

Uberior Investments Limited

Annual report and financial statements

2022

Registered number: SC073998



Member of the Lloyds Banking Group

Strategic report

For the year ended 31 December 2022

The directors present their Annual report and the audited financial statements of Uberior Investments Limited (the "Company") for the year ended 31 December 2022.

Principal activities and future developments

The Company operates as an investment holding company and there has been no change in that activity during the year. The Company remains committed to the business of holding investments and will continue to manage existing investments in the future.

Business review

During the year the Company managed investments for value. On the basis that the Company is an investment holding company, its performance is considered in respect of the underlying investment portfolio performance and valuations. As such, the key financial performance indicators relate to dividend income from subsidiaries and investment value (FVTPL and FVOCI assets). Further to the before mentioned, borrowed funds are also considered a key financial performance indicator for the Company.

The Company's loss before tax for the financial year is £53,507,000 (2021: profit of £103,740,000). This is largely generated through loss on valuation movements (including impairments) of £59,125,000 (2021: gain of £111,122,000). There is also income from investments of £18,156,000 (2021: £4,803,000).

The Balance Sheet shows a net asset position of £340,252,000 (2021: £391,630,000). The main driver for this is a decline in overall Investments value by £59,858,000, predominately due to reduction in fair value. This has been offset by an overall reduction in Borrowed funds of £10,716,000.

The Company's actions are governed by the Codes of Business Responsibility of the ultimate parent undertaking, Lloyds Banking Group plc, which set out clear guidelines for responsible behaviour across the business, including human rights, social, ethical and environmental responsibilities. These guidelines can be viewed in the consolidated annual report and financial statements of Lloyds Banking Group plc.

The Company has no employees (2021: none) and therefore the Directors have not commented on employee matters.

Section 172(1) statement

In accordance with the Companies Act 2006 ("the Act"), for the year ended 31 December 2022, the directors provide the following statement describing how they have had regard to the matters set out in section 172(1) of the Act, when performing their duty to promote the success of the Company under section 172. The Directors remain mindful in all their deliberations of the long-term consequences of their decisions, as well as the importance of maintaining a reputation for high standards of business conduct and taking account of the views of key stakeholders. Further details on key actions in this regard are also contained within the Directors' Report on page 3.

Statement of engagement with employees and other stakeholders

In accordance with the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, the following statement also provides details of how the Directors have engaged with, and had regard to, the interests of key stakeholders only as the Company has no direct employees. The Company is a subsidiary of Lloyds Banking Group plc ('LBG'), and as such follows many of the processes and practices of LBG, which are further referred to in this statement where relevant.

Shareholders

The Company is a wholly owned subsidiary of Lloyds Banking Group plc, forming part of Lloyds Banking Group plc's Equity division. As a wholly owned subsidiary, the directors ensure that the strategy, priorities, processes and practices of the Company are fully aligned where required to those of Lloyds Banking Group plc, ensuring that the interests of Lloyds Banking Group plc as the Company's ultimate parent company are duly acknowledged. Further information in respect of the relationship of Lloyds Banking Group plc with its shareholders is included within the Strategic Report within the Lloyds Banking Group plc's Annual Report and Accounts for 2022, which does not form part of this report, available on the Lloyds Banking Group plc website.

Communities and the environment

The Company continues to support Lloyds Banking Group plc's related initiatives, including Helping Britain Prosper by actively investing into communities in which it operates, helping them prosper economically. The Company participates in related LBG initiatives. Further information in respect of Lloyds Banking Group plc's overall approach to engaging with and contributing to the communities in which it operates is included within the Strategic Report within the Lloyds Banking Group plc's Annual Report and Accounts for 2022, which does not form part of this report. Additional information on Lloyds Banking Group plc's role in supporting the country and its people is available on the Lloyds Banking Group plc website within the Society and Environment section of the annual report: <https://www.lloydsbankinggroup.com/investors/financial-downloads.html>.

Strategic report (continued)
For the year ended 31 December 2022

Principal risks and uncertainties

From the perspective of the Company, the principal risks and uncertainties are managed within the framework established for the Group and are not managed separately for the Company. Further details of the Company's and Group's risk management policy are contained in note 22 to the financial statements.

Other significant uncertainties are discussed in detail below.

Long term impact of the United Kingdom's exit from the European Union

Uncertainties in respect of the medium to long-term implications of the United Kingdom's ("UK") exit from the European Union ("EU") on trade, regulation and employment continue to present risks. This includes impacts on supply chains, affordability of goods and services and UK demographics and prosperity. The Directors believe that there will continue to be limited impact on the Company.

Covid-19

The global pandemic created from the outbreak of Covid-19 continues to cause widespread disruption to global markets and normal patterns of business activity across the world, including in the UK. Measures taken to contain the health impacts of the Covid-19 pandemic are resulting in adverse impacts on economic activity across the world, and the duration for which such measures will remain in place is uncertain. The impact on the economy remains highly uncertain in both its depth and length, and may go beyond current forecasts of scale of loss of output and recession in the UK and globally. The Directors believe that there will continue to be limited impact on the Company.

Russian invasion of Ukraine

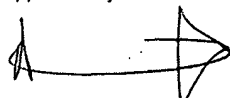
The Russian invasion of Ukraine, beginning in February 2022, has increased tensions between members of the North Atlantic Treaty Organisation (NATO) and Russia and caused sanctions to be imposed. This has had significant adverse economic effects on financial markets and on energy costs, and may also result in increased cyber attacks and an increase in costs associated with such cyber attacks, all of which could have a materially adverse effect on the Group's results of operations, financial condition or prospects. The Group will monitor the situation and risks to the business. The Directors believe that there will continue to be limited impact on the Company.

Key performance indicators ("KPIs")

The directors monitor the performance of the Company by reference to KPIs as listed below :

KPI	Movement	Analysis
Income from investments	Increased by £13,353,000 (2022: £18,156,000, 2021: £4,803,000)	<i>In the current year, a dividend from Uberior Ventures Limited was received of £10,500,000 plus other dividends from external investments totalling £7,385,000. In the prior year a dividend from Uberior ENA Limited was received of £4,232,000 plus other dividends from external investments totalling £529,000).</i>
Investment value (FVTPL and FVOCI Assets)	Decreased by £59,841,000 (2022: £687,582,000, 2021: £747,423,000)	<i>Movement includes FVTPL FV movements of (£59,108,000) (2022: +£111,097,000) and disposals of £513,000 (2022: £947,000). There has also been FV movements in FVOCI investments of (£220,000) (2022: +£193,000).</i>
Borrowed funds	Decreased by £10,716,000 (2022: £446,693,000 2021: £457,409,000)	<i>Movement is due to an overall reduction in the LBGEIL loan of £10,886,000 in the year following matured funding not rolled in to new loans. Interest accrued in the year was £12,247,000 offset against interest repayments of £12,208,000) and FX movements totalling (£131,000).</i>

Approved by the board of directors and signed on its behalf by:



N S Burnett
Director
31 July 2023

Directors' report

For the year ended 31 December 2022

The directors present their Annual report and the audited financial statements of Uberior Investments Limited ("the Company") for the year ended 31 December 2022.

General information

The Company is a private limited company incorporated and domiciled in Scotland (registered number: SC073998).

The Company operates as an investment holding company and there has been no change in that activity during the year. The Company remains committed to the business of holding investments and will continue to manage existing investments in the future.

The Company is funded entirely by other companies within the Lloyds Banking Group plc ("the Group").

Dividends

No dividends were paid or proposed during the year ended 31 December 2022 (2021: £nil).

Going concern

The financial statements have been prepared on a going concern basis. There is a net asset position of £340,252,000 (2021: £391,630,000).

The directors are satisfied that it is the intention of Lloyds Banking Group plc that its subsidiaries, including the Company, will continue to have access to adequate liquidity and capital resources for the foreseeable future, being a least 12 months from the date of approval of the financial statements. It has been confirmed that amounts due to group undertakings will not be called in the next 12 months. The financial statements have therefore been prepared on a going concern basis.

Streamlined energy and carbon reporting disclosure

The Company is out of scope of the Streamlined Energy and Carbon Reporting ("SECR"), as it does not have to report on SECR in its own Director's report where included in the Group's SECR statement of a UK Group report. Further information in respect of SECR is included within Lloyds Banking Group plc Annual Report and Accounts for 2022, which does not form part of this report, available on the Lloyds Banking Group plc website.

