Independent Auditor's Report

Report on the audit of the financial statements

1. Opinion

In our opinion:

- the financial statements of Morgan Advanced Materials plc (the 'Parent company') and its subsidiaries (the 'Group') give a true and fair view of the state of the Group's and of the Parent company's affairs as at 31 December 2022 and of the Group's profit for the year then ended;
- the Group financial statements 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);
- the Parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the Consolidated income statement;
- the Consolidated statement of comprehensive income;
- the Consolidated and Parent company balance sheets;
- the Consolidated and Parent company statements of changes in equity;
- the Consolidated statement of cash flows; and
- the related notes 1 to 44.

The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law, United Kingdom adopted international accounting standards and IFRSs as issued by the IASB. The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

2. 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 Group and the Parent 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 as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. The non-audit services provided to the Group and Parent company for the year are disclosed in note 4 to the financial statements. We confirm that we have not provided any non-audit services prohibited by the FRC's Ethical Standard to the Group or the parent company.

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

3. Summary of our audit approach

Key audit matters	The key audit matters that we identified in the current year were: - Inventory valuation; - Impairment of non-financial assets; and - Post year-end cyber security incident.
Materiality	The materiality that we used for the Group financial statements was £6.0m (FY21: £5.0m) which was determined based on 4.4% (FY21: 4.6%) profit before tax and specific adjusting items (see note 6).
Scoping	Full scope audit work was performed on 17 (FY21: 17) reporting components, and specified audit procedures were undertaken on a further 12 (FY21: 13) reporting components. Our full scope and specified audit procedures covered 72% of Group revenue (FY21: 72%) and 73% of absolute Group profit before tax (FY21: 74%).
Significant changes in our approach	Our audit approach is consistent with the previous year, with the exception of identifying a new key audit matter this year relating to a post year-end cyber security incident.

4. 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.

Our evaluation of the directors' assessment of the Group's and Parent company's ability to continue to adopt the going concern basis of accounting included:

- obtaining an understanding of the financing facilities including nature of facilities, repayment terms and covenants;
- obtaining an understanding of the controls around the budgeting and forecasting process used in the going concern preparation process;
- evaluating the linkage to business model and principal risks as identified on pages 12 and 40;
- challenging the assumptions used in the Board approved forecasts by reference to historical performance and other supporting evidence such as market data;
- challenging management's assessment of the cash flow impact of the cyber security incident response related activities and impact on trading forecasts;
- recalculation of the amount of headroom in the forecasts (in liquidity terms and against the relevant covenant limits);
- assessing the appropriateness of the sensitivity analysis and reverse stress tests performed by management;
- assessing the impact of macro-economic conditions on the business; and
- assessing the adequacy of the disclosures in the financial statements.

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 Group's and Parent 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.

In relation to the reporting on how the Group has applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the directors' statement in the financial statements about whether the directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

5. Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit and directing the efforts of the engagement team.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

5.1. Inventory valuation

Key audit matter description	The Group manufactures thermal, carbon and technical ceramic products for a diverse range of end markets. The Group had material gross inventory balances of £174.2m as at 31 December 2022 (FY21: £140.7m). There is a risk that inventory is not valued appropriately because of local manufacturing sites not correctly applying the Group provisioning accounting policy to write-down the net realisable value of excess and obsolescent stock due to: - System limitations, whereby significant manual intervention is required to record and value inventory, which requires regular manual adjustments to inventory; and - The level of management judgement involved in determining whether a provision should be recognised and how it should be measured. The provision is typically determined based on ageing and expected future usage. In the Consolidated Financial Statements, note 1 sets out the Group's accounting policy for inventory valuation and Note 15 provides further analysis of the account balance.
How the scope of our audit responded to the key audit matter	We have performed the following audit procedures in respect of this key audit matter: - Assessed any unusual manual adjustments to inventory; - Obtained an understanding of the relevant controls over the inventory provisioning process; - Assessed the inventory ageing and assessed whether the group accounting policy of fully providing for inventory more than 12 months has been applied. For items less than 12 months we evaluated the breakdown of the inventory by age; - Challenged management's key assumptions in determining inventory provisions by assessing the accuracy and completeness of items included in the provision by taking into account the impact on future usage; and - Assessed the mathematical accuracy of the inventory provision by obtaining management's analysis and performing a recalculation based on the key inputs.

