

Company registration number 01627626 (England and Wales)

GUINNESS MAHON GROUP LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

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GUINNESS MAHON GROUP LIMITED

COMPANY INFORMATION

Directors

A Barnes
B Johnson
K P Mckenna
C Dyson

Secretary

D Miller

Company number

01627626

Registered office

30 Gresham Street
London
EC2V 7QP

Auditor

Ernst & Young LLP
25 Churchill Place
London
E14 5EY

GUINNESS MAHON GROUP LIMITED

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GUINNESS MAHON GROUP LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2022

The directors present their annual report and financial statements for the year ended 31 March 2022.

Principal activities

The principal activity of the company is to be available as a group entity for future operations or restructures and it will continue to operate in this capacity for the foreseeable future.

On 26 August 2021, a special resolution was passed by the shareholder that the capital of the company be reduced by way of capital reduction of its share capital from £34,663,002 to £100 by reducing the number of Ordinary shares of 25p each in issue from 138,652,008 to 400 and the capital reduction of the company's share premium from £10,545,015 to £nil.

Results and dividends

The results for the year are set out on page 6.

The directors have considered the impact of Covid-19 on the company and have concluded that there is no significant impact on the company.

Ordinary dividends were paid amounting to £39,088,380 (2021: £nil). The directors do not recommend payment of a final dividend.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

A Barnes
B Johnson
K P McKenna
C Dyson

No director holding office at 31 March 2022 had any direct beneficial interest in the shares of the company during the year.

Directors' insurance

The company maintains a Directors' and Officers' Liability Insurance Policy. In accordance with the company's Articles of Association, the board may also indemnify a director from the assets of the company against any costs or liability incurred as a result of their office, to the extent permitted by law. Neither the insurance policy nor any indemnities that may be provided by the company provide cover for fraudulent or dishonest actions by the directors. However, costs may be advanced to directors for their defence in investigations or legal actions.

Auditor

The auditor, Ernst & Young LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Going concern

On the basis of current financial projections the directors have a reasonable expectation that the company has adequate resources to continue in operational existence up to 31 March 2024, which is a period greater than twelve months from the date of issue of the financial statements that aligns with internal budgeting processes. Accordingly, the going concern basis is adopted in the preparation of the financial statements.

Strategic report exemption

The directors have taken advantage of the exemptions available in section 414B, Companies Act 2006 from preparing a strategic report.

GUINNESS MAHON GROUP LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

Statement of directors' responsibilities

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101"). 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 these financial statements, the directors are required to:

- select suitable accounting policies in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- 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 in FRS 101 is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the financial position and financial performance;
- in respect of the financial statements, state whether applicable UK Accounting Standards, including FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

Under applicable law and regulations, the directors are also responsible for preparing a directors' report that comply with that law and those regulations.

Statement of disclosure to auditor

Each director in office at the date of approval of this annual report confirms that:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- the director has 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 section 418 of the Companies Act 2006.

On behalf of the board



C Dyson
Director

9 August 2022

GUINNESS MAHON GROUP LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBER OF GUINNESS MAHON GROUP LIMITED

Opinion

We have audited the financial statements of Guinness Mahon Group Limited (the 'company') for the year ended 31 March 2022 which comprise the profit and loss account, the balance sheet, the statement of changes in equity and notes 1 to 12 to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 'Reduced Disclosure Framework' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the company's affairs as at 31 March 2022 and of its results for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period up to 31 March 2024, which is at least twelve months from when the financial statements are authorised for issue.

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

Other information

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

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.

GUINNESS MAHON GROUP LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBER OF GUINNESS MAHON GROUP LIMITED

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 2, 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.

GUINNESS MAHON GROUP LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBER OF GUINNESS MAHON GROUP LIMITED

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

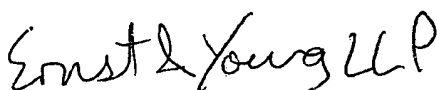
Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are those that relate to the reporting framework (United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 'Reduced Disclosure Framework'), the UK Companies Act 2006 and relevant tax compliance regulations.
- We understood how the company is complying with those frameworks by making inquiries of management, including the directors. We corroborated our understanding through our review of board meeting minutes.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur by considering the risk of management override and meeting with management to understand where they considered there was susceptibility to fraud. We considered the controls that the company has established to address fraud risks identified, or that otherwise seek to prevent or detect fraud. We also considered any relevant performance targets and their potential to influence management to manipulate the results of the company.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved inquiries of management, reviewing board minutes for evidence of non-compliance, testing journal entries and exercising professional scepticism when assessing the results of our audit procedures.

