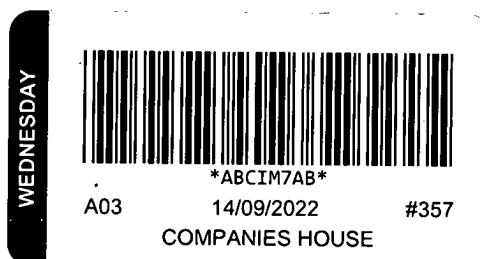


REGISTERED NUMBER: 01034719 (England and Wales)

**STRATEGIC REPORT, DIRECTORS' REPORT AND
AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021
FOR
BUCK CONSULTANTS (ADMINISTRATION &
INVESTMENT) LIMITED**



**BUCK CONSULTANTS (ADMINISTRATION &
INVESTMENT) LIMITED**

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FOR THE YEAR ENDED 31 DECEMBER 2021**

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**BUCK CONSULTANTS (ADMINISTRATION &
INVESTMENT) LIMITED**

**COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2021**

Directors:

D G Piltz
M Young
A N L Green
Ms G A Rice

Secretary:

York Place Company Secretaries Limited

Registered office:

20 Wood Street
London
EC2V 7AF

Registered number:

01034719 (England and Wales)

Independent auditors:

BDO LLP
55 Baker Street
London
W1U 7EU

BUCK CONSULTANTS (ADMINISTRATION & INVESTMENT) LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

The directors present their strategic report for the year ended 31 December 2021.

Review of business

The results of the Company for the financial year and the position of the Company at the year-end are set out in the attached financial statements.

The Directors note the profitability of the Company in its main business areas including the provision of consulting services and administration of employee benefits. Turnover increased by £5.768m to £34.694m (2020: £28.926m), which is driven by the continued development of new business offerings and retention of existing clients. Operating profit has increased by £2.263m to £1.171m (Loss 2020: £1.092m), due to the growth in revenue of £5.7m offset by increased administrative expenses of £3.5m. The increase in administrative expenses is due to additional staff costs to support revenue growth. A tax credit has been recognised in the current period of £0.47m (tax credit 2020: £0.31m). Overall, there has been improved profitability from the mix of services as we grow the business.

Fixed Assets includes an additional intangible asset of £0.719m, which is the capitalisation of staff costs relating to enhancements to the Buck flexible benefit system, Delta + and to the pensions administration system, MasterKEY (note 9). Overall fixed assets had increased due the addition of intangible asset, offset by the amortisation of the right of use asset, which relates to office lease contracts (note 10), and depreciation of tangible assets. Debtors have increased by £1.675m, due primarily to an increase in the intercompany balance with the parent company. Creditors have increased by £0.645m, which is mainly driven by an increase in accruals at the year end. Cash has decreased due to excess working capital being shared with its parent company Buck Consultants Limited.

Principal risks and uncertainties

The management of the business and the execution of the Company's strategy are subject to a number of risks. The main risks facing the business are detailed as follows:

a) **Credit Risk:** the risk of loss caused by the failure of a client, bank or counterparty to perform its contractual obligations. The main sources of risk the Company is exposed to are cash held in bank accounts and to external debtors (consisting of trade debtors and intercompany debtors). The Company mitigates its credit risk through its business model which is highly diversified by industry and type, and through the credit worthiness of the client portfolio. The business monitors the payment history of existing clients to further mitigate the credit risk exposure.

b) **Operational Risk:** the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. Operational risk may arise from processing errors, fraud, system failures or other events. Operational risk is managed through a detailed and comprehensive suite of Corporate Policies & Procedures which are binding on all employees and monitored. Compliance with the Corporate Policies & Procedures is monitored by Compliance, Finance and HR departments with breaches being appropriately escalated. Reports of the perceived major risks areas are presented for review and discussion at the UK Board Meetings. Updates to the systems and controls to monitor those risks on a regular basis are being introduced.

The Company is required to hold additional capital for the purpose of an increased professional indemnity excess. Local indemnity insurance is held in accordance with FCA requirements.

c) **Business Risk:** these include employee retention and competition from other service providers. These risks are mitigated by ensuring that the continued support and resources of the group are made available to the Company. The Company is not reliant on any one individual for generating revenues or for running the business.

d) **Liquidity Risk:** the risk that the business, although solvent, does not have sufficient available resources to enable it to meet its obligations as they fall due, or can secure them only at excessive cost. The Company relies on Buck Consultants Ltd, the immediate parent to provide funding. Cash received through Buck Consultants Ltd is managed by the finance team responsible for both companies. In addition the directors are common to both companies giving assurance that no detrimental steps would be taken towards the Company.

BUCK CONSULTANTS (ADMINISTRATION & INVESTMENT) LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

e) Interest rate risk

The Company has no significant interest-bearing assets or interest-bearing liabilities with third parties. Interest is charged on the basis of arm's length commercial rates on rolling monthly or quarterly balances with other with other affiliated companies. BCHR US acquisitions Inc. and HIG manages all significant relationships with the external debt market.

f) Covid risk

COVID-19 did not have a material impact on revenue in 2020 or 2021 and no impact is expected in 2022. The Company successfully transitioned to working from home in March 2020, and has gradually re-opened offices for staff that wish to work in the office during 2021 in line with government guidelines, and is now encouraging staff back into the office based on new flexible working arrangements.

g) Economic risk

The Russian invasion of Ukraine in 2022 has led to increased economic uncertainty, market volatility, energy problems across the world and high inflation rates. The Company has considered the impact of these, as well as a period of market downturn and the possibility of a recession and concluded that there are two main areas impacted. The first is due to the proximity of the Romanian office to the Ukraine and emergency plans are already in place to allow staff to work remotely if they needed to move to another part of the country. Secondly the impact of inflation and recession, which will be monitored closely throughout the second half of 2022 and as we prepare our budget for 2023.

Key Performance Indicators

The Company uses two key indicators to measure and monitor performance. These are turnover and operating profit margin. Key Performance Indicators are calculated and reviewed at divisional, line of business, legal entity and consolidated levels.

