

**Lloyd's Register Central & South America Limited**  
**Annual report and**  
**financial statements**  
**30 June 2015**

Company registration number: 04774153 (England and Wales)



Lloyd's  
Register

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# Directors and advisers

## Directors

J C Ferreira  
K O Povey  
T S Boardley  
T Protheroe  
J A Rowley

## Company secretary

C P Colby-Blake

## Statutory auditor

Deloitte LLP  
Chartered accountants and statutory auditor  
London  
United Kingdom

## Bankers

Royal Bank of Scotland – RBS Shipping Group  
1 Princes Street  
London  
EC2R 8PB

## Registered office

71 Fenchurch Street  
London  
EC3M 4BS

## Registered number

04774153

# Strategic report

## Business review

Turnover for the year of £14.7 million (2014: £13.8 million) shows an increase of 6.3% from the previous year. Operating profit for the year of £1.4 million was in line with the previous year (2014: £1.4 million). This was due to the increase in gross profit being offset by an increase in administrative expenses.

Profit for the year before taxation amounted to £1.4 million (2014: loss of £0.3 million, including a £1.7 million provision against intragroup loans).

Net liabilities of the Company at 30 June 2015 are £1.3 million (2014: net liabilities of £1.3 million). Profit for the year of £0.1 million is offset by foreign exchange losses on the retranslation of the net assets of overseas branches.

Cash at bank and in hand at 30 June 2015 is £2.7 million (30 June 2014: £1.7 million), an increase of £1.0 million.

## Principal risks and uncertainties

In the opinion of the directors, the principal risks and uncertainties facing the company relate to its ability to continue to generate sufficient business to cover its fixed costs, its ability to maintain control of its working capital levels, and its exposure to political risk due to its overseas operations, with particular reference to possible changes in overseas legislation regarding the remittance of funds to the United Kingdom.

Lloyd's Register Central & South America Limited is exposed to certain financial risks as a result of its operations and the activities that it carries out. These financial risks include foreign exchange risk, credit risk, and interest rate risk.

### *Foreign exchange risk (price risk)*

Lloyd's Register Central & South America Limited operates branches in a number of countries (as detailed in the directors' report). The branches invoice clients and pay costs in either the local currency or an agreed contracted currency and thus the company overall is exposed to market fluctuations in the exchange rates between Sterling and those local currencies in terms of the overall profits it generates in foreign branches.

The impact of changes in exchange rates on cash flows in foreign currencies cannot be forecast with any reasonable degree of certainty, and thus the company only hedges against exchange rate fluctuations to the

extent that costs are paid in the same currency as the income that they are used to generate.

The company operates branches in Argentina and Venezuela, countries where cost inflation is running at an annual rate in excess of 20% (Venezuela 94.9%, Argentina 20.5%). The impact on the company's costs is mitigated to an extent by currency devaluations in those countries, but a risk exists over the company's ability to be able to pass on price rises to customers.

### *Credit risk*

Lloyd's Register Central & South America Limited has chosen to follow the Lloyd's Register Group policy of performing assessments on the creditworthiness of new clients, and where appropriate assigning a credit limit to clients' accounts.

### *Interest rate risk*

Lloyd's Register Central & South America Limited is partly funded by loans from its parent, which are subject to a market rate of interest. The rate of interest is set annually, and whilst this may change, the company is not subject to sudden or frequent large changes in the rates of interest that it is subject to.

### *Political risk*

Lloyd's Register Central & South America Limited largely operates in non-OECD countries and tends to be subject to restrictions on remittance of cash from those countries to the UK. Cash flow can therefore at times be dependent on the parent company being prepared to continue to fund operations in any particular country with a short-term cash requirement.

The Audit and Risk Committee of Lloyd's Register Group Limited (the immediate parent) reviews the application and effectiveness of the policies and processes of the Lloyd's Register Group on matters of internal financial policy, control and risk. Its responsibilities extend to all subsidiary companies, with the agreement of the directors of those companies, including Lloyd's Register Central & South America Limited.

