

United Spirits (Great Britain) Limited
Directors' Report and Financial Statements
31 March 2022

Registered number: 06127260



United Spirits (Great Britain) Limited
Registered Number: 06127260
Year Ended 31 March 2022

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United Spirits (Great Britain) Limited
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Year Ended 31 March 2022

Directors' report

The directors are pleased to submit their directors' report, together with the audited financial statements for the year ended 31 March 2022.

The directors were entitled to take advantage of the small companies' exemption in not preparing a strategic report. This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

Principal activities and future developments

The company is incorporated and domiciled as a private limited company in the United Kingdom. The registered address is 16 Great Marlborough Street, London, United Kingdom, W1F 7HS.

The company is an investment holding company but did not trade during the year. The directors foresee no changes in the company's activities.

Going concern

On 23 July 2018, the Board of Directors of United Spirits Limited ("USL"), the intermediate holding company of United Spirits (Great Britain) Limited ("the company"), approved the voluntary liquidation of the company. The completion of the liquidation of the company is subject to regulatory approvals from Reserve Bank of India (Central bank of India). As a consequence, these financial statements are prepared on a basis other than going concern ("break up basis").

All assets and liabilities have been recognised as current at their fair value. On the basis of their assessment, the company's directors estimated that the fair value approximates to the carrying value as at 31 March 2022. In arriving at this conclusion, the directors have also considered the potential impact that the Covid-19 pandemic may have on the company and believe that any impact would be minimal.

Financial

The results for the year ended 31 March 2022 are shown on page 5.

The loss for the year transferred to reserves was £12,795 (2021 - £13,082).

No dividend was paid during the year (2021 - £nil) and there was no dividend proposed to be distributed to the shareholders in regards to the financial year (2021 - £nil).

Directors

The directors of the company who were in office during the year and up to the date of signing the financial statements were as follows:

J M C Edmunds
N Szakolczai
P Viswanathan (resigned 27 September 2021)
I Thrustle (appointed 27 September 2021)

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Directors' report (Continued)

Directors' remuneration

None of the directors received any remuneration during the year in respect of their services as directors of the company (2021 - £nil), as the directors are paid by Diageo group ("the group") undertakings.

Directors' indemnity

The Articles of Association permit qualifying third-party indemnities for the directors as defined by Section 234 of the Companies Act 2006. No such indemnity was in force for the year ended 31 March 2022, nor is any currently in force.

Internal control and risk management over financial reporting

The company operates under the financial reporting processes and controls of the group. Diageo plc's internal control and risk management systems, including its financial reporting process, which include those of the company, are discussed in the Group's Annual Report 2021 on page 97 at www.diageo.com, which does not form part of this report.

Independent auditors

Pursuant to Section 487 of the Companies Act 2006, the independent auditors, PricewaterhouseCoopers LLP, have been reappointed and will continue in office as independent auditors of the company.

Disclosure of information to the auditors

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditors are unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the board

Nandor Szakolczai
.....

Nandor Szakolczai
Director

16 Great Marlborough Street,
London
UNITED KINGDOM
W1F7HS

25 May 2022

United Spirits (Great Britain) Limited
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Statement of directors' responsibilities in respect of the directors' report and the financial statements

The directors are responsible for preparing the Directors' 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, 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 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 also 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.

United Spirits (Great Britain) Limited
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STATEMENT OF COMPREHENSIVE INCOME

	<i>Note</i>	Year ended 31 March 2022 £	Year ended 31 March 2021 £
Operating expenses	2	(12,795)	(13,082)
Operating loss		(12,795)	(13,082)
Loss before taxation		(12,795)	(13,082)
Tax on loss	3	-	-
Loss and total comprehensive expense for the financial year		(12,795)	(13,082)

The accompanying notes are an integral part of these financial statements.

The company had no other comprehensive income or expense during the current and previous year.