Turnover has increased in 2021 by £5.768m from £28.926m to £34.694m. This reflected the continued development of new business offerings and retention of existing clients. Operating profit has increased from an operating loss of £1.092m in 2020 to an operating profit of £1.171m in 2021 with a increase in corresponding operating margin from -3.7% in 2020 to 3.4% in 2021. This was mainly due to an increase in revenue, offset by an increase in administrative expenses which is driven by increased staff costs of £4.0m as the business required more staff to support the additional activity requested by new and existing clients.

BUCK CONSULTANTS (ADMINISTRATION & INVESTMENT) LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

Section 172(1) statement

Section 172 of the Companies Act 2006 requires the Directors of the Company to act in a way that they consider, in good faith, will most likely promote the success of the Company for the benefit all shareholders. In doing so, the Directors should have regard (amongst other matters) to:

- the likely consequences of any decision in the long term;
- the interests of the Company's employees;
- the need to foster the Company's business relationships with suppliers, customers and others;
- the impact of the Company's operations on the community and the environment
- the desirability of the Company maintaining a reputation for high standards of business conduct and
- the need to act fairly as between members of the company.

The Board considers its significant stakeholder groups to be its Shareholders (including H.I.G), its employees, its customers and its suppliers. The Company takes a number of steps to understand the views of its key stakeholders and considers these along with the matters set out above in Board discussions and decision making.

Shareholders:

The immediate parent company is Buck Consultants Limited ("BCL"), and H.I.G Capital LLC ("H.I.G") is regarded by the directors as being the Company's ultimate parent company (see note 18). Although BCL is the immediate shareholder, the strategic direction is set by HIG. The Managing Director of the Company is a member of the Buck Global Executive Leadership Team ("ELT") and the ELT meets with HIG each month to review performance of the global business, including that of the Company, against the objectives set by HIG.

Employees:

The Company's employees are its most important asset. Ongoing training programmes are supported for staff to acquire relevant professional qualifications, and management seek to ensure that staff build on their skills and capabilities.

The Directors meet on a regular basis to provide information for management to cascade to their teams. Internal communications are designed to ensure that all employees are informed about the business and development of the Company. The Company also provides internal publications, an intranet, communication programmes (including email) and management and staff meetings as well as a confidential whistleblowing hotline.

The Company has employees in the Romania branch and all UK based staff, supporting its activities, are on secondment from the parent undertaking BCL. Directors of the Company Board also sit on the Board of BCL. This ensures that the communication and direction across the entire BCL Group ("Group") is consistent.

Employees behaviour is governed by the Buck Global Code of Conduct Policy which sets out the expected levels of conduct for all employees and provides a comprehensive set of policies which the Group requires them to abide by.

The Directors' report provides further details on employee involvement in the business, equal opportunities and the Group's approach to employing people with disabilities.

The success of the business depends on attracting, retaining and motivating employees. From ensuring that the Company remains a responsible employer, from pay and benefits to the health, safety and workplace environment, the Directors factor the implications of decisions on employees and the wider workforce, where relevant and feasible. The Directors recognise that Buck pensioners, though no longer employees, also remain important stakeholders.

Customers:

The Company continuously assesses the priorities related to customers and those with whom we do business, and the Board engages with the senior management team on these topics, for example, within the context of business strategy updates and investment proposals. The directors receive updates on the business operations on a weekly basis at meetings with the senior management team, and the operations management are represented on the Board by the Managing Director.

BUCK CONSULTANTS (ADMINISTRATION & INVESTMENT) LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

Suppliers:

Relationships with suppliers is principally governed by the Vendor Management Policy and Procedure which describes the process Buck employs to carefully select and monitor the performance of subcontractors and vendors that it employs. The Company's statement on the Modern Slavery Act is published at www.Buck.co.uk in accordance with the requirements of section 54 of the Modern Slavery Act 2015 and the Modern Slavery Act 2015 (Transparency in Supply Chains) Regulations 2015. Also published on the website is the Company's statement on GDPR and Transparency.

Developments and key decisions made during the period:

- 1) Management did not declare a dividend in the year and instead chose to use intercompany loans to allow more flexible use of working capital.
- 2) To support the Buck growth strategy, management continued to recruit additional staff to fulfil additional business requirements.
- 3) Due to the COVID global pandemic, the Company successfully transitioned to working from home in March 2020, and has re-opened all offices for staff and is encouraging staff back into the office based on new flexible working arrangements.
- 4) An Investment Governance solution was launched in 2020 and roll out continued during 2021. This is a streamlined way for clients to run their pension scheme investments, with efficient processes and direct recommendations, freeing up trustees and sponsors so that they can spend more time on the areas that matter and focus on key strategic decisions.
- 5) GMP Equalisation (Square) is a service offered to existing and new client and activity continues to be strong. Buck helps to prepare and equalise GMP benefits for a number of impacted Trust based pension schemes. A dedicated team of experts are focussed on providing these services, which we expect to continue well into 2023.
- 6) Pensions Administration project work such as data cleanse continued to be in high demand in 2021. As a number of our pension scheme clients prepare for liability management exercises and ultimately full buy-out of pension assets, Buck have been working strategically with Trustees to ensure the underlying data and member information is accurate and available to support their needs. A dedicated and growing National Projects Team is on hand to support these data cleanse requirements.
- 7) Delta + is Buck's flexible benefit platform launched in April 2021 and we continue to enhance the features to meet clients needs. With an increasing number of companies investing in financial well-being, we continue to invest heavily in our client technology solutions to deliver benefit selection, member engagement and administration services for our clients' benefit programmes.
- 8) Management agreed to further development of MasterKEY, Buck's pension administration platform, to ensure that it meets the requirements of existing and new clients and to maintain competitiveness in the market and meet legal requirements.
- 10) Launch of Orion+, which is a branding of our pension administration proposition reflecting the changing demands of a scheme administrator to deliver strategic client support, enhanced technology solutions as well the existing high-quality administration services.
- 11) Continued to develop our ESG Dashboard to help clients better understand how well ESG is integrated into their investment portfolios.

