training programmes of universities and universities of applied sciences.

Diversity and inclusiveness

Diversity and inclusiveness are themes that are high on the strategic agenda. We aim for a diverse and inclusive culture at work. This means an open mind and giving room to opinions and views from the entire organisation. Divergent opinions shall be valued, the dialogue is stimulated.

Our standards and values are the guideline for this and will lead us to a sustainable future in which equality and justice are essential to success. Diversity has many facets, including gender, ethnicity, religion or sexual orientation. We realise that we have a social responsibility in this area and that we can only be, become and remain an attractive employer if we embed this properly. The tone at the top (words and conduct) of partners and the Executive Board is crucial.

As of 31 August 2021, we have a total of 1.108 employees, of which 432 are female and 676 male. The average number of people on the basis of FTE, including partners, has increased by 7 FTE to 933 in the 2020 / 2021 financial year.

432 female

676 male

3. Care for and help develop our people (Our people)

In the 2020 / 2021 financial year, four partners were appointed, one of them female. After 1 September 2021, another four partners were appointed, one of them female. In the partner team as at 31 August 2021, the ratio between men (91%) and women (9%) is unfortunately still far from acceptable. The objective for the number of female partners is higher. This contributes to there being no balanced distribution between men and women in the management bodies, as referred to in the Management and supervision of legal entities act. In the Mazars Group and in the Netherlands, the initiatives have been tightened up further, focused on a better representation of women in the future.

Diversity in the broadest sense could be improved at all job levels. For the coming years, objectives have been formulated that should adjust that situation. We called in the help of an experienced consultant in this area, Sandra Lutchman. With her help we started a programme to turn our ambition of an inclusive work culture into a reality. Recommendations have been formulated and prioritised and actions plans have been drawn up, and the first results are starting to show.

Cooperation and leading by example

We believe that we achieve most with effective cooperation and that this produces more joy in our work. Cooperation between colleagues, between the various service lines and with our clients. We cooperate on the basis of equality, and this is best expressed in a safe learning environment where we provide each other with constructive feedback. To that end, the whole of Mazars attended feedback workshops as teams and practised giving each other feedback.

We believe that we achieve most with effective cooperation and that this produces more joy in our work.

The essential part is how we receive feedback and how we lead by example. Our talents have a clear need for strong and modern leadership, and many want to be trained to become leaders themselves. We will organise modern leadership programmes and soft-skill training courses for managers at multiple levels of the organisation, both nationally and internationally. For the partners we are developing a programme focused on leading by example.

Vitality

The vitality of our employees and partners is a priority and contributes to the sustainable employability of our colleagues. We strive for a more diverse and more vital Mazars, which is reflected in a healthy work-life-study balance. Our people-centric culture and flexible working are positive contributing factors. Over the past period, we have developed a vitality policy that contributes to all aspects of vitality: physical, mental, social and spiritual. As part of a ludic initiative in 2020 / 2021, the whole of Mazars was able to obtain specially produced Mazars sportswear. In 2021 / 2022, the vitality policy will be further implemented, with more central and decentralised activities that contribute to the various aspects of vitality.

The New Working

The impact of the coronavirus crisis on our organisation and our people has contributed to our acceleration of our 'The New Working' plan, which sets out our visions of working from home for the future. We did this in close cooperation with partners, heads of staff, and the young professionals from all our service lines.

Flexibility for employees and partners comes first and foremost. Everyone is given the opportunity, where possible, to carry out their work as effectively and efficiently as possible in line with their own preferences and taking account of personal circumstances, whilst considering the quality of services to clients and cooperation between colleagues.

3. Care for and help develop our people (Our people)

We take our responsibility when it comes to creating clear prerequisites. Leading questions were:

- How can we let our employees work in the most effective and efficient manner?
- How do we deal wisely with our people and our resources?
- Can the choices be implemented in the short term and are they compatible with the long-term vision?
- Is there sufficient attention for the societal impact?

It goes without saying that it is the personal responsibility of all our employees and partners to make the right choices within the prerequisites of The New Working, whilst not losing sight of our vision, our values and the own well-being.

Unfortunately, the continued urgent advice to work from home means we have not yet been able to implement all the aspects of The New Working. Practical issues we have been able to implement include ergonomic working from home furniture and a workstation booking app for our largest offices. Next year we hope to roll out 'The New Working' completely, combining the good sides of working from home with meeting and working together at the office.



4. Evolving towards a more purposeful, sustainable and innovative organisation (Our environment)

The complexity of the society in which we operate requires us to be flexible and to adapt continually. The pandemic of 2020 / 2021 demonstrated yet again that virtually nothing stays the same and that we are constantly faced with having to make rapid adjustments. Adaptation is a vital skill to survive in the long run. We expect the consequences of the coronavirus crisis to have a lasting impact on the way we work. We will shape our contribution to ESG and our footprint on the basis of our strategic vision. This is important from the point of view of the services we provide, but for our own sake too. New generations are looking for meaning. Caring for each other and the environment in which we live, sustainable employability, diversity, inclusiveness, education and job satisfaction are central issues. Adequate attention to sustainability in its entirety is necessary to achieve this. We make our contribution.

As an organisation we have an important role to play in the sustainability transition. We want to and have to take our responsibility, for our clients, for society and for our own people. Our purpose, mission, vision and core values guide the way and are our compass for a more sustainable organisation. An organisation that helps clients to become more sustainable, with a positive contribution to society and a sustainable and caring employer for all its employees and the talent of the future, with the lowest possible impact on the environment. We aim to constantly build on an organisation that makes a difference in the long run and that adds value to people, the environment and society.

To achieve this, we took steps in various respects last year. We expanded our sustainability service with experienced people and together they developed our service provision. We are ready to support our clients with the transition to sustainable business operations and value creation for the long term.



4. Evolving towards a more purposeful, sustainable and innovative organisation (Our environment)

Sustainability

“Sustainable business is on our agenda, more than ever before. Clearly, our purpose is to build and contribute to a fair and prosperous world. It is something I personally hold dear as well. But we must also turn these words into action, as the premise – and our promise – is far too important. From my role, I give priority to leading our sustainability policy and to the further details of our quality vision.” Ton Tuinier Partner | Chairman of the Executive Board.

Mazars aims to be ‘Mazars for Good’ and to have a positive impact on the world and our society. It is in our DNA to look after and to contribute to a responsible and durable economy. We do this for our people and our clients and particularly to build our organisation for future generations.

As part of the One24-strategy, we prepared our sustainability strategy, which consists of five strategic pillars: Integrity & responsibility, People, Sustainability services, Community involvement and Climate & environment. The principal line of our sustainability strategy is that we contribute to a sustainable world and minimise our carbon footprint. We have formulated targets for every strategic pillar. A number of those are already under development or have been implemented. The responsibility for implementing and achieving the targets rests with the Executive Board, which is supported in the implementation by the operational departments and the Corporate sustainability team.

Making our organisation more sustainable is not something we can do on our own, it is only possible together with all our employees. We believe it is important that sustainability forms part of who we are and what we stand for, and that it is part of our culture. Mazars has developed a Sustainability Foundation Course for all Mazars people around the world, to equip our employees and partners with knowledge and to enable them to develop themselves, so that they can add value to our organisation, the environment, society and our clients.

4. Evolving towards a more purposeful, sustainable and innovative organisation (Our environment)

Mobility

The New Working asks for adjustments in the provisions of workstations in the office and at home, but also for another way of dealing with flexibility in mobility. A mobility picture that suits the new working method, with sustainable travel as the norm and that is encouraged in every possible way. We are making our fleet more sustainable, with the target of being 100% electric or hybrid by 2025. We are currently fleshing out the details of our new mobility policy, and use sustainability, flexibility and vitality as the guiding principles.

Social involvement

We believe that the performance of an organisation cannot only be measured with financial and economic results. Our care for the public interest goes beyond issues that are linked to our profession and our expertise. We are naturally involved in the daily lives of the communities in which we work. Mazars people are intrinsically motivated to make a contribution to society, as a volunteer on boards or in other roles. Besides voluntary directorships, a number of our colleagues lecture at schools and universities. This involvement is expressed in the activities of the Stichting Mazars Foundation Nederland and beyond. We encourage and support these initiatives. With the input from our employees and by sharing knowledge we aim to have a positive impact on the development of people and society.

Integrated reporting

In recent years, and this year too, we reported on financial and non-financial results in two separate reports. We believe it is important to report on non-financial results and on our impact on people, the environment and society. We achieve this by publishing our Sustainability report each year. Our wish is to report our financial and non-financial results in one integrated report as of the 2023 / 2024 financial year. Over the coming period, we will be taking steps to meet this objective.

Technology and innovation

Innovation is a vital theme for Mazars. The central issue is that we ask ourselves constantly how we can benefit from technology and creativity in order to bind talent, to create a modern and positive client experience, to devise new solutions and/or services, and to keep our margins intact. How does Mazars secure its viability? What services do we need to offer in the future to be relevant and to add value for our clients and prospects? Innovation is crucial to this endeavour.

We understand innovation to mean adding sustainable value to our long-term objectives in a new way. We aim to be an innovative organisation. We have made great strides in various projects in recent years, but there are still many steps we can take.

In order for innovation to succeed, we must create a culture that affords scope for innovation. Innovation is a priority for the entire organisation and is aimed at cooperation across the service lines. This cooperation is important because it allows insights gained to be reused and broadened. The motto for innovation is: 'We innovate together' where ideas are collected from the entire organisation.

In line with the One24 strategy, the Innovation team was set up with representatives from all service lines. Over the past year, we have prepared an action plan based on the principles of the One24-strategy. We have an innovation ambassador in every service line who supports the implementation of the various innovation projects. We produced various internal and external publications and started a range of innovation projects. Currently we are setting up an Innovation Lab to have a physical space where colleagues, teams and clients can accelerate the innovation strategy.

5. Sustaining our growth (Our financial results)

Financial recap

The consolidated turnover over 2020 / 2021 amounted to € 124.3 million, which represents an increase of 0.5% compared to the 2019 / 2020 financial year.

The development of the turnover per service line shows the following picture:

Turnover per service line in € 1,000	2020 / 2021	2019 / 2020	Movement	In %
Audit and assurance	51.132	50.478	654	1.3%
Fiscal services	37.301	35.808	1.494	4.2%
Accounting and outsourcing	30.441	31.762	-1.321	-4.2%
Financial advisory	3.728	3.886	-158	-4.1%
Consultancy	1.723	1.754	-31	-1.8%
Total	124.325	123.688	637	0.5%

The activities largely take place in Mazars N.V. The other entities achieved virtually no result.

The gross margin, which contains turnover less the costs of the fee earners, increased with 4.5% and in absolute figures from € 53.8 million in 2019 / 2020 to € 56.3 million in 2020 / 2021.

The gross margin as a percentage of turnover over 2020 / 2021 increased with 1.7 percentage points compared to the previous financial year.

The results per service line are diverse. In Audit and assurance there was a slight increase in turnover and in gross margin %. Part of the rise in the turnover is related to one-off NOW / TVL work. In our Fiscal services, turnover rose significantly, but the gross margin % fell. In Accounting and outsourcing services, turnover and gross margin % went down. Financial advisory posted a drop in turnover, but a rise in gross margin %, partly due to the one-off 'success fees' of our Corporate finance engagements. Consultancy showed a slight decrease in turnover, with a rising gross margin %.

4.5%

Increase in gross margin

56.3

m euro in 2020 / 2021

53.8

m euro in 2019 / 2020

5. Sustaining our growth (Our financial results)

The costs increased with € 0.4 million, or 0.2 percentage point of turnover. This increase is largely caused by investments in quality, innovation, talent management, sustainability, and diversity and inclusiveness in support of our One24-strategy. Over the past year we also parted with four partners. On the other hand, the support measures from the government meant there were more limited bad debts, we had no impairment on goodwill this year (2019 / 2020: € 0.6 million), and our accommodation and travel costs were lower than in 2019 / 2020 due to the impact of a full year of Covid-19. We also pay specific attention to cost control in the context of our Fit24 objectives, our international objectives to keep costs under control in order to create room for investments to facilitate the One24-strategy.

Due to the efforts of all Mazars people we were able to achieve this wonderful result. We celebrated this success with a one-off financial bonus for all Mazars people, which has been included under personnel costs.

On balance these elements - higher turnover and gross margin and increased other costs - produce a rise in the result before partner remuneration of € 2.7 million, representing 13.9%, compared to 2019 / 2020. After applying the mutualisation system that is used within Mazars Group, the average membership fee rose compared to last year. On the basis of the provisions regarding the partner remuneration, the group result is nil.

The most significant investment in terms of size is the realisation and optimisation of our back-office system based on Oracle Cloud Applications. Other important categories are the investments hardware (laptops) and investments in The New Working.

We have tightened up our working-capital management partly as a result of the Covid-19 situation. Due to the unrelenting attention to our working capital, we have managed to improve our financial position.

The most relevant indicator is outstanding days for debtors and amounts to be invoiced less advances expressed as a ratio to turnover. On the basis of the balance totals as at 31 August 2021, they are 55 days and 60 days as at 31 August 2020.

Our liquidity has also improved sharply compared to 31 August 2020.

Executive Board, governance and partnership

Mazars is a partner organisation. The Executive Board is formed on the basis of a binding nomination by the Supervisory Board. In December 2020, the current Executive Board, which comprises five Executive Board members, was appointed by the partners for a period of four years.

The Executive Board is supported by an Executive team comprising:

Bianca de Jong-Muhren
Chief Financial Officer

Frank Keessen
Chief Information Officer

Willemijn van der Deijl
Chief People Officer

Jolanda Voolstra
Chief Brand, Marketing and Communications Officer

André de Regt
Chief Compliance Officer

Anton Dieleman
Professional Practice Director

Zamira Reiss
General Counsel

There are also four management teams that are responsible for the operational direction of the four service lines.

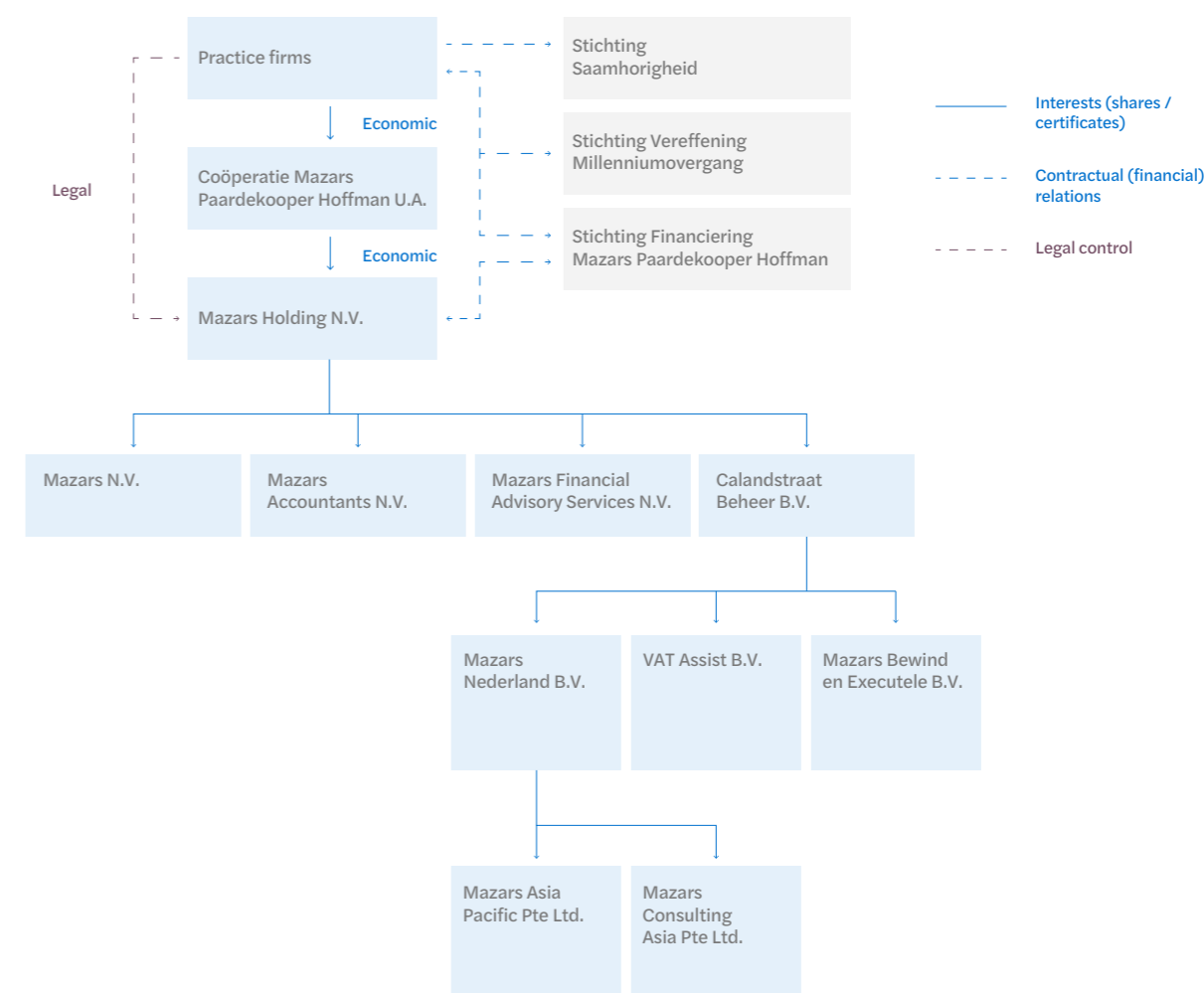
The Supervisory Board is chaired by Henk Broeders. Marga Hoek and Pieter Jongstra are members of the Supervisory Board. A separate part of this annual report, in the pre-advice, contains a report of the activities of the Supervisory Board.

