

Pensions and Lifetime Savings Association

Directors' Report and Financial Statements

Year Ended

31 December 2017

Company Number 01130269

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Pensions and Lifetime Savings Association
(A Company Limited by Guarantee)

Company Information

Directors	L A Williams (Chair) R Butcher M A Cooke J A Dembitz J G Fiveash C F Johnson J O Mund (Chief Executive) G J E Vidler C Young C D Hogg N Mark J Jenkins
Company secretary	E S J Bogira
Registered number	01130269
Registered office	Cheapside House 138 Cheapside London EC2V 6AE

**Pensions and Lifetime Savings Association
(A Company Limited by Guarantee)**

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Pensions and Lifetime Savings Association

(A Company Limited by Guarantee)

Directors' Report

For the Year Ended 31 December 2017

The directors present their report and the financial statements for the year ended 31 December 2017.

Business review

The principal activity of the company is to help everyone achieve a better income in retirement.

The company's finances are sound and appropriate for a not-for-profit organisation of its size. The company aims to generate a modest operating surplus each year and ensure there are sufficient reserves to give the company financial strength and depth.

The company had a change of Chief Executive during the year, with Joanne Segars leaving and Julian Mund taking over. The organisation has begun a strategic review to ensure that its future structure and operations remain efficient and relevant to its members and the market place. The review and its implementation will continue into 2018 and 2019.

PLSA recorded an operating deficit of £339,000 in 2017 (2016: surplus of £208,000) and a deficit of £717,000 (2016: surplus of £1,040,000) after deducting one off restructuring costs.

PLSA holds £4.3 million in reserves. The Board considers this an adequate amount both to provide funds for future development, and to manage any contingency that might arise. During 2014 the Board allocated £1.5 million of the reserves as a Development Fund, to be invested in activities outside the normal day to day work to deliver a new, broader outlook. Having spent £871k by the end of 2017 on activities such as rebranding, research and product development, the Board has determined that future spend will form part of the normal operating activities of the company, so no further allocation will be made.

Key financials:

Membership Subscriptions	£3.3M
Event income	£4.0M
Deficit	(£0.7M)
Closing Reserves	£4.3M

The Company's people are fundamental to the success of PLSA. It is their hard work and expertise that secures the policy wins and delivers first class training and conferences. Although the PLSA is a small organisation of about 50 people, it has a diverse range of activities across member relations, policy, press, events, publishing, training, standards setting, marketing, business development, finance and facilities management.

The Company works to ensure all the staff are aware of the full range of activities undertaken, and are engaged with it. Senior management hold regular briefings for all staff, as well as social events and away days. PLSA has been building a Learning and Development programme to increase the focus on the training and personal development of all staff to further increase performance. All staff can earn performance related bonuses reflecting the outcome of their reviews.

During 2017 PLSA continued to develop the work of the Leadership Group, those staff who have management and leadership responsibility but are not directors. This included significant involvement in defining the Company's strategy. A number of this group have also been invited to join the Executive Committee, giving them greater exposure and input to strategic development and decision making. These activities are proving successful at engaging and developing managers.

PLSA staff profile at December 2017:

47 people in post
Including 1 part-time, 1 fixed term contract
29 female
18 male

Pensions and Lifetime Savings Association (A Company Limited by Guarantee)

**Directors' Report (continued)
For the Year Ended 31 December 2017**

Results and dividends

The results of the group show a deficit on ordinary activities before taxation of £332,241 (2016 - surplus of £405,859).

Group structure

The company is the sole member of Pensions Infrastructure Platform Ltd, a company limited by guarantee registered in England number 08365110. However the limit of that guarantee is £1 and no financial benefit arises from the Company's relationship with this company. Consequently PLSA does not consolidate Pensions Infrastructure Platform Ltd and its subsidiaries into the group accounts of Pensions and Lifetime Savings Association.

The Company has one active subsidiary, Pension Quality Mark Ltd., which aims to raise standards in the pensions industry through assessing the governance and communications of schemes.

Investment portfolio

The company sold the last of its investments in January 2017 realising £741,989.

