

# **BONNEYSAVE LIMITED**

**Annual report and financial statements for the year ended  
31 December 2018**

**Registered number: 02829972**



**BONNEYSAVE LIMITED**  
**Annual report and financial statements 2018**  
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**BONNEYSAVE LIMITED**

**Annual report and financial statements 2018**

**Directors and advisors for the year ended 31 December 2018**

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**Directors**

M Batheja  
K J McKelvey  
J D Punter  
S M Southall

**Secretary**

I E Nash

**Registered Office**

11 Strand  
London  
WC2N 5HR  
United Kingdom

**Auditors**

BDO LLP  
55 Baker Street  
London  
W1U 7EU  
United Kingdom

**BONNEYSAVE LIMITED**  
**Annual report and financial statements 2018**  
**Directors' report the year ended 31 December 2018**

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The Directors present the Directors' report and the audited financial statements of Bonneysave Limited for the year ended 31 December 2018.

**Overview**

Bonneysave Limited (the Company) is a company incorporated and domiciled within the United Kingdom. The Company's primary activities are to provide and manage certain human resource functions for the subsidiaries of Punter Southall Group Limited (the Group). No change in activities is envisaged in the ensuing year.

The Company is a subsidiary of Punter Southall Group Limited, which is the Parent Company of a financial services group (Punter Southall Group or the Group).

**Review of the business**

The Company's results for the year are set out in the profit and loss account on page 8 and show turnover for the year to be £12,957,702 and a gain after tax of £1,822,294 (2017: £10,938,187 turnover and £228,653 loss respectively).

**Results**

The profit and loss account is set out on page 8 and shows the profit for the year.

**Principal risks and uncertainties**

The Directors consider proper risk management to be crucial to the Company's future success and give a high priority to ensuring that adequate systems and structures are in place to measure, analyse and limit exposure to risk. The Directors have established key procedures to ensure that internal controls are effective and are commensurate with a company of this size. A key control procedure is the day to day supervision of the business by the Directors.

Some of the key risks identified by the Company and the existing controls are identified below.

*Business continuity*

The Company has created a business continuity plan that has been produced in line with best practice methodologies. The plan has particular regard to the IT requirements of the business.

*Information security*

The Company holds a large amount of employee data and takes the confidentiality, integrity and security of this data very seriously. Information security controls, policies and procedures are overseen by the Group Risk Committee, Risk Management Committee and Information Security Steering Committee.

## **BONNEYSAVE LIMITED**

### **Annual report and financial statements 2018**

#### **Directors' report for the year ended 31 December 2018 *continued***

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##### **Dividends**

The Directors did not recommend the payment of a dividend for the current year (2017: £0).

##### **Post-balance sheet events**

There have been no adjusting or non-adjusting post-balance sheet events.

##### **Qualifying third party indemnity provisions**

The Company has in place qualifying third party indemnity provisions for the Directors of Bonneysave Limited.

##### **Directors**

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

M Batheja  
E A Battams (Resigned on 31 December 2018)  
J P Batting (Resigned on 11 January 2018)  
K J McKelvey  
J D Punter  
S M Southall

##### **Employment**

The Company's employees are critical to the success of the business and the Company actively retains staff with the following policies listed below.

##### *Employee involvement*

Employees are kept as fully informed as possible about the activities of the business. This is achieved through internal publications, the intranet, communication programmes and management and staff meetings.

The Company, as a subsidiary of the Group, encourages employee involvement in the financial performance of the business through senior management incentive share schemes and share option schemes.

##### *Equal opportunities*

Equal opportunities are offered to all, regardless of gender, race, ethnicity or national origin, sexual orientation, religious belief, colour, disability, marital status or age. All applicants and employees are treated equally in respect of recruitment, promotion, training, pay and other employment policies and practices. All decisions are based on merit. Reasonable adjustments will be made to accommodate those with special needs. Under no circumstances will discrimination against any individual or group be tolerated. All employees have access to confidential counselling.