Post balance sheet events

In early 2023, an investment previously held by two subsidiary undertakings was transferred to the Company for £3,980,000. The Company also received an interim dividend in specie of £4,554,000 from BOS Mistral Limited.

Registered office

The Company's registered office is The Mound, Edinburgh, United Kingdom, EH1 1YZ.

Directors

The current directors of the Company are listed below:

N S Burnett
M S J Daly

There have been no changes to directors between the beginning of the reporting period and the approval of the Annual report and financial statements.

Company Secretary

The current Secretary of the Company is listed below.

D D Hennessey

Information included in the Strategic report

The disclosures for Principal risks and uncertainties, Key performance indicators and Section 172(1) related matters that would otherwise be required to be disclosed in the Directors' report can be found in the Strategic report on page 1 and 2.

Directors' report (continued)

For the year ended 31 December 2022

Directors' indemnities

Lloyds Banking Group plc has granted to the directors of the Company a deed of indemnity through deed poll which constituted 'qualifying third party indemnity provisions' for the purposes of the Companies Act 2006. The deed was in force during the whole of the financial year and at the date of approval of the financial statements or from the date of appointment in respect of directors who join the board of the Company during the financial year. Directors no longer in office but who served on the board of the Company at any time in the financial year have the benefit of this contract of indemnity during that period of service. The indemnity remains in force for the duration of the directors' periods of office. The deed indemnifies the directors to the maximum extent permitted by law. Deeds for existing directors are available for inspection at the registered office of Lloyds Banking Group plc. In addition, the Group has in place appropriate directors and officers liability insurance cover which was in place throughout the financial year.

Statement of directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law, the directors have prepared the Company's financial statements in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006. Under company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing the financial statements, International Accounting Standard 1 requires that directors:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements of the financial reporting framework are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the company's ability to continue as a going concern.

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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Directors' confirmations

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

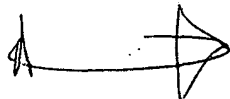
- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's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

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Independent auditors

Deloitte LLP are deemed to be re-appointed as auditor under section 487(2) of the Companies Act 2006.

Approved by the board of directors and signed on its behalf by:



N S Burnett
Director
31 July 2023

Income statement

For the year ended 31 December 2022

	Note	2022 £'000	2021 £'000
Other income	3	220	157
Income from investments	4	18,156	4,803
Changes in fair value of investments	5	(59,108)	111,097
Total (expense)/income		(40,732)	116,057
Impairment (losses)/gain	6	(17)	25
Finance costs	7	(12,247)	(11,791)
Other operating expenses	8	(511)	(551)
(Loss)/profit before tax		(53,507)	103,740
Taxation	9	2,349	25,218
(Loss)/profit for the year		(51,158)	128,958

Statement of comprehensive income

For the year ended 31 December 2022

	Note	2022 £'000	2021 £'000
(Loss)/profit for the year attributable to owners of the parent		(51,158)	128,958
Other comprehensive (expense)/income			
Items that will not subsequently be reclassified to profit or loss:			
<i>Movement in Investments classified as fair value through other comprehensive income</i>			
- changes in fair value	15	(220)	193
Total other comprehensive (expense)/income		(220)	193
Total comprehensive (expense)/income for the year attributable to owners of the parent		(51,378)	129,151

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

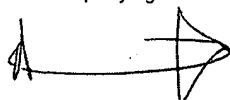
All results derive from continuing operations.

Balance sheet

As at 31 December 2022

	Note	2022 £'000	2021 £'000
ASSETS			
Cash and cash equivalents	11	32,554	34,312
Trade and other receivables	12	92	127
Investment in associate undertaking	13	5,269	5,269
Investments	15	688,561	748,417
Investment in subsidiary undertakings	14	65,407	65,409
Current tax asset		2,446	2,360
Deferred tax asset	16	44	98
Total assets		794,373	855,992
LIABILITIES			
Borrowed funds	17	446,693	457,409
Trade and other payables	18	200	240
Intercompany creditor	19	7,228	6,713
Total liabilities		454,121	464,362
EQUITY			
Share capital	20	2,000	2,000
Fair value through other comprehensive income reserve	20	(2,086)	(1,866)
Retained earnings		340,338	391,496
Total equity		340,252	391,630
Total equity and liabilities		794,373	855,992

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



N S Burnett
Director
31 July 2023

Statement of changes in equity

For the year ended 31 December 2022

	Share capital	Fair value through other comprehensive income reserve	Retained earnings	Total equity
	£'000	£'000	£'000	£'000
At 1 January 2021	2,000	(2,059)	262,538	262,479
Profit for the year	—	—	128,958	128,958
Other comprehensive income for the year	—	193	—	193
At 31 December 2021	2,000	(1,866)	391,496	391,630
At 1 January 2022	2,000	(1,866)	391,496	391,630
Loss for the year	—	—	(51,158)	(51,158)
Other comprehensive expense for the year	—	(220)	—	(220)
At 31 December 2022	2,000	(2,086)	340,338	340,252

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

Cash flow statement

For the year ended 31 December 2022

	2022 £'000	2021 £'000
Cash flows generated from/(used in) operating activities		
(Loss)/profit before tax	(53,507)	103,740
<u>Adjustments for:</u>		
Financing income	(333)	(10)
Impairment reversal/(losses)	17	(25)
Changes in fair value of investments	59,108	(111,097)
Finance costs	12,247	11,791
<u>Changes in working capital:</u>		
Changes in trade and other receivables	35	(5)
Changes in trade and other payables	(40)	2
Changes in intercompany creditors	515	439
Cash generated from/(used in) operating activities	18,042	4,835
Finance costs paid	(12,208)	(11,808)
Finance income received	323	—
Tax paid	2,317	(794)
Net cash generated from/(used in) operating activities	8,474	(7,767)
Cash flows generated from/(used in) investing activities		
Interest received from investments	10	10
Acquisition of investments	—	(39,126)
Proceeds from sale of investments	513	947
Net cash generated from/(used in) investing activities	523	(38,169)
Cash flows (used in)/generated from financing activities		
Proceeds from borrowings	80,000	87,352
Repayment of borrowings	(90,886)	(47,096)
Net cash (used in)/generated from financing activities	(10,886)	40,256
Change in Cash and cash equivalents	(1,889)	(5,680)
Effect of exchange rate fluctuations	131	(136)
Cash and cash equivalents at start of year	34,312	40,128
Cash and cash equivalents at end of year (see note 11)	32,554	34,312
Cash and cash equivalents comprise		
Cash at bank	32,554	34,312

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

Notes to the financial statements

For the year ended 31 December 2022

1. Accounting policies

1.1 Basis of preparation

Uberior Investments Limited (the Company) is a private Company limited by shares incorporated in the United Kingdom under the Companies Act 2006 and is registered in Scotland. The registered office and principal activity is included in the directors report.

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

These financial statements have been prepared in accordance with international accounting standards and International Financial Reporting Standards ("IFRSs") as issued by the International Accounting Standards Board ("IASB"). IFRSs comprise accounting standards prefixed IFRS by the IASB and those prefixed IAS issued by the IASB's predecessor body, as well as interpretations issued by the IFRS Interpretations Committee ("IFRS IC") and its predecessor body.

In the preparation of these financial statements the Balance sheet has been arranged in order of liquidity.

No new IFRS pronouncements that had a material impact have been adopted in these financial statements.

Details of those pronouncements which will be relevant to the Company but which were not effective at 31 December 2022 and which have not been applied in preparing these financial statements are given in note 25. No standards have been early adopted.

These separate financial statements contain information about the Company and do not contain consolidated financial information as the parent of a group. The Company has taken advantage of the exemptions under IFRS 10 Consolidated Financial Statements and Section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements. The Company and its subsidiaries are included in the consolidated financial statements of the Company's ultimate parent company.

These financial statements have been prepared under the historical cost convention except for certain financial assets and liabilities measured at fair value, and, on a going concern basis. There is a net asset position of £340,252,000 (2021: £391,630,000).

The directors are satisfied that it is the intention of Lloyds Banking Group plc that its subsidiaries, including the Company, will continue to have access to adequate liquidity and capital resources for the foreseeable future. It has been confirmed that amounts due to group undertakings will not be called in the next 12 months. The financial statements have therefore been prepared on a going concern basis.

