

# DIF Management UK Limited

## Audited annual financial statements

For the year ended 30 September 2022

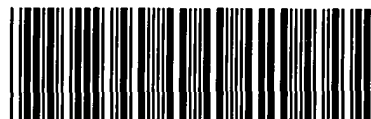
Company No: 06570536



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# DIF Management UK Limited

## Audited financial statements *for the year ended 30 September 2022*

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# DIF Management UK Limited

## Directors and other information

**Directors**

C J Mansfield  
A D Freeman

**Registered office**

Doran & Minehane  
2<sup>nd</sup> Floor, 16 Stratford Place  
Marylebone, London  
W1C 1BF  
United Kingdom

**Company number**

06570536

**Auditor**

Ernst & Young LLP  
25 Churchill Place  
Canary Wharf  
London  
E14 5EY  
United Kingdom

**Company secretary**

D&M Financial Services (UK)  
Anumerate Office 2.05  
Clockwise  
Old Town Hall  
30 Tweedy Road  
Bromley  
United Kingdom  
BR1 3FE

# DIF Management UK Limited

## Strategic report *for the year ended 30 September 2022*

The principal activity of DIF Management UK Limited ("the Company") during the year included the provision of management services to affiliated companies forming part of the DIF fund investment structures. Since 1 January 2019, all contracts were terminated with UK affiliated companies and replaced with an agreement with DIF Management B.V. for the provision of advisory and management services.

The Company is a private company limited by shares and is incorporated and domiciled in England, registration number 06570536, and regulated by the Financial Conduct Authority, reference number 583349.

### Review of the business

The audited statement of income and retained earnings is set out on page 10 and shows the profit for the year was £878,673 (2021: £591,750). Total shareholder's funds amounts to £3,143,781 (2021: £2,165,108). The Company provides management services to affiliated fund investment structures and the continued growth of those fund structures has generated increased revenue and profit in the Company.

The directors are not aware, at the date of this report, of any likely changes in the Company's activities in the coming years, and they anticipate that the Company will continue to supply management services to affiliated companies forming part of the DIF fund investment structures.

### Principal risks and uncertainties

- **Foreign currency exposure:** The Company's receivable balances with DIF Management B.V. are denominated in GBP. The Company is exposed to the risk of fluctuations in the Euro bank account as well as expense items denominated in Euros which is considered to be minimal. The ultimate parent company of the group operates in Euro and total foreign currency exposure of the group is monitored in order to minimise any significant foreign currency exposures within the group.
- **Liquidity risk:** The objective of the Company in managing liquidity risk is to ensure that it can meet its financial obligations as and when they fall due. The Company expects to meet its financial obligations through ongoing operating activities.
- **Interest rate risk:** The Company has little exposure to debt and the impact of any fluctuations in interest rates is minimal.
- **Risk associated with Brexit:** Substantially most of the Company's transactions are with other companies in the United Kingdom and income is mainly generated from DIF Management B.V., the Parent Company. As such, there is minimal financial risk arising from the conclusion of the Brexit arrangements in terms of their possible implications on the Company.
- **Risks associated with COVID-19:** The financial impact or risk of COVID-19 on the Company is fairly limited. However, COVID-19 related risks to the Company's employees are being minimised through remote working, social distancing and hygiene measures in the office, testing staff for infection with COVID-19 prior to them working in the office and pastoral care, including awareness of and support for any related mental health issues arising.

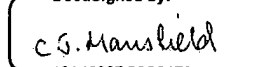
# DIF Management UK Limited

Strategic report  
*for the year ended 30 September 2022*

## Key performance indicators

Comparing the current year results to prior year comparative indicates that turnover has increased by 32.9% and expenditure has increased by 31.7%. Net assets at 30 September 2022 have increase by 44.9%.

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C J Mansfield  
Director

November 22, 2022

# DIF Management UK Limited

## Directors' report

*for the year ended 30 September 2022*

### Results and dividends

The statement of income and retained earnings is set out on page 10 and shows the profit for the year. The Directors have not recommended the payment of a dividend for the year (2021: nil).