Directors

The directors who served during the year were:

L A Williams (Chair)
J Segars (resigned 13 April 2017)
R Brown (resigned 20 October 2017)
R Butcher
M A Cooke
J A Dembitz
J G Fiveash
C F Johnson
J O Mund (Chief Executive)
J Peel (resigned 20 October 2017)
R A M Smith (resigned 20 October 2017)
G J E Vidler
C Young
C D Hogg (appointed 20 October 2017)
N Mark (appointed 7 December 2017)
J Jenkins (appointed 7 December 2017)

Pensions and Lifetime Savings Association (A Company Limited by Guarantee)

**Directors' Report (continued)
For the Year Ended 31 December 2017**

Directors' responsibilities statement

The directors are responsible for preparing the Directors' Report and the consolidated 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). 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 the Group and of the surplus or deficit of the Group 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and 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 the Group 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the company and the Group's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company and the Group's auditors are aware of that information.

Auditors

The auditors, BDO LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 17 MAY 2018 and signed on its behalf.



J O Mund (Chief Executive)
Director

Pensions and Lifetime Savings Association (A Company Limited by Guarantee)

Independent Auditors' Report to the Members of Pensions and Lifetime Savings Association

Opinion

We have audited the financial statements of Pensions and Lifetime Savings Association for the year ended 31 December 2017 which comprise the consolidated Statement of Comprehensive Income, the consolidated and company Statement of Financial Position, the consolidated and company Statement of Changes in Reserves, the consolidated Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its result for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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.

Pensions and Lifetime Savings Association (A Company Limited by Guarantee)

Independent Auditors' Report to the Members of Pensions and Lifetime Savings Association (continued)

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.

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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; 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 prepare the directors' report in accordance with the Small Companies regime and to the exemption from the requirement to prepare a strategic report.

Pensions and Lifetime Savings Association (A Company Limited by Guarantee)

Independent Auditors' Report to the Members of Pensions and Lifetime Savings Association (continued)

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the 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

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.

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.

BDO LLP

Vanessa-Jayne Bradley (Senior Statutory Auditor)
For and on behalf of **BDO LLP**, Statutory Auditor
London
United Kingdom

17 May 2018

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

Pensions and Lifetime Savings Association
(A Company Limited by Guarantee)

Consolidated Statement of Comprehensive Income
For the Year Ended 31 December 2017

	Note	2017 £	2016 £
Revenue	4	8,124,328	8,177,952
Administrative expenses		(8,463,643)	(7,970,449)
Operating (deficit)/surplus	5	(339,315)	207,503
Gain on revaluation of investments		5,370	192,573
Interest	8	1,704	5,783
(Deficit)/surplus before taxation		(332,241)	405,859
Tax credit on (deficit)/surplus	9	(384,463)	634,463
(Deficit)/surplus for the financial year		(716,704)	1,040,322

There was no other comprehensive income for 2017 (2016 - £Nil).

The notes on pages 12 to 25 form part of these financial statements.

All amounts relate to continuing operations.

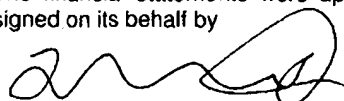
Pensions and Lifetime Savings Association
(A Company Limited by Guarantee)
Registered number: 01130269

Consolidated Statement of Financial Position
As at 31 December 2017

	Note	2017 £	2017 £	2016 £	2016 £
Fixed assets					
Tangible assets	10		533,305		526,154
			<u>533,305</u>		<u>526,154</u>
Current assets					
Debtors: amounts falling due within one year	11	2,319,173		2,883,316	
Current asset investments		-		736,619	
Cash at bank and in hand		5,498,753		4,047,963	
		<u>7,817,926</u>		<u>7,667,898</u>	
Current liabilities					
Creditors: amounts falling due within one year	13	(4,034,598)		(3,160,715)	
Net current assets			<u>3,783,328</u>		<u>4,507,183</u>
Net assets			<u>4,316,633</u>		<u>5,033,337</u>
Capital and reserves					
Profit and loss account reserve	18		4,316,633		5,033,337
			<u>4,316,633</u>		<u>5,033,337</u>

The company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved and authorised for issue by the board on 17.11.17 and were signed on its behalf by



J O Mund (Chief Executive)
Director

The notes on pages 12 to 25 form part of these financial statements.

