


# BRITANNIC MONEY INVESTMENT SERVICES LIMITED

Company Registration Number: 2171236

DIRECTORS' REPORT AND FINANCIAL STATEMENTS  
for the year ended 31 December 2019

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BRITANNIC MONEY INVESTMENT SERVICES LIMITED

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BRITANNIC MONEY INVESTMENT SERVICES LIMITED

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**Directors' report**

The Directors present their Report and the Financial Statements of Britannic Money Investment Limited ("the Company") for the year ended 31 December 2019.

The Company is incorporated in the United Kingdom as a private limited company. Its registration number is 2171236 and its registered office is 1 Wythall Green Way, Wythall, Birmingham, B47 6WG.

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS").

**Business Review**

***Principal activities***

The principal activity of the Company was to provide investment advice and to effect investment transactions. The Company stopped writing new business and giving new advice with effect from 1 July 2003. However, it continues to receive renewal commissions on past transactions. On 29 January 2008, the Company's permission from the Prudential Regulation Authority for the provision of investment advice was voluntarily cancelled. Receiving renewal commissions on past transactions is expected to continue to be the principal activity for the foreseeable future.

The Company has no employees.

***Result and dividends***

The results of the Company for the year are shown in the statement of comprehensive income on page 5. The profit before tax was £160 (2018: £165).

No dividends were paid during the year (2018: £nil).

***Principal risks and uncertainties***

The Phoenix Group applies a consistent methodology for the identification, assessment, management and reporting of risk that includes a high level framework for the management of key risks within each business unit.

The key risks that the Company is exposed to are liquidity risk and credit risk, which are discussed within note 13 of the financial statements.

The risk to the Company associated with Brexit is not considered to be material.

Post balance sheet date, the unfolding of Covid-19 pandemic crisis has not exposed the Company to any heightened operational or financial risks.

***Key Performance Indicators ("KPIs")***

Given the straightforward nature of the business, the Company's Directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business.

***Going concern***

Having reviewed the position in light of the Financial Reporting Council's "Guidance on the Going Concern Basis of Accounting and Reporting on Solvency and Liquidity Risks" (issued April 2016); the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the Directors continue to adopt the going concern basis in preparing the financial statements.

***Directors***

The names of those individuals who served as Directors of the Company during the year or who held office as at the date of signature of this report are as follows:

A Moss  
R Sheriff

***Secretary***

Pearl Group Secretariat Services Limited acted as Secretary throughout the year.

***Disclosure of indemnity***

Qualifying third party indemnity arrangements (as defined in section 234 of the Companies Act 2006) were in force for the benefit of the Directors of the Company during the year and remain in place at the date of approval of this report.

***Small companies' exemption***

The Company has taken advantage of the exemption in section 414 of the Companies Act 2006 relating to small companies not to prepare a Strategic report.

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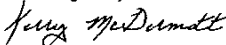
BRITANNIC MONEY INVESTMENT SERVICES LIMITED

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**Audit exemption**

The Company has taken advantage of the exemption in section 479A of the Companies Act 2006 relating to subsidiary companies not to require an audit of these financial statements, as a guarantee over all liabilities of the Company at the balance sheet date has been granted by the Company's ultimate parent, Phoenix Group Holdings plc.

On behalf of the Board

DocuSigned by:  
  
97E926B46C7E474

K McDermott  
For and on behalf of Pearl Group Secretariat Services Limited  
Company Secretary

8 September 2020

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BRITANNIC MONEY INVESTMENT SERVICES LIMITED

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**Statement of Directors' responsibilities**

The Directors are responsible for preparing the Directors' report and the Company financial statements ("the financial statements") in accordance with applicable United Kingdom law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under the law the Directors have elected to prepare those statements in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS"). Under company law, the Directors must not approve the financial statements unless they are satisfied that they present fairly the financial performance, financial position and cash flows of the Company for the accounting period. A fair presentation of the financial statements in accordance with IFRS requires the Directors to:

- select suitable accounting policies in accordance with IAS 8: *Accounting Policies, Changes in Accounting Estimates and Errors* and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRS is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Company's financial position and financial performance;
- state that the Company has complied with applicable IFRS, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

## BRITANNIC MONEY INVESTMENT SERVICES LIMITED

**Statement of comprehensive income**  
for the year ended 31 December 2019

	Notes	2019 £	2018 £
<b>Revenue</b>			
Fees and commissions	3	206	195
Administrative expenses		(46)	(30)
<b>Profit for the year before tax</b>		<u>160</u>	<u>165</u>
Tax charge	6	(31)	(31)
<b>Profit for the year</b>		<u>129</u>	<u>134</u>
Other comprehensive income		-	-
<b>Total comprehensive income for the year</b>		<u><u>129</u></u>	<u><u>134</u></u>

## BRITANNIC MONEY INVESTMENT SERVICES LIMITED

**Statement of financial position**  
as at 31 December 2019


	Notes	As at 31 December 2019 £	As at 31 December 2018 £
<b>Non-current assets</b>			
Amounts due from parent	7	29,871	32,085
<b>Current assets</b>			
Other receivables	8	584	14
Cash and cash equivalents	9	26,471	26,311
<b>Total current assets</b>		27,055	26,325
<b>Total assets</b>		56,926	58,410
<b>Equity</b>			
Share capital	10	1,002	1,002
Retained earnings		25,382	25,253
<b>Total equity</b>		26,384	26,255
<b>Non-current liabilities</b>			
Long-term provisions	7	29,871	32,085
<b>Current liabilities</b>			
Other payables	11	671	70
<b>Total liabilities</b>		30,542	32,155
<b>Total equity and liabilities</b>		56,926	58,410

For the year ending 31 December 2019 the Company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

Directors' responsibilities:

- the members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476;
- the directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

On behalf of the Board

DocuSigned by:  
  
 7E2FB2C8D260412.

R Sheriff  
Director

8 September 2020

## BRITANNIC MONEY INVESTMENT SERVICES LIMITED

**Statement of cash flows**

for the year ended 31 December 2019

	Notes	2019 £	2018 £
<b>Cash flows from operating activities</b>			
Cash generated by operations	12	160	165
<b>Net cash flows from operating activities</b>		<u>160</u>	<u>165</u>
<b>Net increase in cash and cash equivalents</b>		160	165
Cash and cash equivalents at the beginning of the year		26,311	26,146
<b>Cash and cash equivalents at the end of the year</b>	9	<u>26,471</u>	<u>26,311</u>



## BRITANNIC MONEY INVESTMENT SERVICES LIMITED

**Statement of changes in equity**  
for the year ended 31 December 2019

	Share capital (note 10) £	Retained earnings £	Total £
<b>At 1 January 2019</b>	1,002	25,253	26,255
Profit for the year	-	129	129
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	129	129
<b>At 31 December 2019</b>	1,002	25,382	26,384

	Share capital (note 10) £	Retained earnings £	Total £
<b>At 1 January 2018</b>	1,002	25,119	26,121
Profit for the year	-	134	134
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	134	134
<b>At 31 December 2018</b>	1,002	25,253	26,255

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 BRITANNIC MONEY INVESTMENT SERVICES LIMITED
 

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**Notes to the financial statements****1. Accounting policies****(a) Basis of preparation**

The financial statements have been prepared on a historical cost basis.

**Statement of compliance**

The financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS").

The financial statements are presented in sterling (£) rounded to the nearest £ except where otherwise stated.

Assets and liabilities are offset and the net amount reported in the statement of financial position only when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liability simultaneously. Income and expenses are not offset in the statement of comprehensive income unless required or permitted by an international financial reporting standard or interpretation, as specifically disclosed in the accounting policies of the Company.

**(b) Critical accounting estimates and judgements**

The Company makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The area that the directors consider particularly susceptible to changes in estimates and assumptions are detailed below:

**Impairment of financial assets**

The impairment provisions for financial assets disclosed in note (c) are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the company's past history and existing market conditions as well as forward looking estimates at the end of each reporting period. For details of the key assumptions and inputs used, see note (c).

