Cavendish Online Limited

Annual report and financial statements for the nine month period to 31 December 2022

Registered office

20 Cathedral Yard
Exeter
Devon
EX1 1HB

Registered number

04045709

Current directors

V Flenk
J C Nelmes
R M St Louis

Company Secretary

G J Donaldson

Member of Lloyds Banking Group

Directors' report

For the nine month period ended 31 December 2022

The Directors present the Annual report and audited financial statements of Cavendish Online Limited (the "Company") for the nine month period ended 31 December 2022.

The Company is a wholly owned subsidiary of Lloyds Bank Insurance Services Limited and part of the Insurance, Pensions and Investments (IP&I) Division of Lloyds Banking Group (the "Group").

The Directors' report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption and therefore does not include a Strategic report.

General information

The Company is a private company limited by shares, incorporated in United Kingdom, domiciled in England and registered in England and Wales (registered number: 04045709). The Company is regulated by the Financial Conduct Authority ("FCA").

For periods up to and including 31 March 2022, the Company published unaudited financial statements in accordance with FRS 102. These financial statements for the nine month period ended 31 December 2022 are the first the Company has prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006. Refer to note 22 for information on the impact of adopting IFRS.

On 30 November 2022, Lloyds Bank Insurance Services Limited acquired 100% of the issued share capital of the Company. Following the acquisition, the Company has aligned to Group policies and practices, including adopting Group financial statements presentation. This has resulted in a number of reclassifications between line items, please refer to note 22 for further information.

Principal activity

The principal activity of the Company is that of financial services and products discount brokerage.

Company performance

The result of the Company for the nine month period ended 31 December 2022 is a loss after taxation of £24,000 (year ended 31 March 2022: £28,000 loss) as set out in the Statement of comprehensive income on page 4.

The total net assets of the Company at 31 December 2022 are £258,000 (31 March 2022: £458,000).

During the nine month period ended 31 December 2022, a dividend of £176,000 representing a dividend of 17.6p per share was declared and paid to the shareholders prior to the purchase by Lloyds Bank Insurance Services Limited (year ended 31 March 2022: a dividend of £279,000 representing a dividend of 27.9p per share was declared and paid to the shareholders).

Key performance indicators (KPIs)

Given the straightforward nature of the business, the Company's Directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business.

The development, performance and position of the IP&I Division are presented within Lloyds Banking Group plc’s annual report, which does not form part of this report.

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 18 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 be limited impact on the Company.

The external risks faced by the Group include, but are not limited to macroeconomic uncertainty; high interest rates and high inflation which are contributing to the cost of living increases and associated implications for UK consumers and businesses. Any further deterioration in the global macroeconomic conditions, including as a result of geopolitical events, global health issues such as the Covid-19 pandemic or acts of war or terrorism including the Ukraine/Russia conflict, could have an adverse effect on the Company’s results.

Directors' report (continued)

For the nine month period ended 31 December 2022

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 created 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 be limited impact on the Company.

Future outlook

The Directors consider that the Company's principal activities will continue to be unchanged in the foreseeable future.

Directors

The names of the current Directors are listed on the front cover.

The following changes have taken place between the beginning of the reporting period and the approval of the Annual report and financial statements:

V Flenk	(appointed 3 May 2023)
R M St Louis	(appointed 30 November 2022)
I Williams	(resigned 30 November 2022)

Directors' indemnities

Lloyds Banking Group plc has granted deeds of indemnity by deed poll and by way of entering into individual deeds, which for the purposes of the Companies Act 2006 constitute 'qualifying third party indemnity provisions', to the directors of its subsidiary companies, including those of the Company. Such deeds were in force from the date of acquisition, being 30 November 2022, and at the date of approval of the financial statements or from the date of appointment in respect of the Directors who join the Board of the Company since 30 November 2022. Directors no longer in office but who served on the Board of the Company at any time in the financial year had the benefit of this indemnity during that period of service. Prior to acquisition by the Group, the Company had a similar indemnity in place for the Directors.

The deed for existing Directors is 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 period from 30 November 2022.

Going concern

The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for at least 12 months from the date of approval of the accounts. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements. Further details regarding the adoption of the going concern basis can be found in the note 1 to the financial statements.

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 are required to prepare the 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 these financial statements, the Directors are required to:

- properly select and apply accounting policies;
- state whether the financial statements comply with international accounting standards in conformity with the requirements of the Companies Act 2006, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for 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.

Directors' report (continued)

For the nine month period ended 31 December 2022

Statement of disclosure of information to auditor

In accordance with Section 418 of the Companies Act 2006, 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 auditor is aware of that information.