Pensions and Lifetime Savings Association
(A Company Limited by Guarantee)
Registered number: 01130269

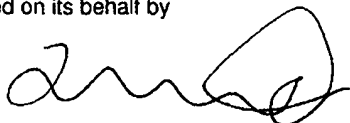
Company Statement of Financial Position
As at 31 December 2017

	Note	2017 £	2017 £	2016 £	2016 £
Fixed assets					
Tangible assets	10		533,305		526,154
			<u>533,305</u>		<u>526,154</u>
Current assets					
Debtors: amounts falling due within one year	11	2,354,111		2,888,110	
Current asset investments		-		736,619	
Cash at bank and in hand		5,454,860		3,999,254	
		<u>7,808,971</u>		<u>7,623,983</u>	
Current liabilities					
Creditors: amounts falling due within one year	13	(3,983,475)		(3,136,845)	
Net current assets			<u>3,825,496</u>		<u>4,487,138</u>
Net assets			<u>4,358,801</u>		<u>5,013,292</u>
Capital and reserves					
Profit and loss account	18		4,358,801		5,013,292
			<u>4,358,801</u>		<u>5,013,292</u>

The company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own statement of comprehensive income in these financial statements. The deficit after tax of the parent company for the year was £654,491 (2016 - £1,040,541 surplus).

The company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved and authorised for issue by the board on 17 May 18 and were signed on its behalf by



J O Mund (Chief Executive)
Director

The notes on pages 12 to 25 form part of these financial statements.

Pensions and Lifetime Savings Association
(A Company Limited by Guarantee)

Consolidated Statement of Changes in Reserves
For the Year Ended 31 December 2017

	Group Income & expenditure reserve £	Total reserves £
At 1 January 2016	3,993,015	3,993,015
Surplus for the year	1,040,322	1,040,322
Total comprehensive surplus for the year	1,040,322	1,040,322
At 1 January 2017	5,033,337	5,033,337
Deficit for the year	(716,704)	(716,704)
Total comprehensive deficit for the year	(716,704)	(716,704)
At 31 December 2017	4,316,633	4,316,633

Company Statement of Changes in Reserves
For the Year Ended 31 December 2017

	Profit and loss account reserve £	Total reserves £
At 1 January 2016	3,972,751	3,972,751
Surplus for the year	1,040,541	1,040,541
Total comprehensive surplus for the year	1,040,541	1,040,541
At 1 January 2017	5,013,292	5,013,292
Deficit for the year	(654,491)	(654,491)
Total comprehensive deficit for the year	(654,491)	(654,491)
At 31 December 2017	4,358,801	4,358,801

Pensions and Lifetime Savings Association
(A Company Limited by Guarantee)

Consolidated Statement of Cash Flows
For the Year Ended 31 December 2017

	2017 £	2016 £
Cash flows from operating activities		
(Deficit)/surplus for the financial year	(716,704)	1,040,322
Adjustments for:		
Depreciation of tangible assets	219,869	194,490
Profit on disposal of tangible assets	(1,000)	-
Interest received	1,704	8,091
Taxation credit	384,463	(634,463)
Decrease/(increase) in debtors	165,236	(389,885)
Increase in creditors	873,883	492,946
Corporation tax received	14,444	32,565
Gain on revaluation of investments	(5,370)	(192,573)
Net cash generated from operating activities	936,525	551,493
Cash flows from investing activities		
Purchase of tangible fixed assets	(227,020)	(225,410)
Sale of tangible fixed assets	1,000	-
Sale of short term unlisted investments	741,989	2,153,558
Interest received	(1,704)	(8,091)
Net cash from investing activities	514,265	1,920,057
Net increase in cash and cash equivalents	1,450,790	2,471,550
Cash and cash equivalents at beginning of year	4,047,963	1,576,413
Cash and cash equivalents at the end of year	5,498,753	4,047,963
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	5,498,753	4,047,963

The notes on pages 12 to 25 form part of these financial statements.

