





Financial report

COMMITTED TO TRANSPARENCY AND EXEMPLARY CONDUCT

Since 2004/2005, we have voluntarily published an annual report including the consolidated financial results of the Group, compiled according to IFRS standards and examined by two external auditors. This is the strongest signal of Mazars' commitment to transparency towards the financial and economic community, and our intention, as experts in the certification of financial information, to promote exemplary conduct.



FINANCIAL REPORT

75	Group Executive Board Report
79	Group Governance Council Report
81	Financial statements
86	Notes to the financial statements
107	Independent auditors' report

GROUP EXECUTIVE BOARD REPORT

on operating and financial performance during the year 2010/2011

The decision taken in 2004/2005 to prepare and publish an annual report, including our consolidated financial statements prepared under IFRS and audited by two external auditors remains a distinctive feature of our integrated global partnership. We are therefore pleased to present you, as an evidence of our commitment to transparency, the report on our business and earnings for the past fiscal year.

Pursuing our development strategy

During the financial year 2010/2011, our business environment had suffered from global financial and economic instability but as well as from political turmoil in some countries. While emerging countries still sustain a good growth, there has been a significant slowdown in Western economies.

At € 956.7 million, our consolidated fee income shows an increase of 8.2% compared to the previous year (+7.4% at constant exchange rate). The total growth is a combination of organic development and integration of new firms or practices (net of a few disposals).

Within the 8.2% overall growth, the increase of the fee income coming from external growth accounts for 4.8% resulting principally from the full impact of our 2009/2010 US combination and from the integration of Swedish colleagues. This confirms the resilient attraction of the Mazars' model of an integrated partnership.

In Sweden, since 2004, we have had a joint-venture with the Swedish firm SET, one of the leading audit practices in the country. Both Mazars and SET partners felt it was time to move beyond a JV to become fully part of the Group team. Therefore, whilst the JV is being discontinued, SET and its partners have joined as full members of Mazars, effective September 1st 2010.

We experienced 3.4% organic growth in our global activity. This is robust and demonstrate more than resilience under current market conditions but with a contrasting pattern between the regions:

Europe: slightly positive at +2% in large Western European countries whilst the growth in Central and Eastern Europe is much higher with 7.6 %, of which 1.6 points were due to the exchange rate impact. Malta (+28 %), Turkey (+17%), and Belgium (+10%) enjoyed double digit growth.

Africa: an increase of 7 % of which 4 points are mainly due to the Rand favorable variation. While we are present in 14 countries, South Africa (€29 million) alone accounts for more than half our total activity on the continent (€52 million). The previous year has been buoyed by the Soccer World Cup. This year, the economy had experienced a slowdown, explaining a drop in the revenues at constant exchange rate. The other countries of this continent are developing satisfactorily: Cameroon gained assignments in Congo; Morocco grew by 14%, as did Tunisia despite the Jasmine revolution.

Middle East: despite the political instability, this region achieved an organic growth of 4%, offset by the unfavorable foreign exchange effect.

North America: the activity is mainly impacted by the change of perimeter in New York (full year turnover whilst it was 8 months fee income last year).

Central and Latin America: variation of perimeter excluded, the region had a good level of activity with an improvement of 12.5%, mostly driven by Brazil's organic growth.

Asia: our business in 11 different countries grew by a healthy 14 % from the previous year. Growth in the following countries was driven by:

- Pakistan successfully winning assignments
- India: benefiting of synergies resulting of the joint efforts of Kalyaniwalla & Mistry and S N Dhawan & Co
- Hongkong: market opportunities
- China Mainland: positive evolution of prices & transaction services assignments
- Japan: in spite of the adverse impact of Fukushima, activity grew through a new joint venture

Strengthening our business lines

From January 2010, we created Global Business Units (GBU) supervising Country Business Units (CBU) in countries where sufficient critical mass and leadership exist. In some smaller countries where there is not yet the critical mass to create separate CBUs, turnover is recorded in a single country business unit.

PIE

Under worsening market conditions, where uncertainty and instability severely hit the financial markets, Mazars PIE performance for year 2010/2011 shows a good overall resilience of Mazars position. Mostly driven by organic factors (The integration of our American PIE practice was the only significant external growth impact less than € 10 million) current growth reflects our PIE Strategy: develop a strong channel 1 client base, develop channel 2 services through partners and team integration and benefit from emerging markets rapid economic growth.

In channel 1, despite a trend of severe decrease in prices observed in the main mature markets, we grew through winning several significant client in the large listed company market; we have also renewed large assignments with an extension of our geographic coverage. In channel 2, new teams

have joined and we are developing our Consulting and Financial advisory offering. As a result we have grown, with a very good performance in Financial Services, especially in France and in the UK. Finally, Emerging Markets, and especially the BRICs countries (Brasil, Russia, India, China) showed a double digit growth which reflects our capacity to respond to the needs of local booming economies.

Even if European economic market conditions have recently worsened, we remain confident in our capacity to keep on growing through external growth, team integration and pure organic growth for next year, while being flexible on our own cost structure.

OMB

There is little doubt that we have seen a mixed and in certain respects two-tier financial recovery following the events of 2009 and 2010. The owner-managed market has, to all intent and purposes, mirrored the global economic position with limited organic growth in more developed economies (including Western Europe and North America) and higher rates in emerging economies, especially in Asia-Pacific and Central and Latin America. Nevertheless we are starting to see certain economies buck that trend and return to more significant levels of growth.

External growth has therefore been the principal catalyst for growth in 2010/11 and we were particularly delighted to integrate our new partners in Sweden. Despite a tough competitive environment our integrated global OMB offering continues to attract not only clients who want to work with our teams but also like-minded advisers as we continue to build critical mass and deepen our service offering.

Our outlook remains positive as OMBs increasingly seek to expand or export into new territories and use technology to get closer to their markets. We are well positioned to help through the combination of our

global scale and our local presence. We continue to invest in new technologies and services to support our clients in the fulfillment of their ambitions.

Tax

A prerequisite for the development of other tax practices within Mazars was to establish a solid tax organization in Europe first. To achieve this we have invested in appointing the right leaders teams and staff, for example in the United Kingdom and France. To serve its clients at the right level Mazars tax teams have specialized, creating centers of

excellence. We have invested in developing financial services in key locations such as London, Amsterdam, Frankfurt and Paris.

Law

For our GBU Law it was a year of repositioning. Growth in Germany was mixed and there was stagnation in other European CBUs (Country Business Units). Most countries invested in new areas of practice and preparing for future growth. Indonesia was integrated as a new CBU. Due to investments gross margin was slightly lower than in past years.

(in € million)	2009/2010*	2010/2011	%
Public Interest Enterprises (PIE)	426.6	456.1	+6.9%
Owner managed business (OMB)	348.1	383.9	+10.3%
Tax	92.5	99.4	+7.5%
Law	17.2	17.3	+0.6%
TOTAL	884.4	956.7	+8.2%

* Restated under 2010/2011 organization for consistent comparison

Supporting development by solid profitability and financing

Our global partnership relies on its partners and staff to generate adequate profitability, thereby providing sufficient resources for investing in new expertise and tools. In spite of competitive pressures over fee levels and thanks to improved efficiency, the gross margin has been maintained at 52%. Since our fixed costs were kept under control, the bottom line shows a 21.2% surplus in line with the previous year (21.4%). Surplus is defined as the profit before any direct or indirect form of partners' remuneration, including their share of corporate income tax, in case of dividends.