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BALANCE SHEET

	<i>Note</i>	As at 31 March 2022 £	As at 31 March 2021 £
Current assets			
Cash and cash equivalents		61,731	74,304
Total assets		<u>61,731</u>	<u>74,304</u>
Current liabilities			
Trade and other payables	4	(262,850,035)	(262,849,813)
Net liabilities		<u>(262,788,304)</u>	<u>(262,775,509)</u>
Equity			
Called up share capital	5	1	1
Accumulated losses		(262,788,305)	(262,775,510)
Total equity		<u>(262,788,304)</u>	<u>(262,775,509)</u>

These financial statements have been prepared in accordance with the special provisions applicable to companies subject to the small companies' regime.

The accounting policies and other notes on pages 8 to 15 form part of the financial statements.

These financial statements on pages 5 to 15 were approved by the board of directors on 25 May 2022 and were signed on its behalf by:

Nandor Szakolczai

.....
Nandor Szakolczai
Director

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STATEMENT OF CHANGES IN EQUITY

	Called up share capital £	Accumulated losses £	Total equity £
Balance at 1 April 2020	1	(262,762,428)	(262,762,427)
Loss and total comprehensive expense for the year	-	(13,082)	(13,082)
Balance at 31 March 2021	1	(262,775,510)	(262,775,509)
Loss and total comprehensive expense for the year	-	(12,795)	(12,795)
Balance at 31 March 2022	1	(262,788,305)	(262,788,304)

The accompanying notes are an integral part of these financial statements.

United Spirits (Great Britain) Limited
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NOTES TO THE FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

Basis of preparation

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

These financial statements are prepared in accordance with Financial Reporting Standard 101 – *Reduced Disclosure Framework* (FRS 101).

In preparing these financial statements, the company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the UK (IFRS), but makes amendments where necessary in order to comply with Companies Act 2006 and sets out below where the FRS 101 disclosure exemptions have been taken.

On 31 December 2020, EU-adopted IFRS was brought into UK law and became UK-adopted international accounting standards, with future changes to IFRS being subject to endorsement by the UK Endorsement Board. In preparing these financial statements in accordance with FRS 101, the company financial statements transitioned to UK-adopted international accounting standards (as described above) on 1 April 2021 and Diageo plc transitioned to UK-adopted International Accounting Standards in its consolidated financial statements on 1 July 2021. This change constitutes a change in accounting framework. However, there is no impact on recognition, measurement or disclosure in the period reported as a result of the change in framework. These financial statements are prepared on a breakup basis and all assets and liabilities have been recognised as current at the lower of their cost or recoverable value, which is equivalent to fair value.

The company is a subsidiary of Diageo plc and is included in the consolidated financial statements of Diageo plc which are publicly available.

The preparation of financial statements in conformity with FRS 101 requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates.

The following exemptions from the requirement of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101:

- The following paragraphs of IAS 1, 'Presentation of financial statements':
 - 10(d) (statement of cash flows);
 - 16 (statement of compliance with all IFRS);
 - 79(a)(iv) (comparative information requirements);
 - 111 (cash flow statement information);
 - 134-136 (capital management disclosures).
- IAS 7, 'Statement of cash flows'
- The following paragraphs of IAS 8, 'Accounting policies, changes in accounting estimates and errors':
 - 30 (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective);
 - 31 (disclosures relating to the new IFRS).
- The following paragraphs of IAS 24 'Related party disclosures':
 - 17 (key management compensation);
 - 18A (key management services provided by a separate management entity).

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NOTES TO THE FINANCIAL STATEMENTS (continued)

1. ACCOUNTING POLICIES (continued)

Basis of preparation (continued)

- The requirements of IFRS 7 Financial Instruments: Disclosures, provided that equivalent disclosures are included in the consolidated financial statements of the group in which the entity is consolidated.
- Paragraphs 91 to 99 of IFRS 13, 'Fair value measurement' (disclosure of valuation techniques and inputs used for fair value measurement of assets and liabilities).

New accounting standards and interpretations

The following amendments to the accounting standards, issued by the IASB which have been endorsed by the UK, have been adopted by the group and therefore by the company from 1 April 2021 with no impact on the company's results, financial position or disclosures:

- Amendments to IFRS 9, IAS 39, IFRS 7 and IFRS 16 – Interest rate benchmark reform (phase 2).

