

Registered No: 02498218

Sharp International Finance (U.K.) Plc

Annual report and financial statements

31 March 2023



Sharp International Finance (U.K.) Plc

Registered No: 02498218

Company Details

Directors

Y. Kosaka
S. Nomura

Secretary

S. Nomura

Independent Auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
40 Clarendon Road, Watford
Hertfordshire, WD17 1JJ

Registered Office

4 Furzeground Way
Stockley Park
Uxbridge
Middlesex
UB11 1EZ, UK

Sharp International Finance (U.K.) Plc

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Strategic Report

Principal activities and review of the business

The company is a Public Limited Company limited by shares.

The company is part of the worldwide group of companies whose parent is Sharp Corporation of Japan.

The company's role in the group is that of a treasury centre. This role involves providing financing to fellow group companies whenever required and raising funds from any currently available source in order to do so. There are no current plans for the company to provide services to any organisation which is not at least partly owned by Sharp Corporation.

In addition the company provides a netting and payments service for the European subsidiaries of Sharp Corporation in their dealings with each other, with Sharp Corporation and with other subsidiaries worldwide and arranges foreign exchange contracts on behalf of the European subsidiaries as a hedge against their anticipated currency exposures.

The company provides regular financial information to fellow Sharp subsidiaries, such as indications of forward FX rates, to assist those companies in their treasury decisions.

The company would also take advantage of any arbitrage opportunity that may occur, specifically where the issue of Sharp debt instruments can be used to purchase paper in another company in anticipation of a profit.

There has been no change in this basic pattern of business since the founding of the company.

There are no other significant new developments to report.

The company's key financial and other performance indicators during the year were as follows:

	2023	2022	Change
	\$'000	\$'000	
Turnover	12,849	3,615	255.44%
Profit before tax	1,452	580	150.34%
Profit after tax	888	512	73.44%
Total Shareholders' funds	48,788	47,957	1.73%
Assets as a % of liabilities (including long-term)	109.14	109.16	-0.02%

Turnover increased significantly due to the increase of the USD interest rate from 0.3303% in March 2022 to 4.828% in March 2023. Whereas most of SIF's assets and liabilities are matched, interest earned from SIF's own USD cash greatly increased. FX commission decreased by 42.59% because Sharp Consumer Electronics Poland chose to no longer arrange FX hedges through the company. Settlement commission remained stable. Profit before tax increased primarily because of the rise in USD interest rates.

The EUR weakened against the USD by 2.21% and JPY weakened by 9.23%. However this did not have a significant effect on profit, because, for most of the company's transactions, funding and investment instruments are matched together and any foreign exchange exposure is covered by foreign exchange contracts.

Shareholders' funds were affected only by the change in retained earnings due to the profit for the year and the change in value of the defined benefit pension scheme.

The ratio of current assets to current liabilities has remained reasonably stable.

Principal risks and uncertainties

The company finances its operations by a combination of equity, bank borrowings, commercial paper and medium-term notes. It is the company's policy to use appropriate financial instruments, such as swaps or forward foreign exchange contracts, to reduce interest rate, and currency risk to a minimum. Most transactions are entered on a basis where funding is matched to the maturity of the asset. The company's access to funding may be affected by the situation of Sharp Corporation, however, as described in note 1 to the Financial Statements, the company considers Sharp Corporation to be able to secure the funding it requires and underpin the company's ability to collect and repay intercompany balances in the future. The company also enters into forward foreign exchange contracts as a principal on behalf of its fellow subsidiaries, who are required to settle the outstanding balances on maturity of the contracts.

Strategic Report

Principal risks and uncertainties (continued)

The company's currency risk is assessed as insignificant. The principal risks facing the company and further risk management information are described in note 16 to the financial statements.

By order of the board



S. Nomura

Secretary

Date: 21st July 2023

Registered office: 4 Furzeground Way, Stockley Park, Uxbridge, Middlesex, UB11 1EZ, UK

Directors' Report

The directors present their report on the affairs of the company together with the audited financial statements and auditors' report for the year ended 31 March 2023. Disclosures relating to financial risk management are included in the Strategic Report and note 16.

Qualifying third-party indemnity provisions

Qualifying third party indemnity provisions as defined by the Companies Act 2006 were in force for the benefit of Directors throughout the year and up to the date of approval of the financial statements.

Results and dividends

The profit for the year, after taxation, amounted to \$888,044 (2022: \$512,352). No interim dividend was paid during the year (2022: \$nil). The directors do not recommend the payment of a final dividend (2022: \$nil).

Future developments

The company expects to continue to provide financial support to fellow Sharp subsidiaries in Europe and to look for new opportunities to expand the business.

Directors

The directors who served during the year and up to the date of signing of the financial statements, unless otherwise indicated, were as follows:

Y. Kosaka
S. Nomura

Directors' Report

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the Annual report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law).