By order of the Board



C P Colby-Blake  
Company Secretary

22/3/ 2016

# Directors' report

The directors present their annual report and audited financial statements for the year ended 30 June 2015.

## Board of directors

The directors of the company during the year and subsequently were:

	Appointed	Resigned
J C Ferreira		
K O Povey		
T S Boardley		
P A Huber		1 July 2014
M D James		1 July 2014
J A Wishart		3 December 2015
T Protheroe	1 July 2014	
J A Rowley	1 July 2014	

The directors did not have any interest in the shares of the company, its parent or of any fellow subsidiary during the year.

## Principal activities

Lloyd's Register Central & South America Limited undertakes inspections and surveys and provides risk management solutions to clients predominantly in the marine sector in its foreign branches.

## Results

Commentary on the results for the year can be found in the Strategic Report.

## Future developments

The directors do not foresee any material change in the business or trading results.

## Dividend

The directors do not recommend a dividend (2014: none).

## Principal risks and uncertainties

The principal risks and uncertainties and financial risk management objectives and policies are discussed within the Strategic report.

## Post balance sheet events

There are no post-balance sheet events to report.

## Branches

The company has established branches in Argentina, Chile, Colombia, Costa Rica, Ecuador, Mexico, Panama, Paraguay, Peru, Trinidad & Tobago, Uruguay and Venezuela.

## Employees

Lloyd's Register Central & South America Limited strives to be an equal opportunities employer.

Full consideration is given to applications for employment from disabled persons where the requirements of the job can be adequately fulfilled by a handicapped or disabled person.

Where existing employees become disabled, it is company policy wherever practicable to provide continuing employment under normal terms and conditions and to provide training and career development and promotion to disabled employees wherever appropriate.

The Lloyd's Register Group, of which the Company is a part, continually aims to provide employees with information on matters of concern to them as employees both by email and by posting to the Group's intranet website which includes monthly webcasts to all employees by the Chief Executive Officer.

## Parent and ultimate parent

The ultimate parent is Lloyd's Register Foundation, a company registered in England and Wales and a registered charity. The immediate parent is Lloyd's Register Group Limited, a company registered in England and Wales.

## Disclosure of information to auditor

Each of the directors listed above, in office at the time of approving the directors' report, confirms that:

- So far as each director is aware, there is no relevant audit information which the company's auditor is unaware; and
- Each director has taken all steps a director might reasonably be expected to have taken to be aware of relevant audit information and to establish that the company's auditor is aware of that information.

# Directors' report

## Going concern

Whilst the company has a deficit of liabilities over assets, the parent company Lloyd's Register Group Limited has agreed to provide support until Lloyd's Register Central & South America Limited is in a position to be able to repay those amounts. This support has been provided for a period of at least 12 months from the date of approval of these financial statements. With this support, the directors believe Lloyd's Register Central & South America Limited is able to meet its liabilities as they fall due and the directors continue to adopt the going concern basis in preparing the financial statements.

## Auditor

Deloitte LLP have indicated their willingness to be reappointed for another term and appropriate arrangements are being made for them to be reappointed as auditor.

By order of the Board



C P Colby-Blake  
Company Secretary

22/3/ 2016

Company registration number: 04774153

# Statement of the directors' responsibilities in respect of the financial statements

Company law requires the directors to prepare the annual report and financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards 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 those financial statements, the directors are required to:

- Select suitable accounting policies and apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed; 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 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 to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention of fraud and other irregularities.