**(c) Financial assets**

Financial assets are measured at amortised cost where they have:

- contractual terms that give rise to cash flows on specified dates, that represent solely payments of principal and interest on the principal amount outstanding; and
- are held within a business model whose objective is achieved by holding to collect contractual cash flows.

These financial assets are initially recognised at cost, being the fair value of the consideration paid for the acquisition of the financial asset. All transaction costs directly attributable to the acquisition are also included in the cost of the financial asset. Subsequent to initial recognition, these financial assets are carried at amortised cost, using the effective interest method.

Financial assets measured at amortised cost are included in note 8 Other receivables.

**Impairment of financial assets**

The Company assesses expected credit losses associated with its other receivables carried at amortised cost. The impairment methodology depends upon whether there has been a significant increase in credit risk.

The Company measures loss allowances which have low credit risk using the 12-month Expected Credit Loss (ECL). Interest revenue is recognised on a gross basis. A simplified approach is used to determine the loss allowances for other receivables as these are always measured at an amount equal to lifetime ECLs. See note 14 for detail of how the Company assesses whether the credit risk of a financial asset has increased since initial recognition and when estimating ECLs.

The loss allowance reduces the carrying value of the financial asset and is reassessed at each reporting date. ECLs are recognised using a provision for doubtful debts account in profit and loss. For other receivables, the ECL rate is recalculated each reporting period taking into account which counterparties are included in the reporting period.

ECLs are derived from probability-weighted estimates of expected loss, and are measured as follows:

- 12-month ECLs – Total expected credit losses that result from default events that are possible within 12 months after the reporting date.
- Lifetime ECLs – Expected credit losses that result from all possible default events over the expected life of the financial asset.

No significant changes to estimation techniques or assumptions were made during the reporting period.

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**BRITANNIC MONEY INVESTMENT SERVICES LIMITED**


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**(d) Income tax**

Income tax comprises current tax. Income tax is recognised as income or an expense in the statement of comprehensive income except to the extent that it relates to items recognised as other comprehensive income in the statement of comprehensive income, in which case it is recognised as other comprehensive income in that statement.

Current tax is the expected tax payable on the taxable income for the year, using tax rates and laws enacted or substantively enacted at the date of the statement of financial position together with adjustments to tax payable in respect of previous years.

**(e) Cash and cash equivalents**

Cash and cash equivalents comprise cash balances and short-term deposits with an original maturity term of three months or less at the date of placement.

**(f) Provisions and contingent liabilities**

A provision is recognised when the Company has a present legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where the Company has a present legal or constructive obligation but it is not probable that there will be an outflow of resources to settle the obligation or the amount cannot be reliably estimated, this is disclosed as a contingent liability.

**(g) Dividends**

Final dividends on ordinary shares are recognised as a liability and deducted from equity when they are approved by the Company's owners. Interim dividends are deducted from equity when they are paid.

Dividends for the year that are approved after the reporting period are dealt with as an event after the reporting period.

**(h) Income recognition**

Revenue relates to commission receivable on financial services related transactions effected in previous years within the United Kingdom.

**(i) Share capital**

The Company has issued ordinary shares which are classified as equity.

**(j) Events after the reporting period**

The financial statements are adjusted to reflect significant events that have a material effect on the financial results and that have occurred between the period end and the date when the financial statements are authorised for issue, provided they give evidence of conditions that existed at the period end. Events that are indicative of conditions that arise after the period end that do not result in an adjustment to the financial statements are disclosed.

**2. Financial information**

The financial statements for the year ended 31 December 2019, set out on pages 5 to 14, were authorised by the Board of Directors for issue on 8 September 2020.

In preparing the financial statements the Company has adopted the following standards, interpretations and amendments which have been issued by the International Accounting Standards Board ("IASB") and have been adopted for use by the EU. These do not have a material effect on the results of the Company.