1.2 Income recognition

Revenue

Interest income and expense are recognised in the Income statement for all interest-bearing financial instruments, using the effective interest method where it can be reliably estimated and recognised on a cash basis where it cannot be reliably measured. The effective interest method is a method of calculating the amortised cost of a financial asset or liability and of allocating the interest income or interest expense over the expected life of the financial instrument. The effective interest rate is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or, when appropriate, a shorter period, to the net carrying amount of the financial asset or financial liability.

The effective interest rate is calculated on initial recognition of the financial asset or liability by estimating the future cash flows after considering all the contractual terms of the instrument but not future credit losses. The calculation includes all amounts expected to be paid or received by the Company including expected early redemption fees and related penalties and premiums and discounts that are an integral part of the overall return. Direct incremental transaction costs related to the acquisition, issue or disposal of a financial instrument are also taken into account in the calculation. Once a financial asset or a group of similar financial assets has been written down as a result of an impairment loss, interest income is recognised using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss (see Note 15).

Fees and commission income which are not an integral part of the effective interest rate are generally recognised in the Income statement within 'Other income' as the related service is provided.

Gains and losses on disposal are determined by comparing the proceeds with the carrying amount and are recognised within 'Profit on disposal of investments' in the Income statement.

Notes to the financial statements (continued)

For the year ended 31 December 2022

1. Accounting policies (continued)

1.2 Income recognition (continued)

Foreign currency

The financial statements are presented in Sterling which is the Company's functional and presentation currency. Foreign currency transactions are translated into Sterling at the exchange rate prevailing at the date of the transaction. Exchange gains and losses resulting from the settlement of such transactions are recognised in the Income statement.

Exchange gains and losses arising from the translation of monetary assets and liabilities at the exchange rate prevailing at the Balance sheet date are recognised in the Income statement. Non-monetary assets that are measured at fair value are translated using the exchange rate at the date that the fair value was determined.

Translation differences on non-monetary financial instruments classified as financial assets designated at fair value through other comprehensive income are included in equity, unless designated in a fair value hedging relationship where it is recognised in the Income statement together with foreign currency translation differences on the hedging instrument.

Dividend income

Dividend income is recognised when the right to receive payment is established and recognised in the Income statement as Investment income.

Income and expense from financial instruments

Interest income and expense are recognised in the Income statement for all interest bearing financial instruments, including loans and advances held at amortised cost, using the effective interest rate method. The effective interest rate method is a method of calculating the amortised cost of a financial asset or liability and of allocating the interest income or interest expense to a period of account. The effective interest rate is the rate that discounts the estimated future cash payments or receipts over the expected life of the instrument to the net carrying amount of the financial asset or financial liability.

Once a financial asset or a group of similar financial assets has been written down as a result of an impairment loss, interest income is recognised on the net lending balance using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

1.3 Other income

Other income represents interest received on Debt securities held at amortised cost and bank interest received.

1.4 Expenses recognition

Finance costs

Interest expense for all interest bearing financial instruments is recognised in the Income statement as it accrues, within finance costs.

1.5 Financial assets and liabilities

Management determines the classification of its financial assets and financial liabilities at initial recognition. Financial assets comprise Amounts due from group undertakings, Debt securities held at amortised cost, Equity securities and Cash and cash equivalents. Financial liabilities comprise Borrowed funds, Amounts due to group undertakings, Trade payables and Other Creditors.

On initial recognition, financial assets are classified as measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss, depending on the Company's business model for managing the financial assets and whether the cash flows represent solely payments of principal and interest. The Company assesses its business models at a portfolio level based on its objectives for the relevant portfolio, how the performance of the portfolio is managed and reported, and the frequency of asset sales. Financial assets with embedded derivatives are considered in their entirety when considering their cash flow characteristics. The Company reclassifies financial assets when and only when its business model for managing those assets changes.

A reclassification will only take place when the change is significant to the Company's operations and will occur at a portfolio level and not for individual instruments; reclassifications are expected to be rare. Equity investments are measured at fair value through profit or loss unless the Company elects at initial recognition to account for the instruments at fair value through other comprehensive income. For these instruments, principally strategic investments, dividends are recognised in profit or loss but fair value gains and losses are not subsequently reclassified to profit or loss following derecognition of the investment.

Notes to the financial statements (continued)

For the year ended 31 December 2022

1. Accounting policies (continued)

1.5 Financial assets and liabilities (continued)

Financial assets are derecognised when the contractual right to receive cash flows from those assets has expired or when the Company has transferred its contractual right to receive the cash flows from the assets and either: substantially all of the risks and rewards of ownership have been transferred; or the Company has neither retained nor transferred substantially all of the risks and rewards, but has transferred control.

Financial liabilities are derecognised when the obligation is discharged, cancelled or expires.

Financial assets and liabilities held on the balance sheet are organised by liquidity, with those deemed most liquid presented first.

Investments in debt securities held at amortised cost

Debt securities held at amortised cost not quoted on active market are classified as loans and receivables. They are initially recognised at fair value plus directly related incremental transaction costs and are subsequently carried on the Balance sheet at amortised cost using the effective interest rate method less provision for impairment. Income on Debt securities held at amortised cost is recognised on an effective interest rate basis where it can be reliably estimated and recognised upon receipt where it cannot be reliably estimated and recorded as Investment income in the Statement of comprehensive income.

Financial instruments held at fair value through profit or loss

Financial assets are classified at fair value through profit or loss where they do not meet the criteria to be measured at amortised cost or fair value through other comprehensive income or where they are designated at fair value through profit or loss to reduce an accounting mismatch.

Trading securities, which are Debt securities held at amortised cost and equity shares acquired principally for the purpose of selling in the short term or which are part of a portfolio which is managed for short-term gains, do not meet these criteria and are also measured at fair value through profit or loss. Financial assets measured at fair value through profit or loss are recognised in the balance sheet at their fair value. Fair value gains and losses together with interest coupons and dividend income are recognised in the Income statement within investment income.

The fair values of assets and liabilities traded in active markets are based on current bid and offer prices respectively. If the market is not active the Group establishes a fair value by using valuation techniques.

They are initially recognised at fair value and transaction costs are expensed in the Income statement. Financial instruments measured at fair value through profit or loss are carried on the Balance sheet at fair value. Any gains and losses arising from change in fair value are recognised in the Income statement within changes in fair value of investments in the period in which they occur.

Financial instruments held at fair value through other comprehensive income

Financial assets that are held to collect contractual cash flows and for subsequent sale, where the assets' cash flows represent solely payments of principal and interest, are recognised in the balance sheet at their fair value, inclusive of transaction costs. Gains and losses arising from changes in fair value are recognised directly in other comprehensive income, until the financial asset is either sold or matures, at which time the cumulative gain or loss previously recognised in other comprehensive income is recognised in the Statement of comprehensive income other than in respect of equity shares, for which the cumulative revaluation amount is transferred directly to retained profits. Interest calculated using the effective interest method and foreign exchange gains and losses on assets denominated in foreign currencies are recognised in the Statement of comprehensive income. In addition, the Group recognises a charge for expected credit losses in the Statement of comprehensive income. As the asset is measured at fair value, the charge does not adjust the carrying value of the asset, it is reflected in other comprehensive income.

1.6 Impairment

Impairment of financial assets

An impairment charge in the Income statement includes the change in expected credit losses. Expected credit losses are recognised for loans and advances held at amortised cost, other financial assets held at amortised cost, financial assets measured at fair value through other comprehensive income, and certain loan commitments and financial guarantee contracts. Expected credit losses are calculated by using an appropriate probability of default, adjusted to take into account a range of possible future economic scenarios, and applying this to the estimated exposure of the Group at the point of default after taking into account the value of any collateral held or other mitigants of loss and including the impact of discounting using the effective interest rate.

Notes to the financial statements (continued)

For the year ended 31 December 2022

1. Accounting policies (continued)

1.6 Impairment (continued)

At initial recognition, allowance (or provision in the case of some loan commitments and financial guarantees) is made for expected credit losses resulting from default events that are possible within the next 12 months (12-month expected credit losses). In the event of a significant increase in credit risk, allowance (or provision) is made for expected credit losses resulting from all possible default events over the expected life of the financial instrument (lifetime expected credit losses). Financial assets where 12-month expected credit losses are recognised are considered to be Stage 1; financial assets which are considered to have experienced a significant increase in credit risk are in Stage 2; and financial assets which have defaulted or are otherwise considered to be credit impaired are allocated to Stage 3.