The financing of our activities is essentially brought by the partners. It may translate in different forms

(equity shares, loans, current accounts, deferred compensation,...). In total financing by the partners accounts for 15.5 months of their total earnings.

Actually, our ratio of turnover to total assets improved from 1.6 to 1.7 with a better control of work-in-progress and receivables (3.6 months of turn-over instead of 3.8 months). Whilst our net fixed assets and partners' equity financing remained stable, the overall net indebtedness could therefore be reduced from € 66.1 million to € 57.1 million. Thus, recourse to external financing has been contained at 23.7% of the partner's financing, thereby securing the financial independence of the organization and leaving some room, should we need additional financing to support our development.

Relying on our people for success

Mazars combines strong ambitions with controlled means in a very competitive talent field. Hence, we need to focus on selected hi-impact actions to leverage our position as a challenger through a distinctive employer brand (Mazars, Human Partners). The following actions were launched one year ago to frame our mission for the next five years:

- Build an effective worldwide Talent Management policy; to date, the Senior Talent Leaders organization has allowed us to gather the necessary information on which a united Talent Management strategy can be based. A “dialogue process” will now deepen / fine-tune our knowledge of Mazars Talent Pools and feature a new approach to international mobility as well as talent grooming.

- Create an innovative albeit operational leadership development track from the manager to the Executive ranks. In July we launched our own Executive MBA, whilst our International Managers Seminar and Partners Induction Program have been fundamentally redesigned, as part of a more global leadership development pipeline within Mazars University.

- Secure a smooth ongoing transition process in key executive positions through the development of a high-end community of leaders; an ongoing program of identification, assessment and development of top executives is now in working order, fostering collective rather than individual leadership.

In the coming years, we will continue to pay attention to upcoming challenges for the HR function in intellect-intensive industries such as professional services:

- The growing importance of social networks in HR strategies will challenge us to be trendsetters, not followers in this field
- The demographic turmoil in Western countries will incite us to be even better at sourcing, attracting and retaining good young people.
- We need to design our policies in order to face major changes, not just to serve the needs of our current businesses and client base.

- Emerging countries have completely different approaches in the war for talent. In these countries, we need to strengthen our HR leadership capabilities.

The internal co-option of talented professionals and newly integrated ones strengthened the number of Mazars' Partners by 10% in 2011.

Mazars worldwide has a workforce of 13,000 people, tuned in to our clients' business with a focus on expanding our coverage in emerging countries.

Pursuing the challenge

Disruption in world financial markets since summer 2011 may result in an economic slowdown in Western economies. However, our policy in past similar situations, possibly less severe, our objective is to continue to invest in the development of our global partnership.

Our financial situation and management will allow it.

We also have to prepare for potential changes of the audit environment, primarily in Europe where significant evolutions in terms of rotation of audit firms, joint audit, restriction of non-audit work for audit firms may be envisaged, but also in Asia and in the US.

We are confident that our integrated partnership model, our human and financial resources are, irrespective of the economic environment, factors to enable us to remain optimistic for our future.

Group Executive Board

GROUP GOVERNANCE

Council Report

Main work carried out during the year

The Group Governance Council (GGC), elected in London in December 2009, met 10 times in 2011, including six meetings held by conference call. The Council also benefited from the work of its three subgroups, dedicated to audit and finance, risks and partnership life respectively. The GGC has also set up two additional committees to work on the issue of succession and revise the Partnership Charter. As stated in the Charter, the Group Governance Council must be consulted before the approval of each international expansion project during the year. Therefore, it examined integration projects for submission to the General Meeting of the Partners in December 2011: Norway, Qatar and Ghana. The members of the Council assessed in detail the quality of the projects, both strategically and financially, and ensured that the new partners adhere to Mazars' founding principles and to the principles of its Charter.

With a view to preparing the partnership's future, the GGC (in a joint working group with the GEB) drafted a revision of the Partnership Charter proposed to the vote of the partners, with the aim in particular of strengthening talent within the Group and helping the Group's management to put their action into a more long-term perspective.

The GGC also dealt with all of its responsibilities linked to the life of Mazars' partnership, including analysing all applications for partnership or reviewing the partners' compensation allocation. The GGC members also had an active role in the Audit Committee and in the annual accounts review. Apart from its role formally assigned in the Charter, the GGC exchanged views with the Group Executive Board (GEB) on key issues of particular importance for the future: succession and integration. The GGC was kept informed of the progress of the Group's European integration project, and of the regulators' reflections concerning the regulations governing

the auditing profession (the European Commission's Green Paper in particular).

Follow-up on the financial aspects and risk management procedures

The Audit Committee continued to reinforce its role and its procedures, and held three meetings during the year, starting in March 2011. Its members noted that the new structure of the Group Finance Department will lead to the improvement of the accounting consolidation process. In the next few years, the on-going implementation of this procedure will enable the Committee to focus its efforts on comparing the reporting of the Group's entities and working with the external auditors, to make sure the external audit procedure actively participates in the improvement of Mazars' overall performance.

The Council has maintained a close relationship with the GEB, and read all the reports that it has issued. Its review of the GEB's annual report concluded that this document gives a faithful account of the Group's operational and financial activities. The action plans put in place during the year in terms of risk management are an undeniable step forward, specifically in some countries, where regulatory audits pointed out difficulties. The Council will follow up on this process which forms the basis for global harmonisation and deployment of a unified quality control system.

Review of the Partnership Charter and transmission issues

Potential evolutions in the audit market, as well as the on-going reinforcement of the Group's structure, led the Governance Council and the Group Executive Board to create a joint working group to prepare several modifications to the Partnership Charter. All the suggested changes have the twin objectives

of strengthening the Group's talent and putting the Executives' action in a long-term perspective. In the same spirit, the members of the GGC also examined the programme finalised in January with the aim of better identifying and monitoring talent to promote a new generation of leaders. The GGC concentrated both on the selection criteria for future high potential partners and the training set up for them.

Partnership life

In 2011, the GGC reviewed all new partnership applications. The number of candidates has increased, as the Council reviewed 59 files, compared with 58 in 2010. The proposed co-options come from 23 countries, in every geographic zone, reflecting the on-going international development dynamic.

Similarly, the split of candidates between the various Global Business Units, demonstrates the shift in the balance between the various activities.

The increase in the number of candidates dedicated to consulting activities illustrates the importance given to new activities, in accordance with the Group's strategy. Besides, many of the candidates show relatively young profile, as 80% are of age between 35 and 49, thus permitting to better anticipate the transmission issues.

Lastly, the GGC members identified a slow but real increase in the proportion of women applying for partnership.

Strategy and perspectives

The Group Governance Council will put emphasis on the key issues of risk management, enhancement of financial and operational integration and strategic evolution in the coming year. The dual effort to harmonise quality control processes and to strengthen the Partnership Charter indeed serves one common objective: securing processes and making sure each partner is integrated in an entity that really fits the challenges of the regulatory evolutions in our professions.