Community and the environment:

Community: Fund raising for nominated charities was supported in the year and the company allowed time for staff to get involved in the activities.

As newly independent organisation the culture is evolving and management plans for future commitments to the community include time-off to support local charities or community work for charitable organisations.

At Buck, diversity and inclusion are integral parts of the new social contract with all of our colleagues, potential colleagues, alumni, clients, and partners to establish and cultivate a culture to be proud to call our own. By fostering and accepting diverse thoughts, ideas, and backgrounds we ensure that all the talents of our staff and others are brought forth and valued. Buck is committed to develop and welcome excellence, innovation, and creativity through inclusive leaders, colleagues, and opportunities so that everyone has the same chance of success.

As a professional services provider, the Company does not operate in an industry where modern slavery is prevalent, but nevertheless has a commitment to the elimination of slavery and human trafficking. We expect all our people to treat each other, and those we deal with, respectfully and with dignity.

**BUCK CONSULTANTS (ADMINISTRATION &
INVESTMENT) LIMITED**

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021**

Environment: Buck seeks to minimise the impact of our operations on the environment through the pursuit of good business practices and is committed to:

- continually making improvements by designing and implementing environment management systems in its offices to reduce, reuse and recycle general waste;
- prioritise sourcing sustainable office space, including appropriate choices in our fit-outs, re-using office furniture and switching to LED lighting where possible; and
- working collaboratively with contractors and suppliers to reduce emissions through sourcing locally and address any issues such as use of plastic packaging, and where possible implement the best sustainable solution.

On behalf of the board:



.....
A N L Green - Director

Date: 7th September 2022

BUCK CONSULTANTS (ADMINISTRATION & INVESTMENT) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

The directors present their report with the financial statements of the Company for the year ended 31 December 2021.

Principal activities

The continuing principal activities of the Company are the provision of investment consulting, employee benefit consulting and employee benefit administration services within the UK. The Company is regulated by the Financial Conduct Authority (FCA). The Company also operates through its immediate parent, Buck Consultants Limited, a company registered in England and Wales. The Company's activities are also supported by its overseas branch in Iasi, Romania.

Dividends

The Directors have not proposed the payment of a dividend (2020: nil), being nil per share (2020: nil per share).

Future developments

The Directors expect the future performance of the Company to continue to be strong, and further growth and improved profitability is expected as the investments in staff and resources made during 2021 lead to further revenue growth in 2022 and future years.

Directors

The directors shown below have held office during the whole of the period from 1 January 2021 to the date of this report.

D G Piltz
M Young
A N L Green
Ms G A Rice

Remuneration policy

The Company had no employees during the year except for its overseas branch in Iasi, Romania. All non-overseas employees supporting its activities are on secondment from the parent, Buck Consultants Limited. The aggregate wages and salaries recharged to the Company in the year to 31 December 2021 (excluding pension and social security charges) was £18,531,000 (2020: £16,281,000). The Company's Remuneration policy is detailed in a Board approved Policy Statement. The remuneration of the Company's Directors and staff is determined by the Board of Directors and their line managers, respectively and is ultimately approved by the Company's US parent. Base pay is set by level and experience, performance payments are discretionary and are based on the performance of the Company and its UK and US parents using three Performance Indicators - Turnover, OBIT'S (earnings before interest, taxes, depreciation and amortisation) and Accounts Receivable collection performance.

Employees (in branch and parent company)

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicants concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment within the company's continues and that the appropriate training is arranged. It is the policy of the company that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

The company's policy is to consult and discuss with employees at meetings, matters likely to affect employees' interests.

Information of matters of concern to employees is given through information bulletins and reports which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the group's performance.

Directors indemnity provision

During the year ended 31st December 2021 and up to the date of approval of the financial statements, the Company had in place a third party indemnity provision for the benefit of all Directors of the Company.

BUCK CONSULTANTS (ADMINISTRATION & INVESTMENT) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

Statement of directors' responsibilities

The Directors are responsible for preparing the Strategic report, the Directors' report and the financial statements in accordance with applicable law and regulation.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law). Under Company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101, have been followed, 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.

The Directors 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.

Statement as to disclosure of information to auditors

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the Company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

On behalf of the board:



.....
A N L Green - Director

Date: 7th September 2022

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BUCK CONSULTANTS (ADMINISTRATION & INVESTMENT) LIMITED

INDEPENDENT AUDITOR'S REPORT TO MEMBERS OF BUCK CONSULTANTS (ADMINISTRATION & INVESTMENT) LIMITED

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006

We have audited the financial statements of Buck Consultants (Administration & Investment) Limited ("the Company") for the year ended 31 December 2021 which comprise the Income Statement, Statement of Comprehensive Income, the Statement of Financial Position, the 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 United Kingdom Accounting Standards, including Financial Reporting Standard 101 Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice).

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

Independence

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.

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.

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. 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BUCK CONSULTANTS (ADMINISTRATION & INVESTMENT) LIMITED

Other Companies Act 2006 reporting

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

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

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

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

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

Responsibilities of Directors

As explained more fully in the 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.

Extent to which the audit was 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 laws and regulations of the UK to be the most relevant to the audit given the operations of the Company. As part of our audit fieldwork, we reviewed and held meetings with the relevant internal management to form our opinion on the extent of Company compliance.

In addition, our testing also included, but was not limited to:

- Testing the financial statement disclosures to supporting documentation, performing substantive testing on account balances which were considered to be a greater risk of susceptibility to fraud;
- Performing targeted journal entry testing based on identified characteristics the audit team considered could be indicative of fraud;
- Critically assessing the accounting policies and areas of the financial statements which include judgement and estimates, as set out in the financial statements.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BUCK CONSULTANTS (ADMINISTRATION & INVESTMENT) LIMITED

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

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

Use of our report

This report is made solely to the Company's 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.