- IFRIC Interpretation 23 Uncertainty over Income Tax Treatments. The Interpretation explains how to recognise and measure deferred and current tax assets and liabilities where there is uncertainty over a tax treatment. There are no new disclosure requirements however the Company has reviewed whether further information should be provided about judgements and estimates made in preparing the financial statements.
- Annual Improvements Cycle 2015-2017: Amendments to IAS 12 Income Taxes, IAS 23 Borrowing Costs and IFRS 3 Business combinations/IFRS 11 Joint Arrangements. These amendments do not currently have any impact on the Company.

The IASB has issued the following new or amended standards and interpretations which apply from the dates shown. The Company has decided not to early adopt any of these standards, interpretations or amendments where this is permitted. These amendments have not been endorsed by the EU.

- Amendments to References to the Conceptual Framework in IFRS Standards (2020).

## BRITANNIC MONEY INVESTMENT SERVICES LIMITED

- Amendments to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors (2020). The amendments clarify the definition of material and how it should be applied and ensures that the definition of material is consistent across all IFRS Standards.

Where not specifically stated, the impact on the Company of adopting the above standards, amendments and interpretations is subject to evaluation.

### 3. Fees and commissions

	2019 £	2018 £
Commissions	206	195

### 4. Directors' remuneration

The Directors are employed by another Group company. The Directors received no remuneration in respect of their services to the Company (2018: £nil).

### 5. Auditor's remuneration

The remuneration of the auditor of the Company, including their associates, in respect of the audit of the financial statements in the prior year was £2,000. This audit fee was borne by another Group company. For the year ending 31 December 2019 the Company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

### 6. Tax charge

The current tax charge for the year is £31 (2018: £31). This is equal (2018: equal) to the profit on ordinary activities of £160 (2018: £165) multiplied by the standard rate of UK Corporation tax of 19% (2018: 19%).

### 7. Long-term provisions/Intercompany receivables

	2019 £	2018 £
At 1 January	32,085	37,533
Released in the year	(2,214)	(5,448)
Utilised during the year	-	-
At 31 December	29,871	32,085

The Company has established a provision for future compensation in relation to past financial advice provided on sales of mortgage endowments and other products. The provision has been calculated using a best estimate of future cashflows based on historic experience since 2008, discounted using a risk adjusted rate.

Due to the small volume of claims there is a high level of uncertainty around the amount and timing of these outflows. However, it is considered a reasonable assumption that substantially all claims would be exhausted within 25 years of the Company ceasing to provide advice in 2003, therefore the sums provided for are expected to be paid out in full by 2028.

The Company has received an indemnity from its immediate parent, Phoenix Life Limited, in respect of compensation payable which is disclosed as amounts due from parent in non-current assets in the statement of financial position. The indemnity arrangement means there is no impact in the statement of comprehensive income as a result of movements in the provision.

## BRITANNIC MONEY INVESTMENT SERVICES LIMITED

**8. Other receivables**

	2019 £	2018 £
Amounts due from fellow subsidiaries	584	14
Amount recoverable after 12 months	-	-

**9. Cash and cash equivalents**

	2019 £	2018 £
Bank and cash balances	26,471	26,311

**10. Share capital**

	2019 £	2018 £
Issued and fully paid: 1,002 (2018: 1,002) ordinary share of £1 each	1,002	1,002

The Company's Articles of Association contain a restriction on the number of shares that may be allotted.

The holders of ordinary shares have the same voting rights to returns and voting. The holders are entitled to one vote per share on matters to be voted on by owners and to receive such dividends, if any, as may be declared by the Board of Directors in its discretion out of legally available profits.

**11. Other payables**

	2019 £	2018 £
Amount due to parent	671	70
Amount due for settlement after 12 months	-	-

**12. Cash flows*****Cash flows from operating activities***

	2019 £	2018 £
Profit for the year before tax	160	165
Changes in operating assets and liabilities		
Change in other receivables	2,284	5,531
Change in other payables	(2,284)	(5,531)
Cash generated by operations	160	165

**13. Risk management**

The Phoenix Group, of which the Company is a member, applies a consistent methodology for the identification, assessment, management and reporting of risk that includes a high level framework for the management of key risks within each business unit.