## Profit and loss account for the year ended 30 June 2015

	Note	2015 £'000	2014 £'000
Turnover	3	14,711	13,843
Cost of sales		(10,330)	(10,250)
<b>Gross profit</b>		<b>4,381</b>	<b>3,593</b>
Administrative expenses		(2,952)	(2,186)
<b>Operating profit</b>		<b>1,429</b>	<b>1,407</b>
Impairment of investments	8	(44)	—
Profit on disposal of fixed assets		—	35
Interest receivable and similar income:			
• From group undertakings		37	36
• Other		6	1
Interest payable and similar charges:			
• Other		(4)	(9)
• Provision against intragroup loans		—	(1,729)
<b>Profit / (loss) on ordinary activities before taxation</b>	4	<b>1,424</b>	<b>(259)</b>
Taxation	6	(1,284)	(1,120)
<b>Profit / (loss) on ordinary activities after taxation</b>		<b>140</b>	<b>(1,379)</b>

## Statement of total recognised gains and losses for the year ended 30 June 2015

	2015 £'000	2014 £'000
Retained profit / (loss) for the year	140	(1,379)
Exchange differences on net assets of overseas operations	(176)	(456)
<b>Total recognised losses for the year</b>	<b>(36)</b>	<b>(1,835)</b>

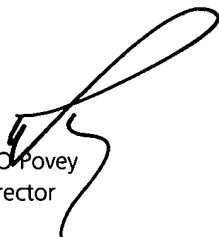
All items shown above relate to continuing activities.



# Balance sheet at 30 June 2015

	Note	2015 £'000	2014 £'000
<b>Fixed assets</b>			
Tangible fixed assets	7	206	318
Investments	8	48	2
		<u>254</u>	<u>320</u>
<b>Current assets</b>			
Work in progress	9	—	—
Debtors	10	4,000	3,320
Cash at bank and in hand		2,725	1,747
		<u>6,725</u>	<u>5,067</u>
Creditors: amounts falling due within one year	11	(8,320)	(6,692)
<b>Net current liabilities</b>		<u>(1,595)</u>	<u>(1,625)</u>
<b>Total net liabilities / total assets less current liabilities</b>		<u>(1,341)</u>	<u>(1,305)</u>
<b>Capital and reserves</b>			
Share capital	13	1,500	1,500
Profit and loss account		(2,841)	(2,805)
	12	<u>(1,341)</u>	<u>(1,305)</u>

The financial statements were approved by the Board of Directors on 23/ 2016 and signed on its behalf by:

  
K O Povey  
Director

Company registration number: 04774153

# Notes to the financial statements for the year ended 30 June 2015

## 1. Basis of accounting and accounting policies

- a. The financial statements are prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards and on a going concern basis.

Whilst the company has a deficit of liabilities over assets, the parent company Lloyd's Register Group Limited, has agreed to provide support until Lloyd's Register Central & South America Limited is in a position to be able to repay those amounts. This support has been provided for a period of at least 12 months from the date of approval of these financial statements. With this support, the directors believe Lloyd's Register Central & South America Limited is able to meet its liabilities as they fall due and the directors continue to adopt the going concern basis in preparing the financial statements.

- b. The company has taken advantage of the exemption available to subsidiary undertakings in Financial Reporting Standard 1 (Revised) not to include a cash flow statement. A group cash flow statement, which includes the cash flows of the company, is included in the consolidated financial statements of Lloyd's Register Foundation, which are available from the registered office at 71 Fenchurch Street, London, EC3M 4BS.
- c. Lloyd's Register Central & South America Limited is exempt by virtue of the provisions of section 400 of the Companies Act 2006 from the obligation of preparing and delivering consolidated financial statements. Its results are included in the consolidated financial statements of Lloyd's Register Foundation, which are available as noted in (b) above.
- d. Fixed assets are stated at cost, net of depreciation and any provision for impairment. Depreciation of tangible fixed assets is provided by the straight line method, commencing with the year in which they are ready for use, at rates estimated to write off their cost during their respective useful lives as follows:
- |                        |                     |
|------------------------|---------------------|
| Motor vehicles         | 5 years             |
| Office equipment       | 8 years             |
| Computer equipment     | 3 years             |
| Leasehold improvements | length of the lease |
- e. Turnover from surveys and inspection, which are the main activities of the company, is recorded when services are rendered, on the basis of invoices rendered or, in the case of long-term contracts, as work is carried out if the final outcome can be assessed with reasonable certainty. All income is recorded net of VAT and similar sales taxes.
- f. Dividends from subsidiaries are brought into account when due and receivable. Interest receivable from bank and short term deposits includes interest accrued.
- g. Investments in subsidiaries are valued at cost, but are written-down where there is a permanent diminution in value.
- h. Work in progress is stated at the lower of cost (including overheads directly attributable to work carried out) and net realisable value.
- i. Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax.