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006.

Directors' confirmations

In the case of each director in office at the date the Directors' Report is approved:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Directors' Report

Independent auditors

In accordance with Section 489 of the Companies Act 2006, a resolution is to be proposed at the 2023 Annual General Meeting for the reappointment of PricewaterhouseCoopers LLP as independent auditors of the company.

The Directors' Report on pages 5 to 7 were approved by the Board of Directors on 21st July 2023 and signed on its behalf by order of the board.



S. Nomura

Secretary

Date: 21st July 2023

Registered office: 4 Furzeground Way, Stockley Park, Uxbridge, Middlesex, UB11 1EZ, UK

Independent auditors' report to the members of Sharp International Finance (U.K.) Plc

Report on the audit of the financial statements

Opinion

In our opinion, Sharp International Finance (U.K.) Plc's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2023 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the Balance Sheet as at 31 March 2023; the Statement of Comprehensive Income and Statement of Changes in Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

Independent auditors' report

to the members of Sharp International Finance (U.K.) Plc (continued)

If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' Report for the year ended 31 March 2023 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of directors' responsibilities in respect of the financial statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to the Companies Act 2006 and Corporate Tax Legislation, and we considered the extent to which non-compliance might have a material effect on the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate accounting entries to manipulate financial results and management bias in accounting estimates. Audit procedures performed by the engagement team included:

Independent auditors' report

to the members of Sharp International Finance (U.K.) Plc (continued)

- Discussion with management including consideration of known or suspected instances of non-compliance with laws and regulations or fraud;
- Challenging assumptions and judgements made by management in their significant accounting estimates and judgements, in particular in relation to the recoverability of assets;
- Review of board minutes for consideration of known or suspected instances of non-compliance with laws and regulations or fraud;
- Risk based testing of journal entries; and
- Reviewing the disclosures in the Directors' Reports and Financial Statements against the specific legal requirements

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



Sandeep Dhillon (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Watford
24 July 2023

Statement of Comprehensive Income

for the year ended 31 March 2023

		2023	2022
	Note	\$'000	\$'000
Turnover	2	12,849	3,615
Interest payable and similar expenses	3	(10,873)	(2,398)
Gross profit		1,976	1,217
Foreign exchange loss		(33)	(21)
Administrative expenses		(550)	(618)
Operating profit		1,393	578
Interest receivable and similar income		59	2
Profit before taxation	4	1,452	580
Tax on profit	7	(564)	(68)
Profit after taxation		888	512
Profit for the financial year		888	512
Other comprehensive(expense)/income			
Items that will not be reclassified to profit or loss			
Remeasurement of defined benefit surplus/(deficit)		(88)	54
Movement on deferred tax relating to pension (surplus)/deficit		31	(22)
Total other comprehensive (expense) /income		(57)	32
Total comprehensive income for the year		831	544

All of the company's activities are derived from continuing operations.

Notes on pages 14 to 32 form part of these financial statements.

Balance Sheet

at 31 March 2023

	Note	2023 \$ '000	2022 \$ '000
Current assets			
Debtors: amounts falling due within one year	9	581,496	465,684
Debtors: amounts falling due after more than one year	9	-	104,015
Derivative financial instruments	10	129	435
Cash at bank and in hand		1,193	1,231
		582,818	571,365
Total assets		582,818	571,365
Creditors: amounts falling due within one year			
Creditors: amounts falling due within one year	11	(533,908)	(157,289)
Derivative financial instruments	12	(94)	(375)
		(534,002)	(157,664)
Net current assets		48,816	413,701
Total assets less current liabilities		48,816	413,701
Creditors: amounts falling due after more than one year			
Creditors: amounts falling due after more than one year	13	-	(365,744)
Pension deficit		(28)	-
		(28)	(365,744)
Net assets		48,788	47,957
Capital and reserves			
Called up share capital	15	8,732	8,732
Profit and loss account		40,056	39,225
Total equity		48,788	47,957

Notes on pages 14 to 32 form part of these financial statements

These financial statements on pages 11 to 32 were approved by the Board of Directors on 21st July 2023 and were signed on its behalf by:



S. Nomura

Managing Director

Registered No : 02498218

Statement of Changes in Equity

for the year ended 31 March 2023

	<i>Called up share capital</i>	<i>Profit and loss account</i>	<i>Total equity</i>
	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>
Balance at 1 April 2021	8,732	38,681	47,413
Total comprehensive income for the year			
Profit for the year	-	512	512
Other comprehensive income	-	32	32
Total comprehensive income for the year	-	544	544
Balance at 31 March 2022	8,732	39,225	47,957
Total comprehensive income for the year			
Profit for the year	-	888	888
Other comprehensive expense	-	(57)	(57)
Total comprehensive income for the year	-	831	831
Balance at 31 March 2023	8,732	40,056	48,788

Notes on pages 14 to 32 form part of these financial statements

Notes

(forming part of the financial statements)

1. Accounting policies

Basis of preparation

Sharp International Finance (U.K.) Plc (the “company”) is a public company incorporated and domiciled in England, United Kingdom, where the company is registered.