The General Meeting of Shareholders is the highest body within the Mazars organisation. Resolutions passed by the General Meeting of Shareholders are generally passed by a majority of votes. Certain topics are subject to an absolute or qualified majority of votes.

5. Sustaining our growth (Our financial results)

Legal structure

Below there is a list of the participating interests in the Dutch Mazars organisation, with a brief explanation of some relevant participating interests.





5. Sustaining our growth (Our financial results)

Stichting Vereffening Millenniumovergang

Via Stichting Vereffening Millenniumovergang (hereinafter: SVM) the rights are arranged for the partners who have paid goodwill; mainly partners who acceded before 2000. After retiring as partner, which is no later than the end of the financial year in which they reach the age of 65, these so-called goodwill partners are paid a total amount of € 453.000 spread over a four-year period. Mazars Holding has no control over SVM. SVM is financed annually from the result. The first 10% of the total result to a maximum of € 1.459.669 including interest, is paid by the members, i.e. the practice firms of the partners, to SVM from their so-called membership fee.

Stichting Financiering Mazars Paardekooper Hoffman

Stichting Financiering Mazars Paardekooper Hoffman (hereinafter: Stichting Financiering) is a transparent foundation whose members are the practice firms of the partners. The foundation was set up to provide for a party that can represent all the practice firms in the event of a bankruptcy or comparable situations. The Stichting Financiering does not have equity and its annual result is nil. The money flows from financing by partners and the money flows associated with the membership fees, including the advances, go via Stichting Financiering.

Stichting Saamhorigheid

If a partner passes away before the age of 65, the Stichting Saamhorigheid will pay the life partner of the partner in question an annual fee to the date on which the deceased partner would have reached the age of 65 or earlier should the life partner pass away before that date. Stichting Saamhorigheid is financed from an annual contribution from the practice firms of all the partners. By now this scheme has been replaced with external insurance for the death risk to the date of leaving. Stichting Saamhorigheid continues to exist to deal with pending liabilities.

International cooperation and integration

The cooperation within Mazars Group produces standardisation in the area of e.g. information technology or training, creating optimum economies of scale for investments. International integration also helps to increase risk management and commercial strength in respect of international clients.

The cooperation between professionals from various countries works in the same way as between Mazars professionals in the Netherlands. International organisations in particular immediately recognise the benefits. International integration also provides opportunities for our employees to work on international engagements and/or training courses.

In our sector we stand out with this seamless international set-up and approach. We can make it a reality as we have an integrated business model that is unique to the sector, based on a number of organisational and financial agreements between the various legal entities in the different countries. There is an international unity of strategy, policy and operational activities and the pinnacle is financial solidarity between partners from different countries. En route to an even more sustainable form of cooperation within Mazars Group we are working on resetting and redesigning the organisational structures. This will facilitate international investments in offices, practices, specialisations and service lines even further. Mazars Group will publish its annual report for the 2020 / 2021 financial year shortly. Besides having its own international organisation, Mazars Group is a member of Praxity. This global alliance of independent audit and consultancy organisations operates in approximately 100 countries with some 33.000 professionals.

Risks and uncertainties

We are driven by our role in society. Our reputation is a precondition for our sustainability. In the notes to the annual accounts there is a comprehensive passage about the financial risks and how they are controlled. It sets out how we deal with credit risk, liquidity risk, and interest risk. Mazars Group does not have any derived financial instruments. Our vision includes our ambition to continue developing and interning quality into our organisation. This iterative process where we learn from mistakes is the most important condition for constantly responding to risks. Risk management is first and foremost a task of the Executive Board. All partners and employees play a role in managing risks.

Over the past year, Covid-19 has underlined the need to recognise the risks of a pandemic. In the period as of March 2020, we have observed that our IT infrastructure is of an adequate level to ensure that everyone can work from home. We also learned that our people have a very high intrinsic motivation. People in teams worked together extremely well, managers ensured that people stayed in the loop despite the challenges of working from home and ensured that communication and data transfer to and from our clients always remained at the appropriate levels.

At Mazars Group level, a Risk Mapping was prepared. In the Netherlands, we prepared our risk considerations on the basis of the group systems.

Our risk matrix is set out below, and the risks, and the possible consequences and the control measures are described taking account of our risk appetite. In our strategic vision for the coming years (One24), we have described action points derived from our opportunities and risks. Implementing the One24-strategy is an important control measure over the coming years.

5. Sustaining our growth (Our financial results)

Risk	Possible consequences	Control measures	Risk compared to 2019 / 2020
Initiated changes lag behind	<ul style="list-style-type: none"> Negative developments in behaviour Intrinsic motivation reduces and becomes behaviour for 'the record' Reputation / reduced attraction to talents 	<p>Change programme, partner and personnel policy:</p> <ul style="list-style-type: none"> Tone at the top Role of Supervisory Board Encourage diversity (gender and other) Training focused on feedback and improvement Change programme and broad motivation of entire organisation 	<p>Unchanged.</p> <p>We notice unchanged enthusiasm for working on implementing the One24 strategy and achieving the set targets. There is a risk that we aim to do too many important things at the same time; a risk we are aware of.</p>
Not attractive to talents at all levels	<ul style="list-style-type: none"> Reduces quality of service Coaching on the job is under pressure 	<ul style="list-style-type: none"> Permanent attention to competitive remuneration Continued development of quality of training Encouraging promotion / diversity Measure and act on employee satisfaction Active role young professionals Continued attention to themes of the Change programme: workload, tone at the top and learning organisation Additional investment in recruitment Active coaching by partners 	<p>Unchanged.</p> <p>Despite the shortage in the labour market, we notice that we are still an attractive employer where talents would like to come and stay to work. Our name recognition is something we will pay extra attention to this coming year.</p>

Risk	Possible consequences	Control measures	Risk compared to 2019 / 2020
Quality is insufficient Not compliant with legislation and regulations	<ul style="list-style-type: none"> Social role is not expressed adequately Fines and possible loss of licence Reputation loss and threat to sustainability Liability claim 	<ul style="list-style-type: none"> Quality and Change programme <p>Our system:</p> <ul style="list-style-type: none"> Quality central in partner and personnel appraisals and remuneration Compliance and professionally independent position Dossier reviews in all service lines Root cause analyses and improvement programmes Training programmes (professional and personal competencies) Supervision Supervisory Board Recalibration insurance policy in coordination with Mazars Group 	<p>Unchanged.</p> <p>Our initiated change programmes are bearing fruit. There are still some dossiers of insufficient quality, but there is an upward trend. This has our continued attention.</p>
Return comes under pressure	<ul style="list-style-type: none"> Insufficiently attractive to top talents Insufficient opportunity for innovation and investments Threat to sustainability 	<ul style="list-style-type: none"> Budgeting and monitoring process Engagement acceptance and continuity Other financial control measures 	<p>Unchanged.</p> <p>Last year we noticed that we had a financially good year resulting from the efforts of our people. The coming year will be important, as the emergency support for many of our clients will stop.</p>

5. Sustaining our growth (Our financial results)

Risk	Possible consequences	Control measures	Risk compared to 2019 / 2020
<p>Reducing client and market focus</p> <p>Insufficient innovation (digital and knowledge)</p>	<ul style="list-style-type: none"> Loss of clients and turnover Threat to sustainability 	<ul style="list-style-type: none"> Innovation in Mazars Group and at national level Investment in digitisation Strengthened partner team focused on market groups and specialities Governance model focused on service lines and market groups, implementation One24 	<p>Unchanged.</p> <p>As part of our strategic objectives we are working hard on a specific market approach and innovation. This will have our continued attention in 2021 / 2022.</p>
Vulnerability of IT solutions	<ul style="list-style-type: none"> Outage leads to disruption in services Data loss leads to damage (clients, fines, impaired reputation) Cybercrime that threatens continuity of service provision 	<ul style="list-style-type: none"> Quality and embedding IT department in the organisation Frequent pen tests Internal rules for use Measures to protect privacy 	<p>Unchanged.</p> <p>Despite the increased risks, we notice more awareness amongst colleagues and have not experienced any incidents of note. Cyber security and continuity of our systems are our highest priority.</p>

5. Sustaining our growth (Our financial results)

Financing

Mazars' financing consists of capital and loans provided by partners via the Stichting Financiering Mazars Paardekooper Hoffman and bank credit. The solvency, taking account of debt subordination, is 38% and complies with the standard we set. In the context of agreements with Rabobank, part of the partner financing is designated as subordinated in favour of the bank. The introduction of IFRS 16 produced a considerable balance-sheet extension. The solvency requirements from Rabobank were amended accordingly, which means the size of the mathematical subordination has not increased.

Outlook

For the 2021 / 2022 financial year, we expect organic growth in line with our strategic objectives, whilst we will continue to be confronted with the challenges of the labour market and the need to invest in quality, and with the consequences of economic developments (Covid-19 effects). Finding and binding people will continue to be a high priority. We do not anticipate any significant changes to our financing structure. The further details and implementation of our strategic plan One24 will continue to direct our growth. At the moment, we expect a return that will be similar to 2020 / 2021. This includes the required investments in talent management, quality, sustainability, and innovation.

In conclusion

In this unusual year, more than ever before we have benefited from an extremely motivated and connected group of people; it underscored the importance of having such people. We would like to thank our employees and partners who dedicate themselves to the public interest and the future of Mazars, despite the difficult circumstances.

It is our wish to hand over Mazars to the next generation so that Mazars will continue to play a role in the public interest. We are well on our way and proud of what we have achieved, and we face the future with confidence and full of energy.

Rotterdam, 10 February 2022

Executive Board

Ton Tuinier (Chairman)

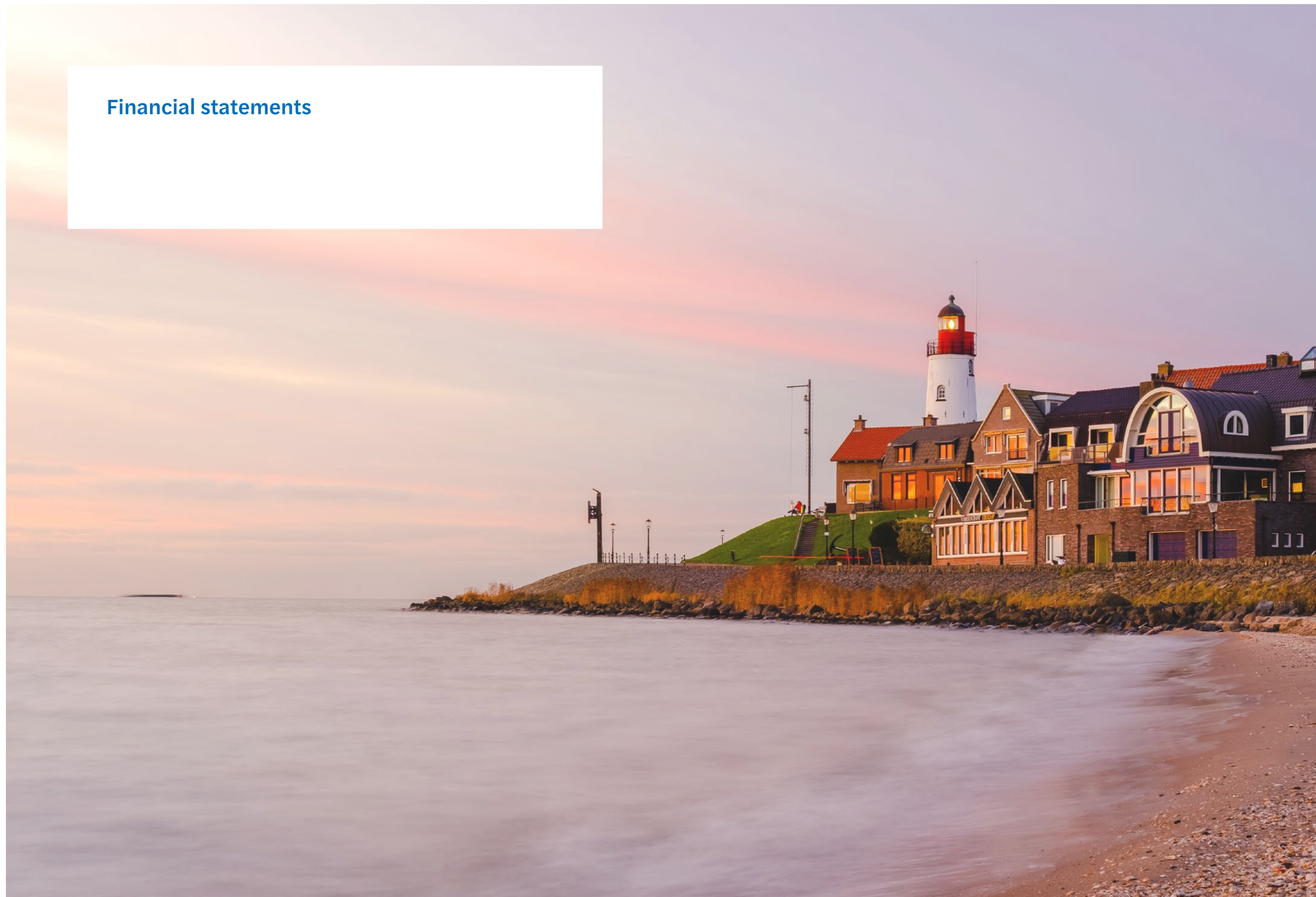
Peter Hopstaken

Mark Lucas Luijckx

Robert Jan de Rek

Frank Walta

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Consolidated income statement and other comprehensive income

For the year ended 31 August 2021

	Notes	2020 / 2021	2019 / 2020
Fee notes rendered		124.633.739	123.903.680
Change in accrued income		-308.545	-215.788
Revenue	3	124.325.194	123.687.892
Rebillable costs		-785.796	-1.585.255
Fee income		123.539.398	122.102.637
Cost of technical subcontracting	4	-6.844.361	-8.589.782
Cost of technical staff	5	-57.784.117	-57.268.288
Amortisations and depreciations	10-11	-2.660.813	-2.424.914
Gross margin		56.250.107	53.819.653
Cost of administrative staff	5	-12.589.628	-12.469.501
Other costs	6	-13.707.956	-13.009.951
Amortisations and depreciations	10-11	-6.081.631	-6.456.674
Surplus of operations		23.870.892	21.883.527
Amortisation of clientrelationships and goodwill	10	-649.749	-1.262.698
Financing income and expenses	7	-1.090.423	-1.190.809
Total surplus		22.130.720	19.430.020
Surplus allocated to partners	8	-22.100.908	-19.396.656
Pre-tax result		29.812	33.364
Corporate income tax	9	-29.812	-33.364
Post-tax result		-	-

In presenting and discussing Mazars' operating results and cash flows, Mazars uses certain alternative performance measures (APMs) not defined by IFRS. These APMs are used because they are an important measure of Mazars' business development and smangement performance. A reconciliation to the IFRS definitions is given in the 'Alternative performance measures (APMs)' in note 2.5.

Consolidated financial statements

Consolidated statement of financial position

As at 31 August 2021, before appropriation of results.

Assets	Notes	31 August 2021	31 August 2020
Non-current assets			
Goodwill and intangible assets	10	12.154.149	14.157.376
Tangible fixed assets	11-12	27.561.407	34.889.548
Investments in equity accounted investees		-	48.432
Other financial assets	13	2.395.016	2.281.427
		42.110.572	51.376.783
Current assets			
Trade- and other receivables	14	24.323.906	24.660.552
Cash and cash equivalents	15	7.584.906	594.038
Assets held for sale	16	287.615	-
		32.196.427	25.254.590
Total assets		74.306.999	76.631.373

Consolidated financial statements

Consolidated statement of financial position

As at 31 August 2021, before appropriation of results.

Equity and liabilities	Notes	31 August 2021	31 August 2020
Shareholders equity	17	1.384.651	1.409.651
Partnership financing			
Non-current partnership financing		11.466.000	11.676.000
Current partnership financing		13.458.176	9.181.706
	18	24.924.176	20.857.706
Other non-current liabilities			
Loans and borrowings	19	-	5.000.000
Provisions	20	-	17.698
Lease Liabilities	12-21	19.155.304	24.950.847
Trade- and other payables	21	1.247.387	1.514.181
		20.402.691	31.482.726
Other current liabilities			
Loans and borrowings	19	5.000.000	2.150.557
Provisions	20	668.418	621.750
Lease Liabilities	12-21	2.983.528	3.347.115
Trade- and other payables	21	18.943.535	16.761.868
		27.595.481	22.881.290
Total current liabilities		41.053.657	32.062.996
Total Group equity and liabilities		74.306.999	76.631.373

Consolidated financial statements

Consolidated statement of changes in equity

For the year ended 31 August 2021.