The following amendment and standard, issued by the IASB have not been adopted by the company:

- IFRS 17 – Insurance contracts (effective in the year ending 30 June 2024) is ultimately intended to replace IFRS 4. Based on a preliminary assessment the company believes that the adoption of IFRS 17 will not have an impact on its results or financial position.

There are a number of other amendments and clarifications to IFRS, effective in future years, which are not expected to significantly impact the company's results or financial position.

Going concern

On 23 July 2018, the Board of Directors of United Spirits Limited ("USL"), the intermediate holding company of United Spirits (Great Britain) Limited ("the company"), approved the voluntary liquidation of the company. The completion of the liquidation of the company is subject to regulatory approvals from Reserve Bank of India (Central bank of India). As a consequence, these financial statements are prepared on a basis other than going concern ("break up basis").

All assets and liabilities have been recognised as current at their fair value. On the basis of their assessment, the company's directors estimated that the fair value approximates to the carrying value as at 31 March 2022. In arriving at this conclusion, the directors have also considered the potential impact that the Covid-19 pandemic may have on the company and believe that any impact would be minimal.

Functional and presentational currency

These financial statements are presented in sterling (£), which is the company's functional currency.

Foreign currencies

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the year end exchange rates and these foreign exchange differences are recognised in the statement of comprehensive income.

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NOTES TO THE FINANCIAL STATEMENTS (continued)

1. ACCOUNTING POLICIES (continued)

Financial assets and liabilities

Financial assets and liabilities are initially recorded at fair value including, where permitted by IFRS 9, any directly attributable transaction costs. For those financial assets that are not subsequently held at fair value, the company assesses whether there is evidence of impairment at each balance sheet date. The company classifies its financial assets and liabilities into the following categories: financial assets and liabilities at amortised cost, financial assets and liabilities at fair value through profit and loss and financial assets at fair value through other comprehensive income. Where financial assets or liabilities are eligible to be carried at either amortised cost or fair value the company does not apply the fair value option.

Trade and other receivables Amounts owed by other group companies are initially measured at fair value and are subsequently reported at amortised cost. Non-interest bearing trade receivables are stated at their nominal value as they are due on demand. Allowance for expected credit losses are made based on the risk of non-payment taking into account ageing, previous experience, economic conditions and forward-looking data. Such allowance is measured as either 12-months expected credit losses or lifetime expected credit losses depending on changes in the credit quality of the counterparty.

Cash and cash equivalents Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

Trade and other payables Amounts owed to other group companies are initially measured at fair value and are subsequently reported at amortised cost. Non-interest bearing trade creditors are stated at their nominal value as they are due on demand.

Taxation

Current tax is based on taxable profit for the year. Taxable profit is different from accounting profit due to temporary differences between accounting and tax treatments, and due to items that are never taxable or tax deductible. Tax benefits are not recognised unless it is probable that the tax positions are sustainable. Once considered to be probable, tax benefits are reviewed each year to assess whether a provision should be taken against full recognition of the benefit on the basis of potential settlement through negotiation and/or litigation.

Full provision for deferred tax is made for temporary differences between the carrying value of assets and liabilities for financial reporting purposes and their value for tax purposes. The amount of deferred tax reflects the expected recoverable amount and is based on the expected manner of realisation or settlement of the carrying amount and is based on the expected manner of recovery settlement of the carrying amount of assets and liabilities, using the basis of taxation enacted or substantively enacted by the balance sheet date. Deferred tax assets are not recognised where it is more likely than not that the asset will not be realised in the future.

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NOTES TO THE FINANCIAL STATEMENTS (continued)

1. ACCOUNTING POLICIES (continued)

Judgements in applying accounting policies and key sources of estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and judgements

The directors makes estimates and judgements concerning the future. The resulting accounting judgements will, by definition, seldom equal the related actual results. The company's directors are of the opinion that there are no estimates and judgments that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year due to the nature of the business.