Independent auditor

Pursuant to section 487 of the Companies Act 2006, auditors duly appointed by the members of the Company shall, subject to any resolution to the contrary, be deemed to be reappointed for the next financial year and Deloitte LLP will therefore continue in office.

On behalf of the Board of Directors:

V Flenk
Director

29 September 2023

Statement of comprehensive income

For the nine month period ended 31 December 2022

	Note	For the 9 months ended 31 December 2022	Unaudited and * re-presented For the year ended 31 March 2022
		£'000	£'000
Revenue		**2,600**	3,876
Commission expense		**(53)**	(93)
Net commission income	4	**2,547**	3,783
Interest expense	5	**(5)**	(10)
Other operating income		**-**	3
Gain on disposal of property, plant and equipment	13	**14**	5
Depreciation of property, plant and equipment	13	**(62)**	(140)
Other operating expenses	6	**(2,565)**	(3,633)
(Loss)/profit before tax		**(71)**	8
Taxation	9	**47**	(36)
Loss after tax, being total comprehensive expense		**(24)**	(28)

* The comparatives have been re-presented to reflect the changes in presentation as explained in note 22.

The notes set out on pages 8 to 24 are an integral part of these financial statements.

Balance sheet

As at 31 December 2022

	Note	**31 December 2022**	Unaudited and * re-presented 31 March 2022	Unaudited and * re-presented 1 April 2021
		£'000	£'000	£'000
ASSETS				
Cash and cash equivalents	10	**453**	710	968
Trade and other receivables	11	**139**	178	254
Right-of-use assets	12	**68**	99	116
Property, plant and equipment	13	**43**	113	202
Current tax asset		**26**	-	-
Total assets		**729**	1,100	1,540
LIABILITIES				
Trade and other payables	14	**137**	242	384
Lease liabilities	18.5	**75**	107	125
Provision for liabilities and charges	15	**251**	238	207
Current tax liability		**-**	30	40
Deferred tax	16	**8**	25	42
Total liabilities		**471**	642	798
EQUITY				
Share capital	17	**-**	-	-
Retained earnings		**258**	458	742
Total equity		**258**	458	742
Total equity and liabilities		**729**	1,100	1,540

* The comparatives have been re-presented to reflect the changes in presentation as explained in note 22.

The notes set out on pages 8 to 24 are an integral part of these financial statements.

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

V Flenk
Director

29 September 2023

Statement of changes in equity

For the nine month period ended 31 December 2022

	Share capital £'000	Retained earnings £'000	Total equity £'000
At 1 April 2021 (unaudited and as previously presented)	-	934	934
IFRS transition adjustment	-	(169)	(169)
At 1 April 2021 (unaudited and as re-presented, see note 22)	-	765	765
Loss for the year being total comprehensive expense as restated (see note 22)	-	(28)	(28)
Dividend paid to equity holders of the Company	-	(279)	(279)
At 31 March 2022 (unaudited and restated)	**-**	**458**	**458**
Loss for the year being total comprehensive expense	-	(24)	(24)
Dividend paid to equity holders of the Company	-	(176)	(176)
At 31 December 2022	**-**	**258**	**258**

* The comparatives have been re-presented to reflect the changes in presentation as explained in note 22.

The notes set out on pages 8 to 24 are an integral part of these financial statements.

Cash flow statement

For the nine month period ended 31 December 2022

	For the 9 months ended 31 December	Unaudited and * re-presented For the year ended 31 March
	£'000	£'000
Cash flows (used in)/generated from operating activities		
(Loss)/profit before tax	**(71)**	8
Adjustments for:		
- Interest expense	**5**	10
- Depreciation of Property, plant and equipment	**62**	77
- Gain on disposal of Property, plant and equipment	**(14)**	(5)
- Increase in Provisions for liabilities and charges	**13**	31
- Decrease in Trade and other receivables	**39**	75
- Decrease in Trade and other payables	**(51)**	(77)
Cash (used in)/generated from operations	**(17)**	119
Tax paid	**(26)**	(64)
Net cash (used in)/generated from operating activities	**(43)**	55
Cash flows generated from investing activities		
Purchase of Property, plant and equipment	**(8)**	(34)
Purchase of Right-of-use assets	**-**	(21)
Proceeds from disposal of property, plant and equipment	**59**	82
Net cash generated from investing activities	**51**	27
Cash flows used in financing activities		
Dividends paid	**(176)**	(279)
Lease liability repayments	**(37)**	(28)
Hire purchase repayment	**(52)**	(33)
Net cash used in financing activities	**(265)**	(340)
Change in Cash and cash equivalents	**(257)**	(258)
Cash and cash equivalents at beginning of year	**710**	968
Cash and cash equivalents at end of year	**453**	710
Cash and cash equivalents comprise		
Cash at bank	**453**	710

* The comparatives have been re-presented to reflect the changes in presentation as explained in note 22.