### Principal activity and future development

The principal activity of the Company during the year included the provision of management services to affiliated companies forming part of the DIF fund investment structures. Since 1 January 2019, all contracts were terminated with UK affiliated companies as the Company entered into an agreement with DIF Management B.V. for the provision of advisory and management services. The Company is expected to continue to provide these services in the future as the DIF fund structures continue to expand.

### Going concern

Following the advice issued by the UK Government in March 2020 regarding employees working from home and other social distancing measures, the Company has enacted procedures to facilitate this and has a detailed plan that enables an effective operation to continue whilst employees are not physically present in the Company's offices. Due to the cost-plus nature of the Company's revenues, which are funded by its parent company, the impact on the Company is limited. Therefore, the Directors do not foresee an impact on the entity's ability to continue as a going concern.

In February 2022, a number of countries (including the US, UK and EU) imposed sanctions against certain entities and individuals in Russia as a result of the official recognition of the Donetsk People Republic and Lugansk People Republic by the Russian Federation. Announcements of potential additional sanctions have been made following military operations initiated by Russia against the Ukraine on 24 February 2022.

The situation, together with growing turmoil from fluctuations in commodity prices and foreign exchange rates, and the potential to adversely impact global economies, has driven a sharp increase in volatility across markets. Although neither the Company's performance and going concern nor operations, at the date of this report, have been significantly impacted by the above, the Manager continues to monitor the evolving situation and its impact on the financial position of the Company.

### Directors

The names of persons who were Directors during the year ending 30 September 2022 and to the date of this report are set out below:

C J Mansfield  
A D Freeman

### Charitable donations

During the year, the Company made no charitable donations (2021: nil).

### Directors' responsibilities statement

The Directors are responsible for preparing the strategic report and the directors' report and the financial statements in accordance with applicable law and regulations.

# DIF Management UK Limited

## Directors' report *for the year ended 30 September 2022*

### **Directors' responsibilities statement** *(continued)*

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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), specifically Financial Reporting Standard 102: *The Financial Reporting Standard Applicable in the UK and Republic of Ireland* ("FRS 102").

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 year. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards, specifically FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

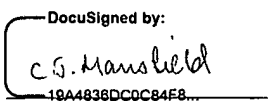
The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Each of the current Directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the Company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The Directors are not aware of any relevant audit information of which the auditors are unaware.

### **Auditors**

Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and will therefore continue in office.

On behalf of the Board of Directors:

DocuSigned by:  
  
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C J Mansfield  
Director

November 22, 2022

# DIF Management UK Limited

## Independent auditor's report to the members of DIF Management UK Limited

### Opinion

We have audited the financial statements of DIF Management UK Limited ('the Company') for the year ended 30 September 2022 which comprise the Statement of Income and Retained Earnings, the Statement of Financial Position and the related notes 1 to 19, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the Company's affairs as at 30 September 2022 and of its 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.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Conclusions relating to going concern

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.

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.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

### Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.



# DIF Management UK Limited

## Independent auditor's report to the members of DIF Management UK Limited

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

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 course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- 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; and
- the strategic report and directors' report have been prepared in accordance with applicable legal requirements.

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

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or directors' report.

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

- adequate accounting records have not been kept 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.

### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors 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.

# DIF Management UK Limited

## Independent auditor's report to the members of DIF Management UK Limited

### **Auditor's 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 auditor's 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.

### ***Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud***

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. 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. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are those that relate to the reporting framework (FRS 102, Companies Act 2006) and the relevant direct and indirect tax compliance regulation in the United Kingdom. In addition, the Company is required to comply with relevant Financial Conduct Authority's (FCA) rules and regulations relating to its operations.
- We understood how the Company is complying with those frameworks by making enquiries of management and by seeking representation from those charged with governance. We corroborated our understanding by reviewing directors' meeting minutes and policy and procedures manuals.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by considering the risk of management override and by designating revenue recognition as a fraud risk. We performed journal entry testing by specific risk criteria, with a focus on manual journals and journals indicating large or unusual transactions based on our understanding of the business. We recalculated the revenue based on the transfer pricing arrangement applied by management and tested a sample of inputs in the calculation back to source documentation. We also used our internal transfer pricing specialists to review the appropriateness of the transfer pricing arrangement.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved enquiries of management and those charged with governance, review of legal and professional expenses, review of breaches and complaints register and review of board meeting minutes.
- The Company is a regulated investment manager under the supervision of the FCA. As such, the Senior statutory auditor reviewed the experience and expertise of the engagement team to ensure that the team had the appropriate competence and capabilities.