As the Group is developing internationally, its capacity to be structured is also becoming a critical factor of success. Even though the idea of a global strategy implemented locally remains the heart of Mazars' partnership, the Group must now be ready to face new missions that often involve several countries. This evolution must be shared by the partners, who will keep an active involvement in the elaboration process of Mazars' strategy.

The Group Governance Council



FINANCIAL STATEMENTS ON THE BASIS OF IFRS

For the year ended 31 August 2011

In thousands of euros

82 Financial statements

Consolidated income statement	82
Consolidated statement of comprehensive income	82
Consolidated balance sheet	83
Consolidated statement of cashflows	84
Consolidated statement of changes in equity	85

86 Notes to the financial statements

Note 1: Basis of preparation	86
Note 2: Significant events	86
Note 3: Accounting policies	86
Note 4: Scope of consolidation	93
Note 5: Turnover	94
Note 6: Cost of technical staff	94
Note 7: Other costs	94
Note 8: Segment reporting	95
Note 9: Intangible assets	97
Note 10: Property, plant and equipment	99
Note 11: Trade and other receivables	99
Note 12: Provisions	100

Note 13: Retirement benefits and similar liabilities	100
Note 14: Borrowings and other financial liabilities	102
Note 15: Trade and other payables	102
Note 16: Corporation tax	103
Note 17: Contingent liabilities	103
Note 18: Auditors' fees	103
Note 19: Remuneration of the members of the Executive Board and the Governance Council	104
Note 20: Personnel	104
Note 21: Operating lease commitments	104
Note 22: Post-balance sheet events	104
Note 23: Financing and compensation of Partners	105
Note 24: Entities entering the scope of consolidation in the year	106

107 Independent auditor's report

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Notes	31 August 2011	31 August 2010
Turnover	5	956,652	884,438
Cost of technical staff	6	(455,151)	(424,164)
GROSS MARGIN		501,501	460,274
Cost of administrative staff		(77,363)	(70,247)
Other costs	7	(207,313)	(177,533)
Depreciation and provisions	9, 10, 12	(19,572)	(28,031)
OPERATING SURPLUS		197,253	184,463
Amortisation of client relations and impairment of goodwill	9	(3,321)	(2,977)
Financing costs		(6,570)	(4,864)
Result for entities excluded from scope of consolidation			
SURPLUS BEFORE PARTNERS' COMPENSATION		187,362	176,622
Partners' compensation	23,2	(187,302)	(176,581)
PRE-TAX RESULT		60	41
Tax expense	16	(29)	(12)
POST-TAX RESULT		31	29
Result per share (in €)			
– basic		0.29	0.31
– dilutive		0.29	0.31

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Notes	31 August 2011	31 August 2010
Post-tax result		31	29
Other comprehensive income			
TOTAL COMPREHENSIVE INCOME FOR THE REPORTING PERIOD		31	29

CONSOLIDATED BALANCE SHEET

ASSETS	Notes	31 August 2011	31 August 2010
Non-current assets			
Intangible assets	9	110,203	112,607
Property, plant and equipment	10	39,072	41,275
Other non-current assets		15,450	14,568
TOTAL NON-CURRENT ASSETS		164,725	168,450
Current assets			
Trade and other receivables	11	286,419	281,199
Other current assets		55,615	54,059
Cash and cash equivalents		55,244	47,482
TOTAL CURRENT ASSETS		397,278	382,740
TOTAL ASSETS		562,003	551,190

LIABILITIES	Notes	31 August 2011	31 August 2010
SHAREHOLDERS' EQUITY		504	434
Non-current and current liabilities due to Partners			
Non-current portion	23.1	159,271	158,318
Current portion	23.1	82,630	84,379
TOTAL NON-CURRENT AND CURRENT LIABILITIES DUE TO PARTNERS		241,901	242,697
Other non-current liabilities			
Long-term borrowings (over one year)	14	42,224	45,152
Long-term provisions	12	6,963	7,212
TOTAL OTHER NON-CURRENT LIABILITIES		49,187	52,364
Other current liabilities			
Long-term borrowings (less than one year)	14	28,663	26,554
Current bank borrowings		41,463	41,884
Trade and other payables	15	192,741	178,116
Current provisions	12	7,544	9,141
TOTAL OTHER CURRENT LIABILITIES		270,411	255,695
TOTAL LIABILITIES		562,003	551,190

CONSOLIDATED STATEMENT OF CASHFLOWS

I. OPERATING ACTIVITIES	2010/2011	2009/2010
Net result	31	29
Adjustments for depreciation, amortisation and provisions	22,620	21,376
Profits and losses on disposal	527	281
Self-financing capacity	23,178	21,686
Changes in current and other assets	(4,211)	(20,435)
Changes in current and other liabilities	10,613	(3,316)
Changes in current liabilities due to partners	(1,749)	13,082
Changes in working capital requirements	4,653	(10,669)
NET CASH GENERATED BY OPERATING ACTIVITIES	27,831	11,017
II. INVESTING ACTIVITIES	2010/2011	2009/2010
Purchases of property, plant and equipment and intangible assets	(25,098)	(18,387)
Disposal of property, plant and equipment and intangible assets	1,935	1,309
Changes in other non-current assets	(770)	(523)
Net cash flows on acquisition and disposal of subsidiaries	(54)	(2,269)
NET CASH IN INVESTING ACTIVITIES	(23,987)	-19,870
III. FINANCING ACTIVITIES	2010/2011	2009/2010
Changes in non-current liabilities due to partners	5,595	3,546
Capital increase	39	14
Net changes in borrowings	(875)	(409)
NET CASH FROM FINANCING ACTIVITIES	4,759	3,151
Changes in cash flows	8,602	(5,702)
Impact of exchange rate changes	(420)	977
Cash and cash equivalents at beginning of the year	5,598	10,323
Cash and cash equivalents at the end of the year	13,781	5,598
Cash assets	55,244	47,482
Cash liabilities	(41,463)	(41,884)
NET CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	13,781	5,598

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	31 August 2011	31 August 2010
Shareholders' equity at start of financial period	434	391
(of which share capital)	(232)	(218)
(of which reserves)	(202)	(173)
Capital increase	39	14
Total comprehensive income	31	29
Shareholders' equity at end of financial period	504	434
(of which share capital)	(271)	(232)
(of which reserves)	(233)	(202)
NUMBER OF SHARES, VALUED AT 2.5 EUROS EACH AT YEAR	108,598	92,805

Note 1: Basis of preparation

The financial statements together with the attached notes for the year ended 31 August 2011 are drawn up in accordance with IFRS as adopted by the European Union.

These financial statements are also in accordance with the IFRS standards published by the IASB. The application of the amendments and interpretations not yet endorsed by the European Union or whose implementation is not yet compulsory for accounting periods from 1st September 2010 would not have a significant impact on the financial statements.

The financial statements have been approved by the Group Executive Board on 24 November 2011 and submitted for review to the Group Governance Council. They will be submitted for approval of the General Assembly on 10 December 2011.

Note 2: Significant events

Until 31 August 2010, the organisation had operated in Sweden, for several years, through a joint venture with the SET practice.

From September 2010, the latter joined the organization in its entirety.

For the current reporting period, the organisation includes WeiserMazars which joined the partnership on 1 January 2010.

