

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

POSSFUND CUSTODIAN TRUSTEE LIMITED

YEAR ENDED 31 MARCH 2021

Registered No. 1687581



DIRECTORS' REPORT

Directors: J Matthews Chair
L Sampson
P Brown
R Law-Deeks

Secretary: S Huet

Registered Office: 11 Ironmonger Lane, London, EC2V 8EY

This directors' report has been prepared in accordance with the applicable provisions to companies entitled to the small companies exemption.

ACCOUNTS

The directors present their annual report and audited financial statements for the year ended 31 March 2021.

ACTIVITIES

The Company acts as nominee shareholder to the Royal Mail Pension Plan. The Company has legal title to various investments but does not disclose such investments on the grounds of their being held in a fiduciary capacity for the Royal Mail Pension Plan. No change in the Company's activities is anticipated.

DIRECTORS

The directors of the Company throughout the year ended 31 March 2021 and as at the date of this report were those listed above.

RESULTS AND DIVIDENDS FOR THE YEAR

The results for the year are shown on the attached profit and loss account. No ordinary dividend has been declared (2020: Nil).

AUDITORS

Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and KPMG LLP will therefore continue in office.

DIRECTORS' REPORT (continued)

STATEMENT ON DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who is a director at the date of approval of this report confirms that:

- a) so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- b) the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

These financial statements were approved by the Board of Directors and authorised for issue on 6 July 2021 and were signed on its behalf by J Matthews and S Huet.

By order of the Board



S HUET
Secretary

6th July 2021

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with applicable law and Section 1A of FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (UK Generally Accepted Accounting Practice applicable to Smaller Entities).

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF POSSFUND CUSTODIAN TRUSTEE LIMITED**Opinion**

We have audited the financial statements of Possfund Custodian Trustee Limited ("the company") for the year ended 31 March 2021 which comprise the Profit and loss account; Balance Sheet and related notes, including the accounting policies in note I.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2021 and of its results for the year then ended;
- have been properly prepared in accordance with UK accounting standards applicable to smaller entities, including Section 1A of FRS102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the company will continue in operation.

Fraud and breaches of laws and regulations – ability to detect*Identifying and responding to risks of material misstatement due to fraud*

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of the directors, and inspection of policy documentation, as to the Company's high-level policies and procedures to prevent and detect fraud, as well as enquiring whether they have knowledge of any actual, suspected or alleged fraud.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF POSSFUND CUSTODIAN TRUSTEE LIMITED (CONTINUED)

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that directors may be in a position to make inappropriate accounting entries and the risk of bias in accounting estimates. On this audit we do not believe there is a fraud risk related to revenue recognition because the company acts as nominee shareholder to Royal Mail Pension Plan and does not have any revenue transactions.

We did not identify any additional fraud risks.

In determining the audit procedures we took into account the results of our evaluation and testing of the operating effectiveness of some of the Company-wide fraud risk management controls.

We also performed procedures including:

- Identifying journal entries posted after the first draft of the financial statements have been prepared and comparing the identified entries to supporting documentation.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the directors (as required by auditing standards), and discussed with the directors the policies and procedures regarding compliance with laws and regulations.

As the Company is regulated, our assessment of risks involved gaining an understanding of the control environment including the Company's procedures for complying with regulatory requirements and reading the minutes of board meetings.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related pensions legislation) and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Company is subject to other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation, or the loss of the Company's registration. We identified the following areas as those most likely to have such an effect: pensions legislation and data protection legislation, recognising the financial and regulated nature of the Company's activities and its legal form. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Board and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Directors' report

The directors are responsible for the directors' report. Our opinion on the financial statements does not cover that report and we do not express an audit opinion thereon.

Our responsibility is to read the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF POSSFUND CUSTODIAN TRUSTEE LIMITED (CONTINUED)

- we have not identified material misstatements in the directors' report;
- in our opinion the information given in that report for the financial year is consistent with the financial statements; and
- in our opinion that report has been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 3, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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.



Fang Fang Zhou (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London
E15 4GL

Date: 7 July 2021

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2021**

		2021 £	2020 £
	Note		
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		-	-
Taxation on profit on ordinary activities	4	-	-
		<hr/>	<hr/>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION AND RETAINED PROFIT FOR THE YEAR		<hr/> <hr/>	<hr/> <hr/>

There are no recognised gains or losses or movements in reserves in either the current or prior year other than those shown above. Accordingly no statement of total recognised gains and losses is required. All transactions are derived from continuing operations.

The notes on pages 9 to 11 form part of the financial statements.