An assessment of whether credit risk has increased significantly since initial recognition considers the change in the risk of default occurring over the remaining expected life of the financial instrument. The assessment is unbiased, probability-weighted and uses forward-looking information consistent with that used in the measurement of expected credit losses. In determining whether there has been a significant increase in credit risk, the Group uses quantitative tests based on relative and absolute probability of default ("PD") movements linked to internal credit ratings together with qualitative indicators such as watch lists and other indicators of historic delinquency. However, unless identified at an earlier stage, the credit risk of financial assets is deemed to have increased significantly when more than 30 days past due. Where the credit risk subsequently improves such that it no longer represents a significant increase in credit risk since origination, the asset is transferred back to Stage 1.

Assets are transferred to Stage 3 when they have defaulted or are otherwise considered to be credit impaired. IFRS 9 contains a rebuttable presumption that default occurs no later than when a payment is 90 days past due.

In certain circumstances, the Group will renegotiate the original terms of a customer's loan, either as part of an ongoing customer relationship or in response to adverse changes in the circumstances of the borrower. In the latter circumstances, the loan will remain classified as either Stage 2 or Stage 3 until the credit risk has improved such that it no longer represents a significant increase since origination (for a return to Stage 1), or the loan is no longer in default (for a return to Stage 2). Renegotiation may also lead to the loan and associated allowance being derecognised and a new loan being recognised initially at fair value.

A loan or advance is normally written off, either partially or in full, against the related allowance when the proceeds from realising any available security have been received or there is no realistic prospect of recovery and the amount of the loss has been determined. Subsequent recoveries of amounts previously written off decrease the amount of impairment losses recorded in the income statement. For both secured and unsecured retail balances, the write-off takes place only once an extensive set of collections processes has been completed, or the status of the account reaches a point where policy dictates that continuing concessions are no longer appropriate.

1.7 Dividends paid

Dividends on ordinary shares are recognised through equity in the period in which they are paid.

1.8 Cash and cash equivalents

For the purposes of the Balance sheet and Cash flow statement, Cash and cash equivalents with related undertaking comprise balances with less than three months' maturity.

1.9 Taxation, including deferred income taxes

Tax expense comprises current and deferred tax. Current and deferred tax are charged or credited in the Statement of Comprehensive Income except to the extent that the tax arises from a transaction or event which is recognised, in the same or a different period, outside the Statement of Comprehensive Income (either in other comprehensive income, directly in equity, or through a business combination), in which case the tax appears in the same statement as the transaction that gave rise to it.

Current tax is the amount of corporate income taxes expected to be payable or recoverable based on the profit for the period as adjusted for items that are not taxable or not deductible, and is calculated using tax rates and laws that were enacted or substantively enacted at the balance sheet date.

Current tax includes amounts provided in respect of uncertain tax positions when management expects that, upon examination of the uncertainty by His Majesty's Revenue and Customs (HMRC) or other relevant tax authority, it is more likely than not that an economic outflow will occur. Provisions reflect management's best estimate of the ultimate liability based on their interpretation of tax law, precedent and guidance, informed by external tax advice as necessary. Changes in facts and circumstances underlying these provisions are reassessed at each balance sheet date, and the provisions are re-measured as required to reflect current information.

Deferred tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the balance sheet. Deferred tax is calculated using tax rates and laws that have been enacted or substantively enacted at the balance sheet date, and which are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Notes to the financial statements (continued)

For the year ended 31 December 2022

1. Accounting policies (continued)

1.9 Taxation, including deferred income taxes (continued)

Deferred tax liabilities are generally recognised for all taxable temporary differences but not recognised for taxable temporary differences arising on investments in subsidiaries, associates and joint arrangements where the reversal of the temporary difference can be controlled and it is probable that the difference will not reverse in the foreseeable future. Deferred tax liabilities are not recognised on temporary differences that arise from goodwill which is not deductible for tax purposes.

Deferred tax assets are recognised to the extent it is probable that taxable profits will be available against which the deductible temporary differences can be utilised, and are reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. In certain cases where forecast profits are not expected to be sufficient to support the recognition of a deferred tax asset on a standalone entity basis, further consideration has been given to the availability of UK group relief with connected companies to support the recognition.

Deferred tax assets and liabilities are not recognised in respect of temporary differences that arise on initial recognition of assets and liabilities acquired other than in a business combination. Deferred tax is not discounted.

1.10 Investments

Investment in associated undertakings

Investment in associated undertakings is stated in the Balance sheet at cost less any provision for impairment.

Investment in associated undertakings are reviewed for impairment losses at the end of each period and whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised in the Income statement for the amount by which the carrying amount of the asset exceeds its recoverable amount, which is the higher of an asset's net realisable value and value in use. For the purposes of assessing impairment, investments are grouped at the lowest level at which cash flows are separately monitored by management.

Investment in subsidiary undertakings

Investment in subsidiary undertakings is stated in the Balance sheet at cost less any provision for impairment.

Investment in subsidiary undertakings is reviewed for impairment losses at the end of each period and whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised in the Income statement for the amount by which the carrying amount of the asset exceeds its recoverable amount, which is the higher of an asset's net realisable value and value in use. For the purposes of assessing impairment, investments are grouped at the lowest level at which cash flows are separately monitored by management.

1.11 Other financial liabilities

Other financial liabilities are initially recognised at fair value less directly attributable transaction costs and subsequently measured at amortised cost. In practice, the carrying value of these balances equates to the fair value due to the short term nature of the amounts included within other financial liabilities.

1.12 Borrowings

Borrowings are recognised initially at fair value, being their issue proceeds net of transaction costs incurred. These instruments are subsequently stated at amortised cost using the effective interest rate method.

2. Critical accounting estimates and judgements in applying accounting policies

Fair value of financial instruments

The preparation of the Company's financial statements in accordance with IFRS requires management to make judgements, estimates and assumptions in applying the accounting policies that affect the reported amounts of assets, liabilities, income and expenses. Due to the inherent uncertainty in making estimates, actual results reported in future periods may be based upon amounts which differ from those estimates. Estimates, judgements and assumptions 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.

The Company has made no critical judgements. The following are critical accounting estimates that the directors have made in the process of applying the company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements:

Notes to the financial statements (continued)

For the year ended 31 December 2022

2. Critical accounting estimates and judgements in applying accounting policies (continued)

Fair value of financial instruments (continued)

The Company categorises financial instruments carried on the Balance sheet at fair value using a three level hierarchy. The fair value of financial instruments categorised as level 3 is determined using valuation techniques including discounted cash flow analysis and valuation models. These valuation techniques involve management judgement and estimates, the extent of which depends on the complexity of the instrument and the availability of market observable information.

Level 3 financial instruments are those where at least one input which could have a significant effect on the instrument's valuation is not based on observable market data. At 31 December 2022 the Company classified £687,582,000 of financial assets (2021: £747,423,000) as Level 3 financial instruments.

Fair value is defined as the value at which assets, liabilities or positions could be closed out or sold in a transaction with a willing and knowledgeable counterparty. Fair value is based upon Cash flow models which use, wherever possible, independently sourced market parameters such as interest yield curves and currency rates. Other factors are also considered, such as counterparty credit quality and liquidity. See note 22.9 for sensitivity analysis.

Deferred tax

Estimation of income taxes includes the assessment of recoverability of deferred tax assets. Deferred tax assets are only recognised to the extent they are considered more likely than not to be recoverable based on existing tax laws and forecasts of future taxable profits against which the underlying tax deductions can be utilised.

3. Other income

	2022 £'000	2021 £'000
Interest received from investments held at amortised cost	10	10
Bank interest received	323	—
Foreign exchange (loss)/gain	(113)	147
	220	157

4. Income from investments

	2022 £'000	2021 £'000
Income received from Equity securities	7,656	571
Dividends received from subsidiary and associate undertakings	10,500	4,232
	18,156	4,803

5. Changes in fair value of investments

	2022 £'000	2021 £'000
Equity securities	(59,108)	111,097

Notes to the financial statements (continued)

For the year ended 31 December 2022

6. Impairment (loss)/gain

	2022 £'000	2021 £'000
Subsidiaries (note 14)	(2)	—
Debt securities held at amortised cost (note 15)	(15)	25
	(17)	25

7. Finance costs

	2022 £'000	2021 £'000
Group interest paid	12,247	11,791

Finance costs comprise interest payable on borrowings, bank service charges, and foreign exchange losses. Interest payable is recognised in the Statement of comprehensive income using the effective interest rate method. The effective interest rate is established on initial recognition of the financial liability and is not subsequently revised.