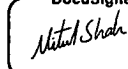
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

## DIF Management UK Limited

### Independent auditor's report to the members of DIF Management UK Limited

#### Use of our report

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.

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Mitul Shah (Senior statutory auditor)  
For and on behalf of Ernst & Young LLP, Statutory Auditor  
London

November 22, 2022

# DIF Management UK Limited

## Statement of income and retained earnings for the year ended 30 September 2022

		For the year ended 30 September 2022	For the year ended 30 September 2021
	Notes	£	£
Revenue	5	11,093,549	8,345,462
Administrative expenses	6	(10,085,044)	(7,586,784)
<b>Operating profit</b>		<b>1,008,505</b>	<b>758,678</b>
FX gain / (loss)		95,680	(32,869)
<b>Profit on ordinary activities before taxation</b>		<b>1,104,185</b>	<b>725,809</b>
Tax on profit on ordinary activities	9	(225,512)	(134,059)
Profit for the financial year		878,673	591,750
Retained profits at 1 October		2,115,107	1,523,357
Dividend paid		-	-
<b>Retained profits at 30 September</b>		<b>2,993,780</b>	<b>2,115,107</b>

During the year the Company incurred no other comprehensive income (2021: £nil). Accordingly, the profit for the year is equivalent to the total comprehensive income for the year.

All amounts relate to continuing operations.

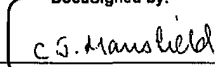
*The accompanying notes form an integral part of these financial statements.*

## DIF Management UK Limited

Statement of financial position  
as at 30 September 2022

	Notes	30 September 2022 £	30 September 2021 £
<b>Fixed assets</b>			
Intangible assets	11	-	-
Tangible assets	12	339,552	291,774
<b>Total fixed assets</b>		<b>339,552</b>	<b>291,774</b>
<b>Current assets</b>			
Debtors	13	2,456,714	2,541,507
Cash at hand and cash equivalents		3,082,825	1,802,323
<b>Total current assets</b>		<b>5,539,539</b>	<b>4,343,830</b>
<b>Creditors: amounts falling due within one year</b>	14	<b>(2,735,310)</b>	<b>(2,470,496)</b>
<b>Net current assets</b>		<b>2,804,229</b>	<b>1,873,334</b>
<b>Net assets</b>		<b>3,143,781</b>	<b>2,165,108</b>
<b>Capital and Reserves</b>			
Called up share capital	15	2	2
Share premium account		49,999	49,999
Capital contribution		100,000	-
Profit and loss account		2,993,780	2,115,107
<b>Shareholders' funds</b>		<b>3,143,781</b>	<b>2,165,108</b>

The financial statements on pages 10 to 22 were authorised for issue by the Board of Directors on November 22, 2022 and were signed on its behalf by:

DocuSigned by:  
  
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 C J Mansfield  
 Director  
 November 22, 2022

*The accompanying notes form an integral part of these financial statements.*

# DIF Management UK Limited

## Statement of financial position as at 30 September 2022

### 1. General information

DIF Management UK Limited (the “Company”) is a private company limited by shares and is incorporated and domiciled in England (registration number 06570536) and is regulated by the Financial Conduct Authority, reference number 583349. The address of its registered office is 2<sup>nd</sup> Floor, 16 Stratford Place, Marylebone, London, W1C 1BF. The principal activity of the Company during the year included the provision of management services to affiliated companies forming part of the DIF fund investment structures. Since 1 January 2019, all contracts were terminated with UK affiliated companies as the Company entered into an agreement with DIF Management B.V. for the provision of advisory and management services.