Note 3: Accounting policies

• New standards and interpretations applicable to the financial year 2010-2011

The new standards and interpretations applicable to the accounts for the 2010/2011 period have had no significant impact on the consolidated accounts of Mazars at 31 August 2011:

- IFRS 2 amendment – Group cash-settled share-based payment transactions,
- IAS 32 amendment – Classification of rights issues,
- Annual improvements (2010),
- IFRIC 14 amendments – Prepayments of a Minimum Funding Requirement,
- IFRIC 15 – Agreements for the construction of real estate,

- IFRIC 17 – Distribution of non-cash assets to owners,
- IFRIC 18 – Transfer of assets from customers,
- IFRIC 19 – Extinguishing financial liabilities with equity instruments.

Mazars has not applied the following standards and interpretations for which application is mandatory only for financial periods after the 31 August 2011 financial period:

- IAS 24 R – Related party transactions,
- IFRS 9 – Financial instruments,
- IFRS 10 – Consolidated financial statements,
- IFRS 11 – Joint arrangements,
- IFRS 12 – Disclosure of interests in other entities,
- IFRS 13 – Fair value measurement,
- IAS 19 R – Employee benefits,
- Amendments to IAS 1 – Presentation of other comprehensive income,
- IFRIC 20 – Stripping costs in the production phase of a surface mine.

The process adopted by Mazars to define the potential impacts of these new standards and interpretations on the consolidated financial statements are in progress. At this stage of the analysis, Mazars does not forecast a significant impact on its consolidated financial statements.

• Currency used for the consolidated financial statements

The consolidated financial statements have been prepared in euros and presented in thousands of euros (except where otherwise stated).

• Basis of consolidation

The entities forming the Mazars organisation have a range of legal forms. Some are general partnerships, some are limited liability partnerships and others are limited liability companies, depending on what is usual or the legal requirement of the national jurisdiction under which they are regulated. They are also subject to professional, technical and ethical standards under both the Mazars internal regulations and national audit legislation and regulations. The Mazars Scrl statutes and other documentation and agreements ("the Mazars

agreements”) include conditions regarding the control of the entities and provisions whereby the rules resulting from the Mazars agreements are subordinated to national audit legislation and regulations.

On the basis of the Mazars agreements, the Mazars Scrl shareholders (“the Partners “), all of whom are practicing partners in Mazars entities (“the entities”), have deemed that, for financial information purposes, Mazars Scrl be the consolidating entity for all the entities under the control of Mazars partners, and that the International Financial Reporting Standards, as applicable in the European Union, are the applicable accounting standards.

The consolidated financial statements comprise the accounts of Mazars Scrl as well as those of the entities in which the Mazars Partners carry out their professional activities, and companies which are majority owned (either directly or indirectly) by these entities. The list of principal entities which fall within the scope of consolidation, analysed by country, is provided in note 4 to the financial statements.

• Key assumptions judgements and sources of estimation uncertainty

The mains assets and liabilities that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are:

- client debtors and work in progress: the impairment of client and work in progress balances as at 31 august 2011 amounts to 1,314 thousand of euros.
- provisions: professional risks are related to Spain, Italy, the Netherlands, the United Kingdom and Switzerland for a global of 3,215 thousand of euros. In addition, specific country risk is presented in the line “Other” for 1,451 thousand of euros and concerns Ivory Coast, Mexico and Ukraine.
- retirement benefits: actuarial estimates and calculations are shown in note 13. The amount of the provision at the end of the year is 5,960 thousand of euros.

Accounting policies are indicated in the following notes for each asset and liability concerned.

• Presentation of the net result before and after tax

The result before and after tax in the financial statements of Mazars Scrl, together with the tax itself, relates solely to the operations of Mazars Scrl. It should be noted that all the sums payable to the Mazars partners at the level of the entities or their subsidiaries are classed as compensation whatever their form, and thus come under “Partners’ compensation”. Due to differences in the Mazars Partners’ legal, tax and corporate status (mainly employees and shareholders for the limited liability companies; Partners with profit shares for the partnerships) under the various national legislations, the sums which are payable to them for each financial year may take different forms: salary, bonuses and social charges, contributions to pension schemes, dividends, dividend-related tax, partnership profits, fees, benefits in kind etc. As regards the tax payable on the profits of entities which have the legal status of limited liability companies and are liable for corporation tax, please refer to the tax policy below.

In certain entities, dividends are paid to employees who do not have the status of Mazars partners; these, along with the related tax, are considered as an operational charge of their remuneration. They are included under “Cost of technical staff” or “Cost of administrative staff” in accordance with the classification within the consolidated entities.

Mazars Scrl does not carry out any professional operations directly and has no employees. It invoices the entities for management and development services as well as brand royalties; it derives the necessary resources to carry out its tasks from the entities’ contributions or from external services; and under Mazars’ agreements, it is not intended to generate significant profits. >>>

• Other comprehensive income

Other comprehensive income is ascribed a nil value because of the particular presentation of income in the financial statements. The components of comprehensive income, including translation differences and the hedging of financial instruments, are reclassified and presented in “Non-current liabilities due to Partners”.

• Sub-headings on the income statement

In addition to the result before and after tax, as defined above, there are the following sub-headings:

- the surplus before the Partners’ compensation: under the terms of the Mazars’ agreements, the concept of surplus is the measure used to reward the performances of entities and partners, and as a reference, after the elimination of exceptional items, if any, in the Mazars’ agreements, for determining the Partners’ compensation. A sub-total is thus calculated which allows the organisation’s performance to be measured before any form of compensation is paid to the partners.
- the operating surplus: the operating surplus is calculated by subtracting the amortisation of client relations, financial costs and the results of discontinued operations from the surplus before compensation of the Partners.
- the gross margin: the gross margin corresponds to turnover after deduction of the cost of technical personnel alone (employees of the organisation and technical sub-contractors).

• Shareholders’ funds and non-current and current liabilities due to Partners

Due to the structure of the organisation, shareholders’ funds are composed solely of the share capital and reserves of the consolidating entity, Mazars Scrl. The Partners’ contributions to the permanent financing of the entities are included in the balance sheet under “Non-current and current liabilities due to Partners”, in the non-current portion. The portion of their remuneration which is deferred until after the closing of accounts is included in the balance sheet under “Non-current and current liabilities due to Partners”, as a current liability.

• Foreign currency transactions

Transactions carried out by entities in currencies other than the functional currencies of these entities are accounted for at the current exchange rate at the date of the transaction and recognised in income for the period.

Assets and liabilities in currencies other than the functional currencies of the entities are converted at the exchange rate ruling at the year-end date. Resulting translation differences are recognised in income for the period.

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

The accounts of entities located outside the euro zone are drawn up in local currency and are converted into euros according to the following method:

- assets and liabilities are converted at the exchange rate ruling at the year-end date;
- the income statement is converted at the average exchange rate of the period;
- exchange rate differences resulting from the application of these various rates are included in “Non-current and current debts due to partners”.

It should be noted that the option under IFRS 1 allowing these differences to be set to zero was adopted, with as at 31 August 2003. Goodwill relating to the acquisition of non-euro zone entities is accounted for the operating currency of the acquired entity and converted at the exchange rate at the year-end rate.