These financial statements have been prepared in accordance with The Companies Act 2006 as applicable to companies using FRS 101 (*Reduced Disclosure Framework*).

In preparing these financial statements, the company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards (“IFRSs”), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

The company’s ultimate parent undertaking, Sharp Corporation, includes the company in its consolidated financial statements. The consolidated financial statements of Sharp Corporation are prepared in accordance with generally accepted accounting principles in Japan and are available to the public and may be obtained from the address in note 18.

In these financial statements, the company has applied the exemptions available under FRS 101 in respect of:

- The following paragraphs of IAS1, “Presentation of financial statements”:
 - 10(d) (statement of cash flows);
 - 16 (statement of compliance with all IFRS);
 - 38(a) (requirement for a minimum of two primary statements, including cash flow statements);
 - 38B-D (additional comparative information);
 - 111 (statement of cash flows information); and
 - 134-136 (capital management disclosures).
- IAS7, “Statement of cash flows”.
- Paragraph 38 of IAS 1, “Presentation of financial statements” – comparative information requirements in respect of:
 - paragraph 79(a)(iv) of IAS1; and
 - paragraph 73(e) of IAS 16, “Property, plant and equipment”;
- Paragraph 17 of IAS 24 Related Party Disclosures (key management compensation); and
- The requirements in IAS 24 “Related party disclosures”, to disclose related party transactions entered into between two or more members of a group;

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Judgements made by the directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 20. No significant accounting judgements were made in the preparation of the accounts.

Accounting policy and disclosures

(a) Measurement convention

The financial statements are prepared on the historical cost basis except that the following assets and liabilities are stated at their fair value: derivative financial instruments, financial instruments classified as fair value through the profit or loss.

Notes

(forming part of the financial statements)

1. Accounting policies (continued)

(b) Going concern

A key part of the company's activity is to provide cash management and funding to other Sharp group companies. It is dependent on Sharp Corporation for its ability to provide access to the funds that will be needed, either from other group companies or outside sources including under group-wide bank facilities. Whilst there is no formal commitment from Sharp Corporation to provide such funds that is the way the company has operated within the group for a number of years. Equally there is no current intention by Sharp Corporation to cease the trading arrangement with the company and as a result there is no indication that this will not continue for the foreseeable future.

Taking all these factors into account the directors conclude that the going concern basis of accounting remains appropriate in preparing the annual financial statements of the company.

(c) New standards, amendments, IFRIC interpretations and relevant disclosure requirements

The following amendments are effective for annual periods beginning on or after 1 January 2022:

IAS 16	Property, plant and equipment before intended use
IFRS 3	Business combinations
IAS 1	Presentation of financial statements
IAS 37	Provisions, contingent liabilities and contingent assets
IAS 12	Income taxes

These do not have a material effect on the company's financial statements

New standards and interpretations not yet adopted

The following amendments are effective for annual periods beginning on or after 1 January 2023 and have not been applied in preparing these financial statements. The Directors are considering the potential impact of these amendments, but at the current time they are not expected to have a material effect on the company's financial statements.

IAS 1	Presentation of financial statements – narrow scope amendments
IAS 1	Presentation of financial statements – non-current liabilities with covenants
IAS 12	Income taxes -deferred tax related to assets and liabilities arising from a single transaction

There are no amendments to IFRIC interpretations that are effective for the year ended 31 March 2023 that have a material impact on the company's financial statements.

(d) Foreign currencies

The financial statements are presented in US Dollars, which is the functional currency of the company. The US Dollar is the principal trading currency of the company. All values are rounded to the nearest thousand dollars (\$'000) except where otherwise indicated.

Monetary assets and liabilities are expressed in US Dollars at spot market rates of exchange ruling at the balance sheet date. Non-monetary assets and liabilities, such as tangible fixed assets and share capital, are translated at the rates ruling when acquired or issued, respectively. Income and expenses expressed in foreign currencies are translated into US Dollars using the rates of exchange ruling at the transaction dates.

Notes

(forming part of the financial statements)

1. Accounting policies (continued)

(d) Foreign currencies (continued)

Translation differences are dealt with in the profit and loss account. Foreign currency gains and losses are reported on a net basis.

(e) Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Depreciation is provided on cost in equal instalments over the estimated useful lives of the assets less estimated residual value using the straight line method. Fixtures, fittings and office equipment are written off over a five year period.