	Share capital	Share premium	Statutory reserves	Total equity
Balance at 1 September 2019	1.180.000	295.000	9.651	1.484.651
Comprehensive income from the year:				
Net profit 2019 / 2020	-	-	-	-
Other comprehensive income	-	-	-	-
Transactions with owners of the company, recognised directly in equity:				
Proceeds from issue of shares	40.000	10.000	-	50.000
Disposals of shares	-100.000	-25.000	-	-125.000
Balance at 31 August 2020	1.120.000	280.000	9.651	1.409.651
Comprehensive income from the year:				
Net profit 2020 / 2021	-	-	-	-
Other comprehensive income	-	-	-	-
Transactions with owners of the company, recognised directly in equity:				
Proceeds from issue of shares	80.000	20.000	-	100.000
Disposals of shares	-100.000	-25.000	-	-125.000
Balance at 31 August 2021	1.100.000	275.000	9.651	1.384.651

Consolidated financial statements

Consolidated statement of cash flows

For the year ended 31 August 2021.

	Notes	2020 / 2021	2019 / 2020
Surplus for the financial year		22.130.720	19.430.020
Adjustments for:			
Depreciation, amortisation and impairment	10-11	9.392.193	10.144.286
Share in profits of associates		-	-12.885
Net finance cost	7	1.090.423	1.190.809
Cash flows before movements in working capital and provisions			
Change in trade accounts receivable and accrued income	14	336.646	4.061.007
Change in trade and other payables	21-12	1.918.216	1.057.163
Change in provisions	20	28.970	411.567
Cash generated from operations		34.897.168	36.281.967
Interest paid	7	-1.139.816	-1.228.899
Income tax paid		-33.154	-33.364
Net cash generated by operating activities		33.724.198	35.019.704
Proceeds from sold associates		48.432	-
Payments for acquisition of intangible assets	10	-901.485	-2.112.071
Payments for acquisition of tangible fixed assets	11	-765.447	-1.994.078
Proceeds from sale of intangible fixed assets	10	643.384	9.439
Proceeds from sale of tangible fixed assets	11	15.435	35.693
Loans granted	13	-402.093	-824.741
Repayment of loans	13	288.503	1.167.753
Interest received	7	49.393	38.090
Net cash used in investing activities		-1.023.878	-3.679.915
Proceeds from issue of shares	28	100.000	50.000
Repayments of shares bought back	28	-125.000	-125.000
Proceeds from non-current partners financing	18	840.000	378.000
Repayment of partner financing	18	-1.050.000	-462.000
Allocation to partners	18	-17.824.438	-20.043.164
Deposits partners received	19	-	-2.725.000
Bank current account financing	19	-2.150.557	-3.432.637
Repayment of lease liability	12	-5.499.457	-5.553.731
Net cash from financing activities		-25.709.452	-31.913.532
Net increase/decrease in cash and cash equivalents		6.990.868	-573.743
Cash and cash equivalents at the beginning of the year		594.038	1.167.781
Cash and cash equivalents at the end of the year		7.584.906	594.038

1. General information

1.1 Reporting entity

Mazars Holding N.V. (the Company) is a public limited company which has its registered office and its principal place of business in Rotterdam, Watermanweg 80 and is registered with the Chamber of Commerce with number 24389295.

The activities of Mazars Holding N.V. and the companies in its group consist mainly of Audit, Accounting and Outsourcing, Financial Advisory Services, Tax and Consulting, as well as other forms of professional financial services. These activities are conducted by and for the account of the respective group companies of Mazars Holding N.V. which acts as holding company and does not itself conduct any activities in the field of professional financial services as referred to in the previous sentence.

These consolidated financial statements comprise the Company and its subsidiaries (together referred to 'Mazars' or the 'Group').

1.2 Reporting period

The Company's financial year runs from 1 September to 31 August of the following calendar year. The financial statements for 2020 / 2021 are approved for issue by the Board of Management on 10 February 2022.

1.3 International relationships

Mazars Holding N.V. is a member firm of the Mazars network of independent member firms affiliated with Mazars SCRL, Belgium. As a result of this affiliation, the Group collaborates closely with other Mazars member firms.

Each member firm provides services in a particular geographic area and is subject to the laws and professional regulations of the particular country or countries in which it operates. Mazars SCRL does not itself provide services to clients. Mazars SCRL and each Mazars member firm are separate and distinct legal entities, which cannot obligate each other. Mazars SCRL and each Mazars member firm are liable only for their own acts or omissions and not those of each other. Each Mazars member firm is structured differently in accordance with national laws, regulations, customary practice, and other factors, and may secure the provision of professional services in its territory through subsidiaries, affiliates, and/or other entities.

1.4 Shareholders structure

Mazars Holdings N.V. is a partner organisation. The shares of the Company are held by the practice firms of the partner-shareholders by means of Coöperatie Mazars Paardekooper Hoffman U.A. which owns the economic benefits. The cooperative does not have voting rights and the legal ownership of the Company remains with the partner-shareholders. The function of the cooperative is in preventing possible fiscal disadvantages in the event of a possible future sale or restructuring of the shares in the Company.

Under the agreements between the Company and the practice firms, the labour and knowledge of each partner-shareholder is placed at the disposal of the Mazars group in the relevant companies in which the professional activities for that partner are performed.

Based on the Mazars General Provisions the surplus of Mazars Holding N.V. is distributed to the partners through Stichting Financiering Mazars Paardekooper Hoffman (see note 1.5 below for details).

Based on the binding nomination of the Supervisory Board, the partner-shareholders appoint the Board of Management.

1.5 Financing structure

Stichting Financiering Mazars Paardekooper Hoffman, (hereafter "SF") was established by the (former) Mazars partners and shareholders of Mazars Holding N.V. as an entity to protect the interests of the partners collectively from a financing perspective should a calamity arise that could affect the partners. SF has been included within the consolidation.

Each partner-shareholder provides € 235.000 financing to the Company, consisting of share capital (€ 20.000), share-premium reserve (€ 5.000) and an interest-bearing subordinated loan (€ 210.000). The subordinated loans are provided via SF to the Company, which then re-issues these to its subsidiary Mazars N.V. These loans are subordinated to the lender bank and in part to all creditors. The loans are repaid upon termination of the accession agreement.

Stichting Vereffening Millenniumovergang, (hereinafter "SVM") is responsible for the settlement of former goodwill rights. This foundation is financed directly by the partner-shareholders. SVM is not part of the Mazars Holding N.V. group of companies and therefore not included in the consolidated financial statements.

For further details of SF and SVM, see note 23.

The principal accounting policies applied in the preparation of these financial statements are set out below.



2. Summary of significant accounting policies

2.1 Accounting framework

The financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the EU (hereafter EU-IFRS), and in compliance with the financial reporting requirements in Part 9, Book 2 of the Dutch Civil Code. The accounting policies applied by Mazars comply with EU-IFRS and the pronouncements of the International Financial Reporting Interpretation Committee (IFRIC) effective at 31 August 2021.

These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1.1 New or amended standards and interpretations mandatory for the 2020 / 2021 financial year

The Company has applied all the new or amended standards and interpretations mandatory for the 2020 / 2021 financial year, as follows:

- IAS 1 and IAS 8, "Definition of Material", The amendments clarify and align the definition of 'material' and provide guidance to help improve consistency in the application of that concept whenever it is used in IFRS Standards.
- IFRS 3 Business Combinations, "Definition of Business": The amendments.
- Confirmed that a business must include inputs and a process, and clarified that:
 - The process must be substantive.
 - The inputs and process must together significantly contribute to creating outputs.
- Narrowed the definitions of a business by focusing the definition of outputs on goods and services provided to customers and other income from ordinary activities, rather than on providing dividends or other economic benefits directly to investors or lowering costs.
- Added a test that makes it easier to conclude that a company has acquired a group of assets, rather than a business, if the value of the assets acquired is substantially all concentrated in a single asset or group of similar assets.

2.1.2 New standards published by the IASB but not yet mandatory

The table below details the new or amended standards and interpretations published by the IASB and the IFRS Interpretations Committee, which are important and/or capable of having a material impact on Mazars Group’s present or future consolidated financial statements:

IFRS 1 First-time Adoption of International Financial Reporting Standards	Annual Improvements to IFRS Standards 2018– 2020
IAS 1 Presentation of Financial Statements	Extension of an optional exemption permitting a subsidiary that becomes a first-time adopter after its parent to measure cumulative translation differences using the amounts reported by its parent, based on the parent’s date of transition to IFRSs. A similar election is available to an associate or joint venture.
IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors	Classification of Liabilities as Current or Noncurrent
IAS 37 Provisions, Contingent Liabilities and Contingent Assets	Narrow-scope amendments to IAS 1 to clarify how to classify debt and other liabilities as current or non-current.
IAS 1 Disclosure of Accounting Policies	Definition of a change in accounting estimates

2.2 Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis except, if any, for available-for-sale (AFS) financial assets, derivative financial instruments and contingent consideration resulting from business combinations which have been measured at fair value. The functional currency of Mazars is the euro. The financial statements are presented in euros.

2.2.1 Main uncertainties arising from the use of judgements and estimates

In accordance with EU IFRS, the preparation of consolidated financial statements requires the Board of Management to make a certain number of estimates and assumptions which have an impact on the amount of the Group’s assets, liabilities, shareholders’ equity and items of the income statement during the financial year.

These estimates are made on the assumption that entities will continue as going concern and are based on information available at the time of their preparation. The estimates and associated assumptions are based on historical experience

and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making the judgements about the carrying values of the assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. Estimates may be revised where the circumstances on which they were based change or where new information becomes available.

The estimates and the underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Information about judgements, estimates and assumptions in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are as follows:

- Note 2.8 - Intangible assets. The valuation of intangible assets: costs at the date of recognition and impairment of assets.

- Note 2.10 - Measurement of trade receivables and unbilled services. The amount of accrued fee notes and the valuation of receivables and associated impairment losses.
- Note 2.19 - Lease classification / whether an arrangement contains a lease.
- Note 2.14 - Provisions. Provisions for contingencies and future costs including those relating to professional exposures.
- Note 2.12 - Financial instruments: Valuations at Level 3.

2.2.2 Measurement of fair values

A number of the Group’s accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. The Group team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the Group assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of IFRS, including the level in the fair value hierarchy in which such valuations should be classified. When measuring the fair value of an asset or a liability, the Group uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in note 22.6 Financial instruments.

2.3 Accounting policies related to the scope of consolidation

Definition of the basis of consolidation

The consolidated financial statements comprise the financial statements of Mazars Holding N.V. (the “consolidating entity”), and its subsidiaries (together “Mazars” or the “Group”). As a parent Mazars is exposed, or has right to, the variable returns from its involvement with its subsidiaries and has the ability to affect the returns through its power over the subsidiary. The financial data of subsidiaries are fully consolidated. Non-controlling interests in the group’s equity and income statement are stated separately.

Subsidiaries are consolidated from the acquisition date until the date on which Mazars ceases to have control. From the acquisition date onwards, all intra-group balances and transactions and unrealised profits or losses from intra-group transactions are eliminated, with one exception: unrealised losses are not eliminated if there is evidence of an impairment of the asset transferred. In such cases an impairment of the asset is recognised.

Non-controlling interest are measured at their proportionate share of the acquirer’s identifiable net assets at the date of acquisition. Changes in the Group’s interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related non-controlling interest and other components of equity. Any resulting gain or loss is recognised in the income statement. Any interest retained in the former subsidiary is measured at fair value when control is lost.

A list of the subsidiaries is included in note 23, the group does not have any interests in joint arrangements.

Business combinations and goodwill

Business combinations are accounted for using the acquisition method under which:

- The cost of an acquisition is measured at the fair value of the consideration transferred, inclusive of any price adjustment, as at the date of control. Any subsequent fair value impact of a price adjustment

is recognised in the income statement or other comprehensive income in accordance with the applicable standards.

- Any difference between the consideration transferred and the net fair value of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed represents the goodwill attributable to the acquisition which is recognised as an asset in the consolidated statement of financial position.

Adjustments to the fair value of the identifiable assets acquired and the liabilities assumed, initially recognised on a provisional basis (pending the results of professional valuation or additional analysis), are treated as retrospective adjustments to goodwill if they intervene within a year of the acquisition date and are attributable to facts and circumstances that were in existence at the acquisition date. Any impact identified beyond that period of a year are recognised directly in the income statement on the same basis as for any other change in estimate or correction of an error.

2.4 Segmentation

To evaluate its operating performance and allocate resources, the Group monitors its activity mainly on the basis of service lines. In accordance with IFRS 8, the segment presentation (see note 3) is based on the Group's internal management reports prepared for review and used by the Executive Board of Management, the Group's chief operating decision maker. The accounting policies applied in preparing the internal management reports are the same as the ones applied to prepare the Group's consolidated financial statements.

The Executive Board of Management decides how to allocate resources and assesses the performance of the service lines. The service lines are organised in accordance with the type of service provided. Prices for transactions between segments are determined on an arm's length basis. Segment results include items directly attributable to a segment as well as those that can reasonably and consistently be allocated. Selected information on a country and regional basis is provided in addition to the information about operating segments.

2.5 Alternative performance measures (APM)

In order to align the format of the financial statements to those of the ultimate parent, Mazars SCRL, Belgium, it has been decided to state the Income Statement and Comprehensive Income in

line with the key performance indicators used by the group. This has resulted in the classification of certain alternative performance measures (APMs) not defined by IFRS. These APMs are used because they are an important measure of Mazars' business development and management performance and are defined as follows:

Fee income

Fee income represents the fair value of payments received or receivable for services rendered to clients over the course of the year, after taking into account changes in unbilled receivables. In order to better assess the level of gross margin, rebillable costs related to the provision of services (notably travel and accommodation) are deducted from revenue to present fee income. Fee income is recognised on the basis of the percentage of completion.

Gross margin

Gross margin is derived from fee income less the cost of technical subcontracting, which include external subcontracting and subcontracting from companies within the Mazars Group, and technical staff costs.

Surplus of operations

Surplus of operations represents the result of the Group's activities realised through its operating resources. It includes depreciation, amortisation and/or impairment of assets other than client relationships, impairment of goodwill, finance costs, income tax charges and partners' remuneration (see note 8).

Total surplus

In accordance with the Mazars agreements, the concept of surplus is the measure used to assess the performance of entities and partners and as a point of reference, after eliminating any exceptional items as defined by the Mazars agreements, for determining partners' remuneration. A sub-total is thus calculated which allows the Group's performance to be measured before any form of remuneration is paid to the partners. Surplus equates with operating surplus net of the impact of amortisation and impairment of client relationships and goodwill as well as of financing costs and the share of profit of equity accounted investees.

Below the reconciliation to the IFRS Income statement:

Consolidated income statement	2020 / 2021	2019 / 2020
Revenue from contracts with customers	124,325,194	123,687,892
Cost of providing services	-65,414,274	-67,443,325
Gross Profit	58,910,920	56,244,567
Operating Costs	-35,689,777	-35,623,738
Operating Profit	23,221,143	20,620,829
Financing Income	49,393	38,090
Financing expense	-1,139,816	-1,228,899
Profit before income tax	22,130,720	19,430,020

Profit before income tax consists of € 22,100,908 surplus allocated to partners. In regular IFRS financial statements a part of this amount would be allocated to Cost of providing services.

2.6 Foreign currency

Presentation currency

These consolidated financial statements have been prepared in Euro, which is the functional currency of the Group. All amounts have been rounded to the nearest euro (except where otherwise indicated).

Foreign currency transactions are translated into the functional currency of the Group entities at exchange rate at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement and other comprehensive income. Foreign exchange results are presented in the statement of comprehensive income within 'finance income and expenses'.

Conversion of financial statements drawn up in currencies other than the euro

On consolidation, the balance sheets of subsidiaries that do not have the euro as their functional currency are translated into euro at the closing rate. The income statements of these entities are translated into euro at the applicable average rates for the relevant period. Assets and liabilities are converted at the applicable exchange rates prevailing at the financial year-end. Goodwill paid on acquisition is recorded in the functional currency of the acquired entity. Exchange differences arising from the translation of the net investment in entities with a

functional currency other than the euro are recorded in 'Other comprehensive income'.

2.7 Distinction between current and non-current

An asset (liability) is classified as current when it is expected to be realised (settled) within 12 months after the balance sheet date.

2.8 Goodwill and other intangible assets

Goodwill

All business combinations are accounted for using the acquisition method. The Group measures goodwill at the acquisition date as:

- The fair value of the consideration transferred.
- The recognised amount of any non-controlling interests in the acquiree.
- If the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree.
- The net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

Notes to the consolidated financial statements

Negative goodwill arising on an acquisition is recognised directly in the income statement. Costs related to the acquisition, which are incurred by the Group in connection with a business combination are expensed as incurred.

Any contingent consideration payable is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration are recognised in the income statement.

Goodwill is stated at cost less accumulated impairment losses, if any. An impairment loss is recognised when the realisable value of the cash generating unit to which the goodwill pertains, is lower than its carrying value.

Customer relationship

Customer relationships are acquired through business combinations and stated at cost, being the fair value at acquisition date less accumulated amortisation and impairment losses. They include audit appointments, contracts (for accounting services in particular) and portfolios of client relationships. The fair value of "Customer relationships" is calculated by reference to the expected cash flows from contracts, appointments and portfolios over their respective durations, discounted at a rate determined by the expected rate of return on equity weighted according to the Group's financing structure. Subsequently they are amortised over their expected useful lives (8 to 10 years).

Software

Separately acquired application software is carried at historical cost less straight-line amortisation and less any impairment losses. Costs of software maintenance are expensed when incurred. Capital expenditure that is directly related to the development of application software is recognised as an intangible asset and amortised over its estimated useful life (5 to 8 years). Software in progress is not amortised until ready for use or sale.