The notes set out on pages 8 to 24 are an integral part of these financial statements.

Notes to the financial statements
For the nine month period ended 31 December 2022

1. Basis of preparation

Cavendish Online Limited (the "Company") is a private company limited by shares incorporated in the United Kingdom under the Companies Act 2006 and is registered in England and Wales. The registered office can be found on the front page and its principal activity is included in the Directors' report.

For periods up to and including 31 March 2022, the Company published unaudited financial statements in accordance with FRS 102. These financial statements for the nine month period ended 31 December 2022 are the first the Company has prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006. Refer to note 22 for information on the impact of adopting IFRS.

The financial information has been prepared under the historical cost convention.

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

No new IFRS pronouncements which have been adopted resulted in a material impact within 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 21. No standards have been early adopted.

The Company has a net asset position at the year end. The Directors have considered this, along with the expected activities of the Company for the foreseeable future, and have reached the conclusion that the Company will be able to meet its future obligations as they fall due and the financial statements have been prepared on a going concern basis.

The Directors are also 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.

2. Accounting policies

The Company's accounting policies are set out below. These accounting policies have been applied consistently.

2.1 Revenue recognition

Commission income

Income comprises brokerage fees and commission income, which are recognised in the Statement of comprehensive income at the later of the inception of renewal of the underlying policy and when the policy placement has been completed and confirmed, having regard to the nature and term of the policy involved. Allowance is made for commission clawback refunds on the basis of prior lapse experience. Additional commission is due from certain third party insurers based upon their underwriting results. This is recognised in the Statement of comprehensive income only when the Company has been notified of the underwriting result, or of the extent that it is highly probable that a significant reversal in the amount of additional commission recognised will not occur, or the income is received.

2.2 Expense recognition

Other operating expenses

Administrative expenses are recognised in the Statement of comprehensive income as incurred. These consist of costs either incurred directly by the Company or recharged from fellow Group subsidiaries.

2.3 Financial assets and liabilities

Management determines the classification of its financial assets and financial liabilities at initial recognition. Financial assets comprise Cash and cash equivalents, and Trade and other receivables. Financial liabilities comprise Trade and other payables and lease liabilities.

All financial assets and financial liabilities are stated at amortised cost.

Notes to the financial statements (continued)

For the nine month period ended 31 December 2022

2. Accounting policies (continued)

2.3 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.

2.4 Property, plant and equipment, including right-of-use assets

Property, plant and equipment is included at historical purchase cost less depreciation and any impairment allowance. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated using the straight line method to allocate the difference between the cost and expected residual value over their estimated useful lives, or the period of the lease whichever is less. Estimated useful lives are as follows:

Leasehold premises	4 - 10 Years
Computer and office equipment	4 - 10 Years
Motor vehicles	4 years
Right-of-use assets	3 - 10 years

The assets leased by the Company include property and motor vehicles. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each Balance sheet date.

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. In the event that an asset's carrying amount is determined to be greater than its recoverable amount it is written down immediately. The recoverable amount is the higher of the asset's fair value less costs to sell and its value in use.

2.5 Leases

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company. Assets and liabilities arising from a lease are initially measured on a present value basis. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be determined, or the Company's incremental borrowing rate appropriate for the right-of-use asset arising from the lease, and the liability recognised within other liabilities.

Lease payments are allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of twelve months or less. Short term leased assets comprise property.

2.6 Cash and cash equivalents

Cash and cash equivalents includes cash at bank and short-term highly liquid investments with original maturities of three months or less.

2.7 Impairment of financial assets

The Company has not adopted the simplified expected credit loss model for its financial assets, as allowed by IFRS 9, paragraph 5.5.15. Instead, the general expected credit loss model has been applied to financial assets.

Notes to the financial statements (continued)

For the nine month period ended 31 December 2022

2. Accounting policies (continued)

2.8 Taxation

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 another 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.

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.

2.9 Share capital

Shares are classified as equity when there is no obligation to transfer cash or other assets. Incremental costs directly attributable to the issue of equity instruments are shown in equity as a deduction from the proceeds, net of tax.

2.10 Dividends

Dividends payable on ordinary shares are recognised in equity in the period in which they are approved.

2.11 Provisions for other liabilities and charges

Provisions are recognised in respect of present obligations arising from past events where it is probable that outflows of resources will be required to settle the obligations and they can be reliably estimated.