Pensions and Lifetime Savings Association

(A Company Limited by Guarantee)

Notes to the Financial Statements **For the Year Ended 31 December 2017**

1. General information

Pensions and Lifetime Savings Association is a private company limited by guarantee, incorporated in England and Wales under the Companies Act. The address of the registered office is given on the company information page. The nature of the company's operations and principal activities are set out in the directors' report.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The company's functional and presentational currency is GBP.

The company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires group management to exercise judgement in applying the group's accounting policies (see note 3).

Pensions and Lifetime Savings Association is the sole member of Pensions Infrastructure Platform Limited ("PiP Ltd"), a company limited by guarantee registered in England number 08365110. The limit of that guarantee is £1 and no other benefit arises from the company's relationship with PiP Ltd. Consequently PLSA does not consolidate Pensions Infrastructure Platform Ltd and its subsidiaries into the group accounts of Pensions and Lifetime Savings Association.

Parent company disclosure exemptions

In preparing the separate financial statements of the parent company, advantage has been taken of the following disclosure exemptions available in FRS 102:

- No cash flow statement has been presented for the parent company;
- Disclosures in respect of the parent company's financial instruments have not been presented as equivalent disclosures have been provided in respect of the group as a whole; and
- No disclosure has been given for the aggregate remuneration of the key management personnel of the parent company as their remuneration is included in the totals for the group as a whole.

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements present the results of the company and its own subsidiaries ("the group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

Pensions and Lifetime Savings Association

(A Company Limited by Guarantee)

Notes to the Financial Statements

For the Year Ended 31 December 2017

2. Accounting policies (continued)

2.3 Turnover

Turnover represents amounts receivable for goods and services provided in the normal course of business, and excludes Value Added Tax. Turnover comprises:

- Sale of membership subscriptions: the value of goods and services is recognised across the period of subscription.
- Sales of conferences and events: the value of goods and services is recognised in the period the event occurs.
- Publications and other income: this is generally recognised on a receivable basis where entitlement to the income and the amount can be measured with reasonable certainty. It is reported gross of related expenditure.

2.4 Tangible fixed assets

Depreciation is provided using the following rates and bases to write off the tangible fixed assets over their estimated useful economic lives:

Leasehold improvements	- Straight line over the remaining length of the lease
Computer equipment and software	- 33.33% straight line or 20% straight line
Office equipment/Event structures	- 20% straight line
Website	- 33.33% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

2.5 Valuation of investments

Current asset investments are valued at fair value.

2.6 Debtors

Short term debtors are measured at transaction price, less any impairment.

2.7 Cash at bank and in hand

Cash is represented by cash in hand and deposits repayable on demand.

Pensions and Lifetime Savings Association

(A Company Limited by Guarantee)

Notes to the Financial Statements **For the Year Ended 31 December 2017**

2. Accounting policies (continued)

2.8 Financial instruments

The group only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors and loans to related parties.

Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an outright short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Consolidated Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the group would receive for the asset if it were to be sold at the reporting date.

2.9 Creditors

Short term creditors are measured at the transaction price.

2.10 Operating leases: the Group as lessee

Rentals paid under operating leases are charged to the Consolidated Statement of Comprehensive Income on a straight line basis over the lease term.

2.11 Pensions

Defined contribution pension plan

Contributions to the group's defined contribution pension scheme are charged to the Statement of Comprehensive Income in the year in which they become payable.

2.12 Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which is accrued at the Statement of Financial Position date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the Statement of Financial Position date.

Pensions and Lifetime Savings Association

(A Company Limited by Guarantee)

Notes to the Financial Statements

For the Year Ended 31 December 2017

2. Accounting policies (continued)

2.13 Interest receivable

Interest income is recognised in the Consolidated Statement of Comprehensive Income using the effective interest method.