• Business combinations and goodwill

The IFRS principles on business combinations have been applied retrospectively to 1 September 1995, when Mazars Scrl was created and Mazars merged with Guerard Viala in France. These were the founding events of the organisation as it exists today, and of its institutional and financial operation. A retrospective review has been carried out by country for mergers prior to 31 August 2003, which primarily relate to France, the United Kingdom and the Netherlands.

The goodwill included in the balance sheet under “Intangible assets” is thus derived from external

growth operations carried out by the organisation as part of its development over the past decade. The Goodwill accounts for the difference between the cost of the shares (including any anticipated additional considerations, which are accounted as other debts) and the acquired portion of fair value of the assets and liabilities identified at the date of the acquisition.

The fair value of assets identified at the date of acquisition comprises the fair value of contracts and mandates in progress under “Intangible assets” heading, together with the fair value of “Client relations”. They are assessed according to the principles set out below.

Goodwill, like other long-term fixed assets, is subject to an annual impairment test.

The impairment test is carried out by comparing the recoverable amount and the book value of the cash generating units having the goodwill.

The smallest independent cash generating unit is considered to be the country in which the external growth operation occurred.

The recoverable value of a cash generating unit is whichever is the higher between the fair value (usually the market price) net of selling costs, and the value in use. The value in use is determined by discounting the future cash flows to present value. The calculation is based on an estimate of three years’ future cash flows, discounted after applying a growth rate, into perpetuity. The discount rate takes into account the current market expectations of the time value of money and the specific risks related to the cash generating unit.

When the book value of the cash generating unit exceeds the recoverable amount, the assets of the cash generating unit are written down to their recoverable value. Any impairment is recognised first against goodwill and is accounted for in the income statement.

At 31 August 2011, the Mazars organisation has received a commitment to acquire/sell shares held by third parties, who do not have the status of Mazars partners and who are shareholders in certain consolidated entities. These shareholders are the historical shareholders of these entities. The value of the shares at the time of sale is shown in ‘Other payables’ under ‘Trade and other payables’ line on

the consolidated balance sheet, the consideration being carried as goodwill.

• Intangible assets other than goodwill

Intangible assets acquired through a business combination are recognised at their fair value at the date of acquisition and accounted for separately from the goodwill if either of the two following conditions are met:

- they are identifiable (i.e. they result from legal or contractual rights); or,
- they can be separated from the acquired assets and can be measured.

Intangible assets which fall into this category are included under “Client relations”. They include audit mandates, contracts (public sector in particular) and portfolios of client relations. The fair value of “Client relations” is calculated by reference to the expected cash flow from these contracts, mandates and portfolios over their respective durations, discounted at a rate determined by the expected rate of return on share capital, weighted according to the organisation’s financing structure. Client relations are amortised over their estimated average lives on a straight-line basis.

Other intangible assets, acquired separately are accounted for at the value of consideration paid. They are subject to straight-line amortisation over their period of use. The duration is different from country by country. The actual range is 8 to 20 years.

• Property, plant and equipment

Property, plant and equipment are valued at cost less accumulated depreciation and any recognised impairment loss.

Where necessary, the total cost of an asset is broken down into all its different specific parts based on their estimated useful life. Each part is recognised and depreciated separately.

Each asset is subject to straight-line depreciation over its estimated useful life. The most common depreciation periods for these assets are:

- fixtures and fittings: 7 to 10 years
- motor vehicles: 3 to 5 years
- furniture and office equipment: 3 to 10 years ▶▶▶

• Leases

Leases which transfer nearly all the risks and rewards related to the ownership of the rented asset to the lessee are recognised in the balance sheet from the start of the lease contract at the lower of the fair value of the rented asset and the discounted value of the minimum payments. These assets are included under "Property, plant and equipment" with the corresponding liability to the lessor included in the balance sheet as a finance lease obligation. They are subject to depreciation over the periods listed above. Lease payments are apportioned between finance charges and a reduction of the lease obligation.

Leases for which the owner does not transfer the majority of the risks and rewards related to the ownership of the asset are treated as operating leases. Lease payments under these contracts are recognised under "Other costs" in the income statement.

Commitments under non-cancellable operating leases are shown in note 21 to the financial statements.

• Trade and other receivables

Work in progress covers services provided which have not yet been invoiced. Calculation of the work in progress, and thus of the income from services rendered, is based on a specific review of the services provided, billed and to be billed, according to the stage of completion of assignments. They are valued at their probable sales value excluding tax. Work in progress is included with client debtors in the balance sheet presentation. Unless justified exceptions, client debtors are stated at their estimated realisable value and are fully provided when they are more than one year old, and thus considered to be irrecoverable.

• Financial Instruments

The Mazars organisation, and the entities of which it is composed, hold or issue financial instruments in order to finance their activities.

The main instruments held or issued are:

- cash or cash equivalents
- funding provided by the partners
- short- or medium-sized.

A collar-type contract was implemented to manage risk on interest paid on a variable interest rate bank loan. This adapted mechanism was used to cover any variability in the interest paid on the loan resulting from changes in interest rate conditions. The accounting and valuation principles followed by the Mazars organisation for the adapted mechanism conform to the requirements of IAS 39. Variations having an impact on equity capital are presented in "Non-current liabilities due to partners".

• Exchange rate risk management

Each entity in the Mazars organisation uses the same currency for the vast majority of its inflows and expenditures.

As a consequence, exposure to exchange rate risk is held to be negligible.

• Cash and cash equivalents

Cash and cash equivalents include cash at banks, cash in hand and short-term investments (not exceeding three months) that can easily be converted into a predictable cash sum and are subject to a negligible risk of change.

For the purposes of the consolidated statement of cash flows, the net cash and cash equivalents include cash and cash equivalents as defined above, less current bank loans.

• Provisions

A provision is recognised when:

- the group has a current obligation (legal or implicit) resulting from a past event;
- it is probable there will be an outflow of economic benefit;
- the amount of the obligation can be reliably estimated.

Where the effect of the time value is significant, provisions are discounted. The increase in the provision relating to the passing of time is accounted for as a finance cost.

• Retirement benefits (partners and non-partners)

Retirement benefits are linked to retirement indemnities, as well as to certain defined-benefit pension schemes.

The calculation of the provision for pension payments is made according to the projected credit unit method. The valuation takes into account:

- the status, age and seniority of the different categories of employees;
- the turnover rate calculated according to the average number of departures by category;
- the average wages and salaries including bonuses, incentives and remuneration in kind, plus a current coefficient of employers' social charges where relevant;
- a discount rate of the terminal liability projected at the retirement date, with a duration in line with that of the obligation;
- a calculation of the life expectancy determined using the relevant mortality tables for the countries concerned.

Variations in the rights to retirement benefits, resulting from changes in actuarial estimates or the structure of the population concerned, are recognised in the accounts using the “corridor” approach with effect from the date of transition of 31 August 2003.

The portion of the provision relating to partners is included under ‘Non-current and current debts due to partners’.

The countries with a defined benefit scheme are listed below:

	Retirement lump sum indemnities	Pension plan
France	x	
Germany		x
India	x	x
Ivory Coast	x	
Republic of Korea	x	
Turkey	x	
United Kingdom	x	

• Turnover:

Turnover equates the fair value of services rendered to clients over the course of the year. It includes receivable or received payments for the provision of services to clients, subject to deduction of costs related to the provision of services (notably travel and hotels), after taking into account the change in work in progress.