3. Critical accounting judgements and key sources of estimation uncertainty

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.

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.

Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Notes to the financial statements (continued)

For the nine month period ended 31 December 2022

3. Critical accounting judgements and key sources of estimation uncertainty (continued)

Commission clawbacks

The Company uses estimates in the calculation of the commission clawback provision. The provision is calculated with respect to past experience of the impact of refunded commission, and of predicted future cancellation of policies, which are subject to indemnity commission. As future revenue has the potential to change, these are considered to be key sources of estimation uncertainty. Further details of estimates used appear in note 15.

If the clawback commissions were to take one month longer to settle, or were to be settled one month earlier, the impact on profit before tax would to increase or decrease by £36,000.

4. Net commission income

	For the 9 months ended 31 December 2022 £'000	Unaudited and * re-presented For the year ended 31 March 2022 £'000
Commission income	**2,600**	3,876
Commission expense	**(53)**	(93)
Net commission income	**2,547**	3,783

* The comparatives have been re-presented to reflect the changes in presentation as explained in note 22.

5. Interest expense

	For the 9 months ended 31 December 2022 £'000	Unaudited For the year ended 31 March 2022 £'000
Lease liabilities	**(5)**	(10)

6. Other operating expenses

	For the 9 months ended 31 December 2022 £'000	Unaudited For the year ended 31 March 2022 £'000
Staff costs (see note 7)	**2,019**	2,821
Administrative expenses	**546**	812
Other operating expenses	**2,565**	3,633

Fees payable to the Company's auditors for the audit of the financial statements of £30,000 (Year ended 31 March 2022: £nil as unaudited) have been borne by a fellow group company and are not recharged to the Company.

Notes to the financial statements (continued)
For the nine month period ended 31 December 2022

7. Staff costs

	For the 9 months ended 31 December 2022 £'000	Unaudited For the year ended 31 March 2022 £'000
Wages and salaries	**1,714**	2,423
Social security costs	**199**	288
Share based payments	**22**	3
Pension costs	**84**	107
	2,019	2,821

The average number of employees during the year was 54 (Year ended 31 March 2022: 59). All staff are located in the United Kingdom and provide management, administration and sales support.

8. Directors' emoluments

	For the 9 months ended 31 December 2022 £'000	Unaudited For the year ended 31 March 2022 £'000
Aggregate emoluments	**32**	42
Aggregate post-employment benefits	**3**	4
	35	46

No directors exercised share options in the ultimate parent company during the year (Year ended 31 March 2022: none).

9. Taxation

	For the 9 months ended 31 December 2022 £'000	Unaudited For the year ended 31 March 2022 £'000
a) Analysis of credit/(charge) for the period/year		
UK corporation tax:		
- Current tax on taxable loss for the period/year	**30**	(30)
- Adjustments in respect of prior years	**-**	(23)
Current tax credit	**30**	(53)
UK deferred tax:		
- Origination and reversal of timing differences	**14**	23
- Adjustments in respect of prior years	**(1)**	-
- Impact of deferred tax rate change	**4**	(6)
Deferred tax charge (see note 16)	**17**	17
Tax credit/(charge)	**47**	(36)

Corporation tax is calculated at a rate of 19.00% (12 months to 31/03/2022: 19.00%) of the taxable profit for the period/year.

Notes to the financial statements (continued)

For the nine month period ended 31 December 2022

9. Taxation (continued)

b) Factors affecting the tax credit/(charge) for the period/year

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

	For the 9 months ended 31 December 2022 £'000	Unaudited For the year ended 31 March 2022 £'000
(Loss)/profit before tax	**(71)**	8
Tax credit/(charge) thereon at UK corporation tax rate of 19.00% (12 months to 31/03/2022: 19.00%)	**13**	(2)
Factors affecting credit/(charge)		
- Disallowed items	**(1)**	(7)
- Non-taxable items	**2**	2
- Tax impact of restated reserves	**30**	-
- Adjustments in respect of prior years	**(1)**	(23)
- Effect of change in tax rate and related impacts	**4**	(6)
Tax credit/(charge) on (loss)/profit on ordinary activities	**47**	(36)
Effective rate	**(66.20%)**	**(450.00%)**

10. Cash and cash equivalents

	31 December 2022 £'000	Unaudited 31 March 2022 £'000
Cash at bank	**453**	710

Cash at bank of £453,000 (31 March 2022: £710,000) is unsecured, interest bearing and repayable on demand. The carrying value of cash approximates to its fair value.