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not, that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

# Notes to the financial statements for the year ended 30 June 2015 - continued

- j. Foreign currencies are dealt with as follows:
- Foreign currency denominated assets and liabilities of Lloyd's Register Central & South America Limited and its overseas operations are translated at the rate of exchange ruling at the balance sheet date.
  - Income and expenditure for the year are translated at the appropriate rates prevailing during the year, updated on a monthly basis.
  - Exchange differences are shown in the Statement of Recognised Gains and Losses with the exception of those arising from the timing of the settlement of third party monetary assets and liabilities, which are recorded in the profit and loss account.
- k. The costs of operating lease rentals are charged to the profit and loss account in the period to which they relate.
- l. Pension fund payments are made in the main to the Lloyd's Register Superannuation Fund which is a defined benefit scheme. The Lloyd's Register Superannuation Fund into which the Company contributes is a multi-employer scheme. In the opinion of the Directors, it is not possible to separate out on a reasonable and consistent basis the assets and liabilities of the scheme between the different group companies that contribute to it. Accordingly, the Lloyd's Register Superannuation Fund is accounted for on a defined contribution basis in the financial statements of the company. The pension cost charged in the financial statements in respect of the Lloyd's Register Superannuation Fund represents the contributions payable by the Company during the year (see also note 16).

## 2. Ownership of share capital

The issued share capital is held by Lloyd's Register Group Limited, a company registered in England and Wales. The ultimate beneficial interest in the issued share capital of the company is held by Lloyd's Register Foundation, a company registered in England and Wales and a registered charity.

## 3. Turnover

A geographical analysis of turnover is not included as the directors consider it would be seriously prejudicial to the interests of the company.

## 4. Profit on ordinary activities before taxation

This is stated after charging / (crediting)

	2015 £'000	2014 £'000
Depreciation of tangible fixed assets	120	134
Auditor's remuneration:		
• Fees payable to Company's auditor for the audit of the Company's annual financial statements	24	24
• Fees payable to Company's auditor and its associates for the audit of the Company's branches	34	—
• Fees payable to the Company's auditor for tax compliance services	—	3
• Fees payable to the Company's auditor for other services	—	5
Bad and doubtful debt (credit) / expense	(62)	108
Profit on disposal of fixed assets	(48)	—
Operating lease rentals:		
• Leasehold property	264	261
• Other equipment and vehicles	83	56
Foreign exchange loss	22	151

In the prior year a £1.7m provision against intercompany loan balances was recorded based on a review of counterparty forecast profitability and cash flows and represents management's valuation of the receivable.

# Notes to the financial statements for the year ended 30 June 2015 - continued

## 5. Staff costs

	2015 £'000	2014 £'000
Wages and salaries	4,304	4,024
Social security costs	575	603
Other pension costs	382	529
	<u>5,261</u>	<u>5,156</u>
<b>Average number of employees for the year:</b>	<b>Number</b>	<b>Number</b>
Marine	46	52
Energy	10	5
Management Systems	15	17
Administrative and support	20	22
	<u>91</u>	<u>96</u>

The remuneration of directors is borne by other entities within the Lloyd's Register Group.