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

2.9 Tangible fixed assets

Owned assets

Tangible fixed assets is measured at cost less accumulated depreciation and any accumulated impairment losses. Costs includes expenditure that

is directly attributable to the acquisition of the asset. All repair and maintenance costs are recognised in the income statement as incurred.

Subsequent expenditure is capitalised only when it is probable that the future economic benefits associated with the expenditure will flow to the Group and the cost of the asset can be measured reliably. All other costs are recognised as expenses in the income statement.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use or the sale of the asset. Any gain or loss arising on derecognition of the asset is recorded in the income statement. Depreciation is charged to the income statement and comprehensive income on a straight-line basis over the estimated useful lives. Depreciation commences when the assets are ready for use.

The estimated useful life are as follows: for fixtures and fittings 10 years, for furniture, office equipment and other assets 5 years. The asset's residual values, useful lives and methods of depreciation are reviewed at each financial year end and adjusted if appropriate.

Leased assets

Please refer to note 2.19 – Leases for the accounting policies with regards to leased assets (right-of-use-assets).

2.10 Trade and other receivables

Trade accounts receivable are recognised at amortised cost.

Impairment losses are recognised against trade accounts receivable and other receivables where there is a risk of non-recovery. Trade accounts receivable are individually reviewed by the partners for the purpose of recognising any impairment.

Unbilled receivables

Unbilled receivables covers services provided that have not yet been invoiced. Calculation of unbilled receivables, and thus of the income from services rendered, is based on a specific review of services performed, billed and to be billed, according to the stage of completion of engagements. Unbilled receivables is valued at its probable sales value (net of taxes). Advanced billings, in excess of the relevant amount of revenue are included in trade and other payables.

Notes to the consolidated financial statements

2.11 Cash and cash equivalents

Cash and cash equivalents comprise cash at banks and in hand and deposits held at call with banks with a maturity of less than three months at inception. Bank overdrafts are included in current liabilities. Cash and cash equivalents are measured at nominal value.

2.12 Financial assets

The Group classifies non-derivative financial assets into the following categories: financial assets at fair value through the income statement, hold-to-maturity investments, loans and receivables and available-for-sale financial assets. Non-derivative financial liabilities are classified into either financial liabilities at fair value through the income statement, or other financial liabilities.

The group does not have financial derivatives and does not apply hedge accounting.

Currently the group only has the following categories of financial assets and liabilities: loans and receivables and other (non-derivative) financial liabilities.

Financial instruments are initially stated at fair value, including discount or premium and directly attributable transaction costs.

However, if financial instruments are subsequently measured at fair value through the income statement, then directly attributable transaction costs are directly recognised in the income statement at the initial recognition.

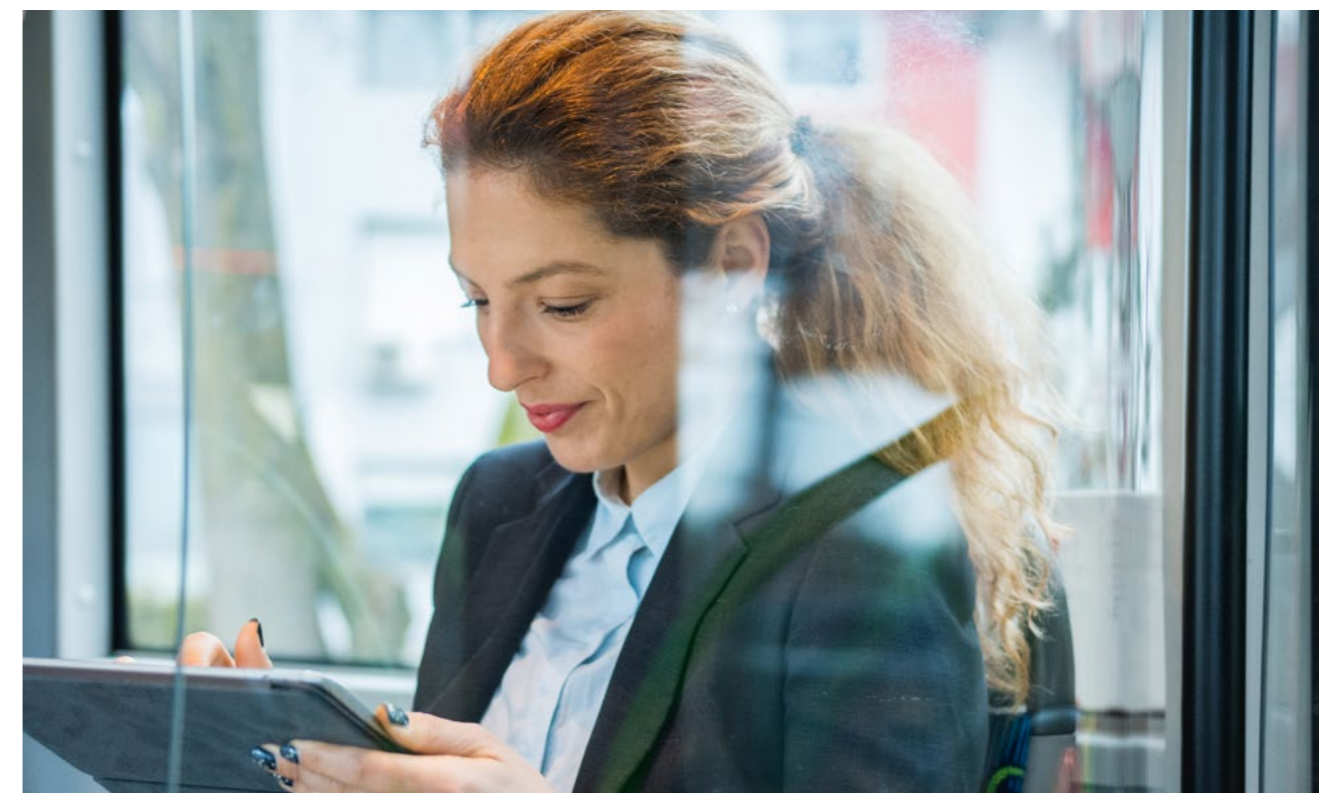
After initial recognition, financial instruments are valued in the manner described below.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses. Loans and receivables comprise of other financial assets (note 13), trade and other receivables (note 14) and cash and cash equivalents (note 15).

Other (non-derivative) financial liabilities

The Group has the following other (non-derivative) financial liabilities: partners financing (note 18), loans and borrowings (note 19), bank overdrafts, and trade and other payables (note 21). Subsequent to initial recognition these financial liabilities are measured at amortised cost using the effective interest method.



2.13 Impairment**Intangible and tangible assets**

The carrying amount of the Group's tangible and intangible assets with a definite useful life, is reviewed in case there is an objective indication of impairment. If such an indication exists, the recoverable amount of the asset is estimated. When the recoverable amount is lower than the carrying amount an impairment loss is recognised in the consolidated income statement. For goodwill and other intangible assets that have indefinite lives or that are not yet available for use, the recoverable amount is estimated each year at the same time, irrespective of indications that they are impaired.

The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. Impairment losses are recognised in the income statement.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but not in excess of the carrying amount that would have been determined had no impairment loss been previously recognised for the asset (cash-generating unit). A reversal of an impairment loss is recognised as income immediately. Impairment losses in respect of goodwill cannot be reversed.

Financial assets measured at amortised cost

The Group considers evidence of impairment for these assets at both an individual asset and a collective level. All individually significant assets are individually assessed for impairment. Those found not to be impaired are then collectively assessed for any impairment that has been incurred but not yet individually identified. Assets that are not individually significant are collectively assessed for impairment. Collective assessment is carried out by grouping together assets with similar risk characteristics.

An impairment loss is calculated as the difference between an asset's carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in the income statement and reflected in an allowance account. When the Group considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously impaired loss is reversed through the income statement.

2.14 Provisions

Provisions are recognised when all of the following conditions are met: 1) there is a present legal or constructive obligation as a result of past events; 2) it is probable that a transfer of economic benefits will settle the obligation; and 3) a reliable estimate can be made of the amount of the obligation.

The probable amount required to settle long-term obligations is discounted if the effect of discounting is material. Where discounting is used, the increase in the provision due to the passage of time is recognised as interest costs.

2.15 Revenue recognition

The company provides services to external parties. These services are provided on the basis of spent time or on a fixed price contract, with a contract duration that varies from less than a year to a year.

Revenue from services is recognised in the income statement and other comprehensive income and are recognised in the period in which the services are provided based on the ratio of services provided, taking into account services still to be provided.

Revenues on the basis of time spent are accounted for at the agreed rates pro rata of the performances performed. For contracts on the basis of time spent, the ratio of the work done performance determined on the basis of the hours spent as a percentage of the total hours to be delivered.

Revenue from fixed price contracts is recognised under the 'percentage of completion' method. The stage of completion is determined by assessing the status of the work performed, or by measuring the proportion that costs incurred to date bear to the estimated total costs of the service. No revenue is recognised if there is significant uncertainty regarding the collection of the fee due or the costs involved.

An expected loss on any revenue contract is recognised immediately in the income statement. Costs incurred in the period prior to securing a signed contract are recognised directly in the income statement. When the outcome of a project cannot be estimated reliably, revenue from services is only recognised to the extent of contract costs incurred that are likely to be recoverable.

Invoices are issued according to contractual terms and are usually payable within 15 days. Amounts not yet invoiced are presented as unbilled services.

2.16 Employee benefits

Employee benefits are measured in accordance with IAS 19 and comprise:

- Short-term employee benefits of technical and administrative staff
- Termination benefits
- Long-term employee benefits

The remuneration applicable to each category of employees is analysed over distinct line items in the consolidated income statement.

Accrued remuneration for the current and prior accounting periods is presented as part of trade and other payables (see note 21).

Short-term benefits

Group employees receive short-term benefits such as salaries, paid vacation and sick leave, bonuses, profit-sharing and other benefits (other than termination benefits) payable during the period of performance of the corresponding services or within twelve months after the end of that period. The benefits are charged to the income statement at the time of performance of the corresponding services.

Termination benefits

Termination allowances can be paid when an employment relationship with an employee is terminated by the Group before the normal retirement date, or if an employee accepts such compensation as compensation for voluntary resignation. The Company processes the severance pay if there is demonstrably an obligation to terminate employee associations as part of a formalised and irrevocable plan or if the payment of severance pay is the result of an offer made to an employee for voluntary resignation to stimulate. Fees that will be paid more than 12 months after the balance sheet date are valued at current value

Postemployment benefits

Post-employment benefits comprise lump-sum retirement benefits and complementary pensions. Based on the characteristics of pension plans, these schemes are qualified as a defined contribution scheme and have been incorporated in the financial statements in accordance with the provisions applicable to such schemes. The defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions to an insurance company and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the statement of comprehensive income as incurred. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

2.17 Finance income and expenses

Finance income and expense comprise interest payable/receivable and foreign exchange gains and losses. Interest income or expense is recognised using the effective interest method.

2.18 Income tax

Income tax expense comprises current and deferred tax. It is recognised in the income statement, except to the extent that it relates to items recognised directly in equity or in Other Comprehensive Income.

Current tax

Current tax is the expected tax payable or receivable on the taxable income or loss for the year and any adjustments to the tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantially enacted at the date of the statement of financial position.

It has been agreed with the Dutch Tax Authorities that the partners' practice companies will be entitled to the Group's profits and that these practice limited companies will be liable to pay tax on these profits. As a result, the amount of income taxes payable by the Group itself will be limited.

Deferred tax

Deferred tax is provided using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount



Notes to the consolidated financial statements

of assets and liabilities, using tax rates enacted or substantially enacted at the date of the statement of financial position.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

2.19 Leases

Accounting policy up to 1 September 2019.

Determining whether an arrangement contains a lease

At inception of an arrangement, the Group determined whether the arrangement is or contains a lease. At inception or on reassessment of an arrangement that contains a lease, the Group separates payments and other consideration required by the arrangement into those for the lease

and those for other elements on the basis of their relative fair value.

Leased assets

Assets held by the Group under leases that transfer to the Group substantially all the risks and rewards of ownership are classified as finance leases. The leased assets are measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the assets are accounted for in accordance with the accounting policy applicable to that asset. Assets held under other leases are classified as operating leases and are not recognised in the Group's statement of financial position.

Lease payments

Payments under operating leases are recognised in the income statement on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease. Minimum lease payments under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Accounting policy from 1 September 2019 onwards

Mazars has applied IFRS 16 using the modified retrospective approach, under which the cumulative effect of initial application is recognised in retained earnings at 1 September 2019. Accordingly, the comparative information for 2018 / 2019 was not restated.

At inception of the contract, Mazars assesses whether a contract is, or contains, a lease. A contract is, or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, Mazars assesses whether:

- The contract involves the use of an identified asset.
- Mazars has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use.
- Mazars has the right to direct the use of the asset.

Mazars separates lease and non-lease components for motor vehicle leases. The fuel component of motor vehicle leases, which is considered to be a non-lease component, is accounted for in profit or loss as incurred. For all other classes of assets, the lease and non-lease components are combined as a single lease component.

This policy is applied to contracts entered into, or changed, on or after 1 September 2019.

As a lessee

Mazars recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of the costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

The estimated useful lives of right-of-use assets are determined on the same basis as those of tangible assets. In addition, the right-of-use asset may be adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, Mazars incremental borrowing rate. Generally, Mazars uses its incremental borrowing rate as the discount rate.

The lease liability is measured at amortized cost using the effective interest method.

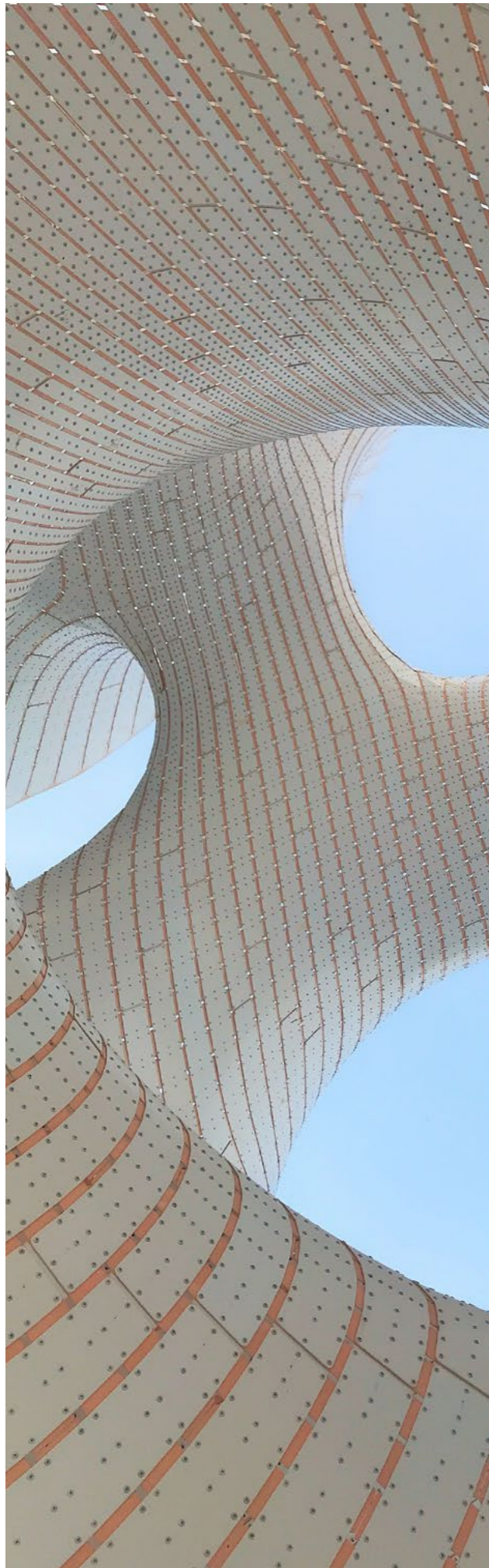
Mazars presents right-of-use assets in tangible assets and lease liabilities in borrowings in the balance sheet.

Mazars has elected not to recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. Mazars recognizes the lease payments associated with these leases as an expense on a straight-line basis over lease term

2.20 Statement of cash flows

The statement of cash flows is prepared using the indirect method. The statement distinguishes between cash flows from operating, investing and financing activities. Cash flows in foreign currencies are converted at the average rates during the reporting period. Currency exchange differences are separately shown. Payments and receipts of corporate taxes and interest paid are included as cash flow from operating activities. Cash flows as a result from dividends and interest received and acquisition/divestment of financial interest in Group companies and subsidiaries are included as cash flow from investing activities, taking into account the available cash in the acquired interests. Dividends paid are part of the cash flow from financing activities.

Non-cash transactions, including financial leasing, are not included in the cash flow statement. The payment of lease terms under the finance lease contract is recognised as a cash flows from financing activities for the part relating to the capital repayment and for the interest part as a cash flows from operational activities.



Notes to the consolidated financial statements

3. Segment information

3.1 Operating segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components.

The Group has the following primary business segments:

- Audit, i.e. those services designed to provide the assurance of reliable and relevant financial reporting.
- Accounting and Outsourcing Services (AOS), providing financial and accounting management with a comprehensive response to their requirements ranging from day-to-day accounting to complex projects.
- Financial Advisory Services (FAS), consisting in providing financial diagnosis for business operations, valuation and transmission, as well as support for the resolution of financial disputes.
- Consulting, designed to help organisations focus on their strategies and succeed in the transformation required to achieve improved overall performance.
- Tax services (TAX), consisting in the provision of tax advisory services and of legal and regulatory tax compliance services at both the national and international levels.