11. Trade and other receivables

	31 December 2022 £'000	Unaudited and * re-presented 31 March 2022 £'000
Trade debtors	**4**	20
Other debtors	**5**	16
Prepayments	**47**	42
Accrued income	**83**	100
	139	178

* The comparatives have been re-presented to reflect the changes in presentation as explained in note 22.

All balances within Trade and other receivables are non-interest bearing and unsecured. The carrying value of Trade and other receivables is approximate to its fair value.

Notes to the financial statements (continued)

For the nine month period ended 31 December 2022

12. Right-of-use assets

	Property	Motor vehicles	Total
	£'000	£'000	£'000
Cost:			
At 1 April 2021 (as previously presented)	-	-	-
IFRS Transition adjustment	145	19	164
At 1 April 2021 (unaudited and re-presented)	145	19	164
Additions	-	21	21
At 31 March and 31 December 2022	**145**	**40**	**185**
Accumulated depreciation:			
At 1 April 2021 (as previously presented)	-	-	-
IFRS Transition adjustment	46	2	48
At 1 April 2021 (unaudited and re-presented)	46	2	48
Charge for the year	29	9	38
At 31 March (unaudited and re-presented)	75	11	86
Charge for the period	22	9	31
At 31 December 2022	**97**	**20**	**117**
Net book value			
At 31 December 2022	**48**	**20**	**68**
At 31 March 2022 (unaudited and previously presented)	-	-	-
At 31 March 2022 (unaudited and re-presented)	70	29	99

* The comparatives have been re-presented to reflect the changes in presentation as explained in note 22.

The maturity analysis of the Company's lease liabilities on an undiscounted basis is set out in the liquidity risk section of note 19.

The total cash outflow for leases in the 9 month period ended 31 December 2022 was £37,000 (year ended 31 March 2022: £46,000). The amount recognised within interest expense in respect of lease liabilities is disclosed in note 5.

Notes to the financial statements (continued)

For the nine month period ended 31 December 2022

13. Property, plant and equipment

	Fixtures and fittings	Motor vehicles	Internet assets	Office equipment	Total
	£'000	**£'000**	**£'000**	**£'000**	£'000
Cost:					
At 1 April 2021 (unaudited and previously stated)	29	181	10	115	335
Additions	-	2	-	32	34
Disposals	(1)	(103)	-	(28)	(132)
At 31 March 2022 (unaudited and re-presented)	28	80	10	119	237
Additions	**-**	**1**	**-**	**7**	**8**
Disposals	**-**	**(77)**	**-**	**-**	**(77)**
At 31 December 2022	**28**	**4**	**10**	**126**	**168**
Accumulated depreciation:					
At 1 April 2021 (as previously presented)	22	38	10	49	119
IFRS Transition adjustment	3	(1)	-	12	14
At 1 April 2021 (unaudited and re-presented)	25	37	10	61	133
Charge for the year	3	14	-	22	39
Disposals	(1)	(29)	-	(18)	(48)
At 31 March 2022 (unaudited and re-presented)	27	22	10	65	124
Charge for the period	**-**	**9**	**-**	**22**	**31**
Disposals	**-**	**(30)**	**-**	**-**	**(30)**
At 31 December 2022	**27**	**1**	**10**	**87**	**125**
Net book value					
At 31 December 2022	**1**	**3**	**-**	**39**	**43**
At 31 March 2022 (unaudited and previously presented	4	57	-	66	127
At 31 March 2022 (unaudited and re-presented)	1	58	-	54	113

* The comparatives have been re-presented to reflect the changes in presentation as explained in note 22.

Notes to the financial statements (continued)

For the nine month period ended 31 December 2022

14. Trade and other payables

	31 December 2022 £'000	Unaudited and * re-presented 31 March 2022 £'000
Trade creditors	**2**	18
Other tax and social security	**88**	74
Other creditors	**21**	58
Accrued expenses	**26**	38
Hire purchase creditor	**-**	54
	137	242

* The comparatives have been re-presented to reflect the changes in presentation as explained in note 22.

Trade creditors, Other tax and social security, Other creditors and Accrued expenses, all disclosed within trade and other payables, are non-interest bearing, unsecured and repayable on demand, although there is no expectation that such a demand would be made. The carrying value of Trade and other payables is an approximation of fair value.

15. Provision for liabilities and charges

	31 December 2022 £'000	Unaudited and * re-presented 31 March 2022 £'000
Opening balance	**238**	207
Utilised during the period/year	**(304)**	(355)
Charge for the period/year	**317**	386
Closing balance	**251**	238

* The comparatives have been re-presented to reflect the changes in presentation as explained in note 22.