## 6. Taxation

	2015 £'000	2014 £'000
Current tax		
Foreign tax	880	816
Adjustment in respect of prior periods	370	373
Total current tax	<u>1,250</u>	<u>1,189</u>
Deferred tax	34	(69)
Total tax	<u>1,284</u>	<u>1,120</u>

	2015 £'000	2014 £'000
<b>Factors affecting the charge for the year</b>		
Profit / (loss) on ordinary activities before taxation	1,424	(259)
Profit / (loss) multiplied by average standard rate of United Kingdom corporation tax of 20.75% (2014: 22.5 %)	295	(58)
Effects of:		
• Tax exempt profits	(4)	33
• Overseas rate differences	45	78
• Expenses not deductible for tax	497	761
• Unprovided timing differences	47	2
• Prior period adjustments (as above)	370	(373)
	<u>1,250</u>	<u>1,189</u>

# Notes to the financial statements for the year ended 30 June 2015 - continued

Deferred tax	2015 £'000	2014 £'000
(Asset) / provision at 1 July	(67)	2
Charged / (credited) to profit and loss account in the year	34	(69)
Asset at 30 June (note 10)	<u>(33)</u>	<u>(67)</u>

Deferred tax liabilities on short-term timing differences are recognised whenever the treatment for tax purposes has enabled deductions to be taken in advance of when the items are recognised in the financial statements.

Deferred tax assets on short-term timing differences and any overseas losses have not been recognised. Deferred tax assets not recognised amount to £470,000 (2014: £78,000). Such assets would potentially become recoverable against future profits generated in the relevant overseas operations.

## 7. Tangible fixed assets

	Computer equipment £'000	Office equipment £'000	Motor Vehicles £'000	Leasehold improvements £'000	Total £'000
<b>Cost:</b>					
At 1 July	173	238	438	72	921
Additions	4	5	19	—	28
Disposals	(2)	—	(39)	—	(41)
Exchange differences	(11)	(25)	(19)	(7)	(62)
At 30 June	<u>164</u>	<u>218</u>	<u>399</u>	<u>65</u>	<u>846</u>
<b>Depreciation:</b>					
At 1 July	116	179	238	70	603
Charged in year	33	19	67	1	120
On disposals	(1)	—	(35)	—	(36)
Exchange differences	(9)	(22)	(9)	(7)	(47)
At 30 June	<u>139</u>	<u>176</u>	<u>261</u>	<u>64</u>	<u>640</u>
<b>Net book value:</b>					
At 30 June 2015	<u>25</u>	<u>42</u>	<u>138</u>	<u>1</u>	<u>206</u>
At 30 June 2014	<u>57</u>	<u>59</u>	<u>200</u>	<u>2</u>	<u>318</u>

# Notes to the financial statements for the year ended 30 June 2015 - continued

## 8. Investments

	2015 £'000	2014 £'000
Investment in subsidiaries	47	—
Long term loans to staff	1	2
	<u>48</u>	<u>2</u>

### Subsidiaries

Lloyd's Register Central & South America Limited owns 100% of the issued ordinary shares (representing the whole share capital) of the following companies:

Company	Country of incorporation and registration	Principal activity
Lloyd's Register do Brasil Ltda	Brazil	Engineering and inspection
Lloyd's Register Energy & Transportation S de RL de CV	Mexico	Engineering and inspection
Lloyd's Register Central & South Americas (Curacao) NV	Curacao	Engineering and inspection

The investment in these companies is held at cost of £91,000 (2014: £nil). An investment impairment loss of £44,000 was recognised in respect of Lloyd's Register Central & South Americas (Curacao) NV measured based a review of forecast profitability and the net assets of the company.

## 9. Work in progress

In both years invoices on account exceed work in progress and the net balance has been reclassified to Creditors: amounts falling due within one year.

## 10. Debtors

	2015 £'000	2014 £'000
Trade debtors	3,136	2,561
Amounts due from Group undertakings	389	274
Other debtors	353	362
Prepayments and accrued income	89	56
Deferred tax asset (note 6)	33	67
	<u>4,000</u>	<u>3,320</u>

## 11. Creditors: amounts falling due within one year

	2015 £'000	2014 £'000
Invoices on account net of work in progress	29	168
Trade creditors	39	66
Amounts owed to Group undertakings	7,009	4,847
Other taxation and social security	103	179
Tax creditor	454	621
Accruals and deferred income	686	811
	<u>8,320</u>	<u>6,692</u>