2. OPERATING EXPENSES

	Year ended 31 March 2022	Year ended 31 March 2021
	£	£
Foreign exchange (gains) / losses	(242)	510
Operating expenses (a)	13,037	12,572
	<u>12,795</u>	<u>13,082</u>

(a) Operating expenses includes auditors' remuneration of £11,616 (2021 - £9,219). There were no fees payable to the auditors in respect of non-audit services (2021 - £nil).

The company did not employ any staff during either the current or prior year.

None of the directors received any remuneration during the financial year in respect of their services as directors of the company (2021 - £nil).

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NOTES TO THE FINANCIAL STATEMENTS (continued)

3. TAX ON LOSS

The tax charge for the year was £nil (2021 - £nil).

	Year ended 31 March 2022 £	Year ended 31 March 2021 £
(a) Factors affecting total tax for the year		
Loss before taxation	(12,795)	(13,082)
loss before taxation at standard UK corporation tax rate of 19% (2021 – 19%)	(2,431)	(2,486)
Movement in unrecognised deferred tax assets	2,431	2,486
Total tax for the year	-	-

The UK tax rate is 19% effective from 1 April 2017 which is applied for the year ended 31 March 2022.

In the Spring Budget 2021, the UK Government announced that from 1 April 2023 the corporation tax rate would increase to 25% (rather than remaining at 19%, as previously enacted). This new law was substantively enacted on 24 May 2021. Deferred taxes at the balance sheet date have been measured using these enacted tax rates and reflected in these financial statements.

(b) Deferred tax asset not recognised

Deferred tax assets have been recognised to the extent that it is considered more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted. Where this is not the case, deferred tax assets have not been recognised, as set out below:

	31 March 2022 £	31 March 2021 £
Non trading loss – indefinite	671,595	669,164
Change in tax rate	212,083	-
	883,678	669,164

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NOTES TO THE FINANCIAL STATEMENTS (continued)

4. TRADE AND OTHER PAYABLES

	31 March 2022	31 March 2021
	£	£
Amounts owed to fellow group undertakings	262,836,757	262,836,757
Accruals	13,278	12,504
Other payables	-	552
	<u>262,850,035</u>	<u>262,849,813</u>

Amounts owed to fellow group undertakings are unsecured, interest free and repayable on demand.

5. CALLED UP SHARE CAPITAL

Allotted, called up and fully paid:

	31 March 2022
	£
100 (2021-100) ordinary shares of £0.01 each	1

6. CONTINGENT LIABILITIES

In September 2014, the Board of Directors of United Spirits Limited (USL), the holding company of United Spirits (Great Britain) Limited, directed a detailed inquiry into certain matters referred to in the USL financial statements and Auditors' report for the year ended 31 March 2014 (Initial Inquiry). The Initial Inquiry report stated that between 2010 and 2013, funds involved in many of the transactions that were analysed, had been diverted from USL and/ or its subsidiaries to certain companies in the United Breweries Group, including in particular, Kingfisher Airlines Limited. On the question of the possible existence of any other transaction of a similar nature, the Initial Inquiry identified references to certain additional parties (Additional Parties) and matter (Additional Matter), where the documents identified raised concerns as to the propriety of the underlying transactions which could not be fully analysed during the Initial Inquiry.

The Board of Directors of USL therefore mandated that USL's managing director and chief executive officer (MD & CEO) conduct a further inquiry (Additional Inquiry) into historical transactions involving the Additional Parties and Additional Matter, to determine whether these transactions with these Additional Parties or involving the Additional Matter also suffered from improprieties.

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NOTES TO THE FINANCIAL STATEMENTS (continued)

6. CONTINGENT LIABILITIES (continued)

Notwithstanding the limitations posed by lack of access to complete documentation despite best efforts, the Additional Inquiry was concluded in July 2016. The Additional Inquiry prima facie revealed further instances of actual or potential fund diversions arising from improper transactions amounting to approximately £91.84 million (INR 9,135 million) (2021 - £90.81 million (INR 9,135 million)) as well as other potentially improper transactions involving USL and certain of its Indian and overseas subsidiaries amounting to approximately £31.35 million (INR 3,118 million) (2021 - £30.99 million (INR 3,118 million)).