Commission clawbacks

This relates to commission received on an indemnity basis which results in a proportion of commission being repayable to the third party underwriter in the event of the policy being cancelled by the policyholder. The provision is calculated with respect to past experience of the impact of refunded commission, and of predicted future cancellation of policies, which are subject to indemnity commission. This balance is due to be settled within 12 months of 31 December 2022.

Notes to the financial statements (continued)

For the nine month period ended 31 December 2022

16. Deferred tax

The movement in the Deferred tax is as follows:

	31 December 2022 £'000	Unaudited 31 March 2022 £'000
At 1 April	**(25)**	(42)
Credit for the period/year	**17**	17
Carried forward	**(8)**	(25)

The deferred tax credit in the period comprises the following temporary differences:

	31 December 2022 £'000	Unaudited 31 March 2022 £'000
Accelerated capital allowances	**17**	14
Pensions and other post-retirement benefits	**-**	3
	17	17

Deferred tax comprises:	**31 December 2022 £'000**	Unaudited 31 March 2022 £'000
Accelerated capital allowances	**(11)**	(28)
Pensions and other post-retirement benefits	**3**	3
	(8)	(25)

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.

A deferred tax asset of £1,000 relating to trading losses has not been recognised on the basis that the Company has insufficient forecast taxable profits to recover the asset in future periods. Subject to some conditions trading losses can be carried forward indefinitely and offset against future taxable profits.

Notes to the financial statements (continued)

For the nine month period ended 31 December 2022

17. Share capital

	31 December 2022 £'000	Unaudited 31 March 2022 £'000
Allotted, issued and fully paid		
693,450 "A" ordinary shares of 0.0001p each	**-**	-
130,000 "B" ordinary shares of 0.0001p each	**-**	-
130,000 "C" ordinary shares of 0.0001p each	**-**	-
10,000 "D" ordinary shares of 0.0001p each	**-**	-
36,500 "E" ordinary shares of 0.0001p each	**-**	-
10 "F" ordinary shares of 0.0001p each	**-**	-
10 "G" ordinary shares of 0.0001p each	**-**	-
10 "H" ordinary shares of 0.0001p each	**-**	-
10 "I" ordinary shares of 0.0001p each	**-**	-
10 "J" ordinary shares of 0.0001p each	**-**	-
	-	-

At 31 December 2022 the authorised share capital of the Company was £100 (31 March 2022: £100). The "A" - "E" shares are entitled to receive declared dividends and have the right to vote at General meetings of the Company.

The "F" - "J" ordinary shares are entitled to receive declared dividends but they carry no voting rights; nor do they have the right to participate in any payment of distribution of any surplus on a winding up of the Company except a right to be repaid the subscription price of the shares.

All shares are held by Lloyds Bank Insurance Limited.

18. Financial risk management

This note summarises the risks associated with the activities of the Company and the way in which these are managed.

The Company is exposed to a range of financial risks through its financial assets and financial liabilities.

18.1 Market risk

Market risk is defined as the risk that the Company's capital or earnings profile is affected by adverse market rates, in particular equity, credit default spreads, interest rates and inflation in Insurance business.

18.2 Interest rate risk

Interest rate risk is the risk that the value of future cash flows of a financial instrument will fluctuate because of changes in interest rates and the shape of the yield curve. Interest rate risk arises in respect of cash balances which are invested in a cash fund. None of the other financial assets or financial liabilities of the Company are interest-bearing.

18.3 Credit risk

Credit risk is the risk that counterparties with whom the Company has contracted fail to meet their financial obligations.

Credit risk is managed in line with the IP&I Credit Risk policy and the wider Lloyds Banking Group Credit Risk Policy which set out the principles of the credit control framework. The Company holds cash at bank of £453,000 (31 March 2022: £710,000) and Trade and other recievables of £139,000 (31 March 2022: £178,000). Credit risk in respect of these balances is not considered to be significant. There were no past due or impaired financial assets at 31 December 2022 (31 March 2022: none). No terms in respect of financial assets had been renegotiated at 31 December 2022 (31 March 2022: none).

18.4 Capital risk

Capital risk is defined as the risk that the Company has a sub-optimal quantity or quality of capital or that capital is inefficiently deployed across the Company.

Within the IP&I Division, capital risk is actively monitored by the Insurance, Pensions and Investments Asset and Liability Committee.

The Company’s objectives when managing capital are to ensure that sufficient capital is available to safeguard the Company’s ability to continue as a going concern so that it can continue to provide a return to the shareholder.

The Company’s capital comprises all components of equity of £258,000 (31 March 2022: £458,000), movements in which are set out in the Statement of changes in equity.