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

Use of our report

This report is made solely to the company's member 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 member, those matters we are required to state to the member 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 member, for our audit work, for this report, or for the opinions we have formed.



Kenneth Eglinton (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London

Date: 10 August 2022

GUINNESS MAHON GROUP LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2022

	Notes	2022 £	2021 £
Revenue		-	-
		<hr/>	<hr/>
Profit before taxation		-	-
Tax on profit	5	-	-
		<hr/>	<hr/>
Profit and total comprehensive income for the financial year		-	-
		<hr/> <hr/>	<hr/> <hr/>

The profit and loss account has been prepared on the basis that all operations are continuing operations.


GUINNESS MAHON GROUP LIMITED

BALANCE SHEET

AS AT 31 MARCH 2022

	Notes	2022 £	£	2021 £	£
Current assets					
Debtors	7		100		39,088,480
			<u>100</u>		<u>39,088,480</u>
Net current assets			<u>100</u>		<u>39,088,480</u>
Total assets less current liabilities			<u>100</u>		<u>39,088,480</u>
Net assets			<u>100</u>		<u>39,088,480</u>
Capital and reserves					
Called up share capital	8		100		34,663,002
Share premium account	9		-		10,545,015
Retained earnings			-		(6,119,537)
			<u>100</u>		<u>39,088,480</u>
Total equity			<u>100</u>		<u>39,088,480</u>

The financial statements were approved by the board of directors and authorised for issue on 9 August 2022 and are signed on its behalf by:



B Johnson
Director

Company Registration No. 01627626

GUINNESS MAHON GROUP LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2022

	Notes	Share capital £	Share premium account £	Retained earnings £	Total £
Balance at 1 April 2020		34,663,002	10,545,015	(6,119,537)	39,088,480
Year ended 31 March 2021:					
Total comprehensive income for the year		-	-	-	-
Balance at 31 March 2021		34,663,002	10,545,015	(6,119,537)	39,088,480
Year ended 31 March 2022:					
Total comprehensive income for the year		-	-	-	-
Dividends	6	-	-	(39,088,380)	(39,088,380)
Capital reduction	8	(34,662,902)	(10,545,015)	45,207,917	-
Balance at 31 March 2022		100	-	-	100

GUINNESS MAHON GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

Company information

Guinness Mahon Group Limited is a private company limited by shares incorporated in England and Wales. The registered office is 30 Gresham Street, London, EC2V 7QP. The company's principal activities and nature of its operations are disclosed in the directors' report.

1.1 Accounting convention

The financial statements have been prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) and in accordance with applicable accounting standards.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

The company has taken advantage of the following disclosure exemptions under FRS 101 where applicable to the company.