2.14 Provisions for liabilities

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Consolidated Statement of Comprehensive Income in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the Statement of Financial Position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

2.15 Taxation

Tax is recognised in the Consolidated Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company and the group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

Pensions and Lifetime Savings Association (A Company Limited by Guarantee)

Notes to the Financial Statements For the Year Ended 31 December 2017

3. Judgements in applying accounting policies and key sources of estimation uncertainty

Preparation of financial statements requires management to exercise judgement in applying the company's accounting policies. Estimates and assumptions used in the preparation of the financial statements are continually reviewed and revised as necessary. The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Taxation:

The group establishes provisions based on reasonable estimates, for possible consequences of audits by the UK tax authorities. The amount of such provisions is based on various factors, such as experience with previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority.

Management estimation is required to determine the amount of deferred tax that can be recognised, based upon likely timing and the level of future taxable profits.

Tangible fixed assets (see note 10):

Tangible fixed assets, are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

There are no key sources of estimation uncertainty.

4. Revenue

An analysis of turnover by class of business is as follows:

	2017 £	2016 £
Membership subscriptions	3,252,129	3,240,162
Events Income	3,972,546	4,074,583
Other income	775,581	659,605
Costs recharged to PIP Ltd and its subsidiaries	124,072	203,602
	<u>8,124,328</u>	<u>8,177,952</u>

All turnover arose within the United Kingdom.

Pensions and Lifetime Savings Association (A Company Limited by Guarantee)

Notes to the Financial Statements For the Year Ended 31 December 2017

5. Operating (deficit)/surplus

The operating (deficit)/surplus is stated after charging:

	2017 £	2016 £
Research	200,389	253,278
Depreciation of tangible fixed assets	219,869	194,490
Fees payable to the Group's auditor and its associates for the audit of the company's annual financial statements	15,500	15,000
Fees payable to the Group's auditors and its associates for other services to the group:		
- Outsourcing fees	5,150	5,000
- Taxation compliance services	5,150	5,000
Exchange differences	1	(541)
Operating lease rentals	421,000	430,675
Defined contribution pension cost	360,505	351,778
	<u> </u>	<u> </u>

6. Employees

All staff are employed by Pensions and Lifetime Savings Association. Pensions and Lifetime Savings Association then makes an appropriate recharge for use of staff, including directors, to its subsidiaries.

The average monthly number of employees, including directors, during the year was 46 (2016 - 48).

7. Directors' remuneration

	2017 £	2016 £
Directors' remuneration	1,204,493	968,898
	<u> </u>	<u> </u>

Key management personnel

Key management personnel are considered to be the directors who have the responsibility and authority for planning, directing and controlling the activities of the group.

Pensions and Lifetime Savings Association
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Notes to the Financial Statements
For the Year Ended 31 December 2017

8. Interest

	2017 £	2016 £
Government stock	-	(2,308)
Bank interest	1,704	8,091
	<u>1,704</u>	<u>5,783</u>

9. Taxation

	2017 £	2016 £
Deferred tax		
Origination and reversal of timing differences	<u>384,463</u>	<u>(634,463)</u>
Taxation on deficit on ordinary activities	<u>384,463</u>	<u>(634,463)</u>

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Notes to the Financial Statements
For the Year Ended 31 December 2017

9. Taxation (continued)

Factors affecting tax charge/(credit) for the year

The tax assessed for the year is higher than (2016 - lower than) the standard rate of corporation tax in the UK of 20% (2016 - 20%). The differences are explained below:

	2017 £	2016 £
(Deficit)/surplus on ordinary activities before tax	<u>(332,241)</u>	<u>405,859</u>
Effects of:		
Tax on (deficit)/surplus on ordinary activities at standard CT rate of 19.25% (2016 - 20%)	(63,945)	81,374
Fixed asset differences	1,121	-
Other permanent differences	87	-
Adjustments to tax charge in respect of prior periods	(5,565)	-
Expenses not deductible for tax purposes	13,551	6,353
Income not taxable for tax purposes	(1,034)	(38,515)
Adjustments to brought forward values	104	95,513
Chargeable gains/(losses)	13,390	26,889
Group relief surrendered/(claimed)	-	999
Adjust closing deferred tax to average rate of 20.00%	88,868	111,824
Adjust opening deferred tax to average rate of 20.00%	(84,581)	(91,890)
Deferred tax not recognised	-	(827,010)
Deferred tax losses not utilised	422,467	-
Total tax charge/(credit) for the year	<u>384,463</u>	<u>(634,463)</u>