Notes to the financial statements (continued)

For the nine month period ended 31 December 2022

18. Financial risk management (continued)

18.5 Liquidity risk

Liquidity risk is defined as the risk that the Company does not have sufficient financial resources to meet its commitments as they fall due or can only secure them at excessive cost. Liquidity risk may result from either the inability to sell financial assets quickly at their fair values; or from the inability to generate cash inflows as anticipated.

The following table analyses the maturity of the Company's contractual cash flows for financial liabilities. The table below is based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company is obliged to pay. The table includes both interest and principal cash flows.

As at 31 December 2022

	On demand £'000	**< 1 month £'000**	**1-3 months £'000**	**3-12 months £'000**	**> 1 year £'000**	**Total £'000**
Trade and other payables	**2**	**-**	**-**	**-**	**-**	**2**
Other tax and social security	**-**	**88**	**-**	**-**	**-**	**88**
Accrued expenses	**-**	**-**	**26**	**-**	**-**	**26**
Other creditors	**3**	**18**	**-**	**-**	**-**	**21**
Lease liabilities	**-**	**1**	**11**	**36**	**27**	**75**
	5	**107**	**37**	**36**	**27**	**212**

As at 31 March 2022

	On demand £'000	< 1 month £'000	1-3 months £'000	3-12 months £'000	> 1 year £'000	Total £'000
Trade and other payables	-	-	-	18	-	18
Other tax and social security	-	74	-	-	-	74
Accrued expenses	-	-	38	-	-	38
Other creditors	8	17	-	33	-	58
Lease liabilities and hire purchase	-	2	13	82	64	161
	8	93	51	133	64	349

19. Related party transactions

The Company's immediate parent undertaking is Lloyds Bank Insurance Services Limited, a Company registered in the United Kingdom. Lloyds Bank Insurance Services Limited has taken advantage of the provisions of the Companies Act 2006 and has not produced consolidated Financial Statements.

The ultimate parent undertaking and controlling party is Lloyds Banking Group plc, which is the parent undertaking of the only group to consolidate these Financial Statements. Once approved, copies of the consolidated Annual Report and Financial Statements of Lloyds Banking Group plc may be obtained from Lloyds Banking Group’s head office at 25 Gresham Street, London EC2V 7HN or downloaded via https://www.lloydsbankinggroup.com/investors/financial-downloads.html.

Notes to the financial statements (continued)

For the nine month period ended 31 December 2022

19. Related party transactions (continued)

Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, which is determined to be the Company's directors and members of the Lloyds Banking Group plc board. Members of the Lloyds Banking Group plc board are employed by other companies within the Group and consider that their services to the Company are incidental to their other responsibilities within the Group.

Other than as set out below, there were no transactions between the Company and key management personnel during the current or preceding year.

Key management personnel emoluments

	31 December 2022 £'000	Unaudited 31 March 2022 £'000
Salaries and short term employee benefits	**32**	42
Post employment benefits	**3**	4
	35	46

20. Post balance sheet events

There are no post balance sheet events.

21. Future developments

The following pronouncement is not applicable for the nine month ended 31 December 2022 and has not been applied in preparing these financial statements.

Pronouncement	**Nature of change**	**Effective date**
Minor amendments to other accounting standards	The IASB has issued a number of minor amendments to IFRSs effective 1 January 2023 (including IAS 1 Presentation of the financial statements and IAS 8 Accounting policies, changes in accounting estimates and errors).	Annual periods beginning on or after 1 January 2023

The full impact of this pronouncement is being assessed by the Company. However, the initial view is that this is not expected to cause any material adjustments to the reported numbers in the financial statements.

Notes to the financial statements (continued)

For the nine month period ended 31 December 2022

22. IFRS transition

These financial statements, for the 9 month period ended 31 December 2022, are the first the Company has prepared in accordance with IFRS. For years up to and including the year ended 31 March 2022, the Company published its financial statements in accordance with FRS 102.

The transition to IFRS involved restating comparatives from 1 April 2021. Set out below are the impacts of the changes in accounting policies upon the results of the Company.

	As previously stated 31 March 2022	Effect of transition 31 March 2022	Alignment to the Group presentation	**IFRS (as restated) 31 March 2022**
	£'000	£'000	£'000	**£'000**
Revenue	3,808	68	-	**3,876**
Commission expense	(93)	-	-	**(93)**
Net commission expense	3,715	68	-	**3,783**
Interest expense	-	-	(10)	**(10)**
Interest payable and similar expenses	(5)	(5)	10	**-**
Other operating income	3	-	-	**3**
Gain on disposal of property, plant and equipment	-	-	5	**5**
Depreciation of property, plant and equipment	-	(101)	(39)	**(140)**
Other operating expenses		-	(3,633)	**(3,633)**
Administrative expenses	(3,711)	44	3,667	**-**
Profit before tax	2	6	-	**8**
Taxation	(43)	7	-	**(36)**
Loss after tax, being total comprehensive expense	(41)	13	-	**(28)**