• Corporation tax

The surpluses before partners' compensation are taxed according to the regulations of the countries in which they are generated; in other words, either in the name of the entities (principally in the case of limited liability companies which are subject to corporation tax, for the portion of the surplus which is not composed of tax-deductible costs) or in the name of their partners (principally in the case of partnerships). In the former case, corporation tax is considered as an element of partners' compensation, as explained in ‘Presentation of the result before and after tax’ above. Deferred tax resulting from timing differences is taken into account. The book value of deferred tax assets is reviewed at each year end and reduced when it is no longer probable that sufficient taxable profits will be available to allow use of all or part of this deferred tax asset.

With the exception of tax on the profits of Mazars Scrl, the tax due on the profits of entities that are subjected to corporation tax for the year comes under “Partners' compensation” and – for the portion payable by the organisation – “Other costs”. Consequently the tax is only tax on the profits of Mazars Scrl, and no tax proof is presented. By applying these principles, “Non-current and current liabilities due to Partners” in the non-current portion, and details are given in the relevant note. ►►►

• Segment reporting by sectors

The organisation structure put in place in 2010/2011 emphasizes the trans-national development of service offers.

The operational teams are grouped under the designation Global Business Units (GBU) and deliver the following:

- for the GBU PIE (Public Interest Entities), service offer regarding audit, accounts certification and consulting mainly for listed companies;
- for the GBU OMB (Owner-Managed Businesses), service offer for consulting and audit dedicated to non-listed companies;

- for the GBU TAX, service offer bringing together a whole range of consulting services regarding taxation;
- for the GBU LAW, service offer regarding legal aid in accordance with standards and incompatibilities.

According to IFRS 8, the presentation per GBU shows the organisation's functioning; as a result, the internal reporting has been adapted according by.

• Segment reporting by geographical regions

The geographical reporting is presented in two fold: activity and workforce.

The presentation by geographical regions allows a proper evaluation of the results of the organisation's business from a territorial point of view.

Note 4: Scope of consolidation

In addition to the parent entity, the consolidation perimeter includes operational entities from 61 countries. The main contributing entities are shown in the table below:

Countries	Scope of consolidation 2010-2011
Parent entity	
Belgium	Mazars SCRL Avenue Marcel Thiry, 77 – box 4 – B-1200 – Brussels
Operating entities	
France	Mazars Sa 61, rue Henri Regnault – 92075 Paris La Défense
Germany	Mazars GmbH Rennbahnstrasse 72-74 – 60528 Frankfurt am Main
Ireland	Mazars Block 3 – Harcourt Centre – Harcourt Road – Dublin
Italy	Mazars SpA Corso di Porta Vigentina, 35 – 20122 Milano
Netherlands	Mazars Paardekooper Hoffmann NV Mazars building – Rivium Promenade 200 – 2909 LM Capelle a/d IJssel P.O box 23123 3001 KC Rotterdam
South Africa	Mazars Rialto Road – Grand Moorings Precinct – 7441 Century City – Cape Town
Spain	Mazars Auditores SLP Calle Aragó, 271 08007 – Barcelona
Sweden	Mazars SET Mäster Samuelsgatan 56 – SE-111 – 83 Stockholm
United Kingdom	Mazars LLP Tower Bridge House – St Katharine's Way – E1W 1DD London
United States	WeiserMazars 135 West 50th Street, New York – 10020 New York
Other European Union countries	11 countries
Rest of the World	Europe (4), North America (1), Central and Latin America (7), Asia-Pacific (11), Africa and the Middle East (17)

Turnover includes for the first time five new countries: Angola, Kenya, Nigeria, Peru and Tajikistan.

Furthermore, external growth transactions took place in Sweden and France. Changes to the scope of consolidation took place in Brazil, Chile, Mexico, the Netherlands and South Africa.

The impact of these changes is outlined in note 24.

Note 5: Turnover

	2010/2011	2009/2010
Fee notes rendered	988,288	906,537
Re-billable costs	(38,315)	(28,770)
Change in work in progress	6,678	6,671
TOTAL	956,652	884,438

The 2010/2011 period was marked by an increase of the turnover by 8.2%.
This increase is reaching 3.4% on a constant basis, external growth delivering 4.8%.

Note 6: Cost of technical staff

	2010/2011	2009/2010
Personnel costs	442,644	411,155
Sub-contractors' costs	12,507	13,009
TOTAL	455,151	424,164

Note 7: Other costs

	2010/2011	2009/2010
General Expenses		
Property costs	68,578	62,760
Tax, insurance and professional charges	26,743	21,782
General services	33,853	27,721
Other	79,405	61,770
Sous total	208,580	174,033
Exceptional costs net	(1,267)	3,500
TOTAL	207,313	177,533

The share of general expenses' increase linked to the perimeter evolution amounts to 16,515.

In "Property costs", an amount of 2,000 corresponds to rents invoiced by lessors sharing interests with partners at key management positions. These billings are drawn up according to normal market conditions.

The "Exceptional costs" comprises the payment made to settle a commercial dispute (1,440) and the capital gain from the sale of the Terneuzen office in the Netherlands (-2,707).

Note 8: Segment reporting

The organisation presents segment reporting information according to IFRS 8. Hence, the activity is presented following the information directly provided by the organisation model and internal reporting systems.

• Presentation by sectors:

From an operational point of view, Mazars' organisation is structured around GBUs (Global Business Units). Two of these GBUs are focused on client segments (PIE, OMB) and the two others are focused on specific service offers (Tax, Law).

2009/2010 data has been reprocessed in order to allow comparison with 2010/2011 information.

STATEMENT OF FINANCIAL POSITION

	31 August 2011			31 August 2010		
	Client debtors	Work in progress	Total	Client debtors	Work in progress	Total
PIE	126,197	21,437	147,634	119,566	20,444	140,010
OMB	72,719	31,506	104,225	76,885	26,764	103,649
TAX	19,133	8,523	27,656	19,616	7,164	26,780
LAW	5,112	1,792	6,904	9,346	1,414	10,760
TOTAL	223,161	63,258	286,419	225,412	55,787	281,199

INCOME STATEMENT

	2010/2011			2009/2010		
	Turnover	Cost of technical staff	Gross margin	Turnover	Cost of technical staff	Gross margin
PIE	456,055	(214,540)	241,515	426,652	(204,175)	222,477
OMB	383,881	(186,374)	197,507	348,147	(170,236)	177,911
TAX	99,372	(45,954)	53,418	92,450	(42,151)	50,299
LAW	17,344	(8,282)	9,062	17,188	(7,602)	9,587
TOTAL	956,652	(455,151)	501,501	884,438	(424,164)	460,274

• Presentation by geographical regions:

	2010/2011	2009/2010	Variation
TOTAL ACTIVITY (*)	956,652	884,438	8.2%
Europe - Euro zone	516,339	510,893	1.1%
Europe - except Euro zone	199,400	154,592	29.0%
North and South America	124,497	112,967	10.2%
Africa & Middle East	60,236	56,997	5.7%
Asia	56,180	48,989	14.7%

* Including France 291,874 (+3.6%), the United Kingdom 117,817 (+5.8%), the Netherlands 78,610 (-5%), the United States 90,612 (+29%).

