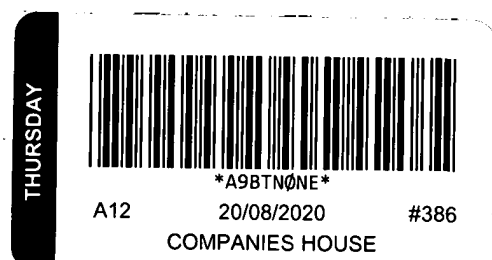


HR TRUSTEES LIMITED

**Annual report and financial statements for the period ended
31 December 2019**

Registered number: 00745598



HR TRUSTEES LIMITED
Annual report and financial statements 2019
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HR TRUSTEES LIMITED**Annual report and financial statements 2019****Directors and advisors for the period ended 31 December 2019**

Directors

E C Bruce-Gardner

A J Davies

C M Hayes

W Phelan

S M Southall

C L Teagle

Secretary

I E Nash

Registered Office

11 Strand

London

WC2N 5HR

United Kingdom

Auditors

BDO LLP

150 Aldersgate Street

London

EC1A 4AB

United Kingdom

HR TRUSTEES LIMITED

Annual report and financial statements 2019

Directors' report for the period ended 31 December 2019 *continued*

The Directors present the Directors' report and the audited financial statements of HR Trustees Limited for the period ended 31 December 2019.

Principal activities

HR Trustees Limited (The Company) is a company incorporated and domiciled within the United Kingdom. The Company's principal activity during the year was the provision of corporate trustee and independent trustee services. No change in activities is envisaged in the ensuing year.

Review of the business

The Company's results for the year are set out in the profit and loss account on page 8 and profit after tax of £nil (2018: £nil).

Dividends

The Directors do not recommend the payment of a dividend for the period (2018: £nil).

Qualifying third party indemnity provisions

The Company has in place qualifying third party indemnity provisions for the directors of HR Trustees Limited.

Directors

The Directors who held office during the year are given below:

E C Bruce-Gardner
A J Davies
C M Hayes
W Phelan
S M Southall
C L Teagle

Principle risks and uncertainties

Covid-19 Pandemic

For most businesses around the world the recent Covid-19 pandemic will have an impact. For the Company the impact is limited as fees charged by the Company are on a fixed fee or time and materials basis with many of the fees paid from pension fund assets. Currently the business is seeing increased demand for its services as a result of the pandemic and limited impact from less efficient working practices as employees work from home, higher levels of employee absenteeism or failures in suppliers. In addition, the Company only incurs administrative expense from Punter Southall Governance Services Limited to the equivalent value of the revenue generated therefore there is no cash impact on the Company.

In the long term, the Company is planning to transfer all its contracts out of HR Trustees Limited to Punter Southall Governance Services Limited, with the beneficial rights transferring to PSGS Trust Corporation Limited. However, there are some specific challenges in doing this and therefore this process may take some time.

HR TRUSTEES LIMITED

Annual report and financial statements 2019

Directors' report for the period ended 31 December 2019 *continued*

Principle risks and uncertainties *continued*

The Punter Southall Group carries out regular liquidity stress testing on cashflow forecasts over a 3 year time period to monitor and manage the impacts of this kind of event to ensure the Group and its subsidiaries, including the Company and Punter Southall Governance Services Limited, retain sufficient cash and contingency funding. In the light of this the Directors consider it appropriate that the Company should be accounted for on a going concern basis.

Statement of Directors' responsibilities

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. 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 income statement of the Company for that period. In preparing these financial statements, the Directors are required to:

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

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

HR TRUSTEES LIMITED**Annual report and financial statements 2019****Directors' report for the period ended 31 December 2019 *continued***

Auditors

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

BDO LLP has expressed its willingness to continue in office and a resolution to reappoint it will be proposed by the forthcoming board meeting in accordance with section 487 of the Companies Act 2006.

In preparing this Directors' report, advantage has been taken of the small companies' exemption.

On behalf of the Board:

W Phelan

Director

Date: 24 July 2020

HR TRUSTEES LIMITED

Annual report and financial statements 2019

Independent auditors' report to the members of HR Trustees Limited

Opinion

We have audited the financial statements of HR Trustees Limited ("the Company") for the period ended 31 December 2018 which comprise the profit and loss account and statement of comprehensive income, statement of financial position, statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2019 and of its results for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

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

HR TRUSTEES LIMITED

Annual report and financial statements 2019

Independent auditors' report to the members of HR Trustees Limited *continued*

Other information *continued*

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

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.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Director's report.

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

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

HR TRUSTEES LIMITED

Annual report and financial statements 2019

Independent auditors' report to the members of HR Trustees Limited *continued*

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 at the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>.

This description forms part of our auditor's report.

Use of our report

This report is made solely to the Company's 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.