These segments are identified as reportable segments based on differences in products and services, as well as regulatory environment. All operating segments' operating results are reviewed regularly by the Executive Board of Management to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available. Segment results that are reported to the Executive Board of Management include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets, head office expenses, and income tax assets and liabilities.

The three indicators applicable to segment reporting are fee income, gross margin and employees.

Notes to the consolidated financial statements

Segmentation 2020 / 2021

	Notes	Audit	FAS	Consulting	AOS	TAX	Total
Fee notes rendered		52.063.672	3.810.864	1.503.988	30.125.486	37.129.729	124.633.739
Change in accrued income		-932.005	-83.131	218.841	315.916	171.834	-308.545
Revenue		51.131.667	3.727.733	1.722.829	30.441.402	37.301.563	124.325.194
Rebillable costs		-635.162	-3.890	367.200	-432.332	-81.612	-785.796
Fee income		50.496.505	3.723.843	2.090.029	30.009.070	37.219.951	123.539.398
Cost of technical subcontracting	4	-2.251.507	-34.131	-44.995	-2.002.349	-2.511.379	-6.844.361
Cost of technical staff	5	-21.738.659	-1.730.704	-1.198.502	-15.755.887	-15.662.540	-57.784.117
Amortisation and depreciation	11	-1.001.010	-79.695	-55.107	-725.519	-721.220	-2.660.813
Gross margin		25.505.329	1.879.313	791.425	11.525.315	18.324.812	56.250.107
FTE's	5						
Partners		20,1	2,0	1,4	10,7	17,5	51,7
Other professionals / technical staff		299,2	19,8	14,4	218,1	173,1	724,6
Total technical		319,3	21,8	15,8	228,8	190,6	776,3
Support / administrative staff							156,7
Total							933,0

Segment revenue reported above represents revenue generated from external customers.

Segmentation 2019 / 2020

	Notes	Audit	FAS	Consulting	AOS	TAX	Total
Fee notes rendered		50.849.469	3.457.384	1.841.858	31.812.691	35.942.278	123.903.680
Change in accrued income		-447.360	428.330	-11.712	-50.468	-134.578	-215.788
Revenue		50.402.109	3.885.714	1.830.146	31.762.223	35.807.700	123.687.892
Rebillable costs		-833.631	-83.775	-35.209	-469.006	-163.633	-1.585.255
Fee income		49.568.479	3.801.939	1.794.936	31.293.217	35.644.067	122.102.637
Cost of technical subcontracting	4	-3.345.081	-722.678	5.249	-2.061.644	-2.465.628	-8.589.782
Cost of technical staff	5	-24.777.604	-1.625.248	293.655	-16.307.099	-14.851.993	-57.268.288
Amortisation and depreciation	11	630.217	-68.818	-1.666.942	-690.492	-628.879	-2.424.914
Gross margin		22.076.011	1.385.195	426.898	12.233.982	17.697.568	53.819.653
FTE's	5						
Partners		21,3	2,0	2,0	10,5	19,1	54,9
Other professionals / technical staff		292,3	18,4	12,5	226,8	166,6	716,6
Total technical		313,6	20,4	14,5	237,3	185,7	771,5
Support / administrative staff							154,5
Total							926,0

Segment revenue reported above represents revenue generated from external customers.

Notes to the consolidated financial statements

3.2 Geographical information

The fee notes rendered per geographical segments are as follows:

	2020 / 2021	2019 / 2020
Netherlands	110.455.244	110.035.968
Rest of Europe	6.862.556	4.283.917
Outside Europe	7.315.939	9.583.795
	124.633.739	123.903.680

3.3 Client

The Group acts for a large number of clients none of which represents more than 5% of its total fee income.

4. Cost of technical subcontracting

	2020 / 2021	2019 / 2020
External subcontracting	2.130.329	2.501.370
Subcontracting Mazars International Group Companies	4.714.032	6.088.412
	6.844.361	8.589.782

5. Employee benefit expenses

The Group distinguish between three categories of staff, namely partners, technical staff and administrative staff.

FTE	2020 / 2021	2019 / 2020
Number of staff and partners (average fte's)		
Partners	55,6	57,9
Professional staff	724,5	716,6
Support staff	152,9	151,5
Total	933,0	926,0

Notes to the consolidated financial statements

Staff costs

The remuneration of partners is included under note 8. The cost of technical and administrative staff is detailed below.

	2020 / 2021	2019 / 2020
Short term employee benefits		
- Salaries and wages	50.742.500	48.972.079
- Social security contributions	6.945.218	7.045.645
- Other staff costs	8.190.917	9.338.349
Post-employment benefits		
- Contributions to defined contribution pension plan	4.297.850	4.183.177
- Termination benefits	197.260	198.539
	70.373.745	69.737.789
	2020 / 2021	2019 / 2020
Of which:		
Cost of technical staff	57.784.117	57.268.288
Cost of administrative staff	12.589.628	12.469.501
	70.373.745	69.737.789

6. Other costs

	2020 / 2021	2019 / 2020
Property expenses	958.547	1.013.347
Office operational expenses	4.029.171	3.319.427
General services	1.851.062	2.397.053
Insurance, tax and professional contributions	1.471.590	1.483.725
Other operating expenses	5.397.586	4.796.399
	13.707.956	13.009.951

Included under General services are the audit costs of € 138.990 (2019 / 2020 € 110.650).

7. Finance income and expenses

	2020 / 2021	2019 / 2020
Finance income		
- Interest income	48.253	24.821
- Other financial income	1.140	13.269
	49.393	38.090
Finance costs		
- Interest partner financing	401.343	445.692
- Bank overdraft interest	23.087	66.698
- Loan interest	126.736	159.330
- Other interest expense	482.065	517.509
- Impairment loss on financial fixed assets	90.310	36.762
- Net foreign exchange losses	16.275	2.908
	1.139.816	1.228.899
Net finance costs	1.090.423	1.190.809

The weighted average capitalisation rate is 2% (2019 / 2020: 2%). Included under Other interest expenses is the interest related to Right of Use Assets.

8. Surplus allocated to partners

The level of the surplus payable to individual partners reflects their roles and specific responsibilities as well as corresponding levels of performance and to a certain extent reflects growth based on seniority in the initial years.

The remuneration of the partner-shareholders also includes cover for car costs, retirement and disability insurance and also includes (additional) risk compensation for the available funding (capital, loans and current accounts).

9. Income taxes

9.1 Amount recognised in the income statement

The tax authorities have agreed that the profit to be taken into account for the corporate income taxation at the Mazars Holding N.V. fiscal unit shall be determined annually on the amount determined pursuant to Article 8, paragraph 1, of the VPB Act, in conjunction with Article 3.14, Law IB (excluded costs) and the counts pursuant to Article 8, fifth paragraph, Law VPB (limitation of cost deduction). The remaining taxation takes place at the private companies of the partner-shareholders. The tax rate applied is 15.5% (last year: 20%).

10. Goodwill and intangible assets

	Goodwill	Customer relationships	Software	Assets in progress	Total
Balance at 31 August 2019					
Cost	4.923.954	7.534.490	7.591.610	3.077.303	23.127.357
Accumulated amortisations and impairments	-	-2.823.591	-5.725.883	-	-8.549.474
	4.923.954	4.710.899	1.865.727	3.077.303	14.577.883
Movements during 2019 / 2020					
Additions	-	-	5.188.854	-3.076.783	2.112.071
Disposals at costs	-	-96.336	-	-	-96.336
Disposals accumulated amortisation	-	86.898	-	-	86.898
Amortisation and impairments	-600.000	-662.698	-1.260.442	-	-2.523.140
	-600.000	-672.136	3.928.412	-3.076.783	-420.507
Balance at 31 August 2020					
Cost	4.923.954	7.438.154	12.780.464	520	25.143.092
Accumulated amortisations and impairments	-600.000	-3.399.391	-6.986.325	-	-10.985.716
	4.323.954	4.038.763	5.794.139	520	14.157.376
Movements during 2020 / 2021					
Additions	-	-	902.005	-520	901.485
Transferred to Assets held for sale	-	-454.153	-	-	-454.153
Amortisation transferred to Assets held for sale	-	166.538	-	-	166.538
Disposals at costs	-90.310	-864.724	-	-	-955.034
Disposals accumulated amortisation	-	311.650	-	-	311.650
Amortisation and impairments	-48.000	-601.749	-1.323.964	-	-1.973.713
	-138.310	-1.442.438	-421.959	-520	-2.003.227
Balance at 31 August 2021					
Cost	4.833.644	6.119.277	13.682.469	-	24.635.390
Accumulated amortisations and impairments	-648.000	-3.522.952	-8.310.289	-	-12.481.241
	4.185.644	2.596.325	5.372.180	-	12.154.149

10.1 Impairment testing for cash-generating units containing goodwill

The capitalised goodwill relates to the acquisition of the majority interest in Volte Investments and Participations, Tax Advisory Practice Bakx Rombouts, an office of Deloitte Nijmegen and Ten Kate Huizinga.

The group has determined that the elements of goodwill are allocated to two cash-generating units. Mazars N.V. (€ 4.4 million) as the individual activities are no longer determinable at a lower level and Ten Kate Huizinga (€ 0.6 million) for the acquisition in the year 2017 / 2018.

Annually, the Company carries out impairment tests on capitalised goodwill, based on the estimated cash flows of the related CGU. The CGU represents the lowest level within the Company at which the goodwill is monitored for internal management purposes, which is not higher than the Company's operating segment as reported in note 3.1. The recoverable amount of the relevant CGU is determined on the basis of their value in use. Determination of the value in use is performed by using estimated future cash flows, based on the business plan 2020 / 2021 approved by the Executive Board of Management and further financial projections for the financial years through 2022 / 2024. Cash flows after this period are extrapolated by using a growth rate to calculate the terminal value.

Key assumptions in the cash flow projections are:

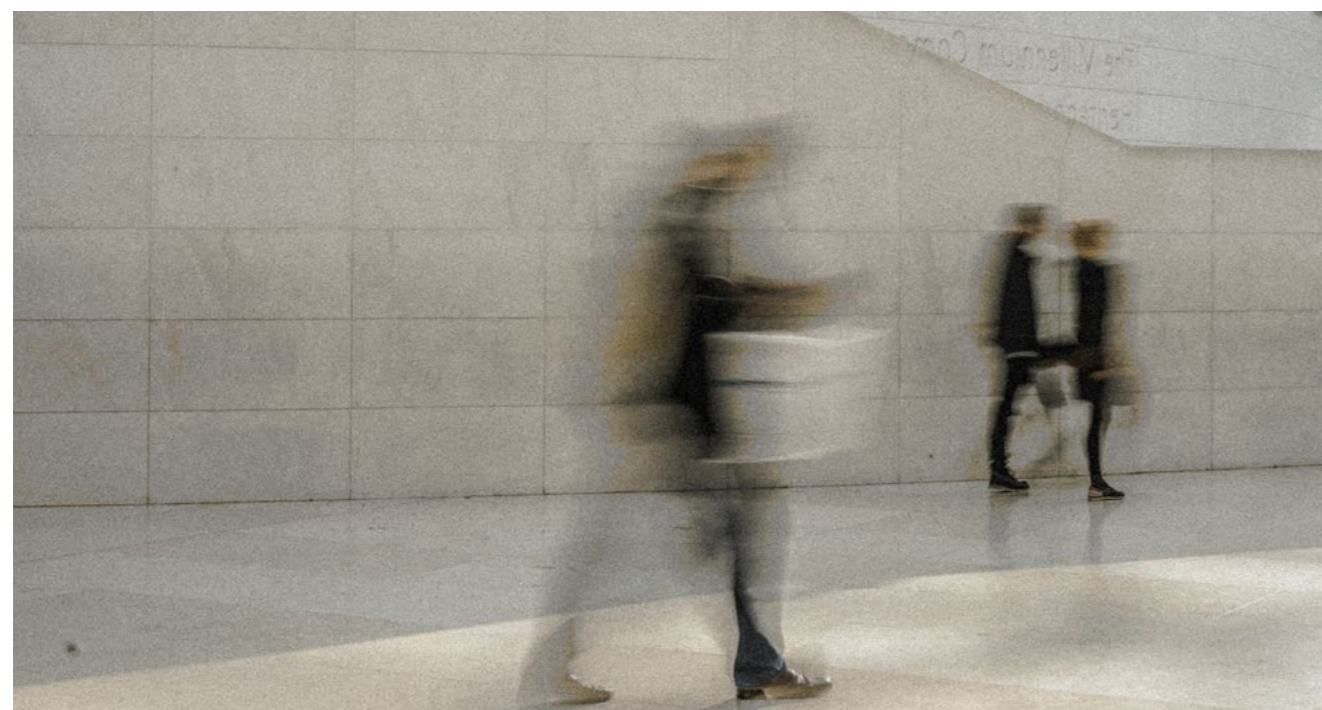
- Total revenue growth and result development: based on historical performance and expected future market developments, business plan 2021 / 2022 and further financial projections for the financial years through 2022 / 2024.
- Discount rate (pre-tax weighted average cost of capital) of 12.2% to calculate the present value of the estimated future cash flows; pre-tax discount rates have been applied.
- An indefinite growth rate of 2% was used for the CGU.

The values assigned to the key assumptions represent management's assessment of future trends in the respective markets and are based on both external and internal sources (historical and forward looking data).

Sensitivity tests have been performed taking into consideration changes in WACC (-/-10%), in perpetual growth level (reduced to 0%) and in cash flows during the next three years (-/-25%). In the models used, there is an indication that these adverse developments will lead to an impairment on goodwill.

10.2 Software

Software includes purchased software relating to back office systems and innovation software.



11. Tangible fixed assets

	Buildings, Fixtures and fittings	Furniture and office equipment	Other Operating Assets	Assets in progress	Total
Balance at 31 August 2019					
Cost	11.070.653	7.388.676	-	-	18.459.329
Accumulated depreciation	-6.766.693	-4.915.518	-	-	-11.682.211
	4.303.960	2.473.158	-	-	6.777.118
Recognition of right-of-use assets on initial application of IFRS 16 (note 2.19)	23.354.071	-	5.040.216	-	28.394.287
Adjusted Balance at 1 September 2019					
Cost	34.424.724	7.388.676	5.040.216	-	46.853.616
Accumulated depreciation	-6.766.693	-4.915.518	-	-	-11.682.211
	27.658.031	2.473.158	5.040.216	-	35.171.405
Movements during 2019 / 2020					
Additions	5.650.185	938.582	786.214	-	7.374.981
Depreciation	-4.213.160	-983.072	-2.424.914	-	-7.621.146
Disposals at costs	-19.697	-50.311	-	-	-70.008
Disposals accumulated amortisation	7.613	26.702	-	-	34.315
	1.424.941	-68.099	-1.638.700	-	-281.858
Balance at 31 August 2020					
Cost	40.055.212	8.276.947	5.826.430	-	54.158.589
Accumulated depreciation	-10.972.240	-5.871.887	-2.424.914	-	-19.269.041
	29.082.972	2.405.060	3.401.516	-	34.889.548
Movements during 2020 / 2021					
Additions	103.106	622.394	2.749.580	39.947	3.515.027
Accounting Change	-3.232.531	-	162.063	-	-3.070.468
Depreciation	-3.822.416	-935.251	-2.660.813	-	-7.418.480
Disposals at costs	-	-1.128.229	-736.453	-	-1.864.682
Disposals accumulated amortisation	-	1.112.794	397.668	-	1.510.462
	-6.951.841	-328.292	-87.955	-	-7.328.141
Balance at 31 August 2021					
Cost	36.665.545	7.771.112	8.001.620	39.947	52.478.224
Accumulated depreciation	-14.534.414	-5.694.344	-4.688.059	-	-24.916.817
	22.131.131	2.076.768	3.313.561	39.947	27.561.407

No impairment losses have been reversed in the current or prior year.

Notes to the consolidated financial statements

12. Leases

Mazars leases buildings, fixtures and fittings and other operating assets which include motor vehicles. Leases of buildings, fixtures and fittings are typically 5-10 years whereas leases for other operating assets are typically entered into for up to 5 years.

As at August 2021, tangible assets comprise owned and leased assets of € 5.9 million and € 21.7 million respectively.