8. Other operating expenses

	2022 £'000	2021 £'000
Legal and professional fees	35	73
Other expenses	476	478
	511	551

Fees payable to the Company's auditors for the audit of the financial statements of £31,421 (2021: £29,925) have been borne by the ultimate parent company and are not recharged to the Company.

The Company has no employees (2021: nil).

The Directors, who are considered to be key management, received no remuneration in respect of their services to the Company. The emoluments of the Directors are paid by a fellow group undertaking on behalf of the ultimate parent, Lloyds Banking Group plc, which makes no recharge to the Company. The Directors are also directors of a number of other subsidiaries of the Group and are also substantially engaged in managing their respective business areas within the Group, it is therefore not possible to make an accurate apportionment of Directors emoluments in respect of their services to each of the subsidiaries. Accordingly, these financial statements include no emoluments in respect of the Directors.

Notes to the financial statements (continued)

For the year ended 31 December 2022

9. Taxation

	2022 £'000	2021 £'000
a) Analysis of charge for the year		
UK corporation tax:		
- Current tax on taxable profit for the year	2,388	2,324
- Adjustments in respect of prior years	16	52
Current tax credit	2,404	2,376
UK deferred tax:		
- Origination and reversal of timing differences	(4)	22,867
- Adjustments in respect of prior years	(50)	—
- Impact of deferred tax rate change	(1)	(24)
Deferred tax (charge)/credit (see note 16)	(55)	22,843
Tax credit	2,349	25,218

Corporation tax is calculated at a rate of 19.00% (2021: 19.00%) of the taxable profit for the year.

b) Factors affecting the tax charge for the year

A reconciliation of the charge that would result from applying the standard UK corporation tax rate to the profit before tax to the actual tax charge for the year is given below:

	2022 £'000	2021 £'000
(Loss)/profit before tax	(53,507)	103,740
Tax credit/(charge) thereon at UK corporation tax rate of 19.00% (2021: 19.00%)	10,166	(19,711)
Factors affecting charge:		
- Disallowed items	(2)	—
- Non-taxable items	3,454	926
- Adjustments in respect of prior years	(34)	52
- Effect of change in tax rate and related impacts	(1)	(24)
- Non taxable fair value and other movements	(11,234)	43,975
Tax charge on profit	2,349	25,218
Effective rate	(4.39%)	24.31%

10. Dividends

No dividends were paid or proposed during the year ended 31 December 2022 (2021: £nil).

Notes to the financial statements (continued)

For the year ended 31 December 2022

11. Cash and cash equivalents

Cash and cash equivalents for the purposes of the Cash flow statement include the following:

	2022 £'000	2021 £'000
Cash at bank, held with group undertakings	32,554	34,312

12. Trade and other receivables

	2022 £'000	2021 £'000
Current		
Amounts due from group undertakings (see note 21)	92	127

Amounts due from group undertakings is unsecured, non-interest bearing and repayable on demand.

13. Investment in associate undertaking

	2022 £'000	2021 £'000
Cost		
Cost brought forward	6,023	6,023
Cost at 31 December	6,023	6,023
Provision for impairment		
Provision brought forward	(754)	(754)
Provision at 31 December	(754)	(754)
Carrying value of investments at 31 December	5,269	5,269

Investment in associate undertaking	Company interest	Principal activities	Registered Address
Europa Property Company (Northern) Limited	35%	Non-Financial Corporations	Europa House 20 Esplanade, Scarborough, North Yorkshire, YO11 2AQ
Intelligent Processing Solutions Limited	20%	Financial Institute	Enigma, Wavendon Business Park, Milton Keynes, England, MK17 8LX
LBG Brazil Administracao LTDA	31%	Financial Institute	Avenida Jurubatuba 73, 8º Andar, Vila Cordeiro, São Paulo, SP, CEP, 04583-100, Brazil

Notes to the financial statements (continued)

For the year ended 31 December 2022

14. Investment in subsidiary undertakings

	2022 £'000	2021 £'000
Cost		
Cost brought forward	80,491	80,491
Disposal	(2)	—
Cost at 31 December	80,489	80,491
Provision for impairment		
Provision brought forward	(15,082)	(15,082)
Impairment charge	(2)	—
Disposal	2	—
Provision at 31 December	(15,082)	(15,082)
Carrying value of investments at 31 December	65,407	65,409

Investment in subsidiary undertakings is stated at cost less impairment. As permitted by section 611 of the Companies Act 2006, where the relief afforded under section 612 of the Companies Act 2006 applies, cost is the aggregate of the nominal value of the relevant number of the Company's shares and the fair value of any other consideration given to acquire the share capital of the subsidiaries.

Subsidiary undertakings	Company interest	Principal activities	Registered Address
Uberior Equity Limited	100%	Investment	The Mound, Edinburgh, EH1 1YZ
Uberior Fund Investment Limited	100%	Investment	The Mound, Edinburgh, EH1 1YZ
Uberior Ventures Limited	100%	Investment	The Mound, Edinburgh, EH1 1YZ
Uberior Infrastructure Investments Limited	100%	Investment	The Mound, Edinburgh, EH1 1YZ
Prestonfield Investments Limited	100%	Investment	The Mound, Edinburgh, EH1 1YZ
Horizon Capital 2000 Limited	100%	Investment	The Mound, Edinburgh, EH1 1YZ
Uberior Trading Limited	100%	Investment	The Mound, Edinburgh, EH1 1YZ
Lloyds Bank MTCH Limited	100%	Investment	25 Gresham Street, London, EC2V 7HN
Uberior ENA Limited	100%	Investment	The Mound, Edinburgh, EH1 1YZ
BOS Mistral Limited	100%	Investment	Charterhall House, Charterhall Drive, Chester, CH88 3AN

Notes to the financial statements (continued)

For the year ended 31 December 2022

14. Investment in subsidiary undertakings (continued)

The Company's interest in each of these entities is in the form of ordinary share capital. The proportion of the voting rights in the subsidiary undertaking held directly by the Company do not differ from the proportion of ordinary shares held.

Indirect subsidiaries are:

Subsidiary undertakings	Company interest	Principal activities	Registered Address
West Craigs Limited	100%	Ownership and development of land	The Mound, Edinburgh, EH1 1YZ
Uberior (Moorfield) Limited	100%	Investment	The Mound, Edinburgh, EH1 1YZ
BOS (USA) Inc.	100%	Non-Trading	The Corporation Trust Company, 1209 Orange Street, Wilmington, DE 19801
BOS (USA) Fund Investments Inc.	100%	Non-Trading	The Corporation Trust Company, 1209 Orange Street, Wilmington, DE 19801
Uberior Co-Investments Limited	100%	Investment	The Mound, Edinburgh, EH1 1YZ
Uberior Infrastructure Investments (No. 2) Limited	100%	Investment	25 Gresham Street, London, EC2V 7HN
Uberior Europe Limited	100%	Investment	The Mound, Edinburgh, EH1 1YZ
Uberior Ventures Australia PTY Limited	100%	Investment	Governor Macquarie Tower, 1 Farrer Place, Sydney, NSW 2000
ADF No.1 PTY Limited	100%	Investment	Governor Macquarie Tower, 1 Farrer Place, Sydney, NSW 2000

15. Investments

	2022 £'000	2021 £'000
Investments		
Debt securities held at amortised cost	979	994
Equity securities	687,582	747,423
	688,561	748,417
Statement of comprehensive income impairment loss in the year		
Debt securities held at amortised cost	15	(25)

Notes to the financial statements (continued)

For the year ended 31 December 2022

15. Investments (continued)

Debt securities held at amortised cost

The movement in Debt securities held at amortised cost, classified as Loans and receivables, can be summarised as follows:

	Stage 1 £'000	Stage 2 £'000	Stage 3 £'000	Total £'000
Balance as at 1 January 2022	994	—	—	994
Gross debt securities held at amortised cost	994	—	—	994
Less: allowance for losses on debt securities held at amortised cost	(15)	—	—	(15)
Net debt securities held at amortised cost	979	—	—	979
			2022 £'000	2021 £'000
Gross Debt securities held at amortised cost				
As at 1 January			1,485	1,485
As at 31 December			1,485	1,485
Provision for impairment				
As at 1 January			491	516
(Charge)/reversal for the year			15	(25)
As at 31 December			506	491
Net Debt securities held at amortised cost			979	994

Equity securities

The movement in Equity securities can be summarised as follows:

	Designated at fair value through profit and loss £'000	Designated at fair value through other comprehensive income £'000	Total £'000
For the year ended 31 December 2022			
At 1 January 2022	745,689	1,734	747,423
Movement in FVOCI equity securities	—	(220)	(220)
Changes to fair value	(59,108)	—	(59,108)
Disposals	(513)	—	(513)
At 31 December 2022	686,068	1,514	687,582

Notes to the financial statements (continued)

For the year ended 31 December 2022

15. Investments (continued)

Equity securities (continued)

	Designated at fair value through profit and loss £'000	Designated at fair value through other comprehensive income £'000	Total £'000
For the year ended 31 December 2021			
At 1 January 2021	596,413	1,541	597,954
Movement in FVOCI equity securities	—	193	193
Changes to fair value	111,097	—	111,097
Additions	39,126	—	39,126
Disposals	(947)	—	(947)
At 31 December 2021	745,689	1,734	747,423

The Company has a number of significant holdings that are accounted for as fair value investments. If these holdings were accounted for as associates the Company would have recognised additional profit for the year of £8,124,000 (2021: of £100,155,000) and a share of net assets of £677,657,000 as at 31 December 2022 (2021: £701,476,000). Significant holdings to the Company are disclosed below:

Company	% of capital held
BoS Mezzanine Partners Fund, L.P.	50 %
BGF Group plc	25 %

16. Deferred tax asset/(liability)

The movement in the Deferred tax asset/(liability) is as follows:

	2022 £'000	2021 £'000
Brought forward	98	(22,744)
(Charge)/credit for the year (see note 9)	(55)	22,842
At 31 December	43	98

The deferred tax (charge)/credit in the Income statement comprises the following temporary differences:

	2022 £'000	2021 £'000
Fair value and other movements	(55)	22,842
Deferred tax asset comprises:	2022 £'000	2021 £'000
Fair value and other movements	43	98

Finance Act 2021, which received Royal Assent on 10 June 2021, increases the rate of corporation tax from 19% to 25% with effect from 1 April 2023.

Notes to the financial statements (continued)

For the year ended 31 December 2022

16. Deferred tax asset/(liability) (continued)

A deferred tax asset of £16,781,000 relating to capital losses has not been recognised on the basis that the Company has insufficient forecast chargeable gains to recover the asset in future periods. Once crystallised following disposal of the assets, capital losses can be carried forward indefinitely.

17. Borrowed funds

	2022 £'000	2021 £'000
Amounts due to group undertakings (see note 21)	446,693	457,409

18. Trade and other payables

	2022 £'000	2021 £'000
Trade payables	200	240
Trade payables: amounts falling due within one year		
Amounts due to group undertakings (see note 21)	—	40
Other creditors	200	200
Total current trade payables	200	240

19. Intercompany creditor

	2022 £'000	2021 £'000
Amounts due to group undertakings (see note 21)	7,228	6,713

20. Capital and reserves

Share capital

	2022 £'000	2021 £'000
Allotted, issued and fully paid		
2,000,000 ordinary shares of £1 each	2,000	2,000

All ordinary shares rank pari passu in all respects including the right to receive all dividends and other distributions declared, made or paid on the ordinary share capital of the Company.

Fair value through other comprehensive income reserve

The fair value through other comprehensive income reserve includes the cumulative net change in the fair value of financial instruments designated at fair value through other comprehensive income, until the investment is derecognised by disposal or impaired and is transferred to profit or loss.

Notes to the financial statements (continued)

For the year ended 31 December 2022

21. Related party transactions

The Company is controlled by LBG Equity Investments Limited. A number of transactions are entered into with related parties in the normal course of business. These include loan and fee transactions. A summary of the outstanding balances at the year end and the related expense for the year are set out below:

	2022 £'000	2021 £'000
Amounts due from group undertakings		
Bank of Scotland plc	—	121
Uberior Jersey Limited	—	6
Lloyds Bank plc	92	—
Total Amounts due from group undertakings (see note 12)	92	127
Amounts due to group undertakings		
Bank of Scotland plc	—	3
LBG Equity Investments Limited	446,693	457,409
Lloyds TSB MTCH Limited	4,686	4,425
BoS Mistral Ltd	2,542	2,281
Lloyds UDT Limited	—	4
Lloyds Bank plc	—	40
Total Amounts due to group undertakings (see notes 17, 18 & 19)	453,921	464,162
Cash and cash equivalents held with group undertakings		
Bank of Scotland plc (see note 11)	32,554	34,312
Interest expense		
LBG Equity Investments Limited (see note 7)	12,247	11,791
Interest income		
Bank of Scotland plc (see note 3)	323	—
Dividends received from subsidiary and associate undertakings		
LBG Brazil Administracao LTDA	—	4,232
Uberior Ventures Limited	10,500	—
Total Dividends received from subsidiary and associate undertakings (see note 4)	10,500	4,232

The above balances are unsecured in nature and are expected to be settled in cash or by cash equivalents. Transactions in the year are those reflected through the Income statement.

The Company has a loan facility with LBGEIL to provide credit up to £500,000,000. The loan facility is due to expire on 31 December 2038. As at 31 December 2022 the Company had used £445,000,000 of the facility. The Company rolled the £45,000,000 due to be repaid in June 2023.

The Company paid interest on LBGEIL borrowings of £12,247,000 (2021: £11,791,000) on which interest rates of between 1.95% and 6.80% (2021: 1.95% and 3.29%) were charged. £15,310,000 of interest is due to be paid during 2023.

The Company earned interest of £323,000 on bank deposits (2021: £nil).

Notes to the financial statements (continued)

For the year ended 31 December 2022

21. Related party transactions (continued)

Key management personnel

Key management personnel are those persons having authority and responsibility for planning and controlling the activities of the Company. Accordingly, key management is comprised of the directors of the Company and LBG Equity Investments Limited. There were no transactions between the Company and key management personnel during the current or preceding year. Key management personnel are employed by other companies within the Group and consider that their services to the Company are incidental to their other activities within the Group.

22. Financial risk management

The Company's operations expose it to a variety of financial risks: credit risk, liquidity risk, market risk (including interest rate risk, exchange risk, and equity risk).

A description of the Company's financial assets/liabilities and associated accounting is provided in note 1.

22.1 Credit risk

Credit risk management

Credit risk is the risk of financial loss from a counterparty's failure to settle financial obligations as they fall due. Credit exposures arise in the normal course of the Company's business, principally from investment activities that bring Debt securities held at amortised cost into the Company's asset portfolio.

In measuring the credit risk of loans and advances held at amortised cost, the Company reflects three components: (i) the 'probability of default' by the client or counterparty on its contractual obligations; (ii) current exposures to the counterparty and their likely future development, from which the Company derives the 'exposure at default'; and (iii) the likely recovery ratio on the defaulted obligations (the 'loss given default').

Cash and cash equivalents and Amounts due from other group undertakings are held with other companies within the Group. The credit risk associated with these financial assets is not considered to be significant.

Credit risk mitigation

- Credit principles and policy: Group Risk sets out the group credit principles and policy according to which credit risk is managed, which in turn is the basis for divisional and business unit credit policy. Principles and policy are reviewed regularly and any changes are subject to a review and approval process. Business unit policy includes lending guidelines, which define the responsibilities of lending officers and provide a disciplined and focused benchmark for credit decisions.
- Concentration risk: Credit risk management includes portfolio controls on certain industries, sectors and product lines that reflect risk appetite and which operate at a divisional level. Credit policy is aligned to risk appetite and restricts exposure to certain high risk and more vulnerable sectors. At a divisional level, exposures are monitored to prevent excessive concentration of risk. These concentration risk controls are not necessarily in the form of a maximum limit on lending but may instead require new business in concentrated sectors to fulfil additional hurdle requirements.
- Stress testing and scenario analysis at a divisional level: The credit portfolio is also subjected to stress testing and scenario analysis, to simulate outcomes and calculate their associated impact.

Financial assets subject to credit risk

The maximum exposure to credit risk arising on the Company's financial assets at the reporting date is disclosed in the table below and equates to carrying value.

	2022	2021
	£'000	£'000
Trade and other receivables	92	127
Cash and cash equivalents	32,554	34,312
	32,646	34,439

Notes to the financial statements (continued)

For the year ended 31 December 2022

22. Financial risk management (continued)

22.2 Liquidity risk

Liquidity risk is the risk that the Company is unable to meet its obligations as they fall due. To manage this risk extensive borrowing facilities are available from within the Group.