DocuSigned by:

David Butcher

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David Butcher (Senior Statutory Auditor)
for and on behalf of BDO LLP
55 Baker Street
London
W1U 7EU

07 September 2022
Date:

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

**BUCK CONSULTANTS (ADMINISTRATION &
INVESTMENT) LIMITED**

**INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Notes	2021 £'000	2020 £'000
Turnover	3	34,694	28,926
Administrative expenses		<u>(33,523)</u>	<u>(30,018)</u>
Operating profit/(loss)		1,171	(1,092)
Interest receivable and similar income	5	24	33
Interest payable and similar expenses	6	<u>(131)</u>	<u>(164)</u>
Profit/(loss) before taxation	7	1,064	(1,223)
Tax on profit/(loss)	8	<u>47</u>	<u>31</u>
Profit/(loss) for the financial year		<u><u>1,111</u></u>	<u><u>(1,192)</u></u>

The Income Statement has been prepared on a basis that all operations are continuing operations.

The notes on pages 16 to 32 form part of these financial statements

**BUCK CONSULTANTS (ADMINISTRATION &
INVESTMENT) LIMITED**

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Notes	2021 £'000	2020 £'000
Profit/(loss) for the year		1,111	(1,192)
Other comprehensive income		<u>-</u>	<u>-</u>
Total comprehensive income/(loss) for the year		<u>1,111</u>	<u>(1,192)</u>

The notes on pages 16 to 32 form part of these financial statements

**BUCK CONSULTANTS (ADMINISTRATION &
INVESTMENT) LIMITED (REGISTERED NUMBER: 01034719)**

**STATEMENT OF FINANCIAL POSITION
31 DECEMBER 2021**

	Notes	2021 £'000	2020 £'000
Fixed assets			
Intangible assets	9	719	-
Tangible assets	10	293	380
Right-of-use asset	10, 15	<u>2,808</u>	<u>3,331</u>
		<u>3,820</u>	<u>3,711</u>
Current assets			
Debtors	11	14,640	12,967
Cash at bank		<u>51</u>	<u>105</u>
		14,691	13,072
Creditors: amounts falling due within one year	12	<u>(2,659)</u>	<u>(1,590)</u>
Net current assets		<u>12,032</u>	<u>11,482</u>
Total assets less current liabilities		15,852	15,193
Creditors: amounts falling due after more than one year	13	(2,575)	(3,000)
Provisions for liabilities	16	<u>(473)</u>	<u>(500)</u>
Net assets		<u>12,804</u>	<u>11,693</u>
Capital and reserves			
Called up share capital	17	1,551	1,551
Share premium account		7,449	7,449
Other reserves		3	3
Retained earnings		<u>3,801</u>	<u>2,690</u>
		<u>12,804</u>	<u>11,693</u>

The financial statements were approved by the Board of Directors and authorised for issue on 7th September 2022 and were signed on its behalf by:



.....
A N L Green - Director

The notes on pages 16 to 32 form part of these financial statements

**BUCK CONSULTANTS (ADMINISTRATION &
INVESTMENT) LIMITED**

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Called up share capital £'000	Share premium account £'000	Capital redemption reserves £'000	Retained earnings £'000	Total equity £'000
Balance at 1 January 2020	1,551	7,449	3	3,882	12,885
Changes in equity					
Total comprehensive loss	-	-	-	(1,192)	(1,192)
Balance at 31 December 2020	<u>1,551</u>	<u>7,449</u>	<u>3</u>	<u>2,690</u>	<u>11,693</u>
Changes in equity					
Total comprehensive income	-	-	-	1,111	1,111
Balance at 31 December 2021	<u>1,551</u>	<u>7,449</u>	<u>3</u>	<u>3,801</u>	<u>12,804</u>

The notes on pages 16 to 32 form part of these financial statements

BUCK CONSULTANTS (ADMINISTRATION & INVESTMENT) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

1. Statutory information

The Company is a private company limited by shares and is incorporated and domiciled in the UK. The registered office is 20 Wood Street, London, EC2V 7AF. The Company is authorised and regulated by the Financial Conduct Authority.

2. Accounting policies

Basis of preparation

The financial statements have been prepared on a going concern basis, under the historical cost convention and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom, Financial reporting Standard 101 Reduced Disclosure Framework. The principal accounting policies are set out below and have been applied consistently throughout the years presented unless otherwise stated.

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 101 "Reduced Disclosure Framework":

- the requirements of paragraphs 45(b) and 46 to 52 of IFRS 2 Share-based Payment;
- the requirements of IFRS 7 Financial Instruments: Disclosures;
- the requirements of paragraph 52, the second sentence of paragraph 89, and paragraphs 90, 91 and 93 of IFRS 16 Leases;
- the requirements of paragraph 58 of IFRS 16;
- the requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 Revenue from Contracts with Customers;
- the requirements of paragraphs 134 to 136 of IAS 1 Presentation of Financial Statements;
- the requirements of IAS 7 Statement of Cash Flows;
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- the requirements of paragraphs 17 and 18A of IAS 24 Related Party Disclosures.

Going concern

The Directors have at the time of approving the financial statements, a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future, and they continue to adopt the going concern basis of accounting in preparing the financial statements. The Company's going concern position has been reviewed by the Directors taking into account its business activities, financial performance to date and projected performance for the 12 months from the date these financial statements were countersigned. This is supported by cash flow forecasting and the Company's access to cash through other group companies.

The Directors have prepared a cash forecast for the 12 months from the date these financial statements were countersigned which assumes a marginal increase in revenue and a small increase in expenses compared to 2021 in line with the strategic direction to grow the business profitably. This drives comparable profitability compared to 2021. The Directors have considered the impact of various risks such as a global pandemic, a large liability claim by a client, after effects of Brexit, the Ukraine war, a substantial increase in interest rates and a macroeconomic downturn. While the scenarios have varying levels of impact on the business, there is a low risk of causing a level of disruption that would bring into doubt the viability of the business, due to the significant level of capital and reserves.

In addition, the Directors have reviewed a model of a reverse stress test where a combination of the above scenarios were used to understand what level of disruption is required to make the on-going business unviable, and this helped to confirm that the going concern assumption is reasonable.

There are regular reviews of the actual revenue and cost performance versus plan and prior year, as well as monthly reviews of sales forecasts. The Company has seen limited impact of COVID-19 on the operational capabilities of the business and demand for most services has remained consistent to previous years during the COVID-19 pandemic.