Daniel Taylor (Senior Statutory Auditor)

For and on behalf of BDO LLP,

London,

United Kingdom

Date: 24 July 2020

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)

HR TRUSTEES LIMITED**Annual report and financial statements 2019****Profit and loss account and statement of comprehensive income for the year ended 31 December 2019**

Profit and loss account for the year ended 31 December 2019

| | | Year ended 31 December 2019 £'000 | 9 Months ended 31 December 2018 £'000 |
|---|-------------|--|--|
| | Note | | |
| Turnover | 4 | 2,944 | 2,102 |
| Administrative expenses | | (2,944) | (2,102) |
| Operating profit | | - | - |
| Profit on ordinary activities for the year | | - | - |

Statement of comprehensive income for the period ended 31 December 2019

| | Year ended 31 December 2019 £'000 | 9 months ended 31 December 2018 £'000 |
|--|--|--|
| Profit on ordinary activities for the year | - | - |
| Total comprehensive income for the year | - | - |


The notes on pages 11 to 16 form part of these financial statements.

HR TRUSTEES LIMITED**Annual report and financial statements 2019****Statement of financial position as at 31 December 2019****Registered number: 00745598**

| | Note | 31 December 2019 £'000 | 31 December 2018 £'000 |
|----------------------------------|------|------------------------------|------------------------------|
| Currents assets | | | |
| Trade and other receivables | 8 | <u>5</u> | <u>5</u> |
| | | 5 | 5 |
| Total assets | | <u>5</u> | <u>5</u> |
| Capital and reserves | | | |
| Called up share capital | 9 | 5 | 5 |
| Retained earnings | | - | - |
| Total shareholders' funds | | <u>5</u> | <u>5</u> |

The financial statements were approved by the Board and authorised for issue on:

They were signed on behalf of the Board by: 24 July 2020



W Phelan
Director

The notes on pages 11 to 16 form part of these financial statements.

HR TRUSTEES LIMITED**Annual report and financial statements 2019****Statement of changes in equity for the period ended 31 December 2019**

| | Share capital £'000 | Retained earnings £'000 | Total equity £'000 |
|---|------------------------------------|--|-----------------------------------|
| Balance as at 1 April 2018 | 5 | - | 5 |
| Profit for the period | - | - | - |
| Balance as at 31 December 2018 | 5 | - | 5 |
| Profit for the period | - | - | - |
| Balance as at 31 December 2019 | 5 | - | 5 |

The notes on pages 11 to 16 form part of these financial statements.

HR TRUSTEES LIMITED

Annual report and financial statements 2019

Notes to the financial statements for the period ended 31 December 2019

1. General information

HR Trustees Limited is a company incorporated and domiciled in the United Kingdom, with company registration number 00745598. The registered office is 11 Strand, London WC2N 5HR, United Kingdom.

The nature of the Company's operations is detailed in the Directors' report.

2. Accounting policies

Basis of preparation

The financial statements have been prepared in accordance with Financial Reporting Standard (FRS) 101 Reduced Disclosure Framework. The principal accounting policies adopted in the preparation of the financial statements are set out below.

Disclosure exemptions adopted

In preparing these financial statements, the Company has taken advantage of all disclosure exemptions granted by FRS 101. Therefore these financial statements do not include:

- certain comparative information as required by EU-adopted IFRS;
- certain disclosures regarding the Company's capital;
- a statement of cash flows;
- the effect of future accounting standards not yet adopted;
- the disclosure of remuneration of the key management personnel; and
- the disclosure of fees paid to the Company's auditors for services other than audit.

In addition, and in accordance with FRS 101, further disclosure exemptions have been adopted because the equivalent disclosures are included in the consolidated financial statements of Punter Southall Group Limited. These financial statements do not include certain disclosures in respect of:

- financial instruments;
- fair value measurement; and
- impairment of assets.

Dividend income

Equity dividends are recognised when they become legally payable or receivable. Interim equity dividends are recognised when paid.

Going concern

Given the nature of the business and its activities where income is equal to expenses, the impact of the coronavirus would not materially affect the ability of the entity to continue as a going concern. Based on these factors, the accounts continue to be prepared on a going concern basis.

HR TRUSTEES LIMITED

Annual report and financial statements 2019

Notes to the financial statements for the period ended 31 December 2019 *continued*

2. Accounting policies *continued*

Turnover

Turnover represents the invoiced value, net of value added tax, of services provided to Group undertakings. Turnover is recognised on an accrual basis.

Taxation

Tax expense comprises current and deferred tax.

Current tax

Current tax assets and liabilities comprise those obligations to, or claim from, fiscal authorities relating to the current or prior reporting period, that are unpaid at the reporting date.

Deferred tax

Deferred tax is provided in respect of temporary differences between the carrying amounts of assets and liabilities and their tax bases. Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the deferred tax assets can be utilised.

Deferred tax is not recognised if the temporary difference arises from the initial recognition of goodwill (if any) or from the initial recognition of other assets and liabilities in a transaction, other than a business combination (if any), that affects neither the tax nor the accounting profit.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to be applied to their respective period of realisation, provided they are enacted or substantially enacted at the reporting date.

Where applicable, deferred tax assets and liabilities are offset when there is a legally enforceable right to set off, when they relate to income taxes levied by the same taxation authority and the Group intends to settle on a net basis.