(f) Classification of financial instruments

The company classifies its financial instruments in the following categories: financial assets or liabilities at fair value through profit and loss, and financial assets or liabilities at amortised cost as appropriate. The company determines the classification of its financial instruments at initial recognition. When financial instruments are recognised initially, they are measured at fair value, being the transaction price plus, in the case of financial instruments not at fair value through profit and loss, directly attributable transaction costs.

Purchases and sales of financial instruments are recognised on the trade date, being the date that the Company commits to purchase or sell the financial instruments. The subsequent measurement of financial instruments depends on their classification, as follows:

Non-derivative financial instruments

Non-derivative financial instruments comprise trade and other debtors, cash and cash equivalents, loans and borrowings, and trade and other creditors.

Trade and other debtors

Trade and other debtors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses.

Trade and other creditors

Trade and other creditors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances only.

Financial assets at amortised cost

Financial assets at amortised cost are non-derivative financial assets with fixed or determinable payments that are not quoted on an active market. Such assets are recognised initially at fair value plus attributable transaction costs. Subsequent to initial recognition, financial assets at amortised cost are stated at amortised cost using the effective interest method, less any impairment losses. Gains and losses are recognised in the profit and loss account when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

Notes

(forming part of the financial statements)

1. Accounting policies (continued)

(f) Classification of financial instruments (continued)

Interest-bearing loans

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

Derivative financial instruments

The company uses derivative financial instruments such as cross currency swaps and interest rate swaps to hedge its risks associated with foreign currency and interest rate fluctuations. Hedge accounting is not applied as the hedge relationships do not meet the criteria under IFRS9 to qualify for hedge accounting. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured to fair value. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

Foreign exchange contracts taken out on a back-to-back basis with banks and Sharp Group companies are stated on a gross basis.

The fair value of swaps contracts is determined by reference to valuation by third party brokers.

Any gains or losses arising from changes in the fair value of derivatives are taken to profit or loss.

Financial instruments at fair value through profit and loss

Derivative financial instruments are recognised at fair value. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss. However, where derivatives qualify for hedge accounting, recognition of any resultant gain or loss depends on the nature of the item being hedged.

Financial instruments issued by the company

Following adoption of IAS 32, financial instruments issued by the company are treated as equity only to the extent that they meet the following two conditions:

- (a) they include no contractual obligations upon the company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the company; and
- (b) where the instrument will or may be settled in the company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the company's own equity instruments or is a derivative that will be settled by the company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

Notes

(forming part of the financial statements)

1. Accounting policies (continued)

(g) Impairment of financial assets

The company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

Financial assets (including trade and other debtors)

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the Company would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

(h) Employee benefits

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which the company pays fixed contributions into a separate entity 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 profit and loss account in the periods during which services are rendered by employees.

Defined benefit plans

The company has made contribution to a defined benefit pension scheme for group companies operated by Sharp Electronics (Europe) Limited. The net obligation in respect of defined benefit pension plans is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any plan assets are deducted.

The defined benefit pension asset or liability in the balance sheet comprises the company's share of the total present value of the defined benefit obligation. The pension cost is assessed using the projected unit method in accordance with the advice of a qualified actuary. The company's share of the underlying assets and liabilities is based on the independent actuary's reports and has been identified on a consistent and reasonable basis.

Actuarial gains and losses are recognised in full in the statement of recognised gains and losses in the period in which they occur.

The directors do not consider the amounts or impacts of the pension scheme significant on the results or balance sheet and so have not provided further disclosure.

Notes

(forming part of the financial statements)

(i) Turnover

Commission earned on foreign exchange trades, representing the difference in value between back-to-back foreign exchange contracts taken out with banks and Sharp group companies, is included in the profit and loss account on a trade date basis.

Settlement administration commission is included monthly in the profit and loss account at a fixed percentage of the amounts transferred from and to the Sharp group companies.

Interest income is recognised in profit or loss as it accrues, using the effective interest method.

(j) Interest payable and similar charges

Interest payable and similar charges include interest payable and net foreign exchange losses that are recognised in the profit and loss account (see foreign currency accounting policy).

Interest payable is recognised in profit or loss as it accrues, using the effective interest method.

(k) Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on 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 of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

2. Turnover

- (a) Turnover, which is all derived from continuing operations, consists of income arising from loans made to group undertakings and the holding of securities and commissions charged to fellow subsidiary undertakings.
- (b) An analysis of turnover by geographical segment based on the destination is given below:

	2023	2022
	\$'000	\$'000
United Kingdom & European Union	3,387	1,872
Japan	4,487	748
Other	4,975	995
	<u>12,849</u>	<u>3,615</u>

Notes

(forming part of the financial statements)

Turnover comprises:

	2023	2022
	\$ '000	\$ '000
Interest receivable	12,360	2,822
Foreign exchange commission receivable	337	587
Settlement administration commission receivable	114	118
Other	38	88
	<u>12,849</u>	<u>3,615</u>