- the requirements of paragraphs 45(b) and 46-52 of IFRS 2 Share based Payment;
- the requirements of paragraphs 62, B64(d), B64(e), B64(g), B64(h), B64(j) to B64(m), B64(n)(ii), B64(o)(ii), B64(p), B64(q)(ii), B66 and B67 of IFRS 3 Business Combinations;
- the requirements of paragraph 33 (c) of IFRS 5 Non current Assets Held for Sale and Discontinued Operations;
- the requirements of IFRS 7 Financial Instruments: Disclosures;
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement;
- the requirements of the second sentence of paragraph 110 and paragraphs 113 (a), 114, 115, 118, 119 (a) to (c), 120 to 127 and 129 of IFRS 15 Revenue from Contracts with Customers;
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of: (i) paragraph 79(a) (iv) of IAS 1, (ii) paragraph 73(e) of IAS 16 Property Plant and Equipment (iii) paragraph 118 (e) of IAS 38 Intangibles Assets, (iv) paragraphs 76 and 79(d) of IAS 40 Investment Property and (v) paragraph 50 of IAS 41 Agriculture;
- the requirements of paragraphs 10(d), 10(f), 16, 38A to 38D, 40A to 40D ,111 and 134-136 of IAS 1 Presentation of Financial Statements;
- the requirements of IAS 7 Statement of Cash Flows;
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- the requirements of paragraphs 17 and 18A of IAS 24 Related Party Disclosures;
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member;
- the requirements of paragraphs 130 (f) (ii) and 130 (f) (iii), 134(d)-134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets;
- the requirements of paragraph 52, the second sentence of paragraph 89, and paragraphs 90, 91 and 93 of IFRS 16 Leases;
- the requirements of paragraph 58 of IFRS 16, provided that the disclosure of details of indebtedness required by paragraph 61(1) of Schedule 1 to the Regulations is presented separately for lease liabilities and other liabilities, and in total;
- (cA) The requirements of paragraph 24(b) of IFRS 6 Exploration for and Evaluation of Mineral Resources to disclose the operating and investing cash flows arising from the exploration for and evaluation of mineral resources; and
- (iA) The requirements of paragraph 74A(b) of IAS 16.

Where required, equivalent disclosures are given in the group accounts of Investec plc. The group accounts of Investec plc are available to the public and can be obtained as set out below.

GUINNESS MAHON GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

(Continued)

The company has taken advantage of the exemption under section 400 of the Companies Act 2006 not to prepare consolidated accounts. The financial statements present information about the company as an individual entity and not about its group.

Guinness Mahon Group Limited is a wholly owned subsidiary of Investec 1 Limited. The company's ultimate parent undertaking and controlling party is Investec plc and the results of Guinness Mahon Group Limited are included in the consolidated financial statements of Investec plc which are available from 30 Gresham Street, London, EC2V 7QP.

1.2 Going concern

On the basis of current financial projections the directors have a reasonable expectation that the company has adequate resources to continue in operational existence up to 31 March 2024, which is a period greater than twelve months from the date of issue of the financial statements that aligns with internal budgeting processes. Accordingly, the going concern basis is adopted in the preparation of the financial statements.

1.3 Fair value measurement

IFRS 13 establishes a single source of guidance for all fair value measurements. IFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under IFRS when fair value is required or permitted. The company is exempt under FRS 101 from the disclosure requirements of IFRS 13.

1.4 Financial instruments

Financial instruments are initially recognised at their fair value. For financial assets or financial liabilities not held at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial assets or financial liabilities are included in the initial measurement. All other transaction costs are recorded in the income statement immediately.

Financial assets at fair value through profit or loss

Financial assets are classified as at FVTPL when the financial asset is held for trading. This is the case if:

- the asset has been acquired principally for the purpose of selling in the near term, or
- on initial recognition it is part of a portfolio of identified financial instruments that the company manages together and has a recent actual pattern of short-term profit taking, or
- it is a derivative that is not designated and effective as a hedging instrument.

Financial assets at FVTPL are stated at fair value with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset. Interest and dividends are included in 'Investment income' and gains and losses on remeasurement included in 'other gains and losses' in the statement of comprehensive income.

GUINNESS MAHON GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

(Continued)

Financial assets and liabilities measured at amortised cost

Financial assets that are held to collect the contractual cash flows and that contain contractual terms that give rise to cash flows that are solely payments of principal and interest, such as most loans and advances to banks and customers and some debt securities, are measured at amortised cost. In addition, most financial liabilities are measured at amortised cost.

The group may commit to provide a loan which has not yet been drawn. When the loan that arises from the lending commitment is expected to meet the criteria to be measured at amortised cost the undrawn commitment is also considered to be and is included in the impairment calculation below.

The carrying value of these financial assets at initial recognition includes any directly attributable transactions costs. If the initial fair value is lower than the cash amount advanced, such as in the case of some leveraged finance and syndicated lending activities, the difference is deferred and recognised over the life of the loan through the recognition of interest income, unless the loan is credit impaired.