Notes to the financial statements (continued)
For the nine month period ended 31 December 2022

22. IFRS transition (continued)

	As previously stated 1 April 2021	Effect of transition to IFRS as at 1 April 2021	Alignment to Group presentation at 1 April 2021	**IFRS 1 April 2021**
	£'000	£'000	£'000	**£'000**
ASSETS				
Cash	968	-	-	**968**
Trade and other receivables	254	-	-	**254**
Right-of-use assets	-	116	-	**116**
Property, plant and equipment	216	(14)	-	**202**
Total assets	1,438	102	-	**1,540**
LIABILITIES				
Trade and other payables	462	(38)	(40)	**384**
Lease liabilities	-	125	-	**125**
Provision for liabilities and charges	-	207	-	**207**
Current tax liability	-	-	40	**40**
Deferred tax	42	-	-	**42**
Total liabilities	504	294	-	**798**
EQUITY				
Share capital	-	-	-	**-**
Retained earnings	934	(192)	-	**742**
Total equity	934	(192)	-	**742**
Total equity and liabilities	1,438	102	-	**1,540**

Notes to the financial statements (continued)
For the nine month period ended 31 December 2022

22. IFRS transition (continued)

	As previously stated 31 March 2022 £'000	Effect of transition 31 March 2022 £'000	Alignment to the Group presentation £'000	**IFRS (as restated) 31 March 2022 £'000**
ASSETS				
Cash and cash equivalents	710	-	-	**710**
Trade and other receivables	77	101	-	**178**
Right-of-use assets	-	99	-	**99**
Property, plant and equipment	129	(16)	-	**113**
Total assets	916	184	-	**1,100**
LIABILITIES				
Trade and other payables	267	5	(30)	**242**
Lease liabilities	-	107	-	**107**
Provision for liabilities and charges	-	238	-	**238**
Current tax liability	-	-	30	**30**
Deferred tax	35	(10)	-	**25**
Total liabilities	302	340	-	**642**
EQUITY				
Share capital	-	-	-	**-**
Retained earnings	614	(156)	-	**458**
Total equity	614	(156)	-	**458**
Total equity and liabilities	916	184	-	**1,100**

Effect of transition to IFRS

Following the acquisition of the Company, the Directors decided to adopt IFRS as the basis of preparation, this has resulted in the prior comparatives being restated retrospectively.

Clawback commission provision

The Company receives commission on an indemnity basis which results in a proportion of commission being repayable to the third party underwriter in the event of the policy being cancelled by the policyholder. IFRS requires that a forward-looking provision be held on the balance sheet for future clawbacks. As such, a provision has been calculated which considers the trend of the clawbacks over the previous two accounting periods, and the clawback post-year end.

Depreciation

Fixed assets were previously depreciated on a reducing balance basis under UK GAAP. This treatment is not allowed under IFRS and instead the straight-line method of depreciation is required. This has resulted in an adjustment to the brought forward accumulated depreciation.

Operating leases

The Company leases one property and two cars. These are all operating leases and IFRS 16 requires that lessees capitalise assets leased under operating leases on their balance sheet as right-of-use assets, and recognise a finance lease creditor. The right-of-use asset is depreciated over the life of the lease agreement and the interest elements of the repayments are charged as an expense.

Notes to the financial statements (continued)

For the nine month period ended 31 December 2022

22. IFRS transition (continued)

Deferred tax

As there have been IFRS transition adjustments to Property plant and equipment from the 1 April 2021, there has been an impact on deferred tax.

Alignment to Group presentation

Following the acquisition of the Company by Lloyds Bank Insurance Services Limited the Company has aligned to Group policies and practices, including adopting Group financial statement presentation. This has resulted in a number of reclassifications between line items, there has been no impact on Company Equity or Total comprehensive income.

Independent auditor's report to the members of Cavendish Online Limited

Report on the audit of the financial statements

Opinion

In our opinion, the financial statements of Cavendish Online 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 9 month period 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 22.

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 Cavendish Online Limited (continued)

Other information

The other information comprises the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, 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 Cavendish Online 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.

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 Cavendish Online 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 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.

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 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; or
- the directors were not entitled to take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

We have nothing to report in respect of these matters.

Other matter

As the Company was exempt from audit under section 477 of the Companies Act 2006 in the prior year we have not audited the corresponding amount for the year.

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 (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
Glasgow, United Kingdom
02 October 2023