Pensions and Lifetime Savings Association
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Notes to the Financial Statements
For the Year Ended 31 December 2017

10. Tangible fixed assets

Group and Company

	Long-term leasehold property £	Website £	Office equipment £	Computer equipment and software £	Total £
Cost or valuation					
At 1 January 2017	303,815	29,160	457,638	565,967	1,356,580
Additions	-	78,027	13,349	135,644	227,020
Disposals	-	(25,000)	-	-	(25,000)
At 31 December 2017	303,815	82,187	470,987	701,611	1,558,600
Depreciation					
At 1 January 2017	239,990	21,512	299,514	269,410	830,426
Charge for the year on owned assets	35,674	14,917	43,415	125,863	219,869
Disposals	-	(25,000)	-	-	(25,000)
At 31 December 2017	275,664	11,429	342,929	395,273	1,025,295
Net book value					
At 31 December 2017	28,151	70,758	128,058	306,338	533,305
At 31 December 2016	63,825	7,648	158,124	296,557	526,154

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Notes to the Financial Statements
For the Year Ended 31 December 2017

11. Debtors

	Group	Group	Company	Company
	2017	2016	2017	2016
	£	£	£	£
Trade debtors	1,399,067	811,831	1,329,337	766,767
Amounts owed by group undertakings	-	-	115,676	73,457
Other debtors	118,355	970,847	118,355	962,487
Prepayments and accrued income	551,751	451,731	551,751	451,731
Tax recoverable	-	14,444	-	-
Deferred taxation	250,000	634,463	238,992	633,668
	<u>2,319,173</u>	<u>2,883,316</u>	<u>2,354,111</u>	<u>2,888,110</u>

The impairment write back of £3,334 (2016 - £18,592) in respect of bad and doubtful trade debtors was recognised against trade debtors and the group surplus and deficit for the period.

Other debtors includes an amount for PiP Ltd for £25,393 (2016 - £757,529) for costs recharged in the period.

12. Current asset investments

The investment in a Diversified Growth Fund held at the start of the year was administered by Ruffer LLP.

	Diversified Growth Fund £
At 1 January 2017	736,619
Sales	(741,989)
Change in market value	5,370
At 31 December 2017	<u>-</u>

Pensions and Lifetime Savings Association (A Company Limited by Guarantee)

Notes to the Financial Statements For the Year Ended 31 December 2017

13. Creditors: Amounts falling due within one year

	Group	Group	Company	Company
	2017	2016	2017	2016
	£	£	£	£
Trade creditors	254,815	253,394	254,130	247,142
Other taxation and social security	547,760	554,887	534,788	542,553
Other creditors	1,229	80,523	1,229	80,164
Accruals and deferred income	3,230,794	2,271,911	3,193,328	2,266,986
	<u>4,034,598</u>	<u>3,160,715</u>	<u>3,983,475</u>	<u>3,136,845</u>

14. Amounts held on trust

At 31 December 2017, the company held £400,317 (2016 - £400,254) on trust on behalf of its members to finance the costs associated with taking a case to the VAT tribunal relating to the treatment of fund management charges payable by defined benefit pension funds. A cumulative amount of £749,088 has been spent on professional fees after allowing for VAT recovered. The case was referred to the Court of Justice of the European Union and its judgement was issued on 7 March 2013. The judgement was unfavourable.

A new case by another claimant has been raised and the members' case has been sat behind this. The case is currently paused because connected but not associated cases have been going through the courts and now through appeals. It is estimated that any further costs to be incurred will be less than the funds still held on trust and the remaining balance will then be returned to the members who provided the finance.

15. Financial Risk Management

The group considers it faces two main areas of financial risk - liquidity risk and customer credit exposure.

Liquidity risk

The objective of the group in managing liquidity risk is to ensure that it can meet its financial obligations as and when they fall due. The group expects to meet its financial obligations through operating cash flows. The group is in a position to meet its commitments and obligations as they fall due.