Financial assets measured at fair value through other comprehensive income (FVOCI)

Financial assets held for a business model that is achieved by both collecting contractual cash flows and selling and that contain contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest are measured at FVOCI. They are recognised on the trade date when the group enters into contractual arrangements to purchase and are normally derecognised when they are either sold or redeemed.

They are subsequently remeasured at fair value and changes therein (except for those relating to impairment, interest income and foreign currency exchange gains and losses) are recognised in other comprehensive income until the assets are sold. Upon disposal, the cumulative gains or losses in other comprehensive income are recognised in the income statement as 'Gains less losses arising from derecognition of debt instruments measured at fair value through other comprehensive income'.

Financial assets measured at FVOCI are included in the impairment calculations set out below and impairment is recognised in profit or loss.

Solely payment of principal and interest (SPPI)

Where the business model is to hold assets to collect contractual cash flows or to collect contractual cash flows and sell, the group assesses whether the assets' cash flows represent solely payments of principal and interest (the SPPI test). In making this assessment, the group considers whether the contractual cash flows are consistent with a basic lending arrangement (i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement). Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related asset is classified and measured at FVPL.

GUINNESS MAHON GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

(Continued)

Business model assessment

For financial assets, IFRS 9 requires that a business model assessment is carried out which reflects how the group manages the assets in order to generate cash flows. The assessment is at a portfolio level, being the level at which the portfolio is managed. Factors considered by the group in determining the business model for a group of assets include past experience on how the cash flows for these assets were collected, how the assets' performance is evaluated and reported and how risks are assessed and managed.

The standard sets out different types of business model

- Hold to collect: it is intended to hold the asset to maturity to earn interest, collecting repayments of principal and interest from the customer. These assets are accounted for at amortised cost.
- Hold to collect and sell: this model is similar to the hold to collect model, except that the entity may elect to sell some or all of the assets before maturity to achieve the objectives of the business model. These assets are accounted for at FVOCI.
- Hold to sell/managed on a fair value basis: the entity originates or purchases an asset with the intention of disposing of it in the short or medium term to benefit from capital appreciation or the portfolio is managed on a fair value basis. These assets are accounted for at FVPL.

However, the group may make the following irrevocable election/designation at initial recognition of a financial asset on an asset-by-asset basis:

- elect to present subsequent changes in fair value of an equity investment that is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which IFRS 3 applies, in OCI; and
- a debt instrument that meets the amortised cost or FVOCI criteria as measured at FVPL if doing so eliminates or significantly reduces an accounting mismatch (referred to as the fair value option).

The classification into one of these categories is based on the entity's business model for managing the assets and the contractual cash flow characteristics of the assets.

Impairment of financial assets held at amortised cost or FVOCI

At each balance sheet date each financial asset or portfolio of advances categorised at amortised cost or at fair value through other comprehensive income, issued financial guarantee and loan commitment is measured for ECL impairment. Loss allowances are forward-looking, based on 12-month expected credit losses where there has not been a significant increase in credit risk rating, otherwise allowances are based on lifetime expected credit losses.

Expected credit losses are a probability-weighted estimate of credit losses. The probability is determined by the risk of default which is applied to the cash flow estimates. On a significant increase in credit risk, credit losses are rebased from 12-month to lifetime expectations. A change in credit risk is typically but not necessarily associated with a change in the expected cash flows.

The costs of loss allowances on assets held at amortised cost and at FVOCI are presented as impairments in the income statement. Allowances in respect of financial guarantees and instruments are classified as held-for-trading when they are held with the intention of short-term disposal, held with the intention of generating short-term profit, or are derivatives which are not designated as part of effective hedges. Financial instruments designated as held at fair value through profit or loss are designated as such on initial recognition of the instrument and remain in this classification until derecognition.

GUINNESS MAHON GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

(Continued)

Derecognition of financial assets and liabilities

A financial asset, or a portion thereof, is derecognised when the group's rights to cash flows have expired or when the group has transferred its rights to cash flows relating to the financial assets and either (a) the group has transferred substantially all the risks and rewards associated with the financial assets or (b) the group has neither transferred nor retained substantially all the risks and rewards associated with the financial assets but has transferred control of the assets.