The Company is funded entirely by companies within the Group. Such funding is repayable over the following 5 years. New loans will be granted to meet additional funding requirements, and there is no expectation that full repayment will be made.

The table below sets out the cash flows payable by the Company in respect of Amounts due to related undertakings, by remaining contractual undiscounted repayments of principal and interest, at the Balance sheet date. All other financial liabilities are repayable on demand.

As at 31 December 2022

	Up to 1 month £'000	1-3 months £'000	3-12 months £'000	1-5 years £'000	Total £'000
Interest - bearing loans and borrowings	—	—	116,693	330,000	446,693
Trade and other payables	—	—	200	—	200
Undrawn financial commitments	—	50	—	60,000	60,050
At 31 December	—	50	116,893	390,000	506,943

As at 31 December 2021

	Up to 1 month £'000	1-3 months £'000	3-12 months £'000	1-5 years £'000	Total £'000
Interest - bearing loans and borrowings	—	—	92,409	365,000	457,409
Trade and other payables	40	—	200	—	240
Undrawn financial commitments	—	69,495	—	—	69,495
At 31 December	40	69,495	92,609	365,000	527,144

All other funding is repayable on demand, although there is no expectation that such a demand would be made. All other financial liabilities are repayable on demand.

22.3 Market risk

The Company is exposed to market risk, which is analysed below in notes 22.4 to 22.7

Market risk is defined as the potential loss in value or earnings of the Company arising from changes in external market factors such as:

- Interest rates (interest rate risk);
- Foreign exchange rates (foreign exchange risk);
- Equity markets (equity risk);

At the reporting date, the Company's exposure to market risk arose from interest rate, foreign exchange and equity risk.

Notes to the financial statements (continued)

For the year ended 31 December 2022

22. Financial risk management (continued)

22.4 Interest rate risk

Interest rate risk exists where the Company's financial assets and liabilities have interest rates set under different bases, or which reset at different times.

As the Company's interest-bearing loans and borrowings primarily have fixed interest rates, it is not considered to have any significant interest rate exposure.

The Company paid interest on LBGEIL borrowings of £12,246,559 (2021: £11,791,093) on which interest rates of between 1.95% and 6.80% (2021: 1.95% and 3.29%) were charged.

Interest rate risk - sensitivity analysis

The sensitivity analysis is based on the Company's LBGEIL borrowings and takes account of movement in the market interest rates available at the time a deal is completed. A 4.85% (2021: 1.34%) increase or decrease is used to assess the possible change in Interest expense. This rate is appropriate as this is the movement between rates available in the year.

If the market rate increased by 4.85% (2021: 1.34%) and all other variables remain constant this would increase Interest expense by £21,665,000 (2021: £6,097,000) and accordingly decrease Interest expense by £21,665,000 (2021: £6,097,000) if the market rate decreased by the same amount.

22.5 Business risk

Business risk is the risk that the Company's earnings are adversely impacted by a suboptimal business strategy or the suboptimal implementation of the strategy. In assessing business risk consideration is given to internal and external factors such as products, funding, resource capability and economic, political and regulatory factors.

Through regular reports and oversight business risk is managed by corrective actions to plans and reductions in exposures where necessary.

22.6 Foreign currency risk

Foreign exchange risk arises on monetary financial assets (included in "investments", and "cash and cash equivalents") and borrowings denominated in a currency other than Pounds Sterling. The currency giving rise to this risk is the Euro. The Company follows a policy of ensuring that all foreign currency financial assets are matched with borrowings in the same currency, thus minimal sensitivity to foreign exchange exposure is considered to exist.

The Company operates a hedge to mitigate the foreign exchange risk arising from the fair value through profit and loss instruments. This risk is hedged through a net portfolio of foreign currency fixed interest borrowings and deposits with £1,596,000 foreign currency fixed interest term loans being designated in a hedged relationship at year end (2021: £2,351,000).

The hedge results in foreign exchange gains or losses on the hedged portion of FVTPL assets classified in the Income statement against the foreign exchange gain or loss of borrowings designated in a hedge relationship.

The following net ineffectiveness on fair value hedge was recognised throughout the year:

	2022 £'000	2021 £'000
Foreign exchange (loss)/gain on hedging instrument	(130)	149
Foreign exchange gain/(loss) on hedged item	82	(180)
Net ineffectiveness on fair value hedge	(48)	(31)

Foreign exchange risk arises on investments and borrowings denominated in a currency other than Sterling. The currencies giving rise to this risk are Euros and US Dollars.

Notes to the financial statements (continued)

For the year ended 31 December 2022

22. Financial risk management (continued)

22.7 Equity risk

Equity risk exists from the Company's exposure to unlisted equity securities. The Company undertakes a full assessment of each entity's potential for value creation prior to entering into a new transaction. Thereafter the performance of each investment is continually monitored and action taken as deemed appropriate in the circumstances. Further information about the Company's sensitivity to changes in the fair value of equity investments is set out below and in Note 22.9 to the financial statements. At the reporting date the carrying value of equity investments amounted to £687,582,000 (2021: £747,423,000). For investments carried at fair value through profit or loss changes in fair value would have a direct impact on profit before tax (PBT) whereas fair value through other comprehensive income investments will be recognised in other comprehensive income through the fair value through comprehensive income reserve, unless the investment is deemed to be impaired and changes in fair value are taken to the Statement of comprehensive income. The table below sets out the sensitivity of PBT and the fair value through other comprehensive income reserve (before tax) to a 10% fall in fair value of equity investments as at the Balance sheet date.

	Profit before tax 2022 £'000	Fair value through other comprehensive income reserves 2022 £'000	Profit before tax 2021 £'000	Fair value through other comprehensive income reserves 2021 £'000
Unlisted equity investments	68,607	151	74,569	173

The investment portfolio remains well diversified across fund managers and underlying investment sector.

The underlying investment sector has concentrations around Retail and Professional Services: 29% (2021: 18%) and Manufacturing: 14% (2021: 15%), but is otherwise well diversified over a variety of investment sectors.

Geographic exposure is wholly within the UK (100%; 2021: 100%) and there is an insignificant market concentration outside of the European Union at the fund manager level.

22.8 Financial strategy

The Company uses financial instruments to mitigate interest rate risk. However, the Company does not trade in financial instruments.

22.9 Fair values of financial assets and liabilities

The fair value of a financial instrument is the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

Fair value of financial assets carried at fair value

The valuations of financial instruments have been classified into three levels according to the quality and reliability of information used to determine the fair values.

Fair value hierarchy

Level 1 portfolios

Level 1 fair value measurements are those derived from unadjusted quoted prices in active markets for identical assets or liabilities. Products classified as Level 1 predominantly comprise listed equity shares, treasury bills and other government securities.

Level 2 portfolios

Level 2 valuations are those where quoted market prices are not available, for example where the instrument is traded in a market that is not considered to be active or valuation techniques are used to determine fair value and where these techniques use inputs that are based significantly on observable data.

Notes to the financial statements (continued)

For the year ended 31 December 2022

22. Financial risk management (continued)

22.9 Fair values of financial assets and liabilities (continued)

Level 3 portfolios

Level 3 portfolios are those where at least one input which could have a significant effect on the instrument's valuation is not based on observable market data. Such instruments include the Company's venture capital and unlisted equity investments which are valued using various valuation techniques that require significant management judgment in determining appropriate assumptions, including earnings multiples and estimated future cash flows.

The tables below provide an analysis of the financial assets of the Company that are carried at fair value in the Company's Balance sheet, grouped into Levels 1 to 3 based on the degree to which the inputs to fair value are observable.

	Level 1	Level 2	Level 3	Total
At 31 December 2022	£'000	£'000	£'000	£'000
Financial assets at fair value through profit and loss	—	—	686,068	686,068
Financial assets at fair value through other comprehensive income	—	—	1,514	1,514
	—	—	687,582	687,582
At 31 December 2021	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Financial assets at fair value through profit and loss	—	—	745,689	745,689
Financial assets at fair value through other comprehensive income	—	—	1,734	1,734
	—	—	747,423	747,423

For a reconciliation from the opening balances to the closing balances for fair value movement in Level 3 of the fair value hierarchy, see note 15.