# Notes to the financial statements for the year ended 30 June 2015 - continued

## 12. Reconciliation of movements in shareholder's funds

	2015		2014
	Profit and loss account £'000	Share capital £'000	Total £'000
Profit / (loss) for the year	140	—	(1,379)
Exchange differences on net assets of overseas operations	(176)	—	(456)
Net movement in the year	(36)	—	(1,835)
Opening balance	(2,805)	1,500	530
Closing balance	(2,841)	1,500	(1,305)

## 13. Share capital

	2015 £'000	2014 £'000
Issued, called up and fully paid 1,500,002 ordinary shares of £1 each	1,500	1,500

## 14. Related party transactions and parent entities

The ultimate parent is Lloyd's Register Foundation, a company registered in England & Wales and a registered charity. The immediate parent is Lloyd's Register Group Limited, a company registered in England & Wales.

The company has taken advantage of the exemption in Financial Reporting Standard 8, whereby transactions with fellow subsidiary companies ultimately 100% owned by the same parent are not required to be disclosed.

These financial statements are included in the consolidated financial statements of Lloyd's Register Foundation, whose annual financial statements are available from 71 Fenchurch Street, London, EC3M 4BS.

The parent of the smallest group for which consolidated accounts are prepared of which this Company is a part is Lloyd's Register Group Limited, a company registered in England and Wales. The financial statements of Lloyd's Register Group Limited are available from the above address.

# Notes to the financial statements for the year ended 30 June 2015 - continued

## 15. Contingent liabilities, capital and financial commitments

	2015 £'000	2014 £'000
Contingent liabilities:		
In respect of bank guarantees	45	56
	<u>45</u>	<u>56</u>

It is not anticipated that claims will arise in respect of bank guarantees given. There are no capital commitments as at 30 June 2015 (2014: none). Commitments under non-cancellable operating leases were as follows:

### Annual commitments under non-cancellable operating leases:

	Land and buildings		Other equipment and vehicles	
	2015 £'000	2014 £'000	2015 £'000	2014 £'000
Operating leases which expire:				
Within one year	119	32	—	—
Within two to five years	17	133	—	1
	<u>136</u>	<u>165</u>	<u>—</u>	<u>1</u>

## 16. Pension schemes

Lloyd's Register Central & South America Limited is a participating employer in the Lloyd's Register Superannuation Fund Association, a funded defined benefit pension scheme plan, and certain foreign pension arrangements which are also available to employees of other subsidiary companies within the Lloyd's Register Group.

The Lloyd's Register Superannuation Fund Association was closed to future accruals from 1 October 2010. The scheme continues to fund benefits accrued to that date, and valuations of the scheme are carried out on a triennial basis. The contributions to the main funded Lloyd's Register scheme are determined by an independent actuary on the basis of those triennial actuarial valuations. The most recent actuarial valuation was carried out as at 31 March 2013 and the result of the valuation has been incorporated in the Lloyd's Register Group consolidated financial statements for the year ended 30 June 2015. This showed that the funding position of the scheme was a deficit of £69 million, decreased from £129 million at the previous valuation as at 31 March 2010.

The assets in the plan cannot be identified separately for each individually participating employer or indeed for the employees of Lloyd's Register Central & South America Limited. Therefore, for the purposes of Financial Reporting Standard 17, the pension costs are disclosed on a defined contribution basis. The pension cost charge for the year ended 30 June 2015 is £255,000 (2014: £388,000). In addition, there is a charge in respect of contributions to other plans, including defined contribution plans of £127,000 (2014: £141,000). There are no unpaid contributions outstanding at the year end (2014: £nil).



# Independent auditor's report to the member of Lloyd's Register Central & South America Limited

We have audited the financial statements of Lloyd's Register Central & South America Limited for the year ended 30 June 2015 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Total Recognised Gains and Losses, and the related notes 1 to 16. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

## Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

## Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material

misstatements or inconsistencies we consider the implications for our report.

## Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2015 and of the company's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

## Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

## Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- 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
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Hadleigh Shekle (Senior statutory auditor)  
for and on behalf of Deloitte LLP  
Chartered Accountants and Statutory Auditor  
London, United Kingdom

22 March 2016