3. Interest payable and similar expenses

	2023	2022
	\$ '000	\$ '000
Discount notes	2,978	618
Short term bank loans	244	95
Long-term group loans	7,548	1,548
Exchange loss realised on loan interest	103	137
	<u>10,873</u>	<u>2,398</u>

4. Profit before taxation

Profit before taxation is stated after charging:	2023	2022
	\$ '000	\$ '000
Auditors' remuneration		
- audit of these financial statements	45	47

5. Staff costs

- (a) The monthly average number of persons employed by the company (including directors) during the year, analysed by category, was as follows:

	2023	2022
	No.	No.
Dealing/administration	2	3

- (b) The aggregate payroll costs of these persons were as follows:

	2023	2022
	\$ '000	\$ '000
Wages and salaries	281	365
Social security costs	13	18
Other pension costs	14	20
	<u>308</u>	<u>403</u>

Notes

(forming part of the financial statements)

6. Directors' Remuneration

Directors' remuneration was paid in respect of the directors of the company as follows:

	2023	2022
	\$'000	\$'000
Emoluments	157,453	180,714

7. Tax on Profit

Analysis of charge/(credit) recognised in the statement of comprehensive income

	2023 \$'000	2023 \$'000	2022 \$'000	2022 \$'000
<i>UK corporation tax</i>				
Current tax on income for the year	203		76	
Group tax relief utilised in respect of prior period	-		(63)	
Adjustments in respect of prior period	-		(17)	
		203		(4)
Double taxation relief	(12)		(20)	
		(12)		(20)
<i>Foreign tax</i>				
Current tax on income for the year	367		87	
		367		87
Total current tax		558		63
<i>Deferred tax (see Note 14)</i>				
Origination and reversal of timing differences	6		5	
Total deferred tax		6		5
Tax on profit		564		68

Notes

(forming part of the financial statements)

7. Tax on Profit (continued)

Reconciliation of effective tax rate	2023	2022
	\$'000	\$'000
Profit before taxation	1,452	580
Effects of:		
Tax at 19% (2022: 19%) corporation tax rate	276	110
Income not deductible for tax purposes	(5)	(4)
Group tax relief utilised in respect of prior years	-	(63)
Group tax relief utilised in respect of current year	(68)	(30)
Adjustment in respect of prior period	-	(17)
Withholding Tax not recoverable	355	67
Deferred tax charge	6	5
Total tax (credit)/charge for the year	564	68

Factors affecting the tax charge for future periods

In the Spring Budget 2022, the Government announced that from 01 April 2023 the corporation tax rate will increase to 25%. The proposal to increase the rate to 25% was substantively enacted on 24 May 2022, and is therefore reflected in these financial statements as at 31 March 2023, balance sheet date.

8. Tangible fixed assets

	<i>Fixtures, fittings and office equipment</i>
	\$'000
Cost:	
At 1 April 2022 and 1 April 2021	146
Additions	-
Disposals	-
At 31 March 2023 and 31 March 2022	146
Accumulated depreciation:	
At 1 April 2022 and 1 April 2021	146
Charge for the year	-
Disposals	-
At 31 March 2023 and 31 March 2022	146
Net book value:	
At 31 March 2022	-
At 31 March 2023	-

Notes

(forming part of the financial statements)

9. Debtors

Long-term (amounts falling due after more than one year)

	2023	2022
	\$'000	\$'000
Amounts owed by group undertaking	-	104,000
Pension surplus	-	15
	<u>-</u>	<u>104,015</u>

Short-term (amounts falling due within one year)

	2023	2022
	\$'000	\$'000
Amounts owed by group undertakings	581,260	465,201
Other debtors	14	8
Corporation tax receivable	28	29
Deferred tax assets less pension (Note 14)	7	5
Prepayments and other accrued income	20	21
Accrued income from group undertakings	167	420
	<u>581,496</u>	<u>465,684</u>

The receivables are unsecured in nature and mostly bear interest. No provisions are held against receivables from related parties (2022:nil). Accrued income receivable decreased significantly because in 2022, loans amounting to USD 150 million rolled over on 1st April, resulting in eighty-six days' accrued interest. In 2023 the equivalent loans rolled over on 31st March, resulting in only one day's accrued interest.

10. Derivative financial instruments

	2023	2022
	\$'000	\$'000
Forward foreign exchange contracts	129	435
	<u>129</u>	<u>435</u>

11. Creditors: amounts falling due within one year

	2023	2022
	\$'000	\$'000
Bank loans	17,408	17,802
Amount owed to group undertakings including accrued interest	516,361	139,332
Taxation and social security	109	35
Accruals and deferred revenue	30	120
	<u>533,908</u>	<u>157,289</u>

Notes

(forming part of the financial statements)

The fair value of amounts owned by group undertakings, trade creditors and other creditors approximate their carrying amounts due to the short term maturities. Amounts due to group undertakings are unsecured, mostly bear interest, and have a fixed date of repayment.