Although the Company believes that its estimates of fair values are appropriate, the use of different methodologies or assumptions could lead to different measurements of fair value. The valuation techniques used for unlisted equities and venture capital investments vary depending on the nature of the investment. Further details of these are given below. As these factors differ for each investment depending on the nature of the valuation technique used and the inputs there is no single common factor that could be adjusted to provide a reasonable alternative valuation for these investments portfolios.

Notes to the financial statements (continued)

For the year ended 31 December 2022

22. Financial risk management (continued)

22.9 Fair values of financial assets and liabilities (continued)

Changing one or more of the unobservable inputs used to a reasonable possible alternative assumption would have the following effects:

	As at 31 December 2022			As at 31 December 2021		
	Fair Value	Favourable changes	Unfavourable changes	Fair value	Favourable changes	Unfavourable changes
	£'000	£'000	£'000	£'000	£'000	£'000
Financial assets at fair value through profit or loss						
Equity Securities	686,068	71,911	(71,911)	745,689	76,363	(76,363)
Financial assets at fair value through other comprehensive income						
Equity Securities	1,514	303	(303)	1,734	347	(347)
	687,582	72,214	(72,214)	747,423	76,710	(76,710)

Both favourable and unfavourable movements in respect of financial assets at fair value through profit or loss would be recognised in the Statement of comprehensive income. Favourable movements in respect of financial assets at fair value through other comprehensive income would be recognised in other comprehensive income.

The main instruments where Level 3 valuations have been used are described below:

Equity investments (including venture capital)

Unlisted equities and fund investments are accounted for as financial assets at fair value through profit or loss or fair value through other comprehensive income. These investments are valued using different techniques as a result of the variety of investments across the portfolio in accordance with the Company's valuation policy and are calculated using International Private Equity and Venture Capital Guidelines.

Depending on the business sector and the circumstances of the investment, unlisted equity valuations are based on earnings multiples, net asset values or discounted cash flows.

Equity investments (including venture capital)

- A number of earnings multiples are used in valuing the portfolio including price earnings, earnings before interest and tax and earnings before interest, tax, depreciation and amortisation (EBITDA). The particular multiple selected being appropriate for the type of business being valued and is derived by reference to the current market-based multiple. Consideration is given to the risk attributes, growth prospects and financial gearing of comparable businesses when selecting an appropriate multiple, and as such this multiple has been considered in establishing the possible alternatives above.
- Discounted cash flow valuations use estimated future cash flows, usually based on management forecasts, with the application of appropriate exit yields or terminal multiples and discounted using rates appropriate to the specific investment, business sector or recent economic rates of return. Recent transactions involving the sale of similar businesses may sometimes be used as a frame of reference in deriving an appropriate multiple. The rates of discount applied have been considered in establishing the possible alternatives above.
- For fund investments the most recent capital account value calculated by the fund manager is used as the basis for the valuation and adjusted, if necessary, to align valuation techniques with the Company's valuation policy. In line with International Private Equity and Venture Capital Guidelines the values of underlying investments in these portfolios have been considered, and possible alternatives considered on both a positive and negative basis.

Notes to the financial statements (continued)

For the year ended 31 December 2022

22. Financial risk management (continued)

22.10 Capital disclosures

The Company's objectives when managing capital are to safeguard the entity's ability to continue as a going concern, provide an adequate return to its shareholders through pricing products and services commensurately with the level of risk and, indirectly, to support the Group's regulatory capital requirements.

The Company's capital comprises all components of equity, movements in which appear in the Statement of changes in equity. The Company receives its funding requirements from its fellow group undertakings and does not raise funding externally.

23. Contingent liabilities and financial commitments

The Group has an open matter in relation to a claim for group relief of losses incurred in its former Irish banking subsidiary, which ceased trading on 31 December 2010. In 2013, HMRC informed the Group that its interpretation of the UK rules means that the group relief is not available. In 2020, HMRC concluded their enquiry into the matter and issued a closure notice. The Group's interpretation of the rules has not changed and, following an appeal to the First Tier Tax Tribunal, a hearing was held in May 2023 with judgement awaited. If the final determination of the matter by the judicial process is that HMRC's position is correct, management estimate that this would result in an increase in current tax liabilities for the company of approximately £19,841,000 (including interest). The Group, having taken appropriate advice, does not consider that this is a case where additional tax will ultimately fall due.

As at 31 December 2022, the Company has undrawn commitments in private equity funds of £60,050,000 (2021: £69,495,000.00). Of these, the main undrawn commitments are described below:

Business Growth Fund (£60,000,000, 2021: £68,218,000)

In May 2011, the Group agreed, together with The Royal Bank of Scotland plc (and three other non-related parties), to commit up to £300,000,000 each of equity investment by subscribing for shares in the Business Growth Fund plc which is the company created to fulfil the role of the Business Growth Fund as set out in the British Bankers' Association Taskforce Report of October 2010. In January 2017, each party agreed to commitment of up to an additional £250,000,000 with an annual review of what would be committed for the next year. At 31 December 2022, the Group had invested £481,782,000 (2021: £481,782,000) in the Business Growth Fund and carried the investment at a fair value of £661,011,000 (2021: £667,169,000).

Other Funds (£50,000, 2021: £1,277,000)

The remaining undrawn commitments are related to the following investments - BoS Mezzanine Partners Fund LP (£0, 2021: £1,227,000) and Scottish Loan Fund LP (£50,000, 2021: £50,000).

24. Post balance sheet events

In early 2023, an investment previously held by two subsidiary undertakings was transferred to the Company for £3,980,000. The Company also received an interim dividend in specie of £4,554,000 from BOS Mistral Limited. In July 2023, UIL received a dividend from BGF of £7,877,000 and the undrawn financial commitments in the same investment reduced by £22,500,000.

25. Future developments

The following pronouncements are not applicable for the year ending 31 December 2022 and have not been applied in preparing these financial statements. Save as disclosed below, the impact of these accounting changes is still being assessed by the Company and reliable estimates cannot be made at this stage. With the exception of certain minor amendments, as at the date of signing these financial statements these pronouncements have been endorsed for use in the United Kingdom.

Minor amendments to other accounting standards

The IASB has issued a number of minor amendments to IFRSs effective 1 January 2023 and in later years (including IAS 1 Presentation of financial statements and IAS 8 Accounting policies, changes in accounting estimates and errors). These amendments are not expected to have a significant impact on the Company.

Notes to the financial statements (continued)

For the year ended 31 December 2022

26. Ultimate parent undertaking and controlling party

The immediate parent company is LBG Equity Investments Limited (incorporated in England and Wales). The company regarded by the directors as the ultimate parent company and controlling party is Lloyds Banking Group plc (incorporated in Scotland), which is also the parent undertaking of the largest and smallest group of undertakings for which group financial statements are drawn up and of which the Company is a member. Copies of the financial statements of both companies may be obtained from Group Secretariat, Lloyds Banking Group plc, 25 Gresham Street, London, EC2V 7HN. The Lloyds Banking Group plc financial statements may be downloaded via <https://www.lloydsbankinggroup.com/investors/financial-downloads.html>.

Independent auditor's report to the members of Uberior Investments Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Uberior Investments Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2022 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom adopted international accounting standards and International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the statement of comprehensive income;
- the balance sheet;
- the statement of changes in equity;
- the cash flow statement; and
- the related notes 1 to 26.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom adopted international accounting standards and IFRSs as issued by the IASB.

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 Financial Reporting Council's (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.

Independent auditor's report to the members of Uberior Investments Limited (continued)

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. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our 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 this gives rise to 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 this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of directors

As explained more fully in the statement of directors' responsibilities, 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.

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.

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 auditor's report.

Independent auditor's report to the members of Uberior Investments Limited (continued)

Extent to which 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 material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the company's industry and its control environment and reviewed the company's documentation of its policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management and the directors about their own identification and assessment of the risks of irregularities, including those that are specific to the company's business sector.

We obtained an understanding of the legal and regulatory framework that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act and UK tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As result of performing the above, we identified the greatest potential for fraud in the following areas, and our specific procedures performed to address it are described below:

- Valuation of investments: We identified a significant risk over the valuation of investments which are recognised at fair value through profit and loss using unobservable inputs. With support of our valuation specialists, we tested the inputs and valuation as at 31 December 2022.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

Independent auditor's report to the members of Uberior Investments Limited (continued)

Report on other legal and regulatory requirements

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 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.

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 any material misstatements in the strategic report and directors' report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters 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.

We have nothing to report in respect of these matters.

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.



Paul Cowley CA (Senior Statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
Glasgow, United Kingdom
31 July 2023