	2010/2011	2009/2010	Variation
TOTAL AVERAGE PERSONNEL NUMBERS	12,508	12,401	0.9%
Europe - Euro zone	4,597	4,726	-2.7%
Europe - except Euro zone	2,233	1,970	13.4%
North and South America	1,598	1,733	-7.8%
Africa & Middle East	2,087	2,114	-1.3%
Asia	1,993	1,858	7.2%

The change in the figures for 'Europe - except the euro-zone' is due to the integration of Mazars SET in Sweden.

While there were some changes in the scope of consolidation in South Africa, Brazil, Chile and Mexico, the figures for North and South America, Africa and Asia demonstrate Mazars' ambition to go on developing its activities on an international level, and in particular in the emerging countries.

Mazars' assets are mainly constituted of clients' outstanding debts and intangible assets like goodwills and clients' relations.

The geographical distribution of intangible assets is presented in note 9.

Note 9: Intangible assets

	Net Value 31 August 2011	Net Value 31 August 2010
Client relations		
Canada	118	147
Denmark	1,258	1,201
France	5,241	3,555
Hungary	–	18
Netherlands	845	1,613
Singapore	2,454	1,874
Sweden	528	–
United Kingdom	3,419	4,333
United States	7,815	9,642
Other	101	101
Sub-total client relations	21,779	22,484
Goodwill		
Botswana	1,122	1,234
Canada	618	648
Egypt	579	692
France	26,744	26,280
Germany	4,731	4,039
Hongkong	996	1,138
Hungary	310	310
Ireland	727	778
Netherlands	3,571	3,493
Singapore	2,724	2,109
Thailand	725	790
United Kingdom	6,921	7,218
United States	26,325	30,287
Other	206	189
Sub-total goodwill	76,300	79,204
Total client relations and goodwill	98,079	101,688
Other intangible assets	12,124	10,920
TOTAL	110,203	112,607

The movement in the year in client relations and goodwill can be analysed as follows:

	Client Relations	Goodwills	Total
New entities entering the scope of consolidation	5,317	2,158	7,475
Disposals	(625)		(625)
Exchange differences	(2,038)	(4,747)	(6,785)
Final allocation	(348)	(746)	(1,094)
Gross sub-total	2,307	(3,336)	(1,029)
New entities entering the scope of consolidation	(204)		(204)
Amortization / Depreciation	(3,057)	(264)	(3,321)
Disposals	(326)	601	275
Exchange differences	575	94	669
Amortization & Depreciation sub-total	(3,012)	431	(2,581)
NET CHANGE	(705)	(2,905)	(3,609)

Most of the evolution results from the external growth transactions in France, Sweden and Asia. The exchange movements are primarily related to assets registered in the United States and United Kingdom.

The “Other intangible assets” category is largely made of software and is amortised on a straight-line basis over a one to five year period.

Note 10: Property, plant and equipment

	Fixtures and fittings	Motor vehicles and other equipment	Furniture and office equipment	Total
Gross value at the beginning of the year 1 Sept. 2010	45,696	7,551	59,346	112,593
Acquisitions	4,459	2,269	7,957	14,685
Disposals	(2,071)	(1,915)	(3,587)	(7,574)
Changes in scope of cons. & exchange margins	(2,293)	(827)	(5,839)	(8,959)
Gross value at the end of the year – 31 August 31 2011	45,790	7,078	57,877	110,745
Depreciation at the beginning of the year – 1 Sept. 2010	(25,288)	(4,135)	(41,895)	(71,318)
Charge and impairment loss for year	(4,175)	(1,539)	(7,341)	(13,055)
Reversal of depreciation on disposals	1,715	1,397	2,930	6,042
Change in scope of consolidation	1,518	(1,364)	6,504	6,659
Depreciation at the end of the year – 31 August 2011	(26,230)	(5,641)	(39,801)	(71,673)
Net book value, 1 Sept. 2010	20,408	3,416	17,452	41,275
Net book value, 31 August 2011	19,560	1,437	18,075	39,072

Note 11: Trade and other receivables

	31 August 2011	31 August 2010
Client debtors (net of provisions)	223,161	225,412
Work in progress net of payments on account	63,258	55,787
TOTAL	286,419	281,199

Note 12: Provisions

	31 August 2010	Reclassification / new entry to scope of consolidation	Additional provisions made in the year	Utilisation of provisions	Unused amounts reversed	31 August 2011
Professional risks	2,242	0	1,887	(603)	(311)	3,215
Retirement benefit liabilities (excl. Partners)	5,498	(2,456)	335	(32)	8	3,353
Properties	1,686	(65)	495	(272)		1,845
Other	6,927	227	3,117	(3,571)	(608)	6,093
TOTAL	16,353	(2,294)	5,834	(4,476)	(910)	14,507

	Portion up to one year	Portion over one year	Total
Professional risks	1,654	1,561	3,215
Retirement benefit liabilities (excl. Partners)	82	3,271	3,353
Properties	1,435	410	1,845
Other	4,373	1,721	6,094
TOTAL	7,544	6,963	14,507

The provision for vacant properties at the end of the year mainly concern two countries: the Netherlands (699) and the United Kingdom (730).

The line “Other” in “Provisions” includes provision for covering specific economic risks (Ivory Coast, Mexico) and litigation costs relating to staff.

Note 13: Retirement benefits and similar liabilities

Actuarial estimates as of August 31, 2011 for each of the schemes in note 3, “Accounting policies”, are as follow:

	Discount rate	Expected rate of return on plan assets
France	4.50%	3.50%
Germany	5.40%	5%
India	8.50%	8.00%
Ivory Coast	6.50%	NA
South Korea	4.23%	NA
Turkey	10.00%	NA
United Kingdom	5.30%	4.70%

The net cost at the year-end is broken down as follows:

	2008/2009	2009/2010	2010/2011
Cost of services rendered	338	366	480
Interest expense	1,594	1,603	1,651
Expected return on assets	(1,226)	(1,102)	(1,158)
New entities entering the scope of consolidation	–	425	266
Actuarial gains and losses	(85)	67	87
Amortisation of cost of services rendered	–	27	–
Exchange rate movement	(12)	62	(36)
COST OF RETIREMENT BENEFIT LIABILITIES FOR THE PERIOD	608	1,447	1,291

The historical data related to the retirement benefits are as follows:

	31 August 2009	31 August 2010	31 August 2011
Retirement benefits and similar liabilities measured in accordance with IAS 19	29,164	33,595	31,839
Fair value of plan assets	(21,686)	(24,867)	(24,738)
Unrecognised actuarial gains and losses	(2,718)	(3,239)	(1,141)
RETIREMENT BENEFIT PROVISIONS AT CLOSING	4,760	5,490	5,960

	31 August 2009	31 August 2010	31 August 2011
Retirement benefit provisions at the start of the period	4,775	4,760	5,490
Total cost for the financial period	608	1,447	1,291
Retirement benefits paid	(623)	(716)	(820)
RETIREMENT BENEFIT PROVISIONS AT CLOSING	4,760	5,490	5,960

Reconciliation of retirement benefit provisions, excluding Partners :

	31 August 2009	31 August 2010	31 August 2011
Retirement benefit provisions at the end of the period	4,760	5,490	5,960
Portion of provision to certain partners (*)	(2,279)	(2,493)	(2,607)
Retirement benefit provisions at closing	2 481	2 997	3 353

(*) Included under "Non-current liabilities due to Partners"

Note 14: Borrowings and other financial liabilities

Borrowings and other financial liabilities	31 August 2011	31 August 2010
less than one year	28,663	26,554
over one and less than five years	33,530	35,216
over five years	8,693	9,936
Sub-total over one year	42,224	45,152
TOTAL	70,887	71,706

Part of this liability (6,000) was a hedge on the risk of variation in a benchmark rate index (EURIBOR 3 months) below 3.90% and above 5%. Testing the long-term efficiency of this hedge led to a loss of 1 and an adjustment of the net position of the related entity of -122 presented in "Permanent financing" of non-current liabilities due to partners (see note 23.1).