12. Derivative Financial Instruments

	2023	2022
	\$'000	\$'000
Forward foreign exchange contracts	94	375
	<u>94</u>	<u>375</u>
Less: maturity within one year	<u>(94)</u>	<u>(375)</u>
Due after one year	<u>-</u>	<u>-</u>

13. Creditors: amounts falling due after more than one year

This note provides information about the contractual terms of the company's interest-bearing loans and borrowings, which are measured at amortised cost.

	2023	2022
	\$'000	\$'000
Creditors falling due after more than one year		
Long term-group loans	-	365,744
Creditors falling due within less than one year		
Unsecured bank loans	17,408	17,802
Group loans	360,972	
Discount notes issued to fellow subsidiaries	155,219	138,515
	<u>533,599</u>	<u>522,061</u>

Terms and debt repayment schedule

	Currency	Nominal interest rate	Year of maturity	Face value	Carrying amount	Face value	Carrying amount
				2023	2023	2022	2022
				\$'000	\$'000	\$'000	\$'000
Long-term group loan	USD	6mth LIBOR	2023	-	-	149,900	149,900
		+0.325%					
	EUR	6mth LIBOR	2023	-	-	215,844	215,844
		+0.445%					
TOTAL				-	-	365,744	365,744

Notes

(forming part of the financial statements)

	Currency	Nominal interest rate	Year of maturity	Face value	Carrying amount	Face value	Carrying amount
				2023 \$'000	2023 \$'000	2022 \$'000	2022 \$'000
Group loan	USD	6mth LIBOR +0.325%	2023	149,900	149,900	-	-
	EUR	6mth LIBOR +0.445%	2023	211,072	211,072	-	-
Bank loan	EUR	0.501	2022	17,408	17,408	17,802	17,802
TOTAL				378,380	378,380	17,802	17,802

	Currency	Nominal interest rate	Year of Maturity	Face value	Carrying amount	Face value	Carrying amount
				2023 \$'000	2023 \$'000	2022 \$'000	2022 \$'000
Discount Notes	GBP	0.160	2022	-	-	37,389	37,389
Discount Notes	EUR	0.526	2022	-	-	95,194	95,194
Discount Notes	JPY	0.050	2022	-	-	5,932	5,932
Discount Notes	GBP	4.1645	2023	43,190	43,190	-	-
Discount Notes	EUR	3.575	2023	98,029	98,029	-	-
Discount Notes	USD	4.80	2023	14,000	14,000	-	-
TOTAL				155,219	155,219	138,515	138,515

14. Deferred tax assets and liabilities

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities		Net	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Defined Pension Benefit	15	-	-	(8)	15	(8)
Capital allowance	7	5	-	-	7	5
Net tax assets/(liabilities)	22	5	-	(8)	22	(3)

Deferred taxation movements are:

	1 April 2022 \$'000	Recognised in income \$'000	Recognised in equity \$'000	31 March 2023 \$'000
Defined Pension Benefit	(8)	(8)	31	15
Capital allowance	5	2	-	7
	(3)	(6)	31	22

Notes

(forming part of the financial statements)

Deferred tax movements in prior year

	1 April 2021 \$'000	Recognised in income \$'000	Recognised in equity \$'000	31 March 2022 \$'000
Defined Pension Benefit	19	(5)	(22)	(8)
Capital allowance	5	-	-	5
	<u>24</u>	<u>(5)</u>	<u>(22)</u>	<u>(3)</u>

The deferred tax assets have been recognised at 25% (2022: 25%) being the UK corporation tax rate applicable from 1 April 2023, apart from the defined pension benefit surplus which attracts a rate of 35%.

15. Called up Share capital

	2023 \$'000	2022 \$'000
Authorised and Allotted, called up and fully paid:		
86,449 (2022: 86,449) ordinary shares of \$100 each	8,645	8,645
500 (2022: 500) ordinary shares of £100 each	<u>87</u>	<u>87</u>
	<u>8,732</u>	<u>8,732</u>

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the company.

16. Financial instruments

The company's financial instruments comprise bank loans, borrowings from the parent company, loans to group companies, discount notes issued to group companies and forward foreign exchange contracts. The main purpose of these financial instruments is to raise and manage finance for the company's operations.

The company enters into derivative transactions to manage the currency risks arising from the company's operations and its sources of finance, principally through holding currency swaps and forward currency exchange contracts. The company does not enter into derivative transactions for any speculative purpose.

The main risks arising from the company's financial instruments are interest rate risk, liquidity risk, foreign currency risk, credit risk and market risk. The board considers these risks and agrees policies for managing each of them, in order to ensure the long-term stability of the company's operations.