BUCK CONSULTANTS (ADMINISTRATION & INVESTMENT) LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies - continued

The Company continues to invest in its staff and in technological solutions to ensure that its services are up to date and meet the requirements of its current and future customers. Overall, the review of performance, cash needs and future revenue growth demonstrate that the Company will be able to pay its debts as they fall due for the 12 months from the date these financial statements were countersigned and supports the assumption to prepare the financial statements on a going concern basis.

Revenue recognition

The company's revenue recognition policy is based on the principle of transfer of promised goods and services ('performance obligations') to the customer. Turnover represents the value of fees and commissions receivable (excluding value added tax) and is recognised when the control of the service has been passed to the customer by satisfying the performance obligation, either over time or at a point in time

Investment advisory, commission income and other consulting fees

Each consulting or advisory arrangement constitutes a separate arrangement and separate performance obligation. As these services are consumed as they are provided, revenue is recognised over time, matching the period of contract. Fees are charged to clients monthly, quarterly or yearly or straight line over the period to which they relate to.

Accrued revenue

Accrued revenue represents consultants' time and fees which had not been billed to clients at the year-end which is expected to be recoverable. This has been included in prepayments and accrued income within the debtors note.

Deferred contract costs

Direct costs incurred during the implementation phase of a contract are deferred where the associated revenue is recognised over the term of the contract and is included in the fixed fee. The deferred costs are amortised over the estimated term of the contract.

Tangible assets

Depreciation is provided at the following annual rates in order to write off the cost less estimated residual value of each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Leasehold improvements	- 20% on cost
Computer equipment	- 33% on cost and 20% on cost

Impairment of property, plant and equipment

At each reporting end date, the company reviews the carrying amounts of its property, plant and equipment to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

BUCK CONSULTANTS (ADMINISTRATION & INVESTMENT) LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies - continued

Intangible assets

Capitalised development costs relate to staff costs incurred in relation to software development of a product. Development expenditure is capitalised only if:

- development costs can be measured reliably
- the product is technically and commercially feasible
- future economic benefits are probable; and
- the Company has sufficient resources to, complete development and to use the asset

Subsequent to initial recognition, development costs are measured at cost less accumulated amortisation and any accumulated impairment losses.

Capitalised development costs are amortised on a straight-line basis over their useful economic lives, of 5 years. The amortisation expense is included within administrative expense in profit or loss.

Financial instruments

Financial assets

Financial assets comprise trade and other receivables (excluding prepaid expenses) and cash and cash equivalents. Financial assets are initially recognised at fair value plus directly attributable transaction costs.

Financial assets are recognised in the statement of financial position when the Company becomes party to the contractual provisions of the instrument and are derecognised when the contractual rights to the cash flows from the financial assets expire, or when the financial assets and all substantial risks and reward are transferred.

Financial assets are also derecognised (written-off) when the Company has no reasonable expectation of recovering the financial asset. Indicators of where there is no reasonable expectation of recovery include indicators of a customer's inability to pay or losses arising in relation to contract disputes.

The Company classifies all of its financial assets as assets measured at amortised cost. Financial assets are measured at amortised cost when the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flow.

Trade receivables are non-interest bearing and are stated at their nominal value, as reduced by appropriate allowances for estimated irrecoverable amounts.

BUCK CONSULTANTS (ADMINISTRATION & INVESTMENT) LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies - continued

Impairment of financial assets under IFRS 9

Expected credit losses are required to be measured through a loss allowance at an amount equal to:

- 12 months expected credit losses (expected credit losses from possible default events within 12 months after the reporting date); or
- full life expected losses (expected credit losses from all possible default events over the life of the financial instruments)

A loss allowance for full lifetime expected credit losses is required for a financial instrument if the credit risk of that financial instrument has increased significantly since initial recognition, as well as to trade receivables that do not constitute financing transactions.

For all other financial instruments, expected credit losses are measured at an amount equal to the 12 months expected credit losses.

Impairment losses on financial assets carried at amortised cost are reversed in subsequent periods if the expected credit losses decrease.

Financial liabilities

Financial liabilities include borrowings and trade and other payables (excluding deferred revenue).

Financial liabilities are obligations to pay cash or other financial assets and are recognised in the statement of financial position when, and only when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are initially recognised at fair value adjusted for any directly attributable transaction costs.

A financial liability is derecognised only when the contractual obligation is extinguished, that is, when the obligation is discharged, cancelled or expires.

(a) Financial liabilities and equity

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that gives a residual interest in the assets of the Company after deducting all of its liabilities.

(b) Interest-bearing borrowings

Interest-bearing bank loans and overdrafts are initially recorded at the proceeds received, net of associated transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between cost and redemption value being recognised in the income statement over the period of the borrowings.

(c) Trade payables

Trade payables are non-interest bearing and are stated at their nominal value.

(d) Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

BUCK CONSULTANTS (ADMINISTRATION & INVESTMENT) LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies - continued

Taxation

(a) Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

(b) Deferred tax

Provision is made for corporation tax at the current rates on the excess of taxable income over allowable expenses. Deferred taxation is provided on all timing differences that have originated but not reversed by the balance sheet date other than those differences regarded as permanent. An asset is not recognised to the extent that the transfer of economic benefits in the future is uncertain. Any deferred tax assets and liabilities recognised are provided at the average rate of tax expected to apply when the asset and liability crystallises and are not discounted.

Foreign currencies

The functional and presentation currency of the Company is pound sterling. Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the statement of financial position date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Leases

Leases are recognised as finance leases. The lease liability is initially recognised at the present value of the lease payments which have not yet been made and subsequently measured under the amortised cost method. The initial cost of the right-of-use asset comprises the amount of the initial measurement of the lease liability, lease payments made prior to the lease commencement date, initial direct costs and the estimated costs of removing or dismantling the underlying asset per the conditions of the contract.

Where ownership of the right-of-use asset transfers to the lessee at the end of the lease term, the right-of-use asset is depreciated over the asset's remaining useful life. If ownership of the right-of-use asset does not transfer to the lessee at the end of the lease term, depreciation is charged over the shorter of the useful life of the right-of-use asset and the lease term.