### 2. Statement of compliance

The financial statements of the Company have been prepared in compliance with United Kingdom Accounting Standards, specifically Financial Reporting Standard 102: *The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland* (“FRS 102”) and the Companies Act 2006.

### 3. Summary of significant accounting policies

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.

#### (a) Basis of preparation

The financial statements are prepared on a going concern basis, under the historical cost convention. A company is permitted to present a statement of income and retained earnings in place of a statement of comprehensive income and a statement of changes in equity if the only changes to its equity during the years presented arise from profit or loss, payment of dividends and prior period adjustments and accordingly the Company has presented a single statement of income and retained earnings.

#### (b) Going concern

On 12th March 2020, the World Health Organisation declared the outbreak of COVID-19 a Pandemic. The outbreak has severely restricted the level of economic activity around the world. In response to this coronavirus outbreak, the governments of many countries, states, cities and other geographic regions have taken preventative or protective actions, such as imposing restrictions on travel and business operations and advising or requiring individuals to limit or forego their time outside of their homes.

In February 2022, a number of countries (including the US, UK and EU) imposed sanctions against certain entities and individuals in Russia as a result of the official recognition of the Donetsk People Republic and Lugansk People Republic by the Russian Federation. Announcements of potential additional sanctions have been made following military operations initiated by Russia against the Ukraine on 24 February 2022. The situation, together with growing turmoil from fluctuations in commodity prices and foreign exchange rates, and the potential to adversely impact global economies, has driven a sharp increase in volatility across markets.

# DIF Management UK Limited

## Statement of financial position as at 30 September 2022

### 3. Summary of significant accounting policies (*continued*)

#### (b) Going concern (*continued*)

Although the full extent to which the COVID-19 pandemic and the Ukraine conflict may impact the Company is uncertain, the impact on the Company's result or liquidity is estimated to be low. During the year, DIF Capital Partners as a whole launched 2 new main funds, raising €3.8 billion and targeting >€5 billion with reputable and robust investors. Therefore, there is limited concern on the ability of DIF Management B.V., the Company's parent company, to fund the activities of the Company. The Directors are not aware of any impending changes to or termination of this agreement.

The Directors have considered the assets and liabilities of the Company and are of the opinion that the Company will continue to meet its liabilities as they fall due. Management continues to monitor the impact that the COVID-19 pandemic and the Ukraine and Russia conflict has on the Company, along with the sector and economies in which the Company operates. Accordingly, the Directors have adopted the going concern basis of preparation in preparing these financial statements.

#### (c) Exemptions for qualifying entities

The Company has taken advantage of the exemption from preparing a statement of cash flows, on the basis that it is a qualifying entity and its ultimate parent company, DIF Management Holding B.V., includes the Company's cash flows in its own consolidated annual financial statements. A copy of the consolidated financial statements of DIF Management Holdings B.V. can be obtained from Tower D, 10<sup>th</sup> Floor, Schiphol Boulevard, Schiphol, The Netherlands.

The Company has availed of the exemption in paragraph 33.1A of FRS 102 which permits a qualifying entity to not provide disclosures on transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member.

#### (d) Foreign currency

##### ***Functional and presentation currency***

The Company's functional and presentation currency is British Pound Sterling ("£").

##### ***Transactions and balances***

In preparing the financial statements of the individual entities, transactions in currencies other than the functional currency of the individual entities (foreign currencies) are recognised at the spot rate at the dates of the transactions, or at an average rate where this rate approximates the actual rate at the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

# DIF Management UK Limited

## Statement of financial position as at 30 September 2022

### 3. Summary of significant accounting policies *(continued)*

#### (e) Revenue

Revenue is measured at the fair value of the consideration received or receivable and represents the amount receivable for services rendered, net of discounts and rebates allowed by the Company and value added taxes. The Company provides management services to affiliated companies forming part of the DIF fund investment structures and since 1 January 2019, provides advisory and management services to DIF Management B.V.. Revenue is recognised on an accrual basis in the accounting period in which the services are rendered.