Key observations Based on our procedures performed, we are satisfied that the valuation of inventory at 31 December 2022 is appropriate.

5.2. Impairment of non-financial assets

Key audit matter description

IAS 36 requires that at the end of each reporting period, an entity should assess whether there are any indicators of impairment or indicators that an impairment loss recognised in prior periods should be reversed. If such indication exists, the entity shall estimate the recoverable amount of that asset. Management's review for indicators of impairment or reversal identified sites and assets that required further consideration. Impairment indicators were identified for certain assets in Seals and Bearings Asia, Thermal Ceramics Europe, and Technical Ceramics Asia. Total impairment charges for the year were £6.5 million.

We focused the majority of our work on the carrying values of the cash generating units (CGUs) where the risk of impairment or impairment reversal was material and the model was sensitive to changes to the input assumptions:

- Seals and Bearings Asia, where an impairment of £1.6m was recorded in the year.
- Technical Ceramics Cores North America – where impairment of £28.8m has been recorded in previous years, and for which no reversal was made in the current year.

Management has determined the recoverable amount based on a value-in-use model calculated from cash flow projections, which are based on management's assumptions and estimates of future trading performance.

Estimating a value-in-use is inherently judgemental, and a range of assumptions can reasonably be applied in determining the estimates used therein. The key judgements in assessing non-financial assets for impairment are the discount rate, long-term growth rate, and the short-term projected cash flows. The value-in-use models are sensitive to changes in these estimates, all of which must reflect a long-term view of underlying growth in the respective economy within which these businesses operate and the reasonableness of projected cash flows.

We have focused this key audit matter to the discount rate and short-term future cash flows and material judgements contained therein. This is where the highest degree of sensitivity exists in determining the value-in-use.

The Audit Committee Report on page 79 refers to impairment of non-financial assets as an area considered by the Audit Committee. Note 1 to the Consolidated Financial Statements sets out the Group's accounting policy for testing of non-financial assets for impairment and contains further details on the key source of estimation uncertainty.

How the scope of our audit responded to the key audit matter

We have performed the following procedures in respect of this key audit matter:

- Obtained an understanding of the relevant key controls relating to the impairment process;
- Challenged management's indicator assessment for impairment or reversal by performing our own independent consideration of possible indicators;
- Assessed the integrity of management's impairment model through testing of the mechanical accuracy and the application of the input assumptions;
- Evaluated the process management undertook to prepare the cash flow forecasts in their impairment models including agreement with the latest Board-approved plans and management approved forecasts;
- Challenged the cash flow projections through assessing the accuracy of historical budgeting by comparing them with actual performance and independent evidence to support any significant expected future changes to the business;
- Assessed the impact of macro-economic conditions on the CGUs
- Assessed a range of available market data and performing a peer benchmarking exercise to assess and challenge the growth rates forecasted by management in revenue and margins;
- Assessed reasonable possible changes in assumptions to challenge the appropriateness of management's assessment of reasonable possible change scenarios; and
- Involved internal valuation specialists to assess the appropriateness of the discount rates used.

Key observations

Based on our procedures performed, we consider the key assumptions taken by management to be within an acceptable range. We have separately reported to the Audit Committee our control observations related to the review controls over the process to identify impairment indicators and the value in use models.