Pension

The Company has no employees consequently the Company does not operate any retirement benefit scheme. Retirement benefit schemes are operated by its parent company, Buck Consultants Limited.

Employee benefit costs

All employee benefit costs including pension are recharged from Buck Consultants Limited except for the Company's branch situated in Iasi, Romania. Romania payroll costs are incurred directly by the Company.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks.

Interest receivables

The Company receives interest from intercompany loans as well as from deposit with major banks.

Loan interest receivable from intercompany is recognised on an accruals basis and in line with the loan agreement between the parties.

Expenditure

The Company recognises expenses on accrual basis net of Value Added Tax (VAT).

BUCK CONSULTANTS (ADMINISTRATION & INVESTMENT) LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies - continued

Provisions

Provisions are recognised when the company has a legal or constructive present obligation as a result of a past event, it is probable that the company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation.

Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Dividends

Dividends payable are recognised when they become legally binding, being on approval by the directors in a board meeting, subject to availability of distributable reserves.

Capital and reserves

(a) Share capital

Represents the nominal (par) value of shares that have been issued. Holders of these shares are entitled to dividends as declared from time to time and are entitled to one vote per share at general meetings of the Company.

(b) Share Premium

The share premium account represents the difference between the par value of the shares issued and the subscription or issue price.

(c) Reserves

Retained Earnings represents cumulative profit or losses, net of dividends paid and other adjustments.

(d) Capital Redemption Reserve

Capital Redemption Reserve represents the reserves from reduction of the share capital or share premium account.

BUCK CONSULTANTS (ADMINISTRATION & INVESTMENT) LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies - continued

Critical accounting estimates and judgements

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

(a) Provision for errors and omission

The Company exercises judgement in measuring and recognising provisions and the exposures to contingent liabilities related to pending litigation or other outstanding claims subject to negotiated settlement, mediation, arbitration or government regulation (as detailed in note 16 to the financial statements). Judgement is necessary in assessing the likelihood that a pending claim will succeed, or a liability will arise, and to quantify the possible range of the financial settlement. Because of the inherent uncertainty in this evaluation process, actual losses may be different from the originally estimated provision.

(b) Impairment of trade receivables

The Company makes an estimate of the recoverable value of trade receivables and other receivables. When assessing impairment of trade and other receivables, management considers factors including the ageing profile of the receivables and historical experience.

In particular, impairment against trade receivables is based on the ageing of unpaid invoices from their due date, and is calculated as 25% of the value of invoices that are 181 - 365 days past their due date and 100% of value for invoices over 365 days past their due date. The Directors consider this is to be appropriate based on past experience and compared with the ECL lifetime approach.

(c) Accrued income

The Company exercises judgement in estimating accrued income. When estimating accrued income, management uses historical experience as well as review of post balance sheet transactions.

(d) Provisions for dilapidations

The Company exercises judgement in measuring and recognising provisions related to dilapidation recharges arising from leasehold premises the Company occupies (see note 17 to the financial statements). Judgement is necessary in assessing the likelihood that a liability will arise and to quantify the possible range of the financial settlement with the landlord. Because of the inherent uncertainty in this evaluation process, actual losses may be different from the originally estimated provision.

(e) Incremental borrowing rate used to measure lease liabilities

Where the interest rate implicit in the lease cannot be readily determined, lease liabilities are discounted at the lessee's incremental borrowing rate. This is the rate of interest that the lessee would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. This involves assumptions and estimates, which would affect the carrying value of the lease liabilities (note 15) and the corresponding right-of-use assets (note 10).

To determine the incremental borrowing rate the company used an estimate based on their financial position and adjusted this for conditions specific to the lease such as its term and security.

The company used incremental borrowing rates specific to each lease estimated to be 4% at lease inception. A 1% increase/(decrease) in the rate would cause the lease liability to (reduce)/increase by £0.103m and £0.127m, with a corresponding movement in the 'cost' of the right-of-use asset which would increase/(reduce) the associated amortisation.

BUCK CONSULTANTS (ADMINISTRATION & INVESTMENT) LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies - continued

(f) Deferred contract costs

When considering deferring contract costs, the Company exercises judgement with regards to the costs that meet the criteria for deferral.

The main types of cost that are deferred include direct labour and employee benefit costs.

The estimated direct labour cost is based on the cost rate per hour for the individual involved. For employee benefit cost, the Company uses a percentage that is estimated from the overall employees benefit costs relative to total wages and salaries costs.

New standards, interpretations and amendments effective for the period ended 31 December 2021

There are no new standards, interpretations and amendments applicable to the Company.

3. Turnover

The turnover and profit (2020 - loss) before taxation are attributable to the principal activities of the Company.

An analysis of turnover by class of business is given below:

	2021 £'000	2020 £'000
Gross commission	380	261
Investment advisory fees	8,382	8,016
Other fee & commission income	<u>25,932</u>	<u>20,649</u>
	<u>34,694</u>	<u>28,926</u>

An analysis of turnover by geographical market is given below:

	2021 £'000	2020 £'000
United Kingdom	34,267	28,530
Europe	<u>427</u>	<u>396</u>
	<u>34,694</u>	<u>28,926</u>

BUCK CONSULTANTS (ADMINISTRATION & INVESTMENT) LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 DECEMBER 2021

4. Employees and directors

	2021 £'000	2020 £'000
Wages and salaries	18,531	16,281
Social security costs	2,239	1,730
Other pension costs	1,175	880
	<u>21,945</u>	<u>18,891</u>

The average number of employees during the year was as follows:

	2021	2020
Benefit Consultancy	12	18
Pension Administration	445	377
Investment Consultancy	54	50
Other	5	8
	<u>516</u>	<u>453</u>

The monthly average number of persons employed by the Company's branch in Iasi, Romania or seconded to the Company by group undertakings during the year was 516 (2020: 453) analysed as above.

Directors' remuneration

The directors of Buck Consultants (Administration and Investment) Limited are also directors of Buck Consultants Limited and Buck Consultants (Healthcare) Limited. The aggregate amount of emoluments paid to the directors are shown below along with information of the highest paid director.