#### (f) Employee benefits

##### *Annual bonus plan*

The Company operates an annual bonus plan for employees which may include deferred bonuses. An expense is recognised in the statement of income and retained earnings when the Company has a legal or constructive obligation to make payments under the plan as a result of past events and a reliable estimate of the obligation can be made.

#### (g) Taxation

Taxation expense for the year represents current tax recognised in the reporting period and is recognised in the statement of income and retained earnings. Current tax is the amount of income tax payable in respect of taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the year end. Current taxation assets and liabilities are not discounted.

Deferred tax assets are recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are only recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax assets and liabilities are measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date and that are expected to apply in the periods in which any timing differences are expected to reverse. Deferred tax assets and liabilities are not discounted.

#### (h) Amortisation and depreciation

- Amortisation – computer software

Intangible assets are stated at cost less accumulated amortisation and are amortised over their estimated useful lives, of between three and five years, on a straight line basis.

Where factors, such as technological advancement or changes in market price, indicate that residual value or useful life have changed, the residual value, useful life or amortisation rates are amended prospectively to reflect the new circumstances. The assets are reviewed for impairment if the above factors indicate that the carrying amount may be impaired.

- Depreciation – computer hardware, furniture & fittings and leasehold improvements

Computer hardware, furniture & fittings and leasehold improvements are depreciated over their useful economic lives, of between four and ten years, on a straight line basis.



# DIF Management UK Limited

## Statement of financial position as at 30 September 2022

### 3. Summary of significant accounting policies *(continued)*

#### (i) Operating leases

Rentals payable under operating leases are charged to the statement of income and retained earnings on a straight line basis over the total lease term. Lease incentives are recognised over the total lease term on a straight line basis.

#### (j) Cash and cash equivalents

Cash and cash equivalents includes deposits held at call with banks with maturities of less than 3 months.

#### (k) Financial instruments

The Company has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

##### *Financial assets*

Basic financial assets, including trade and other receivables, cash and bank balances, are initially recognised at transaction price. Such assets are subsequently carried at amortised cost using the effective interest rate method. At the end of each reporting period financial assets measured at amortised costs are assessed for objective evidence of impairment. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate method. The impairment loss is recognised in the statement of income and retained earnings. There was no impairment in the current or prior financial years.

##### *Financial liabilities*

Basic financial liabilities, including creditors and loans from fellow group companies, are initially recognised at transaction price and are subsequently carried at amortised cost using the effective interest rate method. Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers and are classified as current liabilities if payment is due within one year or less. Creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest rate method.

### 4. Significant judgements and estimates

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. Bonuses are estimated at the start of the year and accrued for throughout the year until bonuses are paid annually in November. Any adjustments to bonus accruals are implemented during the course of the period.

Where factors, such as technological advancement or changes in market price, indicate that residual value or useful life of computer software has changed, the residual value, useful life or amortisation rate is amended prospectively to reflect the new circumstances. The assets are reviewed for impairment if these factors indicate that the carrying amount may be impaired.

# DIF Management UK Limited

## Statement of financial position as at 30 September 2022

### 5. Revenue

The following is an analysis of the Company's revenue from its services:

	For the year ended 30 September 2022 £	For the year ended 30 September 2021 £
Management fees	11,093,549	8,345,462

The Company charges management fees to affiliated companies forming part of the DIF fund investment structures and since 1 January 2019, charges advisory and management fees to DIF Management B.V..

### 6. Operating profits are stated after charging:

	For the year ended 30 September 2022 £	For the year ended 30 September 2021 £
<b>Included in administrative expenses:</b>		
Staff costs (see note 8)	(8,256,782)	(6,185,704)
Other expenses	(1,317,320)	(937,773)
Rent expense under operating leases	(326,565)	(326,565)
Depreciation of furniture and fittings and leasehold	(58,158)	(68,449)
Accounting and tax fees	(92,019)	(34,093)
Auditors remuneration – audit	(34,200)	(34,200)
	<b>(10,085,044)</b>	<b>(7,586,784)</b>

### 7. Operating leases

Total future minimum rental commitments under non-cancellable operating leases are as follows:

	As at 30 September 2022 £	As at 30 September 2021 £
Within one year	(275,966)	(385,930)
Greater than one year and less than five years	(1,331,773)	(1,222,110)
Greater than five years	(276,267)	(661,896)
	<b>(1,884,006)</b>	<b>(2,269,936)</b>

# DIF Management UK Limited

## Statement of financial position as at 30 September 2022

### 8. Directors and employees:

#### Staff costs, including remuneration to Directors, during the year were as follows:

Wages and salaries (including bonuses)  
Social security costs  
Pension and medical benefits

For the year ended 30 September 2022 £	For the year ended 30 September 2021 £
(6,953,098)	(5,231,436)
(972,302)	(686,548)
(331,382)	(267,720)
<b>(8,256,782)</b>	<b>(6,185,704)</b>

#### The average number of employees of the Company during the year was:

Senior management  
Investment management staff

For the year ended 30 September 2022	For the year ended 30 September 2021
2	2
34	31
<b>36</b>	<b>33</b>

#### Remuneration in respect of Directors was as follows:

Wages and salaries (including bonuses)

For the year ended 30 September 2022 £	For the year ended 30 September 2021 £
(693,455)	(508,892)
<b>(693,455)</b>	<b>(508,892)</b>

Remuneration paid to the highest paid Director amounted to £535,651 (2021: £346,338). In addition to the remuneration set out above, the Directors received remuneration amounting to £1,698,374 (2021: £1,378,232) which was paid by the ultimate parent, DIF Management Holding B.V.

The Company has made provision for annual leave outstanding for all employees at 30 September 2022 of £74,162 (2021: £162,174).

# DIF Management UK Limited

## Statement of financial position as at 30 September 2022

### 9. Income tax

The tax charge is based on the profit for the year and represents:

	For the year ended 30 September 2022 £	For the year ended 30 September 2021 £
<b>Corporation tax</b>		
Current tax on profits for the year	(218,365)	(147,828)
Adjustments in respect of prior years	(10,119)	4,073
Total current tax charge	(228,484)	(143,755)
<b>Deferred tax</b>		
Origination and reversal of timing differences	2,708	14,242
Adjustments in respect of prior years	264	(4,546)
<b>Taxation on profit on ordinary activities</b>	<b>(225,512)</b>	<b>(134,059)</b>

The reconciliation between the total tax charge for the year and the standard rate of corporation tax in the UK applied to the profit for the year is as follows:

	For the year ended 30 September 2022 £	For the year ended 30 September 2021 £
Profit on ordinary activities before tax	1,104,185	725,809
Expected tax charge based on the standard of corporation tax rate in the UK of 19% (2021: 19%)	(209,796)	(137,904)
Non-deductible expenses	(7,237)	(5)
Other adjustments	725	(2,613)
Adjustments in respect of prior years	(10,119)	4,073
Adjustments in respect of prior years – deferred tax	264	(4,546)
Remeasurement of deferred tax for changes in tax rates	651	6,936
Total tax on profit on ordinary activities	<b>(225,512)</b>	<b>(134,059)</b>

An increase in the UK corporation tax rate from 19% to 25% (effective 1 April 2023) was substantively enacted on 24 May 2021 and the recognised deferred tax assets as at 30 September 2022 have been calculated based on this rate. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted as at the date of the Statement of Financial Position.

### 10. Dividends

No dividends have been paid or declared in the current year (2021: nil).

# DIF Management UK Limited

## Statement of financial position as at 30 September 2022

### 11. Intangible assets

	For the year ended 30 September 2022	For the year ended 30 September 2021
	Computer Software £	Computer Software £
<b>Cost</b>		
At 1 October	911,077	911,077
Additions	-	-
At 30 September	911,077	911,077
<b>Amortisation</b>		
At 1 October	911,077	911,077
Charge for the year	-	-
At 30 September	911,077	911,077
<b>Net book amount at 30 September</b>	-	-

Amortisation of intangible fixed assets is included in administrative expenses.