The treatment of a renegotiation or modification of the contractual cash flows of a financial asset depends upon whether the modification is done for commercial reasons, in which case if they are significant the old asset is derecognised and a new asset recognised, or because of financial difficulties of the borrower.

A financial liability is derecognised when it is extinguished, that is when the obligation is discharged, cancelled or expired. When an existing financial liability is replaced or modified with substantially different terms, such a replacement or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the income statement.

Financial assets and liabilities at fair value through profit or loss

Financial assets and liabilities are designated as held at fair value through profit or loss only if:

- they eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases; or
- a group of financial liabilities or both financial assets and financial liabilities is managed and its performances evaluated on a fair value basis in accordance with a documented risk management or investment strategy and information about the group is provided internally on that basis to the group's key management personnel; or
- a financial liability contract contains one or more embedded derivatives (which significantly modifies the cash flows that would be required by the contract and is not clearly prohibited from separation from the host contract) and the group has designated the entire hybrid contract as a financial instrument at fair value through profit or loss.

2 Directors' remuneration

The directors were employed and remunerated as directors of Investec plc and its subsidiaries (the "Group") in respect of their services to the Group as a whole and their remuneration has been paid by other Group companies. It is estimated that the remuneration for their services to the Company in the year totalled £4,000, (2021: £4,000).

3 Auditor's remuneration

	2022	2021
	£	£
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the company	7,034	6,829

The fee for audit of the company's financial statements has been borne by another group entity.

GUINNESS MAHON GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

4 Employees

The company has no employees (2021: nil)

5 Taxation

The charge for the year can be reconciled to the loss per the profit and loss account as follows:

	2022 £	2021 £
Loss before taxation	-	-
Expected tax charge based on a corporation tax rate of 19.00% (2021: 19.00%)	-	-
UK-UK transfer pricing adjustment	39,494	113,801
Group relief surrendered/(receivable) at nil cost	(39,494)	(113,801)
Taxation charge for the year	-	-

The UK Government announced on 3 March 2021 its intention to increase the UK rate of corporation tax to 25% from 19% from 1 April 2023. This rate has now been substantively enacted at the year end.

There are trade losses carried forward of £12,006,000 (2021: £12,006,000) and capital losses carried forward of £22,262,000 (2021: 26,867,000) on which deferred tax asset has not been recognised due to uncertainty regarding future profits.

6 Dividends

Amounts recognised as distributions:	2022 Total £	2021 Total £
Ordinary		
Interim dividend paid	39,088,380	-

7 Debtors

	2022 £	2021 £
Amount owed by parent undertaking	100	39,088,480

Trade debtors disclosed above are classified as loans and receivables and are therefore measured at amortised cost.

During the year, the company paid an interim dividend of £38,088,379.89 to its parent company, Investec 1 Limited which reduced the intercompany debtor to £100.

GUINNESS MAHON GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

8 Share capital

	2022 Number	2021 Number	2022 £	2021 £
Ordinary share capital Authorised				
Ordinary of 25p each	140,152,000	140,152,000	35,038,000	35,038,000
Issued and fully paid				
Ordinary of 25p each	400	138,652,008	100	34,663,002

9 Share premium account

	2022 £	2021 £
At the beginning of the year	10,545,015	10,545,015
Share capital reduction	(10,545,015)	-
At the end of the year	-	10,545,015

10 Events after the reporting date

The directors confirm that there were no significant events occurring after the balance sheet date to the date of this report that would meet the criteria to be disclosed in the financial statements for the year end 31 March 2022.

11 Risk management

As a wholly-owned subsidiary of Investec plc, the company falls under Investec plc Group's Risk Management Framework which is set out in the combined Investec plc and Investec Limited 2022 financial statements, Risk Management and Corporate Governance report. The company's principal activity is that of an investment holding company and continues to be available for use as an investment holding company.

12 Ultimate parent undertaking

The company's ultimate parent and controlling party is Investec plc, a company incorporated in the United Kingdom and registered in England and Wales. The consolidated financial statements of Investec plc are available to the public and may be obtained from Investec plc at 30 Gresham Street, London, EC2V 7QP.