Information about leases in which Mazars is a lessee is presented below

Right of Use Assets	Buildings, Fixtures and fittings	Other Operating Assets	Total
Balance at 1 September 2020	23.354.071	5.040.216	28.394.287
Depreciation	-3.312.264	-2.424.914	-5.737.178
Additions	-	786.214	786.214
Lease modifications	4.594.689	-	4.594.689
Impairments	-	-	-
Balance at 31 August 2020	24.636.496	3.401.516	28.038.012
Additions	-	2.749.580	2.749.580
Depreciation	-3.061.038	-2.660.813	-5.721.851
Lease modifications	260.242	-176.722	83.520
Prior period corrections	-3.492.773	-	-3.492.773
Unanticipated lease terminations	-	-	-
Balance at 31 August 2021	18.342.927	3.313.561	21.656.488
Lease Liabilities included in long-term debts			
	31-08-2021	31-08-2020	
Current	2.983.528	3.347.115	
Non-current	19.155.304	24.950.847	
Lease liabilities included in the balance sheet	22.138.832	28.297.962	
Amounts recognised in profit or loss			
	2020 / 2021	2019 / 2020	
Interest on lease liabilities	433.090	495.579	
Depreciation	5.721.851	5.737.178	
Expense for low value asset leases and variable lease expenditure	110.493	170.073	
Recognised in profit or loss	6.265.434	6.402.830	
Amounts recognised in the statement of cash flows			
	2020 / 2021	2019 / 2020	
Included in interest paid	433.090	495.579	
Included in repayment of lease liability	5.499.457	5.553.731	
Included in operating profit before tax (short-term leases and leases over low value assets)	110.493	170.073	
Total cash outflows	6.043.040	6.219.383	

Notes to the consolidated financial statements

The amount presented as Lease modifications represent the adjustment of lease contracts related to buildings and leasercars for which the broader economics of the contract are assessed not limited to the initial period of the lease contract.

As at 31 August 2021, leases to which Mazars Holding N.V. is committed that have not yet commenced amounts to € nil (2019 / 2020: € nil)

13. Other financial assets

	31-08-2021	31-08-2020		
Interest bearing loans:				
- Stichting Vereffening Millenniumovergang (SVM)	-	-		
- Mazars SCRL, Belgium	566.126	644.834		
- Other loans	1.620.772	1.412.680		
	2.186.898	2.057.514		
Other participations	168.480	168.480		
Deposits and guarantees	39.638	55.433		
	2.395.016	2.281.427		
Of which				
- Non-current	2.395.016	2.281.427		
- Current	-	-		
	2.395.016	2.281.427		
The movements in other financial assets were as follows:				
	Loans	Deposits and guarantees	Other participations	Total
Opening balance	2.057.514	55.433	168.480	2.281.427
Acquisitions	402.093	-	-	402.092
Repayment	-272.708	-15.795	-	-288.503
Impairment	-	-	-	-
Balance at 31 August 2021	2.186.899	39.638	168.480	2.395.016

13.1 Other participations

Other participations relate to equity instruments in companies whose activities support Mazars's business and are unquoted, with a fair value that cannot be measured reliably. These instruments are therefore measured at cost.

14. Trade and other receivables

	31-08-2021	31-08-2020
Trade receivables	13.709.068	13.553.937
Unbilled receivables	8.982.372	9.207.150
Current accounts and other receivables	1.430.452	1.261.133
Tax receivable	-6.654	-9.956
Prepaid expenses	208.668	648.288
	24.323.906	24.660.552

At 31 August 2021, trade accounts receivable and unbilled receivables may be broken down as follows:

	31-08-2021			31-08-2020
	Gross	Impairment	Net	Net
Client debtors	15.505.911	1.796.843	13.709.068	13.553.937
Unbilled receivables	10.815.039	1.832.667	8.982.372	9.207.150
	26.320.950	3.629.510	22.691.440	22.761.087
Ratio of trade accounts receivable and unbilled receivables			18.0%	18.1%

The ageing of trade accounts receivable based on their invoicing dates may be analysed as follows:

Debtors age analysis	31-08-2021		
	Gross	Impairment	Net
Less than 90 days	13.338.265	240.000	13.098.265
90 days to 1 year	1.009.602	425.691	583.911
More than 1 year	1.158.044	1.131.152	26.892
	15.505.911	1.796.843	13.709.068
Debtors age analysis	31-08-2020		
	Gross	Impairment	Net
Less than 90 days	12.622.064	-	12.622.064
90 days to 1 year	1.551.984	620.810	931.174
More than 1 year	1.390.371	1.389.672	699
	15.564.419	2.010.482	13.553.937

The movements in the provision of trade accounts was as follows:

	2020 / 2021	2019 / 2020
Balance at 1st September	2.010.483	1.244.591
Newly acquired companies	-	-
Written off	-640.201	-319.754
Charge for the year	426.561	1.085.646
Balance at 31st August	1.796.843	2.010.483

Periodically, the recoverable amounts of unbilled receivables and trade receivables are estimated. The important factors to be considered when estimating unbilled receivables and trade receivables are the terms and condition of contracts, progress on and results of work performed and historical performance. Both macroeconomic factors, including the impact of Covid-19 pandemic, and the financial position of the debtor are important when assessing the loss allowance.

15. Cash & cash equivalents

This item consists of bank balances and cash funds which are at the free disposal of the Group.

16. Assets held for sale

On 20th May, management concluded a sale and purchase agreement for the sale of AGRO clients as well as on 31 August a sale and purchase agreement for the sale of a small part of client portfolio to Hendrikse. Both deals met the criteria to be classified as held-for-sale on 31st August 2021. The consolidated income statement includes the results of the services performed for both client portfolios up and until 31st August 2021. The disposals are not being considered a separate major line of business in terms of IFRS 5 – Non-current Assets Held for Sale and Discontinued Operations. Both sales are completed on 1st September 2021.

No write-down to fair value less cost to sell was required as the fair value less cost to sell of both client portfolios was equal to its carrying amount measured in accordance with relevant IFRSs.

The disposal of the client portfolios compromised the following assets as per 31st August 2021.

Assets	2020 / 2021
Goodwill and Intangibles	287.615
Assets held-for-sale	287.615

17. Shareholders' equity**17.1 Share capital and share premium**

The Group's authorised capital of € 2.360.000 comprises 118 ordinary shares with a nominal value of € 20.000 each. The issued share capital consists of 55 (2019 / 2020: 56) shares at a nominal value of € 20.000 representing a total nominal value of € 1.100.000 (2019 / 2020: € 1.120.000). All of the shares are fully paid up.

Ordinary shares have no restrictions attached and entitle all shareholders one vote for each share held and to the assets of the Group on any winding up after settlement of all liabilities.

17.2 Translation reserve

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

18. Partner financing

	31-08-2021	31-08-2020
Non-current		
Subordinated loans partner financing		
- Subordinated loans I	8.612.932	8.770.678
- Subordinated loans II	2.853.068	2.905.322
	11.466.000	11.676.000
Current		
Current account debt	10.937.577	463.816
Subordinated current account debt	2.520.599	8.717.890
Current partner financing	13.458.176	9.181.706
Total	24.924.176	20.857.706

The interest charge is 2.1% (2019 / 2020: 2.1%).

18.1 Subordinated loans

The private company of the partner-shareholder that has entered into an accession agreement with SF is obliged to provide a subordinated loan amounting of € 210.000. The loans are repaid in accordance with the general provisions upon exit by the partner shareholder.

The subordinated loans I are subordinated to the debts under the credit agreement with the banker and to all other creditors of Mazars N.V. and its group companies. Subordinated loan I therefore forms part of the guaranteed capital.

Subordinated loans II are subordinated to claims made by the banker under the credit agreement. These loans are not subordinated to other creditors.

	2020 / 2021	2019 / 2020
Movements in the financing by partners:		
Balance at the beginning of the year	11.676.000	11.760.000
New loans joining partners	840.000	378.000
Redemptions changed contracts	-	-42.000
Redemptions resigned partners	-1.050.000	-420.000
Balance at the end of the year	11.466.000	11.676.000

18.2 Current account and subordination

This item concerns the current account balance with the private companies of the partner-shareholders. The debts at the end of the financial year arise, because the advances paid during the financial year are lower than the distributed amounts. The debt will be settled in the coming financial year through a final payment.

Due to the solvency requirement of the banker for the purpose of collateral for current debt, the non-current debt of € 8.612.932 (2019 / 2020: € 8.770.678) and the current debt of € 2.520.599 (2019 / 2020: € 8.717.890) has been subordinated to the debts under the credit agreement with the banker.

19. Loans and borrowings

	31-08-2021	31-08-2020
Non-current		
Loan banker	-	5.000.000
	-	5.000.000
Current		
Bank current accounts	-	2.150.557
Loan banker	5.000.000	-
	5.000.000	2.150.557
Total loans and borrowings	5.000.000	7.150.557

19.1 Loan banker

In May 2017 Rabobank issued a loan of 5 million euro. The amount of the loan is reduced from the credit facility of the banker. The fixed interest rate is 2.5% and the loan is repayable in one amount on 1 May 2022. The loan has been repaid in full, including interest, on 27th December 2021.

19.2 Deposits partners

Partners have the opportunity to leave a part of the profit distribution in the company as a temporary short-term deposit. The interest rate compensation is equal to the interest rate that Mazars N.V. owes her banker. In 2020 / 2021 the average interest compensation is 2.1%.

19.3 Bank current accounts

Mazars Holding N.V, Mazars N.V., Mazars Accountants N.V., Mazars Financial Advisory Services N.V. and Calandstraat Beheer B.V. have a credit agreement with Rabobank. The Group has a credit facility of € 23 million (2019 / 2020: € 23 million) split in a loan of € 5 million and a current account facility of € 18 million, of which a draw down was made of € 1.3 million (2019 / 2020: € 1.5 million) in the form of guarantees. The bank guarantees are reduced by the banker of the credit limit.

For the purposes of this credit agreement, the following securities have been issued:

- Pledge of current and future receivables, inventories, inventory and other movable assets.
- Financial covenants: solvency ratio of at least 12%.
- Non-financial covenants: Negative and Positive Pact Clause, Pari Passu Clause, No Change of Ownership Clause, Material Adverse Change Clause, Cross Default Clause and Market Disturbance Clause.

The guarantee should amount to at least 12% of the consolidated balance sheet total. Guarantee capital refers to the consolidated equity plus the bank's subordinated (partner financed) loans and minus capitalised intangible assets (excluding software), capitalised participations and any receivables due from unconsolidated group companies.

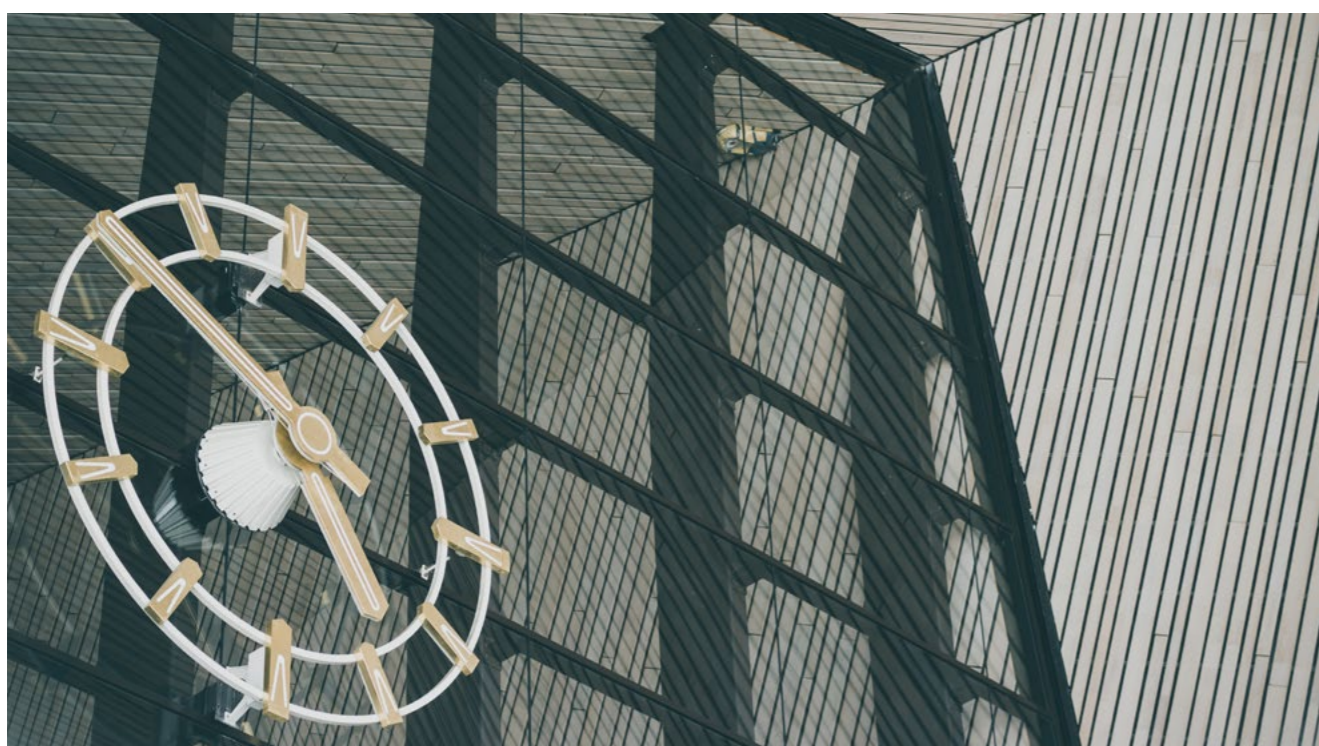
20. Provisions

The provisions consist of:

	Asset retirement obligation	Professional risk	Other provisions	Total
Balance at 1 September 2020	208.000	400.000	31.448	639.448
Utilised	-	-	-31.448	-31.448
Added	10.418	50.000	-	60.418
Balance at 31 August 2021	218.418	450.000	-	668.418
Of which:				
Non-current	-	-	-	-
Current	218.418	450.000	-	668.418
	218.418	450.000	-	668.418

The provision for professional risk relates to occupational liability claims and proceedings against the Group on the grounds of alleged failure to perform professional duties and other legal matters. The Group carries professional indemnity insurance. The provision for claims / legal proceedings is determined following an evaluation of the matters that resulted in the Group being held liable by third parties or the matters in which the relevant circumstances are such that it is reasonable to assume that they will result in the Group being held liable on the grounds of alleged

failure to perform professional duties. An assessment has been made on a case-by-case basis as to whether it is probable that the case will involve an outflow of resources from the Group. The estimates of both the probability of an outflow of resources and the amounts required are subjective. In general, such proceedings are long-term in nature and estimates are therefore revised from time to time. The amounts provided for include legal expenses and are presented net of expected reimbursements from the insurance company where appropriate.



21. Trade- and other payables

	31-08-2021	31-08-2020
Non-current		
Equalization rental incentives (note 20.1)	1.247.387	1.514.181
Lease Liability	19.155.304	24.950.847
	20.402.691	26.465.028
Current:		
Short-term employee benefits:		
- Salaries and wages	7.011.852	5.175.822
- Termination benefits	233.833	209.056
	7.245.685	5.384.878
Trade payables	3.364.752	3.790.340
Advanced billings on billable projects (note 20.2)	2.549.573	2.476.784
VAT taxes	2.130.737	2.378.302
Accrued expenses	2.027.913	991.092
Debt Mazars SCRL, Belgium	1.135.218	1.142.814
Equalization rental incentives (note 20.1)	266.793	286.005
Lease Liability	2.983.528	3.347.115
Other current liabilities	222.864	311.653
	21.927.063	20.108.983
Total trade- and other payables	42.329.754	46.574.011

21.1 Equalisation rental incentives

In relation to different new concluded office rental contracts, the company agreed rental incentive with the lessors. The received incentives are spread over the length of the rental contracts.

The period of equalization is as follows:

	31-08-2021	31-08-2020
Less than 1 year	266.793	286.005
Between 1 and 5 years	1.046.405	1.053.932
More than 5 years	200.982	460.249
	1.514.180	1.800.186

21.2 Advanced billings on billable projects

In the event that advanced billings exceeds the work in progress value of a billable project, the credit balance of the project is shown as a short-term liability.

22. Financial instruments and risk management

22.1 General financial risks

Background and policies

Financial instruments that are used by Mazars arise directly from normal business operations. The Group is exposed to credit, liquidity and market risks (which include interest and foreign exchange risks) as part of its normal business operations. The Group does not trade in financial derivatives and has procedures and policies in place to limit the credit risk relating to counterparty default or market risk.

If a counterparty defaults in its payments due to the Group, any resulting losses will be limited to the fair value of the instruments concerned. The contract values or notional principals of the financial instruments are only an indication of the extent to which such financial instruments are used, and do not reflect credit or market risks.

These notes provide information about the extent to which the Group is exposed to the specified risks and also the objectives, policies and processes relating to the measurement and management of these risks as well as management of capital by the group.

The Board of Management evaluates and confirms the policy for mitigating each of these risks as summarised below. There were no changes to the policy during the period under review. The Board of Management has general responsibility for establishing and supervising risk management. The Group's risk management policy is used to identify and analyse the risks to which the Group is exposed, to set risk limits and controls and to monitor and minimise risks. The risk management policy and the relevant systems are regularly tested against changes in market conditions and the Group's business activities.

Concentrations of risks

The operational activities of the Group relate to a diversity of clients and suppliers mainly in the Netherlands. As a result the concentration of risks for the operations of the Group is limited.

22.2 Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises primarily from the Group's receivables from customers.

Trade and other receivables

The amounts presented in the statement of financial position are net of allowance for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows. Provisions for doubtful debts are determined for each individual debtor. It has been established on the basis of historical insolvency frequency data and the current economic conditions that no additional provisions for impairment are necessary.

The Group has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

At 31 August 2021, the maximum exposure to credit risk for trade and other receivables by geographical region was mainly related to the Netherlands.

The maximum exposure to credit risk at 31 August was as follows:

	2020 / 2021	2019 / 2020
Trade receivables	13.709.068	13.553.937
Unbilled receivables	8.983.372	9.207.150
Current accounts and other receivables	1.430.452	1.261.133
Tax receivable	7.584.906	594.038
	31.707.798	24.616.258

For the ageing analysis of all trade receivables past due but not impaired, as well as the movement in the provision for doubtful debts – see note 14.