5.3. Post year-end cyber security incident

Key audit matter description	The Group was the subject of a cyber security incident in January 2023. Following the detection of unauthorised activity on its network, the Group took the decision to temporarily remove access and isolate various of its IT systems, including the Group's core financial reporting systems, while the threat was assessed. Following a forensic investigation, access to those systems was restored in an orderly manner. The Group has determined the cyber security incident to have occurred after the year-end date. Consequently, disclosure of the incident has been included as a Subsequent event in note 27 to the financial statements, including their estimate of the associated costs to be recorded in 2023. The Audit Committee Report on page 79 refers to cyber security as an area discussed by the Audit Committee.
How the scope of our audit responded to the key audit matter	We have performed the following procedures in respect of this key audit matter: With the assistance of our IT specialists, we have: › Held discussions with Finance and IT management to understand whether any control deficiencies existed that allowed the unauthorised activity to occur. › Held discussions with management's cyber experts and assessed their reports, to understand: the cause and timing of the cyber incident, which formed the basis of our challenge of whether this was a post year-end event. the impact of the cyber incident and the assessment they have made regarding the availability and integrity of key information and data used in the financial reporting. Assessed the capability, objectivity and competence of the experts used by management. › We considered whether the cyber breach would have an impact on the nature, timing and extent of our audit procedures › to test the completeness and accuracy of information on which we relied and as a result performed further audit procedures where we considered it necessary, We have assessed the Board's response to the incident, changes to the IT control environment since the incident, and the wider suite of remediation that has taken place to reduce the likelihood of similar incidents reoccurring. Based on our understanding gained of the cyber incident, we have re-evaluated our financial statement risk assessment. We performed incremental substantive testing relating to the risk of management override, focusing on journals recorded post year-end during periods of systems outages where a higher level of manual controls was operating. We have assessed the completeness and valuation of management's estimates of costs incurred or anticipated post year-end, impairment of IT assets as well as liabilities or contingent liabilities relating to the risk of any future investigation, litigation or fines.
Key observations	We did not identify any significant accounting issues as a consequence of the post year-end cyber incident. We concur with the conclusion that this is a non-adjusting post balance sheet event and that the disclosures made in the financial statements, including the estimate of costs, are reasonable.

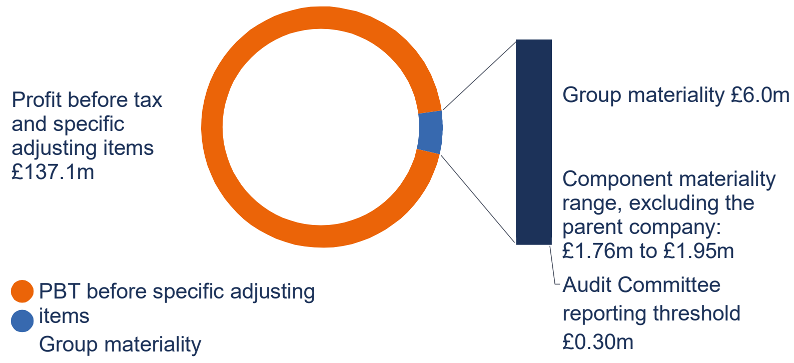
6. Our application of materiality

6.1. Materiality

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

	Group financial statements	Parent company financial statements
Materiality	£6.0m (FY21: £5.0m)	£3.6m (FY21: £3.0m)
Basis for determining materiality	The materiality was determined based on 4.4% of profit before tax and specific adjusting items as described in note 6 (FY21: 4.6%).	Materiality was determined based on the Parent company's net assets (3%). This was then capped at 60% of Group materiality (FY21: 60%).
Rationale for the benchmark applied	Profit before tax and specific adjusting items is a key metric for users of the financial statements and reflects the way business performance is reported and assessed by external users of the financial statements.	The Parent company is non-trading and contains investments in all the Group's trading components and as a result, we have determined net assets for the current year to be the appropriate basis.



6.2. Performance materiality

We set performance materiality at a level lower than materiality to reduce the probability that, in aggregate, uncorrected and undetected misstatements exceed the materiality for the financial statements as a whole.

	Group financial statements	Parent company financial statements
Performance materiality	65% (FY21: 65%) of Group materiality	65% (FY21: 65%) of Parent company materiality
Basis and rationale for determining performance materiality	In determining performance materiality, we considered the following factors: › our risk assessment, including our assessment of the Group's overall control environment and our past experience of the audit; › the disaggregated nature of the Group and the degree of centralisation in the Group's financial reporting processes which reduces the likelihood of an individually material error; and › the level of corrected and uncorrected misstatements identified in the prior year audit.	