Risk management

It is the company's policy to reduce the financial risk of its financial instruments to a minimum by the use of foreign exchange. The company constantly monitors the movements of interest and currency rates as part of the normal daily business of the company.

Notes

(forming part of the financial statements)

16. Financial instruments (continued)

Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the company's income or the value of its holdings of financial instruments.

Interest rate risk

The short term loans to Sharp group companies are funded from available cash, discount notes issued to other Sharp group companies, borrowings from the parent company and bank loans. These short term assets and liabilities have fixed interest rates and hence no sensitivity to changes in interest rate risk.

Foreign currency risk

The currency exposure of the company from making loans to group companies in foreign currencies is reduced to a minimum with the use of forward foreign currency contracts.

As at 31 March 2023, the net value of outstanding forward foreign exchange contracts which were entered into by the company amounted to \$172,993 (2022: \$643,762). The contracts are either arranged for fellow subsidiary undertakings and are entered on a back-to-back basis with a bank or as hedges for loans made in one currency and funded in another. As such the company has little exposure to changes in foreign currency rates.

Liquidity risk

Liquidity risk is the risk that the company will not be able to meet its financial obligations as they fall due.

Group funds are also accessed with the issue of discount notes to and borrowings from fellow group subsidiaries. The maturity profiles of funding and investments are exactly matched as often as possible, except where the investment is an equity instrument.

As described in Note 1, whilst the company has access to funding from third parties, as part of Sharp Corporation group it is dependent upon the support of the parent company in arranging access to such funding.

The table below summarises the maturity profile of the company's financial liabilities at 31 March 2023 and 2022 based on contractual undiscounted payments.

	Less than 3 months	3 to 12 months	1 to 5 years	Over 5 years	Total
	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
2023					
Non-derivative financial liabilities	172,716	361,017	-	-	533,733
Derivative financial liabilities	94	-	-	-	94
Total	172,810	361,017	-	-	533,827
2022					
	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
Non-derivative financial liabilities	156,329	-	365,744	-	522,073
Derivative financial liabilities	357	18	-	-	375
Total	156,686	18	365,744	-	522,448

Notes

(forming part of the financial statements)

16. Financial instruments (continued)

Credit risk

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the company's receivables from customers and investment securities.

Loans are made only to Sharp group companies. Transactions with Sharp group companies are considered to have minimal credit risk, because of the support of the parent company Sharp Corporation, as described in note 1. For other counterparties, counterparty credit risk is carefully managed through the setting of limits and frequent monitoring of exposures. All other counterparties are major financial institutions. In setting counterparty exposure limits, consideration is given to external credit agency ratings and internal limits. Regular examination is performed to check the continued credit-worthiness of all counterparties. The maximum credit risk exposure relating to financial assets is represented by carrying value as at the balance sheet date.

Equity price risk

The company was not exposed to equity price risk during the year.

Market risk – Foreign currency risk

The company's exposure to foreign currency risk is as follows. This is based on the carrying amount for monetary financial instruments except derivatives when it is based on notional amounts.

2023	GBP \$'000	EUR \$'000	JPY \$'000	PLN \$'000	CHF \$'000	SEK \$'000	NOK \$'000	DKK \$'000	CZK \$'000	NZD \$'000	RUB \$'000	Total \$'000
Cash	47	312	8	1	3	5	-	1	1	2	-	380
Loans receivable	43,190	324,746	-	-	-	-	934	1,616	-	18,815	-	389,301
Forward FX contracts	2	1,791	-	-	-	-	(963)	(1,759)	-	(19,014)	-	(19,943)
Bank loan	-	(17,408)	-	-	-	-	-	-	-	-	-	(17,408)
Long-term loan	-	(211,072)	-	-	-	-	-	-	-	-	-	(211,072)
Discount Note	(43,190)	(98,029)	-	-	-	-	-	-	-	-	-	(141,219)
Net exposure	49	340	8	1	3	5	(29)	(142)	1	(197)	-	39

2022	GBP \$'000	EUR \$'000	JPY \$'000	PLN \$'000	CHF \$'000	SEK \$'000	NOK \$'000	DKK \$'000	CZK \$'000	NZD \$'000	RUB \$'000	Total \$'000
Cash	51	404	5	1	2	2	-	-	1	65	3	534
Loans receivable	37,394	328,885	5,932	-	-	-	853	2,806	-	20,220	492	396,582
Forward FX contracts	16	44	-	-	-	-	(859)	(2,813)	-	(21,078)	-	(24,690)
Bank loan	-	(17,802)	-	-	-	-	-	-	-	-	-	(17,802)
Long-term loan	-	(215,844)	-	-	-	-	-	-	-	-	-	(215,844)
Discount Note	(37,389)	(95,194)	(5,932)	-	-	-	-	-	-	-	-	(138,515)
Net exposure	72	493	5	1	2	2	(6)	(7)	1	(793)	495	265

Notes

(forming part of the financial statements)

16. Financial instruments (continued)

Sensitivity analysis

A 5 percent weakening of the following currencies against the US Dollar as at 31 March 2023 would have increased/(decreased) profit and loss by the amounts shown below. This calculation assumes that the change occurred at the balance sheet date and had been applied to risk exposures existing at that date. This analysis assumes that all other variables, in particular other exchange rates and interest rates, remain constant. This analysis is performed on the same basis for 31 March 2022.