Note 15: Trade and other payables

	31 August 2011	31 August 2010
Trade and other payables	97,121	84,676
Social charges	50,910	45,324
Tax payable	44,711	48,117
TOTAL	192,742	178,116

The "Trade and other payables" line shows liabilities contracted by the organisation from buying back the shares in some consolidated entities. As at 31 August 2011, this liabilities amounts to 6,307.

Note 16 : Corporation tax

The tax payable breaks down as follows:

Tax payable	2010/2011	2009/2010
Tax payable by Partners ("Partners' compensation")	8,979	9,006
Tax payable by the organisation	1,320	1,571
Mazars Scrl tax	29	12
TOTAL	10,328	10,589

The amount of deferred tax is as follows:

Deferred tax	2010/2011	2009/2010
Deferred tax assets	7,627	7,167
Deferred tax liabilities	(1,014)	(1,223)
TOTAL	6,613	5,944

The deferred tax assets are primarily composed of elements of Partners' compensation (Retirement benefit provisions). The deferred tax liabilities pertain to amortisable client relations presented in assets, for which the financing is guaranteed by the Partners.

As a result, the net deferred tax is presented in "Non-current liabilities due to Partners".

Note 17: Contingent liabilities

There were no contingent liabilities as of 31 August 2011 or 2010.

Note 18: Auditors' fees

For the year ended 31 August 2011 the auditors' fees can be broken down as follows:

	2010/2011	2009/2010
BDO member firms	417	423
Crowe Horwath International member firms	482	420
Others	420	472
TOTAL	1,319	1,315

The auditors BDO and Crowe Horwath International have not provided any services to Mazars Scrl or their entities other than the audit of their accounts.

Note 19: Remuneration of the members of the Executive Board and the Governance Council

The remuneration due to the five members of the Executive Board, executive body of Mazars Srl, and the nine members of the Governance Council amounted to 8,302 thousand euros for the 2010/2011 financial period. This was either paid during the year, or constitutes a current liability.

Note 20: Personnel

Average numbers (*)	2010/2011	2009/2010
Partners	705	639
Technical staff	9,844	9,913
Administrative staff	1,959	1,850
TOTAL	12,508	12,401

(*) Full-time equivalent.

Note 21: Operating lease commitments

	31 August 2011	31 August 2010
Non-cancellable lease commitments:		
less than one year	46,591	47,503
over one year and less than five years	138,876	152,202
over five years	63,600	69,675
Sub-total	249,067	269,380
AMOUNTS RECEIVABLE FROM NON-CANCELLABLE SUB-LETTING CONTRACTS	7,047	6,091

Note 22: Post-balance sheet events

There are no significant post-balance sheet events that need to be reported which may have had an impact on the 2010/2011 annual figures.

Nevertheless, to be mentioned, new entities will enter the Mazars organisation from 1 September 2011: Bermuda, Oman, Bahrein and, subject to the Partners' approval, Ghana, Qatar and Norway. They represent a fee income of approximately 6,000 thousands of euros.

Note 23: Financing and compensation of Partners

• 23.1: Non-current and current liabilities due to Partners:

	31 August 2011	31 August 2010
Non-current liabilities:		
Permanent financing	112,371	108,001
Provisions for retirement benefits	38,405	41,142
Bond issues	15,108	15,119
Deferred tax (net)	(6,613)	(5,944)
	159,271	158,318
Current liabilities:		
Deferred compensation	82,630	84,379
TOTAL	241,901	242,697

The financing of each of the entities and their subsidiaries is the ultimate responsibility, in accordance with the Mazars agreements, of the Partners who control them.

The line “Bond Issues” concerns mainly Partners’ financing in France and for the remainder part, experienced managers.

Two elements without any impact on P&L account, are presented in “Permanent Financing”:

- financial instrument hedging (-122) (see note 14);
- variations due to conversion of financial statements in other currencies other than the euro (-7,431).

• 23.2: Partners’ compensation:

	2010/2011	2009/2010
Dividends	23,924	24,684
Tax paid and payable by Partners	8,979	9,006
Salary and social charges	93,117	85,772
Fees and partnership profits	61,282	57,119
TOTAL	187,302	176,581

Note 24: Entities entering the scope of consolidation in the year

	France	Sweden	Others	Total
Merger date				
Personnel numbers (*)				
Partners	–	42.0	7.7	49.7
Technical staff	25.7	148.0	80.0	253.7
Administrative staff	3.0	32.0	22.0	57.0
TOTAL	28.7	222.0	109.7	360.4
Consolidated income statement				
Turnover	2,371	31,728	2,451	36,550
Operating surplus (**)	106	9,183	629	9,918
Assets at 31 August 2011				
Total non-current assets	2,686	1,020	285	3,991
Total current assets	1,545	13,480	1,057	16,082
TOTAL	4,231	14,500	1,342	20,073
Liabilities at 31 August 2011				
Non-current and current liabilities due to Partners (***)	–	7,148	169	7,317
Other non-current liabilities	124	2	245	371
Other current liabilities	1,658	7,350	928	9,936
TOTAL	1,781	14,500	1,342	17,624

(*) Full-time equivalents.

(**) After organisation's contribution.

(***) Before organisation's contribution.

In the absence of finalised accounts at 31 August 2010 for certain entities concerned, 12 months' pro-forma information could not be produced. The P&L account therefore reflects the impact of new entries to the perimeter for 2010/2011 financial year, from the date of their integration.

The amounts shown in "Non-current assets" include in particular goodwill in the related operations. Client relations and goodwill have been determined in accordance with the group's rules as it is exposed in the notes to the financial statement.

INDEPENDENT auditors' report

To the Partners of Mazars SCRL,

In compliance with the terms of our non-statutory appointment, we have audited the consolidated financial statements of Mazars SCRL and the entities that form the Mazars organization, which comprise the balance sheet as 31 August 2011, and the income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and the related notes number 1 to 24.

Group Executive Board's Responsibility for the Consolidated Financial Statements

The Group Executive Board is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union, and for such internal control as it determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Group Executive Board, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the financial position of Mazars SCRL and the entities that form the Mazars organization as at 31 August 2011, and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Brussels and London, 24 November 2011

BDO

André Killesse
Belgium



Crowe Clark Whitehill LLP

Steve Gale
United Kingdom