6.3 Error reporting threshold

We agreed with the Audit Committee that we would report to the Committee all audit differences in excess of £0.30m (FY21: £0.25m), as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the Audit Committee on disclosure matters that we identified when assessing the overall presentation of the financial statements.

7. An overview of the scope of our audit

7.1. Identification and scoping of components

The Group operates and manufactures in 70 sites in 18 countries spread across five continents with the largest footprint being in North America, Asia and Europe. Our Group audit was scoped by obtaining an understanding of the Group and its environment, including Group-wide controls, and assessing the risks of material misstatement at the Group and component level.

Based on that assessment, we focused our Group audit scope across all five of the established business units: Thermal Ceramics, Molten Metal systems, Seals and Bearings, Technical Ceramics and Electrical Carbon.

These five business units are composed of many individual reporting components, which are the lowest level at which management prepares financial information that is included in the Financial Statements. The Parent company is located in the UK and is audited directly by the Group audit team.

We have considered reporting components based on their contribution to Group revenue, and profit, as well as those that require local statutory audits in their jurisdiction. Full scope audit work was completed on 17 (FY21: 17) components and specified audit procedures were undertaken on a further 12 (FY21:13) components. Each reporting component in scope, excluding the parent company, was subject to an audit materiality level between £1.76m and £1.95m (FY21: 1.46m and £1.63m). Our full scope and specified audit procedures covered 72% of Group revenue (FY21: 72%) and 73% of absolute Group profit before tax (FY21: 74%).

At a Group level, we tested the consolidation and performed analytical review procedures over components not in scope.

7.2. Our consideration of the control environment
The Group uses a number of different IT systems across the reporting components, and we worked with our IT specialists to obtain an understanding of the General IT controls for relevant systems. The control environment is decentralised and reliant on manual processes with improvements required to the IT environment in order for us to adopt a controls reliance approach to our audit. As management develops and completes its controls improvement programme of work in future years, we expect our audit approach to evolve alongside these developments in the internal control environment.

In response to a post year-end Cyber Security incident, we performed incremental procedures as described in section 5.3.

7.3. Our considerations of climate-related risks
In planning our audit, we have considered the potential impact of climate change on the Group's business and its financial statements.

The Group considers the risk and opportunities relevant to be an emerging issue for the Group. As a part of our audit procedures, we have obtained management's climate-related risk assessment and held discussions with those charged with governance to understand the process of identifying climate-related risks, the determination of mitigating actions and the impact on the Group's financial statements. While the directors acknowledged that the transition and physical risks posed by climate change have the potential to impact the medium to long term success of the business, they have assessed that there is no material impact arising from climate change on the judgements and estimates made in the financial statements as at 31 December 2022 as explained in note 1 on page 135.

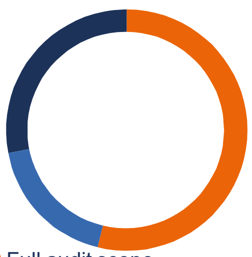
We performed our own qualitative risk assessment of the potential impact of climate change on the Group's account balances and classes of transaction and did not identify any additional risks of material misstatement. Our procedures include reading disclosures included in the Strategic Report to consider whether they are materially consistent with the financial statements and our knowledge obtained in the audit.

7.4. Working with other auditors The audit work on all components was performed by Deloitte Touche Tohmatsu Limited member firms with the exception of one component business in France which continued to be audited by KPMG. The component work was performed under the direction, supervision and review of the Group audit team.

The planned programme which we designed as part of our involvement in the component auditors' work was delivered over the course of the Group audit. The extent of our involvement which commenced from the planning phase included:

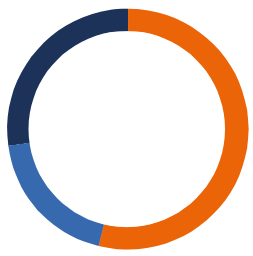
- Setting the scope of the component auditors and assessment of their independence;
- Designing the audit procedures for all significant risks to be addressed by the component auditors and issuing Group audit instructions detailing the nature and form of the reporting required;
- Providing direction on enquiries made by the component auditors through online and telephone conversations; and
- A review of the component auditors' engagement file by a senior member of the Group engagement team.