	2023	2022
	\$'000	\$'000
EUR	18	26
JPY	-	-
RUB	-	(25)

A 5 percent strengthening of the above currencies against the US Dollar as at 31 March would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant. A change in the value of either currency would cause no significant change in the value of equity.

Market risk – Interest rate risk

As at balance sheet date the interest rate profile of the company's interest-bearing financial instruments was:

	2023	2022
	\$'000	\$'000
Fixed rate instruments		
Financial assets	581,248	569,181
Financial liabilities	533,600	522,062

Sensitivity analysis

Because all financial assets and liabilities are at fixed rate or at floating rate but matched with funding at the same floating rate with a fixed margin, an increase or decrease in interest rate of 5 percent would have no effect on equity or profit and loss.

Notes

(forming part of the financial statements)

16. Financial instruments (continued)

Fair values of financial assets and liabilities

The carrying values and fair values of financial assets and liabilities other than those detailed in notes 10 and 12, are considered to be approximately equal considering the risks stated above.

The valuation methods used for valuing long term financial instruments is set out in Accounting Policies.

Fair value hierarchy

The table below analyses financial instruments measured at fair value, into a fair value hierarchy based on the valuation technique used to determine fair value.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included within 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).

The fair values of all financial assets and financial liabilities by class together with their carrying amounts shown in the balance sheet are as follows:

	Carrying amount 2023 \$'000	Fair value 2023 \$'000	Level 1 2023 \$'000	Level 2 2023 \$'000	Level 3 2023 \$'000	Carrying amount 2022 \$'000	Fair value 2022 \$'000	Level 1 2022 \$'000	Level 2 2022 \$'000	Level 3 2022 \$'000
Financial assets designated as fair value through profit or loss (Note 10)										
Forward foreign exchange contracts	129	129	-	129	-	435	435	-	435	-
	129	129	-	129	-	435	435	-	435	-
Other financial assets										
Loans and settlement commission receivable	581,260					569,195				
Cash and time deposits	1,193					1,231				
	582,453					570,427				

Notes

(forming part of the financial statements)

16. Financial instruments (continued)

	Carrying amount 2023 \$'000	Fair value 2023 \$'000	Level 1 2023 \$'000	Level 2 2023 \$'000	Level 3 2023 \$'000	Carrying amount 2022 \$'000	Fair value 2022 \$'000	Level 1 2022 \$'000	Level 2 2022 \$'000	Level 3 2022 \$'000
Financial liabilities designated as fair value through profit or loss (Note 12)										
Accrued FX commission	94	94	-	94	-	375	375	-	375	-
	94	94	-	94	-	375	375	-	375	-
Financial liabilities measured at amortised cost										
Amount owed to fellow subsidiary undertakings	155,219					138,515				
Bank loans	378,380					383,546				
	533,599					522,061				

The following show the valuation techniques used for level 2 fair values. There are no financial instruments that are classified as level 1 and 3.

Derivatives

The fair value of derivatives is determined by reference to rates quoted by third party brokers. Similar contracts are traded in an active market and the quotes reflect actual transactions in similar instruments.

Notes

(forming part of the financial statements)

17. Capital management

The primary objective of the company's capital management is to ensure that it maintains healthy capital ratios in order to support its business and maximise shareholder value.

The company's policy is to match all borrowing, long or short term, to an asset of corresponding duration.

As a result the ratio of capital to assets net of current and long term financial liabilities as at to 31 March 2023 is 100.00% (2022: 100.00%). The capital comprises called-up capital, retained profits and revaluation reserve.

18. Ultimate parent company and controlling parties

The immediate and ultimate parent company and controlling party is Sharp Corporation, a company incorporated in Japan. Sharp Corporation is the smallest and largest group to consolidate the SIF financial statements. Copies of the financial statements of Sharp Corporation can be obtained from the head office at 1 Takumi-cho, Sakai-ku, Sakai City, Osaka 590-8522, Japan.

19. Related party transaction

During the year the company entered into transactions, in the ordinary course of business, with other related parties. The company has taken advantage of the exemption under paragraph 8(k) of FRS 101 not to disclose transactions with fellow wholly owned subsidiaries.

20. Accounting estimates and judgements

The preparation of financial statements in conformity with FRS 101 requires management to make judgements, estimates and assumptions that affect the application of policies and reported annual amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

The estimates and 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 that period.