Customer credit exposure

The group may offer credit terms to its customers which allow payment of the debt after delivery of the services. The group is at risk to the extent that a customer may be unable to pay the debt on the specified due date. This risk is mitigated by embedding strong customer relationship management through the group.

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Notes to the Financial Statements
For the Year Ended 31 December 2017

16. Financial instruments

	Group 2017 £	Group 2016 £	Company 2017 £	Company 2016 £
Financial assets				
Financial assets measured at fair value through profit or loss	-	736,619	-	736,619
Financial assets measured at amortised cost	7,016,174	5,830,641	7,018,228	5,801,965
	<u>7,016,174</u>	<u>6,567,260</u>	<u>7,018,228</u>	<u>6,538,584</u>
Financial liabilities				
Financial liabilities measured at amortised cost	(635,837)	(502,186)	(612,069)	(490,648)
	<u>(635,837)</u>	<u>(502,186)</u>	<u>(612,069)</u>	<u>(490,648)</u>

Financial assets measured at fair value through profit or loss comprise of current investments.

Financial assets measured at amortised cost comprise of trade debtors, other debtors, cash and amounts owed by subsidiaries.

Financial liabilities measured at amortised cost comprise trade creditors, accruals and other creditors.

17. Deferred taxation

Group

	2017 £	2016 £
At beginning of year	634,463	-
Charged to profit or loss	(384,463)	634,463
At end of year	<u>250,000</u>	<u>634,463</u>

Pensions and Lifetime Savings Association (A Company Limited by Guarantee)

Notes to the Financial Statements For the Year Ended 31 December 2017

17. Deferred taxation (continued)

Company

	2017 £	2016 £
At beginning of year	633,668	-
Charged to profit or loss	(394,676)	633,668
At end of year	<u>238,992</u>	<u>633,668</u>

	Group 2017 £	Group 2016 £	Company 2017 £	Company 2016 £
Fixed asset timing differences	(61,921)	(13,319)	(62,573)	(14,114)
Short term timing differences	113,274	393,671	113,274	393,671
Capital gains	(8,498)	(8,499)	(8,498)	(8,499)
Tax losses carried forward	207,145	262,610	196,789	262,610
	<u>250,000</u>	<u>634,463</u>	<u>238,992</u>	<u>633,668</u>

18. Reserves

Profit and loss account

Profit and loss account reserve represents a cumulative surplus or deficit.

Pensions and Lifetime Savings Association (A Company Limited by Guarantee)

Notes to the Financial Statements For the Year Ended 31 December 2017

19. Commitments under operating leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership of the leased asset to the group. All other leases are classified as operating leases.

At 31 December 2017 the Group and the company had future minimum lease payments under non-cancellable operating leases as follows:

	Group 2017 £	Group 2016 £	Company 2017 £	Company 2016 £
Not later than 1 year	327,452	415,000	327,452	415,000
Later than 1 year and not later than 5 years	-	326,815	-	326,815
	<u>327,452</u>	<u>741,815</u>	<u>327,452</u>	<u>741,815</u>

The company has a lease on its office premises which expires in October 2018. There was a break clause included in the lease which was not exercised in 2014. New terms were agreed in 2015.

20. Members' funds and articles of association

The company is limited by guarantee and has no issued share capital. Every member, in pursuance with Clause 4 of the Memorandum and Articles of Association, undertakes to contribute a sum not exceeding £1 in the event of the company being wound up whilst they are a member or within one year after they cease to be a member.

21. Subsidiary undertakings

At the year end, the company controlled Pension Quality Mark Limited a company limited by guarantee. Pension Quality Mark Limited is an entity promoting quality in defined contribution pension schemes. This company's registered office is 6th Floor Cheapside House, 138 Cheapside, London, United Kingdom, EC2V 6AE. The results of Pension Quality Mark Limited are consolidated into these accounts.

The company is also the sole member of The National Association of Pension Funds Limited, a dormant company limited by guarantee. This company's registered office is Cheapside House, 138 Cheapside, London, United Kingdom, EC2V 6AE.