Revenue



Full audit scope 54%
Specified audit procedures
18% Review at group level
28%

Absolute Profit before tax



Full audit scope 54%
Specified audit procedures
19% Review at group level
27%

8. 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.

9. Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, 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 group's and the parent 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 group or the parent company or to cease operations, or have no realistic alternative but to do so.

10. 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.

11. 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.

11.1. Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the industry and sector, control environment and business performance including the design of the group's remuneration policies, key drivers for directors' remuneration, bonus levels and performance targets;
- results of our enquiries of directors, management, internal audit and the audit committee about their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and reviewed the group's documentation of their policies and procedures relating to:
  - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
  - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations; and
  - the post year-end cyber security incident.
- the matters discussed among the audit engagement team including significant component audit teams and relevant internal specialists, including tax, valuations, pensions, and IT specialists regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following area: revenue recognition. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory frameworks that the group operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act, Listing Rules, pensions legislation and tax legislation in all relevant jurisdictions where the Group operates.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the group's ability to operate or to avoid a material penalty. These included the group's environmental regulations.

11.2. Audit response to risks identified

As a result of performing the above, we did not identify any key audit matters related to the potential risk of fraud or non-compliance with laws and regulations.

Our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of management, the audit committee and in-house legal counsel concerning actual and potential litigation and claims, including in respect of the cyber security incident as described in section 5.3;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance, reviewing internal audit reports and reviewing correspondence with HMRC;
- in addressing the risk of fraud in relation to revenue recognition, we tested a sample of sales recognised during the period by agreeing to invoice, dispatch note and cash collection (where appropriate) to assess whether the performance obligations have been met; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members including significant component audit teams and internal specialists and
remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Report on other legal and regulatory requirements

12. Opinions on other matters prescribed by the Companies Act 2006

In our opinion the part of the directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.

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

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

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

13. Corporate Governance Statement

The Listing Rules require us to review the directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the group's compliance with
the provisions of the UK Corporate Governance Code specified for our review.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements and our knowledge obtained during the audit:

- the directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on page 55;
- the directors' explanation as to its assessment of the group's prospects, the period this assessment covers and why the period is appropriate set out on page 55;
- the directors' statement on fair, balanced and understandable set out on page 120;
- the board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on page 40;
- the section of the annual report that describes the review of effectiveness of risk management and internal control systems set out on page 83; and
- the section describing the work of the audit committee set out on page 79.

14. Matters on which we are required to report by exception

14.1. Adequacy of explanations received and accounting records Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns.

We have nothing to report in respect of these matters.

14.2. Directors' remuneration
Under the Companies Act 2006 we are also required to report if in our opinion certain disclosures of directors' remuneration have not been made or the part of the directors' remuneration report to be audited is not in agreement with the accounting records and returns.

We have nothing to report in respect of these matters.

15. Other matters which we are required to address

15.1. Auditor tenure
Following the recommendation of the audit committee, we were appointed in June 2019 to audit the financial statements for the year ending 31 December 2020 and subsequent financial periods. The Board's decision was approved by the shareholders at the AGM in May 2020. The period of total uninterrupted engagement of the
firm is 3 years, covering the years ending 31 December 2020 to 31 December 2022.

15.2. Consistency of the audit report with the additional report to the audit committee
Our audit opinion is consistent with the additional report to the audit committee we are required to provide in accordance with ISAs (UK).

16. 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.

As required by the Financial Conduct Authority (FCA) Disclosure Guidance and Transparency Rule (DTR) 4.1.14R, these financial statements will form part of the European Single Electronic Format (ESEF) prepared Annual Financial Report filed
on the National Storage Mechanism of the UK FCA in accordance with the ESEF Regulatory Technical Standard ('ESEF RTS'). This auditor's report provides no assurance over whether the annual financial report
has been prepared using the single electronic format specified in the ESEF RTS.

Jane Makrakis, ACA
(Senior statutory auditor)
For and on behalf of Deloitte LLP Statutory Auditor

Reading, United Kingdom

27 April 2023