### 12. Tangible assets

	For the year ended 30 September 2022	For the year ended 30 September 2021
	Furniture and Fittings £	Furniture and Fittings £
<b>Cost</b>		
At 1 October	601,560	575,007
Additions	12,721	26,553
At 30 September	614,281	601,560
<b>Depreciation</b>		
At 1 October	309,786	241,337
Charge for the year	58,158	68,449
At 30 September	367,944	309,786
<b>Net book amount at 30 September</b>	246,337	291,774

# DIF Management UK Limited

## Statement of financial position as at 30 September 2022

### 12. Tangible assets (continued)

	For the year ended 30 September 2022	For the year ended 30 September 2021
	Leasehold Improvements £	Leasehold Improvements £
<b>Cost</b>		
At 1 October	-	-
Additions	164,400	-
At 30 September	164,400	-
<b>Depreciation</b>		
At 1 October	-	-
Charge for the year	71,185	-
At 30 September	71,185	-
<b>Net book amount at 30 September</b>	<b>93,215</b>	<b>-</b>

Depreciation of tangible fixed assets is included in administrative expenses. The leasehold improvements in 2022 relate to the dilapidation provision in Note 14.

### 13. Debtors

	As at 30 September 2022 £	As at 30 September 2021 £
Amounts owed by related parties	2,211,471	2,283,849
Deferred tax asset	31,872	28,900
Other debtors	-	421
Prepayments and accrued income	213,371	228,337
	<b>2,456,714</b>	<b>2,541,507</b>

Amounts owed by related parties are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

# DIF Management UK Limited

## Statement of financial position as at 30 September 2022

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

	As at 30 September 2022	As at 30 September 2021
	£	£
Trade creditors	(67,799)	(591,841)
Other taxation and social security costs	(461,879)	(186,328)
Other creditors	(101,708)	(189,715)
Corporation tax payable	(59,696)	(41,634)
Accruals and deferred income	(2,044,228)	(1,460,978)
	<b>(2,735,310)</b>	<b>(2,470,496)</b>

The accruals and deferred income include a dilapidation provision of £164,400 (2021: nil).

### 15. Called up share capital

	As at 30 September 2022	As at 30 September 2021
	£	£
Authorised, allotted and fully paid: 2 Ordinary shares of £1 each	2	2
	<b>2</b>	<b>2</b>

In addition to the share capital above, shareholders' funds includes share premium of £49,999 (2021: £49,999), capital contributions of £100,000 (2021: nil) and retained profits carried forward of £2,982,606 (2021: £2,115,107).

### 16. Financial assets and liabilities

	As at 30 September 2022	As at 30 September 2021
	£	£
Financial assets at amortised cost	5,539,539	4,343,830
Financial liabilities at amortised cost	<b>(2,735,310)</b>	<b>(2,470,496)</b>

### 17. Ultimate controlling party

The Company's immediate parent company is DIF Management B.V., an entity incorporated in the Netherlands.

The ultimate controlling party is DIF Management Holding B.V., an entity incorporated in the Netherlands.

# DIF Management UK Limited

## Statement of financial position as at 30 September 2022

### 18. Related parties

The principal activity of DIF Management UK Limited ("the Company") during the year continued to be the provision of management services to affiliated companies forming part of the DIF fund investment structures.

Related parties include:

- the Directors;
- other group companies; and
- affiliated companies which have Directors in common with DIF Management UK Limited.

The Company has availed of the exemption in paragraph 33.1(a) of FRS 102 which permits a qualifying entity to not provide disclosures on transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member.

Remuneration paid to Directors is disclosed in note 8.

The Company invoiced the following related parties for advisory and management services rendered throughout the year, amounting to:

	For the year ended 30 September 2022	For the year ended 30 September 2021
	£	£
DIF Management B.V.	11,093,549	8,345,462

Amounts payable to, or receivable from, the following related parties at year-end were as follows:

	Amounts payable		Amounts receivable	
	As at 30 September 2022 £	As at 30 September 2021 £	As at 30 September 2022 £	As at 30 September 2021 £
DIF Management B.V.	-	-	2,211,471	2,283,849
	-	-	2,211,471	2,283,849

### 19. Subsequent events

There are no other material events subsequent to the reporting date which necessitate revision of the figures or disclosures included in the financial statements.