***Liquidity risk***

The Company has exposure to liquidity risk as a result of normal business activities, specifically the risk arising from an inability to meet short-term cash flow requirements and this is monitored on an ongoing basis.

## BRITANNIC MONEY INVESTMENT SERVICES LIMITED

*Credit risk*

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. These obligations can relate to both recognised and unrecognised assets and liabilities.

*Credit risk management practices*

The Company's current credit risk grading framework comprises the following categories:

Category	Description	Basis for recognising ECL
Performing	The counterparty has a low risk of default and does not have any past-due amounts	12 month ECL
Doubtful	There has been a significant increase in credit risk since initial recognition	Lifetime ECL (not credit impaired)
In default	There is evidence indicating the asset is credit-impaired	Lifetime ECL (credit impaired)
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Company has no realistic prospect of recovery	Amount is written off

The table below details the credit risk quality of the Company's financial assets, as well as the Company's maximum exposure to credit risk by credit risk rating grades:

Financial Assets	Note	External credit rating	Internal credit rating	ECL recognition	Gross carrying amount (£)	Loss Allowance (£)	Net carrying amount (£)
Intercompany receivables	8	N/A	Performing	12 month ECL	584	-	584
Cash and cash equivalents	9	A	N/A	12 month ECL	26,471	-	26,471

The Company considers reasonable and supportable information that is relevant and available without undue cost or effort to assess whether there has been a significant increase in risk since initial recognition. This includes quantitative and qualitative information and also, forward-looking analysis.

Intercompany receivables – The credit risk from activities undertaken in the normal course of business is considered to be extremely low risk. The Company assesses whether there has been a significant increase in credit risk since initial recognition by assessing past credit impairments, history of defaults and the long term stability of the Phoenix Group.

Cash and cash equivalents - The Company's cash and cash equivalents are held with bank and financial institution counterparties, which have A investment grade ratings. The Company considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties and there being no history of default.

The Company writes off a financial asset when there is information indicating the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

## BRITANNIC MONEY INVESTMENT SERVICES LIMITED

**14. Related party transactions**

The Company enters into transactions with related parties in its normal course of business. These are at arm's length on normal commercial terms.

<b>Amounts due from related parties</b>	2019 £	2018 £
Non-current amounts due from parent (note 7)	29,871	32,085
Amounts due from fellow subsidiaries (note 8)	584	14
Total due from related parties	<u>30,455</u>	<u>32,099</u>

**Amounts due to related parties**

	2019 £	2018 £
Amounts due to parent (note 11)	<u>671</u>	<u>70</u>

**Key management compensation**

The compensation payable to employees classified as key management, which comprises the Directors, is disclosed in note 4.

During the year to 31 December 2019, key management and other family members had no other transactions with the Company.

**Parent and ultimate parent entity**

Information on the Company's parent and ultimate parent is given in note 16.

**15. Events after the reporting date**

Post balance sheet date, the unfolding of Covid-19 pandemic crisis is affecting both economic and financial markets and there are numerous challenges associated with the resulting economic conditions. These include increased financial market volatility, liquidity concerns and government intervention. The Phoenix Group, of which the Company is a member, has instituted a program of actions to mitigate the financial and operational risks associated with the impacts of Covid-19.

In line with the Financial Reporting Council guidance issued in March 2020, the Company considers Covid-19 to be a non-adjusting post balance sheet event. When performing their going concern assessment, the Directors considered the possible impacts of the Covid-19 pandemic and do not consider this to have any impact on the operational or financial position of the Company.

**16. Other information**

The Company's principal place of business is the United Kingdom. The Company's immediate parent is Phoenix Life Limited and its ultimate parent is Phoenix Group Holdings plc, a company incorporated in England and Wales. A copy of the financial statements of Phoenix Group Holdings plc can be obtained from the Company Secretary, Juxon House, 100 St Paul's Churchyard, London, EC4M 8BU or [www.thephoenixgroup.com](http://www.thephoenixgroup.com).