	2021 £	2020 £
Directors' remuneration	711,225	673,233
Directors' social security	88,819	84,700
Directors' pension contribution to money purchase schemes	40,140	37,297
Loss of office	-	138,240

Number of directors with retirement benefits were accruing	<u>4</u>	<u>5</u>
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Highest Paid Director Information:

Emoluments	311,479	252,636
Pension contribution to money purchase schemes	<u>1,929</u>	<u>6,542</u>

No directors received shares under long term incentive schemes during the year (2020: nil)

BUCK CONSULTANTS (ADMINISTRATION & INVESTMENT) LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 DECEMBER 2021

4. Employees and directors - continued

Buck Consultants Limited has recharged Buck Consultants (Administration and Investment) Limited for services provided to the Company as follows;

	2021	2020
	£	£
Directors' remuneration	425,338	383,743
Directors' pension contributions to money purchase schemes	24,335	21,259
Loss of office	-	78,797

5. Interest receivable and similar income

	2021	2020
	£'000	£'000
Interest on intercompany loan	24	33

6. Interest payable and similar expenses

	2021	2020
	£'000	£'000
Bank charges	4	17
Interest on lease liability	127	147
	131	164

7. Profit/(loss) before taxation

The profit before taxation (2020 - loss before taxation) is stated after charging:

	2021	2020
	£'000	£'000
Depreciation - owned assets	137	143
Depreciation - right of use asset	545	561
Amortisation - Deferred contract costs	127	-
Foreign exchange differences	34	62
Audit fees**	64	60
Errors and omission charge*	(29)	219
Release of provision	(43)	(119)
Staff costs - see note 4	21,945	18,891
Non audit fee - tax compliance	6	6

* This relates to charges arising from when the Company has to make good errors or omission in the course of its business.

** The audit fees includes £12,000 which relates to additional costs occurred in the 2020 audit recognised in 2021 (2020: £20,000).

BUCK CONSULTANTS (ADMINISTRATION & INVESTMENT) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021**

8. Taxation

Analysis of tax income

	2021 £'000	2020 £'000
Current tax:		
Tax charge	-	-
Adjustment in respect of prior periods	<u>-</u>	<u>4</u>
Total current tax	<u>-</u>	<u>4</u>
Deferred tax:		
Current year	(2)	(22)
Changes in tax rates	<u>(45)</u>	<u>(13)</u>
Total deferred tax	<u>(47)</u>	<u>(35)</u>
Total tax income in income statement	<u>(47)</u>	<u>(31)</u>

Factors affecting the tax expense

The tax assessed for the year is lower (2020 - higher) than the standard rate of corporation tax in the UK. The difference is explained below:

	2021 £'000	2020 £'000
Profit/(loss) before income tax	<u>1,064</u>	<u>(1,223)</u>
Profit/(loss) multiplied by the standard rate of corporation tax in the UK of 19% (2020 - 19%)	202	(232)
Effects of:		
Group relief	(215)	206
Adjustment for difference in corporation tax and deferred tax rates	(1)	-
Expenses not deductible	12	4
Adjustments in respect of prior years	-	4
Adjust opening deferred tax to average rate of 19%	<u>(45)</u>	<u>(13)</u>
Tax income	<u>(47)</u>	<u>(31)</u>

BUCK CONSULTANTS (ADMINISTRATION & INVESTMENT) LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 DECEMBER 2021

8. Taxation - continued

During the year ended 31 December 2021, corporation tax has been calculated at the UK standard corporation tax rate of 19% (2020: 19%).

The provision for deferred tax is calculated based on the tax rates enacted or substantially enacted at the balance sheet date. In the UK budget on 15 March 2021, the Chancellor announced that the rate of corporation tax would increase from its current level of 19% to 25% with effect from 1 April 2023. The rate will remain at 19% until that date. This amendment was enacted by Parliament on 24 May 2021 and received Royal Assent on 10 June 2021 and should increase the amount of corporation tax payable in the future. The provision for deferred tax in the financial statements has been based upon the expected rate of reversal for each major part of deferred tax.

9. Intangible assets

	Development costs £'000
Cost	
Additions	<u>719</u>
At 31 December 2021	<u>719</u>
Net book value	
At 31 December 2021	<u>719</u>

Intangible assets disclosed above relate to development costs which are predominately capitalised staff costs associated with the enhancement of the benefits administration platform (Delta +) and the administration system used by the UK Pension Administration business (MasterKEY).

BUCK CONSULTANTS (ADMINISTRATION & INVESTMENT) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021**

10. Tangible assets

	Right of use asset £'000	Leasehold improvements £'000	Computer equipment £'000	Totals £'000
Cost				
At 1 January 2021	4,284	496	414	5,194
Additions	-	-	75	75
Modification	22	-	-	22
Disposals	-	-	(4)	(4)
Exchange differences	-	(22)	1	(21)
At 31 December 2021	<u>4,306</u>	<u>474</u>	<u>486</u>	<u>5,266</u>
Depreciation				
At 1 January 2021	953	225	305	1,483
Charge for year	<u>545</u>	<u>70</u>	<u>67</u>	<u>682</u>
At 31 December 2021	<u>1,498</u>	<u>295</u>	<u>372</u>	<u>2,165</u>
Net book value				
At 31 December 2021	<u>2,808</u>	<u>179</u>	<u>114</u>	<u>3,101</u>
At 31 December 2020	<u>3,331</u>	<u>271</u>	<u>109</u>	<u>3,711</u>

The breakdown of changes in right of use assets for the year ended 31 December 2021 is listed above. Right of use assets correspond to buildings. The modification recorded above relates to the extension of one of the office leases.