Changes in deferred tax assets and liabilities are recognised as a component of tax expense in the income statement, except where they relate to items that are charged or credited directly to equity, in which case the related deferred tax is also charged or credited directly to equity.

Deferred tax has not been recognised in the Company's accounts for the current or prior year.

Trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method less provision for impairment. Appropriate provisions for estimated irrecoverable amounts are recognised within administrative expenses when there is objective evidence that the assets are impaired.

HR TRUSTEES LIMITED

Annual report and financial statements 2019

Notes to the financial statements for the period ended 31 December 2019 *continued*

3. Critical accounting estimates and judgements

The preparation of financial statements in compliance with IFRS requires the Company's Directors to make certain critical accounting estimates and exercise judgements, as well as making certain assumptions and estimates regarding the future. These estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future actual experience may differ from these estimates and assumptions. The estimates and assumptions 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.

There are no estimates and assumptions that have a significant risk.

4. Turnover

Turnover is attributable to the principal activity of the Company and arises solely within the United Kingdom.

5. Operating profit

| | Year ended 31 December 2019 £'000 | 9 months ended 31 December 2018 £'000 |
|---------------------------------------|--|---|
| <i>This is stated after charging:</i> | | |
| Administrative expenses | <u>2,944</u> | <u>2,102</u> |

Auditors' remuneration of £8,500 was paid by Punter Southall Group Limited, the UK ultimate Parent Company (2018: £7,250).

6. Employees

The Company has no employees apart from the Directors. None of the Directors received remuneration during the current or prior.

7. Tax on profit on ordinary activities

There was no tax charge in the current or prior year.

HR TRUSTEES LIMITED**Annual report and financial statements 2019****Notes to the financial statements for the period ended 31 December 2019 *continued*****8. Trade and other receivables**

| | 31 December 2019 £'000 | 31 December 2018 £'000 |
|-------------------------------------|---|---|
| <i>Debtors due within one year</i> | | |
| Amounts due from Group undertakings | <u>5</u> | <u>5</u> |

All transactions with related parties are made in the ordinary course of business and balances outstanding at the reporting date are unsecured. Loans are repayable on demand.

9. Called up share capital

| | 31 December 2019 £'000 | 31 December 2018 £'000 |
|---|---|---|
| Authorised | | |
| 5,000 ordinary shares of £1 each | <u>5</u> | <u>5</u> |
| Allotted, called up and fully paid | | |
| 5,000 ordinary shares of £1 each | <u>5</u> | <u>5</u> |

10. Reserves

The following describes the nature and purpose of each reserve within equity:

| Reserve | Description and purpose |
|-------------------|--|
| Share capital | Nominal value of share capital subscribed for. |
| Retained earnings | All other net gains and losses and transactions with owners (e.g. dividends) not recognised elsewhere. |

HR TRUSTEES LIMITED**Annual report and financial statements 2019****Notes to the financial statements for the period ended 31 December 2019 *continued*****11. Related party transactions**

During the year the Company provided services of £2,944,199 to other related parties (2018: £2,102,005). These transactions were included in turnover.

| | Year ended 31 December 2019 £'000 | 9 months ended 31 December 2018 £'000 |
|---|--|--|
| Punter Southall Governance Services Limited | <u>2,944</u> | <u>2,102</u> |

During the year the Company paid administrative expenses of £2,944,199 to other related parties (2018: £2,102,005). These transactions were included in administrative expenses.

| | Year ended 31 December 2019 £'000 | 9 months ended 31 December 2018 £'000 |
|---|--|--|
| Punter Southall Governance Services Limited | <u>2,944</u> | <u>2,102</u> |

The following balances were receivable from related parties at 31 December:

| | Year ended 31 December 2019 £'000 | 9 months ended 31 December 2018 £,000 |
|---|--|--|
| Punter Southall Governance Services Limited | <u>5</u> | <u>5</u> |

12. Immediate and ultimate Parent Company

The immediate Parent Company is PSGS Group Limited, a company incorporated in the United Kingdom. PSGS Group Limited is the Parent Company of the smallest group of which the Company is a member.

The Company's ultimate Parent and controlling undertaking is Punter Southall Group Limited, an entity incorporated in the United Kingdom. Punter Southall Group Limited is the Parent of the largest group of which the Company is a member.

Copies of the financial statements of Punter Southall Group Limited can be obtained from the Company Secretary: Punter Southall Group Limited, 11 Strand, London WC2N 5HR, United Kingdom.

HR TRUSTEES LIMITED

Annual report and financial statements 2019

Notes to the financial statements for the period ended 31 December 2019 *continued*

13. Post balance sheet event

Most businesses throughout the world have been impacted by the Covid-19 pandemic. The Company is not anticipating a significant impact on revenues as a result of the pandemic but is cognisant of the impact that remote working and employee absenteeism could have on the efficiency of the business.

The Company has considered the impact of the Covid-19 pandemic on the Company and further details on this are set out in the Directors Report.