These transactions occurred during the review period covered by the additional Inquiry, i.e. from October 2010 to July 2014 (Review Period which was substantially the same as the period covered by the Initial Inquiry), although certain transactions appear to have been initiated in years prior to the Review Period.

The improper transactions identified in the Additional Inquiry involved, in most cases, diversion of funds to overseas and Indian entities that appear to be affiliated or associated with USL's former non-executive Chairman, Dr. Vijay Mallya.

In particular, and as regards United Spirits (Great Britain) Limited, the Additional Inquiry indicated that £1 million appeared to have potentially been diverted from United Spirits (Great Britain) Limited.

A disclosure of the above transactions identified in the Additional Inquiry which had a potential impact on taxes in the United Kingdom were made to HM Revenue & Customs (HMRC) during October 2016. During October 2017, HMRC confirmed that there was no additional tax liability (including interest and penalties) in relation to the transactions identified above.

During the year ended 31 March 2018, pursuant to USL undertaking a detailed review of each case of identified fund diversion, and after obtaining expert legal advice, USL has, where appropriate, filed civil suits for recovery of funds from certain parties, including USL's former non-executive chairman, Dr. Vijay Mallya, before the appropriate courts in India.

The above amounts identified in the Additional Inquiry with respect to United Spirits (Great Britain) Limited have been previously provided for or expensed in the financial statements in prior years. At this stage, it is not possible for the directors of United Spirits (Great Britain) Limited to estimate the financial impact on the entity, if any, arising out of potential non-compliance with applicable laws in relation to such fund diversions. The matter remains on-going as of 31 March 2022.

7. IMMEDIATE AND ULTIMATE PARENT UNDERTAKING

The immediate parent undertaking of the company is United Spirits (UK) Limited, a company incorporated and registered in England, United Kingdom.

The ultimate parent undertaking of the company is Diageo plc which is the ultimate controlling party of the group. The ultimate parent undertaking is the largest, United Spirits Limited is the smallest group to consolidate these financial statements. Diageo plc is incorporated and registered in England, United Kingdom. The consolidated financial statements of Diageo plc can be obtained from the registered office at Diageo, 16 Great Marlborough Street, London, United Kingdom, W1F 7HS. The consolidated financial

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NOTES TO THE FINANCIAL STATEMENTS (continued)

7. IMMEDIATE AND ULTIMATE PARENT UNDERTAKING (continued)

statements of United Spirits Limited can be obtained from the registered office at UB Tower, #24, Vittal Mallya Road, Bengaluru 560 001 or from www.diageoindia.com.

Independent auditors' report to the members of United Spirits (Great Britain) Limited

Report on the audit of the financial statements

Opinion

In our opinion, United Spirits (Great Britain) Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2022 and of its loss 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 Directors' Report and Financial Statements (the "Annual Report"), which comprise: the balance sheet as at 31 March 2022; the statement of comprehensive income, and the 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.

Emphasis of matter - financial statements prepared on a basis other than going concern

In forming our opinion on the financial statements, which is not modified, we draw attention to note 1 to the financial statements which describes the directors' reasons why the financial statements have been prepared on a basis other than going concern.

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. 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 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.

Directors' report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' report for the year ended 31 March 2022 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 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 directors' report and 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 but were not limited to, UK tax legislation, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. 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 journal entries to manipulate financial results. Audit procedures performed by the engagement team included:

- Discussions with the directors, management and internal legal counsel, including inquiry regarding known or suspected instances of non-compliance with laws and regulations and fraud;
- Reviewing relevant board of directors meeting minutes; and
- As in all of our audits we also addressed the risk of management override of internal controls, including testing journals, and evaluated whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

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

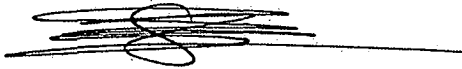
Under the Companies Act 2006 we are required to report to you if, in our opinion:

- 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.

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to: prepare financial statements in accordance with the small companies regime; and take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.



Steve Reid (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
25 May 2022