Cash and cash equivalents

The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

22.3 Liquidity risk

Liquidity risk is the risk that the Group will be unable to meet its financial liabilities as they fall due. The Group's approach to manage liquidity is to ensure that, as far as possible, it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group reputation. All financial liabilities are subject to liquidity risk. Prudent liquidity risk management implies maintaining sufficient cash and the availability of financing sources.

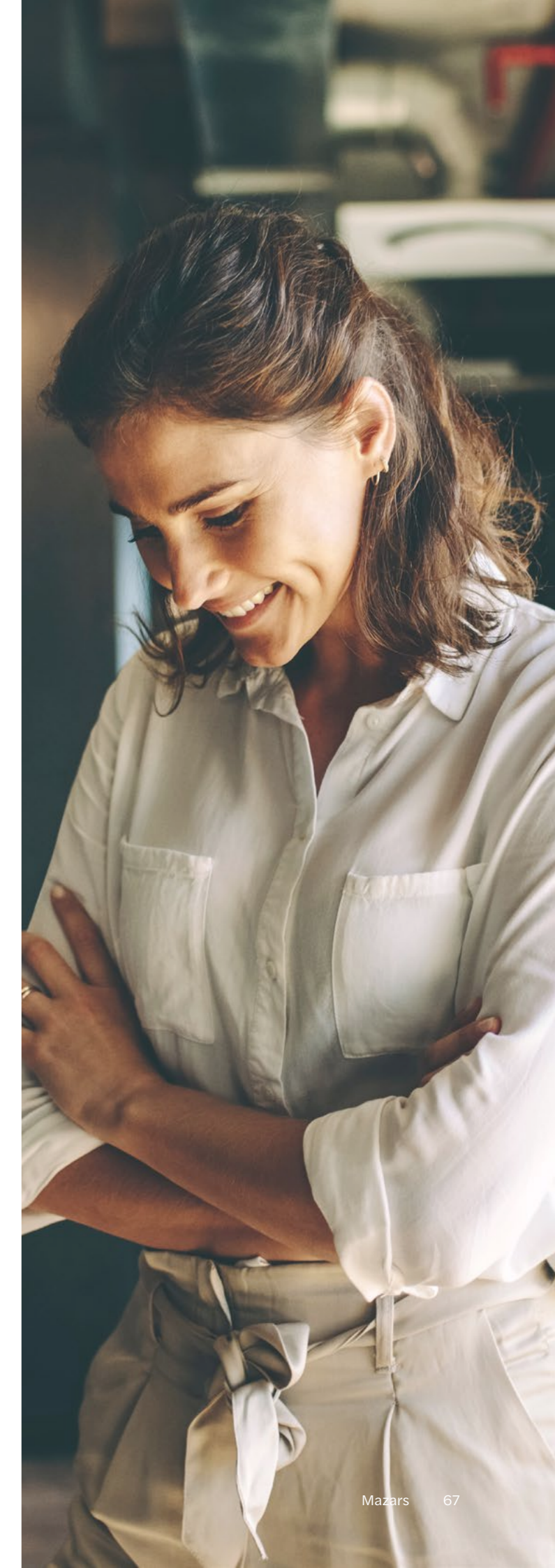
The aim of the Group's treasury policy is to ensure that there are sufficient funds available to finance day-to-day activities.

The Group has a credit facility of € 23 million (2019 / 2020: € 23 million) split in a loan of € 5 million and a current account facility of € 18 million, of which a draw down was made of € 1.3 million (2019 / 2020: € 1.5 million) in the form of guarantees. A first right of pledge has been granted to the bank on trade receivables as security. At 31 August 2021 € nil million (2019 / 2020: € 2.2 million) of the current account facility was in use. The loan facility of € 5 million is available until 1 May 2022. Interest payable is based on the average 1-month EURIBOR rate (with a minimum of 0%) plus a margin of 1.85%. The loan facility has been repaid in full on 27th December 2021.

The Company has to comply with a covenant in connection with the credit facility made available by the bank. This covenant relates to maintaining an agreed solvency ratio.

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted and exclude the impact if netting arrangements.

It is not expected that the cash flows included in the maturity analysis should occur significantly earlier, or at significantly other amounts.



Notes to the consolidated financial statements

	Carrying amount	Contractual cash flow	Due within 1 year	Due between 1-5 years	Due after 5 years
31 August 2021					
Partner financing	24.924.176	26.616.625	13.592.758	1.782.829	11.241.038
Loans and borrowings					
- Deposits partners					
- Bank loan	5.000.000	5.000.000	5.000.000		
- Bank current account					
- Other loans					
Lease Liabilities	22.138.832	23.860.157	3.011.872	12.847.313	8.000.972
Trade and other payables	10.396.515	10.396.515	10.396.515		
	62.459.523	65.873.297	32.001.145	14.630.142	19.242.010
	Carrying amount	Contractual cash flow	Due within 1 year	Due between 1-5 years	Due after 5 years
31 August 2020					
Partner financing	20.857.706	22.630.466	9.278.523	668.561	12.688.382
Loans and borrowings					
- Deposits partners					
- Bank loan	5.000.000	5.306.040		5.306.040	
- Bank current account	2.150.557	2.172.063	2.172.063		
- Other loans					
Lease Liabilities	28.297.962	30.174.757	3.378.913	21.340.919	5.454.925
Trade and other payables	6.235.899	6.235.899	6.235.899		
	62.542.124	66.519.225	21.065.398	27.315.520	18.143.307

Notes to the consolidated financial statements

22.4 Market risk

Market risk is the risk that the changes in market prices, such as foreign exchange rates and interest rates, will affect the Group's income or the value of its assets. The aim is keep these market risks within acceptable parameters, while optimising the return.

The Group does not use derivatives to manage market risks and does not apply hedge accounting.

Interest rate risk

Interest rate risk mainly relates to interest-bearing financial liabilities as a result of the funding positions by (former) partners.

Financial assets of the Group consist primarily of investments in non-current assets, trade receivables and cash and cash equivalents. Trade and other receivables do not bear interest.

It is estimated that as at 31 August 2021, a general rise in interest rates by one percentage point would have a negative effect on the Group's profit before tax of € 249.250 (2019 / 2020 negative € 324.000) and no effect on equity (prior year: no effect).

Currency risk

Currency risk relates to the extent that there is a mismatch between the currencies in which sales, purchases and borrowings are denominated and the respective functional currency of the Group. The Group operates mainly within the euro zone and thus has limited exposure to foreign currency transactions. Accordingly, exposure to foreign exchange rate risk is considered to be negligible.

Price risk

The Group has no exposure to equity price risk, as it does not have any investments measured at fair value through the income statement and does not trade in commodities.

22.5 Capital management

The Company classifies its equity as capital. The long-term capital strategy of the Group aims at improving shareholder value, promoting sustainable growth and maintaining an appropriate financial structure and sound creditworthiness. Consistent with others in the industry, the Group monitors capital on the basis of certain funding ratios, including cash flow figures, to understand the dynamics of the capital structure and cash flow generation.

Notes to the consolidated financial statements

22.6 Fair values

The principal methods and assumptions used to estimate the fair values of financial instruments are set out below. There were no transfers of levels during 2020 / 2021 to other levels of fair value measurement input. Fair values per class of financial assets and liabilities can be summarised as follows:

	Loans and receivables		Other financial liabilities	
	Carrying amount	Fair value	Carrying amount	Fair value
31 August 2021				
Other financial assets:				
- loans (level 2)	2.018.419	2.018.419		
- other participations (level 3)	168.480	168.480		
- deposits and guarantees (level 2)	39.638	39.638		
Trade and other receivables	26.267.062	26.267.062		
Cash and cash equivalents	7.584.906	7.584.906		
Partnership financing (level 3)			24.924.176	22.815.990
Loans and borrowings (level 2)			5.000.000	5.000.000
Trade and other payables			18.489.164	18.489.164
Total financial assets / liabilities	36.078.505	36.078.505	48.413.340	46.305.154
	Loans and receivables		Other financial liabilities	
	Carrying amount	Fair value	Carrying amount	Fair value
31 August 2020				
Other financial assets:				
- loans (level 2)	2.057.514	2.057.514		
- other participations (level 3)	168.480	168.480		
- deposits and guarantees (level 2)	55.433	55.433		
Trade and other receivables	24.660.552	24.660.552		
Cash and cash equivalents	594.038	594.038		
Partnership financing (level 3)			20.857.706	18.772.687
Loans and borrowings (level 2)			7.150.557	7.150.557
Trade and other payables			12.279.641	12.279.641
Total financial assets / liabilities	27.536.017	27.536.017	40.287.904	38.202.885

Notes to the consolidated financial statements

Investments in equity accounted investees

The cost price is deemed to present the fair value.

Other financial assets

In determining the value of the assets, the present value of future cash flows is calculated using a discount rate before tax that reflects current market assessments of the time value of money and the specific risks relating to the liability.

- Loans: For receivables and payables with a maturity of less than one year, face value is considered to be a reflection of fair value.
- Deposits & guarantees: As interest on the loans is determined at market based rates, fair value is approximately equal to the carrying amount.
- Participations: cost price is deemed to present the fair value.

Partnership financing

In determining the value of the obligations to partners and former partners, the present value of future cash flows is calculated using a discount rate before tax that reflects the current market assessment of the time value of money and the specific risks relating to the liability.

The level 3 rating shows the difference in the interest paid on the partner loans and the regular interest given the risk profile of these loans (subordinated). For fair value the partner loans are valued at a market interest rate of 4%.

Interest-bearing loans and borrowings

In determining the value of the obligations, the present value of future cash flows is calculated using a discount rate before tax that reflects the current market assessment of the time value of money and the specific risks relating to the liability. As interest on loans and borrowings is determined at market based, fair value is approximately equal to carrying amount.

Trade and other receivables / trade and other payables

For receivables and payables with a maturity of less than one year, face value is considered to be a reflection of fair value. All other receivables and payables are discounted to determine their fair values.

Cash and cash equivalents:

In view of the short maturity of deposits, their fair value is equal to nominal value.



23. Group structure

The following subsidiaries, as well as Stichting Financiering Mazars Paardekooper Hoffman, have been included in the consolidated accounts.

Company	Registered office	Shares in issued capital	
		31-8-2021	31-8-2020
Mazars N.V. With subsidiary	Rotterdam	100%	100%
- Ten Kate Huizinga Management & Control B.V.	Enschede		100%
Mazars Accountants N.V.	Rotterdam	100%	100%
Mazars Financial Advisory Services N.V.	Rotterdam	100%	100%
Calandstraat Beheer B.V. , with subsidiaries:	Rotterdam	100%	100%
- Mazars Bewind & Executele B.V.	Rotterdam	100%	100%
- Mazars Nederland B.V.	Rotterdam	100%	100%
- Mazars VAT-assist B.V.	Rotterdam	100%	100%
- Mazars Paardekooper Hoffman Curacao N.V.	Curaçao		100%
Ten Kate Huizinga N.V. with subsidiaries:	Enschede		100%
- Ten Kate Huizinga Audit N.V.	Enschede		100%
- Mazars Corporate Finance B.V.	Enschede		100%
- Ten Kate Huizinga P&T B.V.	Enschede		100%

During 2021 the following entities are liquidated: Ten Kate Huizinga Management & Control B.V., Ten Kate Huizinga N.V., Ten Kate Huizinga Audit N.V. and Ten Kate Huizinga P&T B.V. Mazars Corporate Finance B.V. is merged into Mazars Financial Advisory Services N.V. as per 31.08.2021.

The control over Stichting Financiering Mazars Paardekooper Hoffmann lies with the partners who have the right at all times to elect and dismiss its board members. Consequently, the foundation is controlled by the Mazars Holding N.V. group and therefore included in these consolidated financial statements.

Unconsolidated entities

Stichting Vereffening Millenniumovergang (SVM): This foundation is responsible for the settlement of former goodwill rights. It is financed from the membership fees by the partner-shareholders. The control over the foundation lies with the partners who have the right at all times to elect and dismiss its board members. Consequently, the foundation is not controlled by the Mazars Holding N.V. group and therefore is not included in these consolidated financial statements.

Equity accounted investment	Registered office	Shares in issued capital	
		31-8-2021	31-8-2020
Bron Mazars B.V.	Amsterdam		50%

Based on the terms of agreements under which the entity is established, the Group, does not receives substantially all of the returns related to their operations and net assets and does has have the current ability to direct the entity's activities that most significantly affect these returns. Because of this, the Group does not have control over this entity, but has significant influence.

Other financial assets	Registered office	Shares in issued capital	
		31-8-2021	31-8-2020
Mazars Asia Pacific Pte Ltd.	Singapore	100%	100%
Mazars Consulting Asia Pte Ltd.	Singapore	100%	100%

The other financial interests concern legal interests. The Group has no control over the business and financial policies of these companies

24. Liabilities and assets not recognised in the consolidated statement of financial position

24.1 Operating leases

The Group has long-term leases related to photocopiers and printers totalling € nil (2019 / 2020: € 71.876). The future aggregate minimum lease payments under the operating leases of printers are as follow:

	31-08-2021	31-08-2020
Within one year	-	71.227
Between one and five years	-	649
After five years	-	-
	-	71.876

24.2 Fiscal unit

Mazars Holding N.V. together with its 100% subsidiaries, besides Calandstraat Beheer B.V. and its subsidiaries (see note 23), forms a tax group for corporate income tax purposes; each of the companies of the tax group is, under the relevant standard tax conditions, jointly and severally liable for the tax payable by all of the companies in the tax group. As the head of the income tax fiscal unity, Mazars Holding N.V. pays the income tax assessments. Mazars Holding N.V. incurs the total income tax expense of the tax group, except for the amount attributable to the partnerships under the ruling with the Dutch Tax Authorities.

The group for corporate income tax purposes and Mazars Bewind & Executele B.V. forms also a tax group for value added tax purposes, headed by Mazars Holding N.V.; each of the companies of the tax group is, under the relevant standard tax conditions, jointly and severally liable for the tax payable by all of the companies in the tax group.

24.3 Credit facilities and guarantees

The Group has a credit facility of € 23 million (2019 / 2020: € 23 million) with Rabobank, split in a loan of € 5 million and a current account facility of € 18 million of which a draw down was made of € 1.3 million (2019 / 2020: € 1.5 million) in the form of guarantees.

The received bank guarantees on sublease agreements amount to € 22.494 (last year: € 22.494).

24.4 Other

Under the accession agreement there is a contingent obligation on Mazars Holding N.V. upon the first request of the Stichting Financiering Mazars Paardekooper Hoffman, to ensure that the foundation has sufficient collateral. In addition, Mazars Holding N.V. and its group companies are not authorised to make available or dispose of the goods belonging to them to third parties, other than in the ordinary course of business. Finally, Mazars Holding N.V. will provide the Stichting with irrevocable power of attorney at the foundation upon initial request.

24.5 Legal disputes

Claims have been filed and proceedings have been instituted against the Group on the grounds of alleged failure to perform professional duties. The Group evaluates if relevant circumstances are such that it is reasonable to assume that they will result in the Group entity being held liable on the grounds of alleged failure to perform professional duties. A decision is taken on a case-by-case basis as to whether it is probable that settlement of the case will involve an outflow of resources from the Group. In those cases, a provisions is accounted for. The Group carries professional indemnity insurance.

25. Related party transactions

25.1 Parent and ultimate controlling party

The control of the Group is exercised by the partners holding the shares of the Company through their individual practice companies. Coöperatie Mazars Paardekooper Hoffman U.A. holds the shares in Mazars Holding N.V. The members of the cooperative are the practice companies owned by partners. Under these agreements, the services of the partners are made available to the cooperative, which in turn makes these services of the partners available to Mazars Holding N.V., and its subsidiaries.

Mazars Paardekooper Hoffman Holdings N.V is a member firm of the Mazars network of independent member firms affiliated with Mazars SCRL, a company on a cooperative basis incorporated under the laws of Belgium. As a result of this affiliation, the Group collaborates closely with other Mazars member firms.

The Mazars organisation consists of audit firms that signed a so-called 'cooperation agreements' with Mazars SCRL. The shares of this entity are owned by the partners of the member firms.

25.2 Other related party transactions

Any purchases or other transaction and shown balances.

	Interest received from related parties	Interest paid to related parties	Amounts due from related parties	Amounts due to related parties
2020 / 2021				
Ultimate parent				
- Mazars SCRL, Belgium	3.300		566.126	1.135.218
Partners				
- Private companies of the partner-shareholders		401.343		24.924.176
	3.300	401.343	566.126	26.059.394
2019 / 2020				
Ultimate parent				
- Mazars SCRL, Belgium	3.300		644.834	1.142.814
Partners				
- Private companies of the partner-shareholders		445.692		20.857.706
- Stichting Vereffening Millenniumovergang	15.758			
	19.058	445.692	644.834	22.000.520

25.3 Key management remuneration

Mazars Holding N.V. has 5 executives at year-end (2019 / 2020: 5). The supervisory board has 3 members (2019 / 2020: 3).