BALANCE SHEET AS AT 31 MARCH 2021

	Note	2021 £	2020 £
FIXED ASSETS			
Investments	5	<u>5</u>	<u>5</u>
CURRENT ASSETS			
Debtors – amounts due from parent.		100,001	100,001
CREDITORS – amounts falling due within one year	6	<u>(5)</u>	<u>(5)</u>
NET CURRENT ASSETS		<u>99,996</u>	<u>99,996</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>100,001</u>	<u>100,001</u>
CAPITAL AND RESERVES			
Called up share capital	7	100,001	100,001
EQUITY SHAREHOLDERS' FUNDS		<u>100,001</u>	<u>100,001</u>

Possfund Custodian Trustee Limited (registered number 1687581) did not trade during the current or preceding year and has made neither profit nor loss, nor any other recognised gain or loss.

These financial statements were approved by the Board of Directors on 6 July 2021



J Matthews

Chair



S Huet

Secretary

Signed on behalf of the Board of Directors

**NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2021****1. ACCOUNTING POLICIES**

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and the preceding year.

a) Basis of preparation

The financial statements are prepared under the historical cost convention and in accordance with applicable UK law and accounting standards.

The individual financial statements of the Company has been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, 'the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland', as amended by Section 1A 'Small Entities' ('FRS 102') and the Companies Act 2006.

b) Cashflow statement

Under Section 1A of FRS 102, the Company is exempt from the requirement to prepare a cash flow statement.

c) Corporation tax

Current tax is provided at amounts expected to be paid using tax rates that have been enacted by the balance sheet date.

d) Shareholders' funds

There has been no movement in shareholders' funds and therefore no reconciliation of movement in shareholders' funds is included in these financial statements.

e) Investments

Investments are valued at cost less provision for impairment.

2. AUDIT FEES

The auditors' remuneration for the year ended 31 March 2021 and 31 March 2020 was borne by the Royal Mail Pension Plan. A fee of £2,000 (2020: £2,000) has been allocated from the group audit fee in respect of the audit of this company.

3. EMPLOYEES

The Company had no employees during the year (2020 - none).

**NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2021 (continued)**

4. TAXATION

	2021 £	2020 £
Analysis of tax charge in the period		
Current tax:		
Corporation tax – tax on imputed interest income	-	-
Contribution to tax charge by parent undertaking	-	-
	<u>-</u>	<u>-</u>
Total current tax charge	<u>-</u>	<u>-</u>

5. INVESTMENTS IN SUBSIDIARIES

	Subsidiary undertakings £
At 31 March 2020	<u>5</u>
At 31 March 2021	<u>5</u>

Investments are stated at cost. No provision for any impairment has been made.

The subsidiary undertakings, all incorporated in Great Britain, at 31 March 2021 were:

	Nature of business	Proportion of ordinary shares held
Possfund Nominees Limited	Nominee shareholder	100%

The Company has taken advantage of Section 398 of the Companies Act 2006 as a small group not to prepare group accounts. Accordingly, these financial statements present information about the Company as an individual undertaking and not about its group.

6. CREDITORS – amounts falling due within one year

	2021 £	2020
Amounts owed to subsidiary undertakings	<u>5</u>	<u>5</u>
	<u>5</u>	<u>5</u>

**NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2021 (continued)**

7. CALLED UP SHARE CAPITAL

	2021 £	2020
Authorised:		
250,000 ordinary shares of £1 each fully paid	<u>250,000</u>	<u>250,000</u>
Allotted, called up:		
2 ordinary shares of £1 each fully paid	2	2
249,998 ordinary shares of £1 each 40p called up and paid	<u>99,999</u> <u>100,001</u>	<u>99,999</u> <u>100,001</u>

8. DIRECTORS' EMOLUMENTS

None of the directors received any emoluments in respect of his services to the company during the year (2020 - £nil).

9. ULTIMATE CONTROLLING PARTY

The directors regard the Royal Mail Pension Plan as the company's immediate and ultimate parent controlling party.

Copies of these accounts may be obtained at 11 Ironmonger Lane, London, EC2V 8EY.

10. RELATED PARTY TRANSACTIONS

The company had the following balances with Royal Mail Pension Plan, the company's parent controlling party:

	2021 £	2020
Due to the company at 31 March	<u>100,001</u>	<u>100,001</u>

The company had the following creditor balances at 31 March:

	2021 £	2020 £
Due to Possfund Nominees Limited	<u>5</u>	<u>5</u>
	<u>5</u>	<u>5</u>