11. Debtors

	2021 £'000	2020 £'000
Amounts falling due within one year:		
Trade debtors	36	-
Deferred contract costs	543	342
Amounts owed by group undertakings	11,876	10,424
VAT	6	90
Prepayments	<u>440</u>	<u>443</u>
	<u>12,901</u>	<u>11,299</u>
Amounts falling due after more than one year:		
Intercompany loan	1,550	1,526
Deferred tax asset	<u>189</u>	<u>142</u>
Aggregate amounts	<u>14,640</u>	<u>12,967</u>

BUCK CONSULTANTS (ADMINISTRATION & INVESTMENT) LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 DECEMBER 2021

11. Debtors - continued

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

Amounts owed by group undertakings are unsecured, interest free and have no fixed date of repayment and are repayable on demand. Also, included here are amounts related to third party receivables at amortised cost of £4.45m (2020: £4.14m), net of provision of £0.04m (2020: £0.05m), accrued income of £2,639,000 (2020: £1,172,000) and deferred income of £245,000 (2020: £307,000).

The intercompany loan with Buck Consultants Limited was first provided on 15 August 2018 and was extended on 29 July 2019. The loans maturity date is 4 June 2023. The interest rate is agreed at GBP LIBOR plus 1.5% per annum (see also note 5).

Receivables are recorded and measured in accordance with accounting policy in note 2 above. With respect to the Expected Credit Loss, ECL model, the Directors have assessed the Company's receivables (comprising intercompany loans, debtors and trade receivables) against the current carrying value of those receivables as adjusted for provision, with no material impact identified.

12. Creditors: amounts falling due within one year

	2021 £'000	2020 £'000
Trade creditors	284	272
Amounts owed to group undertakings	749	286
Social security and other taxes	61	47
Other creditors	36	26
Lease liability (see note 15)	426	485
Accruals and deferred income	<u>1,103</u>	<u>474</u>
	<u>2,659</u>	<u>1,590</u>

Amounts owed to group undertakings are unsecured, interest free and have no fixed date of repayment and are repayable on demand.

13. Creditors: amounts falling due after more than one year

	2021 £'000	2020 £'000
Lease Liability (see note 15)	<u>2,575</u>	<u>3,000</u>

BUCK CONSULTANTS (ADMINISTRATION & INVESTMENT) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021**

14. Deferred taxation

The following are the major deferred tax assets recognised by the Company and movement thereon during the current and prior reporting period.

	Losses £'000	*ACAs £'000	Total £'000
Deferred tax asset as 1 January 2020	80	27	107
Deferred tax movements in prior year			
Charge to profit and loss	<u>12</u>	<u>23</u>	<u>35</u>
Deferred tax asset at 1 January 2021	92	50	142
Deferred tax movements in current year			
Credit/(Charge) to profit and loss	<u>58</u>	<u>(11)</u>	<u>47</u>
Deferred tax asset at 31 December 2021	<u>150</u>	<u>39</u>	<u>189</u>

* Accelerated Capital Allowances

Deferred tax assets and liabilities are offset where the Company has a legally enforceable right to do so.

The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	2021 £'000	2020 £'000
Deferred tax asset (see note 11)	<u>189</u>	<u>142</u>

BUCK CONSULTANTS (ADMINISTRATION & INVESTMENT) LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 DECEMBER 2021

15. Leasing

The leases considered under IFRS 16 in the financial statements are of office space, these include offices where the Company is the legal lease holder. Under the directors' judgement, the Company also includes leases of office space from its parent Buck Consultants Limited, where the Company's occupancy of the office is greater than 90%. The information regarding these leases is outlined below.

The lease liabilities are included in Creditors (see note 12 & 13). The modification relates to the short extension of the Birmingham office lease.

The breakdown of changes in lease liabilities for the year ended 31 December 2021 is as follows:

	2021 £'000
Balance as at 31 December 2020	3,485
Balance as at 1 January 2021	3,485
Modification	22
Payments	(633)
Finance expense	127
Balance as at 31 December 2021	3,001

The lease liability is derived from the right of use of the office space leased to the Company from its parent, Buck Consultants Ltd based on headcount. The interest rate of 4% is an indicative borrowing rate for the Company with a major bank.

16. Provisions for liabilities

	Provision for dilapidation £'000	Provision for claims and litigation £'000	Total £'000
At 1 January 2021	215	285	500
Additional provision in the year	71	170	241
Paid in the year	-	(69)	(69)
Write off to the Income Statement during the year	-	(199)	(199)
At 31 December 2021	286	187	473

The provision for dilapidations accrues the estimated cost of reinstating the original condition of leasehold properties over the term of the lease.

Provision for claims and litigation reflect the Directors' best estimate of such costs.

The Directors' expect the dilapidations provision to be settled between 2-5 years and the claims and litigation provision to be settled within the next 12 months.

As at the date of signing this financial statement, no payments have been made with respect to the provision made against dilapidation or provision against claims and litigation.

BUCK CONSULTANTS (ADMINISTRATION & INVESTMENT) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021**

17. Called up share capital

	2021	2020
	£'000	£'000
Authorised ordinary share capital		
2,000,000 shares of £1 each	<u>2,000</u>	<u>2,000</u>
Allotted and fully paid		
1,550,753 shares of £1 each	<u>1,551</u>	<u>1,551</u>

All shares rank pari passu in all respects.

18. Contingent liabilities

The company has been informed that two current customers have indicated they intend to commence legal proceedings against the company for a potential claim related to alleged incorrect calculations of member benefits. At the date of this report there are a number of factors which have not been confirmed by the customers and therefore the directors are unable to reliably estimate the amount of any potential future obligation, if any, nor when the matter might be concluded.

19. Ultimate parent company and controlling party

The ultimate parent company is H.I.G GPII Inc, a company registered in Delaware, United States.

The immediate parent company is Buck Consultants Limited, a company registered in England and Wales with company registration number 01615055.

The smallest group in which the results of Buck Consultants (Administration & Investment) Limited are consolidated is that of BCHR UK Holdings Ltd, a company registered in England and Wales with company registration number 11391138. The company's registered office is located at 20 Wood Street, London, EC2V 7AF.

20. Related party disclosures

The Company has taken advantage of the exemption in paragraph 8 (k) of IAS 24, "Related Party Disclosures", from the requirement to disclose transactions with group companies on the grounds that consolidated financial statements are prepared by BCHR UK Holdings Ltd, and are publicly available from Companies House