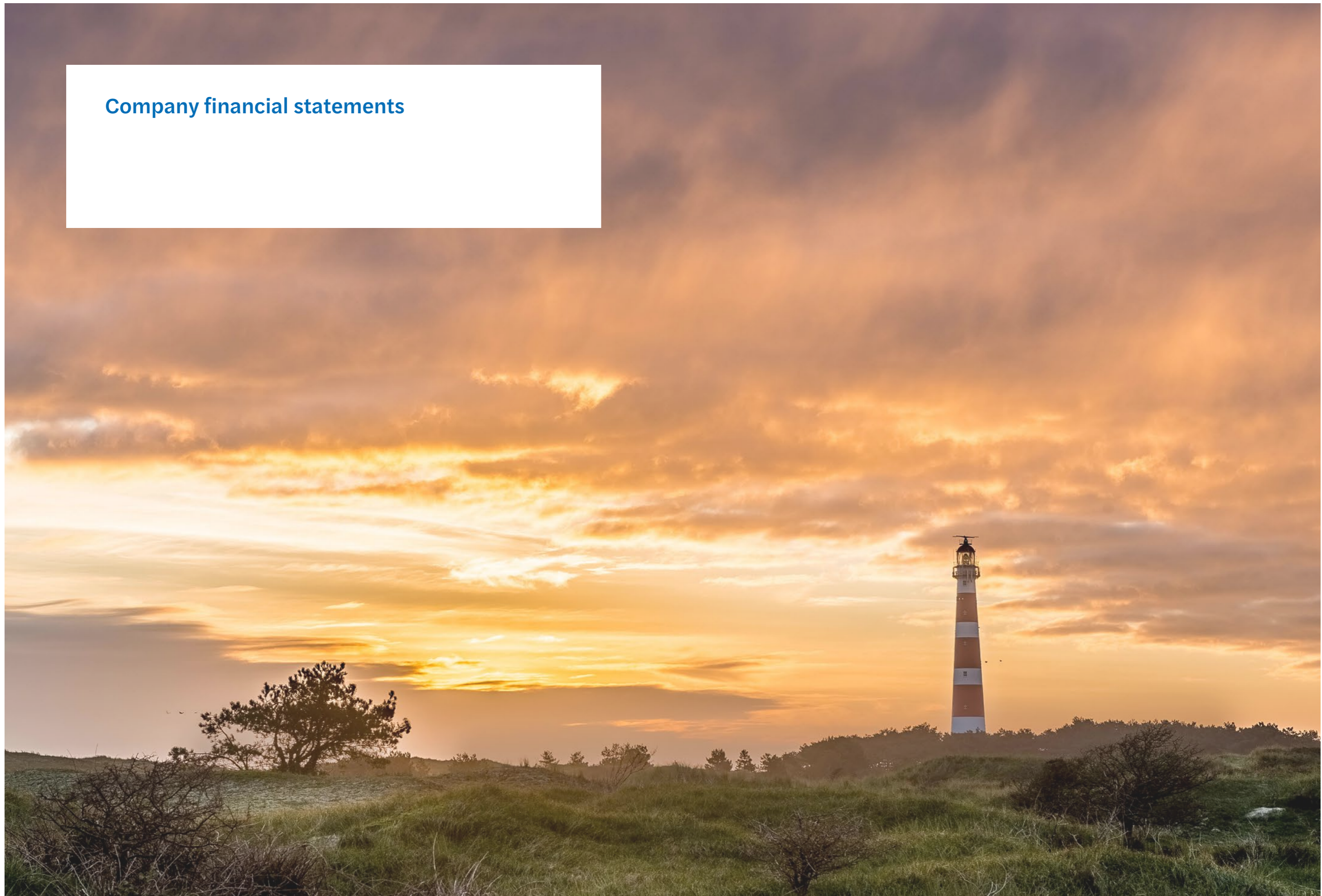
Compensation of the Group's key management can be specified as follows:

	31-08-2021	31-08-2020
Board of management		
- Remuneration	2.353.444	2.248.810
- Interest	42.859	50.136
	2.396.303	2.298.946
Supervisory board	110.000	110.000

In the remuneration of the Chairman of the Board a compensation for his executive role in the Group Executive Board is included. The remuneration of the other executives also include a compensation for regular client work.



Company financial statements



Statement of financial position

As at 31 August 2021, before appropriation of results

Assets	Note	31-08-2021	31-08-2020
Non-current assets			
Financial assets:			
Investments in subsidiaries	26	-152.323	824.102
Amounts due from group companies	27	11.466.000	12.039.333
		11.313.677	12.863.435
Current assets			
Amounts due from group companies	27	14.604.152	9.726.446
Other receivables		-	-
Cash and cash equivalents		27.605	5.875
		14.631.757	9.732.321
Total assets		25.945.434	22.595.756

Equity and liabilities	Note	31-08-2021	31-08-2020
Shareholders equity			
Share capital		1.100.000	1.120.000
Share premium		275.000	280.000
Statutory reserves		9.651	9.651
	28	1.384.651	1.409.651
Non-current liabilities			
Loans and borrowings	29	11.466.000	12.039.333
Other current liabilities			
Loans and borrowings	29	13.038.176	9.136.816
Other payables		56.607	9.956
		13.094.783	9.146.772
Shareholders' equity and liabilities		25.945.434	22.595.756

Company income statement

For the year ended 31 August 2021.

	2020 / 2021	2019 / 2020
Share in results of participating companies	3.969	41.632
Other income and expenses after tax	-3.969	-41.632
Net result after tax	-	-



26. Basis of preparation

26.1 General

The Company annual accounts are part of the consolidated annual accounts 2020 / 2021 of Mazars Holding N.V. The company financial statements were prepared in accordance with Title 9, Book 2 of the Netherlands Civil Code.

For the valuation of assets and liabilities and in determining the result in its company financial statements, Mazars Holding N.V. has availed itself of the option provided for in article 362 par. 8, Book 2 of the Dutch Civil Code. This states that the policies regarding the valuation of assets and liabilities and determination of the result of the Company financial statements correspond with those applied for the consolidated financial statements, which are prepared in conformity with IFRS as adopted by the European Union (EU-IFRS) and with Part 9 of Book 2 of the Dutch Civil Code. The relevant accounting policies set out in note 2 to the consolidated financial statements, have been applied consistently to all periods accounted for in these Company financial statements.

Use has been made of the possibility of drawing up an abbreviated income statement in terms of article 402, Book 2 of the Dutch Civil Code.

26.2 Accounting policies

Participating interests in group companies

Participating interests in group companies are accounted for in the company financial statements according to the net asset value.

Results of participating interests

The share in the result of participating interests consists of the share of the Company in the result of these participating interests. Results on transactions involving the transfer of assets and liabilities between the Company and its participating interests and mutually between participating interests themselves, are eliminated to the extent that they can be considered as not realised.

27. Investments in subsidiaries

The movements in investments were:

	2020 / 2021	2019 / 2020
Balance at the beginning of the year	824.102	782.470
Acquisition at net asset value	-	-
Reduction in share capital investments	-980.394	-
Share in result	3.969	41.632
Exchange difference buitenlandse deelneming	-	-
	-152.323	824.102

	Share in issued capital	2020 / 2021	2019 / 2020
Mazars N.V.	100%	-1.383.222	1.113.708
Mazars Accountants N.V.	100%	43.431	43.496
Mazars Financial Advisory Services N.V.	100%	982.499	-1.514.431
Calandstraat Beheer B.V.	100%	204.969	200.933
Ten Kate Huizinga N.V.	100%	-	980.396
		-152.323	824.102

28. Amounts due from group companies

	31-8-2021	31-8-2020
Non-current:		
Stichting Financiering Mazars Paardekooper Hoffman	-	363.333
Mazars N.V.	11.466.000	11.676.000
	11.466.000	12.039.333
Current:		
Mazars N.V.	14.603.560	9.725.696
Callandstraat	-	-
Ten Kate Huizinga	-	-
Stichting Financiering Mazars Paardekooper Hoffman	592	750
	14.604.152	9.726.446
Total	26.070.152	21.765.779

Also see note 30 for details.



29. Shareholders' equity

Movements in equity can be specified as follows:

Equity	Share capital	Share premium	Translation reserve	Shareholders' equity
Balance at 1 September 2019	1.180.000	295.000	9.651	1.484.651
Movements 2019 / 2020:				
Profit for the year	-	-	-	-
Other comprehensive income for the year	-	-	-	-
Transactions with partners of the company	-	-	-	-
recognised directly in equity:				
Issue new shares	40.000	10.000	-	50.000
Bought back shares	-100.000	-25.000	-	-125.000
Balance at 31 August 2020	1.120.000	280.000	9.651	1.409.651
Movements 2020 / 2021:				
Profit for the year	-	-	-	-
Other comprehensive income for the year	-	-	-	-
Transactions with partners of the company	-	-	-	-
recognised directly in equity:				
Issue new shares	80.000	20.000	-	100.000
Bought back shares	-100.000	-25.000	-	-125.000
Balance at 31 August 2021	1.100.000	275.000	9.651	1.384.651

29.1 Share capital and share premium

The Company has an authorised capital of € 2.360.000, which is divided into 118 shares of € 20.000 each. The issued share capital consists of 55 (prior year: 56) shares at a nominal value of € 20.000, representing a total nominal value of € 1.100.000 (2019 / 2020: € 1.120.000). All of the shares are fully paid up.

Mazars Holding N.V. is obliged to distribute all earnings that constitute profits as contractual fees to the partner-shareholders, except for the amount the Board of Management proposes to add to the reserves.

29.2 Profit Appropriation

The Group's profit totals € nil and the Company proposes to add the profit to the reserves. The General Meetings of Shareholders will be proposed to allocate the result of € nil to the retained earnings.

The statement of financial position as at 31 August 2021 has been drawn up on the assumption that this motion will be adopted.

The Company can only make payments to the shareholders and other parties entitled to the distributable profit for the amount the shareholders' equity is greater than the paid-up and called-up part of the capital plus the legally required reserves.

29.3 Other statutory reserves - translation reserve

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

30. Loans and borrowings

	31-8-2021	31-8-2020
Non-current:		
Stichting Financiering Mazars Paardekooper Hoffman,		
- Relating to partners	11.466.000	12.039.333
Current:		
Stichting Financiering Mazars Paardekooper Hoffman,		
- Relating to partners	12.650.794	9.087.772
- Relating to former partners	387.382	49.044
- Relating to Mazars NV	-	-
	13.038.176	9.136.816
Total	24.504.176	21.176.149

30.1 Non-current loan from Stichting Financiering

The practice companies of the partner shareholders each have granted Stichting Financiering Mazars Paardekooper Hoffman loans in the amount of € 210.000. The foundation has subsequently made these available to Mazars Holding N.V. which in turn made these available to Mazars N.V. (see note 27). The average interest on these loans current loans from partners is 2.1% (2019 / 2020: 2.1%).

The loans are repaid upon termination of the accession agreement. More information on these borrowings are provided in note 18.1 of the consolidated financial statements.

30.2 Current accounts from Stichting Financiering

The average interest on these current accounts is 2.1% (2019 / 2020: 2.1%). More information on these borrowings are provided in note 18.2 of the consolidated financial statements.

31. Financial instruments

With respect to general information on financial instruments and associated risks, reference is made to note 22 of the consolidated financial statements.

32. Liabilities not recognised in the company statement of financial position

32.1 Joint and several liability and guarantees

The Company has given guarantees that its subsidiaries, whose financial figures are included in the consolidated financial statements, will comply with certain contractual obligations.

The Company has a credit facility of € 23 million (2019 / 2020: € 23 million) split in a loan of € 5 million and a current account facility of € 18 million, of which a draw down was made of € 1.3 million (2019 / 2020: € 1.5 million) in the form of guarantees.

32.2 Fiscal group

Mazars Holding N.V. together with Mazars N.V., Mazars Accountants N.V. and Mazars Financial Advisory N.V., forms a tax group for corporate income tax purposes; each of the companies of the tax group is, under the relevant standard tax conditions, jointly and severally liable for the tax payable by all of the companies in the tax group. As the head of the income tax fiscal unity, Mazars Holding N.V. pays the income tax assessments. Mazars Holding N.V. incurs the total income tax expense of the tax group, except for the amount attributable to the partnerships under the ruling with the Dutch Tax Authorities.

Mazars Holding N.V. is part of a tax group for value added tax purposes, headed by Mazars N.V.; each of the companies of the tax group is, under the relevant standard tax conditions, jointly and severally liable for the tax payable by all of the companies in the tax group.

32.3 Name and trademark rights

Each of the private companies of the partner-shareholders of Mazars Holding N.V. has transferred the name and trademark rights of Mazars Paardekooper Hoffman to Stichting Financiering Mazars Paardekooper Hoffman.

33. Number of partners

On average, 55.6 (prior year: 56.0) partners were active for the Company under management agreements. The Company does not have any employees.

34. Remuneration of the board of management and supervisory board

Details of the remuneration of members of the Board of Management / Supervisory Board are disclosed in note 25.3 to the consolidated financial statements.

35. Auditors' remuneration

The remuneration of the Company's auditors for the 2020 / 2021 financial year was € 138.990 (2019 / 2020: € 110.650) and is exclusively related to the audit of financial statements of the Company. The audit fees are charged to Mazars N.V.

Rotterdam, 10 February 2022

Executive Board of Management:

Ton Tuinier (Chairman)

Peter Hopstaken

Mark Lucas Luijckx

Robert Jan de Rek

Frank Walta

Supervisory Board:

Henk Broeders (Chairman)

Marga Hoek (Vice-chairman)

Pieter Jongstra

Subsequent events

The buy-out process of a small part of the service line AOS called "AGRO" to Alfa Accountants, an independent Member firm of DFK International, as announced 20th May 2021, has been completed on 1st September 2021. The purchase price amounted to € 200.000 which has been settled in cash. Employees related to the "AGRO" clients are transferred to Alfa accounts per 1st September 2021 as well.

Furthermore another small piece of the client portfolio has been sold to Hendrikse per 1st September 2021. The purchase price amounts to € 87.000 which has been settled in cash.

The transactions will not result in any book profit or loss.

Independent auditor's report

Please refer to the report of the independent auditor on the next page.

Provisions of the articles of association concerning the appropriation of results

Article 32 of the articles of association of the partnership regulates the appropriation of the profit and state the following.

- 32.1. Payment of the profits pursuant to the provisions of this article shall take place after the adoption of the annual financial statements showing that it is lawful.
- 32.2. The profit is at the free disposal of the General Meeting of Shareholders.
- 32.3. The company may request the shareholders and other titleholders to only make distributions of the profit, to the extent that its own equity exceeds the amount of the issued share capital plus the required legal and statutory reserves.
- 32.4. A deficit may only be offset against the statutory reserves as far as company law permits.

Independent auditor's report

To: the shareholders and the supervisory board of Mazars Holding N.V.

A. Report on the audit of the financial statements 2020 / 2021 included in the annual report

Our opinion

We have audited the financial statements for the year ended 31 August 2021 of Mazars Holding N.V., based in Rotterdam, the Netherlands. The financial statements include the consolidated and the company financial statements.

In our opinion:

- The accompanying consolidated financial statements give a true and fair view of the financial position of Mazars Holding N.V. as at 31 August 2021, and of its result and its cash flows for the period of 1 September 2020 to 31 August 2021 in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRS) and with Part 9 of Book 2 of the Dutch Civil Code.
- The accompanying company financial statements give a true and fair view of the financial position of Mazars Holding N.V. as at 31 August 2021, and of its result for the period of 1 September 2020 to 31 August 2021 in accordance with Part 9 of Book 2 of the Dutch Civil Code.

The consolidated financial statements comprise:

1. The consolidated financial position as at 31 August 2021.
2. The following statements for the period of 1 September 2020 to 31 August 2021: the consolidated statement of profit or loss and comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows.

3. The notes comprising a summary of the significant accounting policies and other explanatory information.

The company financial statements comprise:

1. The statement of financial position as at 31 August 2021.
2. The statement of profit and loss for the period of 1 September 2020 to 31 August 2021.
3. The notes comprising a summary of the accounting policies and other explanatory information.

Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the 'Our responsibilities for the audit of the financial statements' section of our report.

We are independent of Mazars Holding N.V. 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. Report on the 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:

- The report of the board of management.
- The report of the supervisory board.
- Other information as required by Part 9 of Book 2 of the Dutch Civil Code.

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 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is substantially than the scope of those performed in our audit of the financial statements.

Management is responsible for the preparation of the other information, including the management board's 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.

C. Description of responsibilities regarding the financial statements

Responsibilities of management and the supervisory board for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with EU-IFRS and Part 9 of Book 2 of the Dutch Civil Code. Furthermore, management is responsible for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error. As part of the preparation of the financial statements, management is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting frameworks mentioned, management should prepare the financial statements using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Management 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.

Our responsibilities for the audit of the financial statements

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

Independent auditor's report

To: the shareholders and the supervisory board of Mazars Holding N.V.

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 have exercised professional judgement and have maintained professional skepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit 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 company's internal control.
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Concluding on the appropriateness of management's 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 company'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.
- Evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation

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 those charged with governance 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.

Amsterdam, February 10, 2022

RSM Netherlands Accountants N.V.

w.s.

M. van Dijke RA

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Mazars is an internationally integrated partnership, specialising in audit, accountancy, tax and advisory. Operating in over 90 countries, we draw on the expertise of more than 44,000 professionals – 28,000+ in Mazars' integrated partnership and 16,000+ via the Mazars North America Alliance – to assist clients of all sizes at every stage in their development.

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