##### *Disability*

The Company gives full and fair consideration to applications for employment made by people with disabilities. Where an employee becomes disabled whilst in employment, every effort will be made to look at appropriate and reasonable adjustments and to offer suitable employment together with assistance in retraining.

**BONNEYSAVE LIMITED****Annual report and financial statements 2018****Directors' report for the year ended 31 December 2018 *continued***

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**Statement of Directors' responsibilities**

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, the Directors have elected to prepare the Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard (FRS) 101 *Reduced Disclosure Framework*. 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 the 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 accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

**Auditors**

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

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

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

**On behalf of the Board**

M Batheja  
**Director**

Date: 24/5/19

**BONNEYSAVE LIMITED****Annual report and financial statements 2018****Independent auditor's report to the members of Bonneysave Limited**

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**Opinion**

We have audited the financial statements of Bonneysave Limited ("the Company") for the year ended 31 December 2018 which comprise the Profit and Loss Account, the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Basis for opinion**

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

**Conclusions relating to going concern**

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

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

**Other information**

The Directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

**BONNEYSAVE LIMITED****Annual report and financial statements 2018****Independent auditor's report to the members of Bonneysave Limited *continued***

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**Other information *continued***

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact.

We have nothing to report in this regard.

**Opinions on other matters prescribed by the Companies Act 2006**

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

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

**Matters on which we are required to report by exception**

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

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

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

**Responsibilities of Directors**

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



**BONNEYSAVE LIMITED****Annual report and financial statements 2018****Independent auditor's report to the members of Bonneysave Limited *continued***

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**Responsibilities of Directors *continued***

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

**Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>.

This description forms part of our auditor's report.

**Use of report**

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Daniel Taylor (Senior Statutory Auditor)

For and on behalf of BDO LLP, Statutory Auditor

55 Baker Street

London

United Kingdom

Date: 24/05/2019

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

**BONNEYSAVE LIMITED****Annual report and financial statements 2018****Profit and loss account and statement of comprehensive income for the year ended 31 December 2018****Profit and loss account for the year ended 31 December 2018**

	Note	2018 £	2017 £
<b>Turnover</b>	3	<b>12,957,702</b>	10,938,187
Administrative expenses		<u>(11,598,393)</u>	<u>(10,939,663)</u>
<b>Operating profit/(loss)</b>	4	<b>1,359,309</b>	(1,476)
Interest receivable and similar income	6	255,870	352
Interest payable and similar charges	6	(2,931)	(2,972)
Other finance costs	6	<u>-</u>	<u>(5,710)</u>
<b>Profit/(loss) on ordinary activities before taxation</b>		<b>1,612,248</b>	(9,806)
Tax credit/(charge) on loss on ordinary activities	7	<u>210,046</u>	<u>(218,847)</u>
<b>Profit/(loss) on ordinary activities after taxation</b>		<u><b>1,822,294</b></u>	<u>(228,653)</u>

**Statement of comprehensive income/(loss) for the year ended 31 December 2018**

	Note	2018 £	2017 £
<b>Profit/(loss) for the year</b>		<b>1,822,294</b>	(228,653)
Actuarial gain/(loss) on pension scheme	12	1,161,851	(86,290)
Deferred tax on pension scheme (asset)/liability	12	<u>(692,984)</u>	<u>15,640</u>
<b>Total comprehensive income/(loss) for the year</b>		<u><b>2,291,161</b></u>	<u>(299,303)</u>

The notes on pages 11 to 22 form part of these financial statements.

**BONNEYSAVE LIMITED**  
**Annual report and financial statements 2018**  
**Balance sheet as at 31 December 2018**  
**Registered number: 02829972**

	Note	2018 £	2017 £
<b>Non current assets</b>			
Retirement benefit asset	12	1,093,422	-
Deferred tax	7	523,878	313,832
		<u>1,617,300</u>	<u>313,832</u>
<b>Current assets</b>			
Debtors	8	12,681,980	4,857,654
<b>Total assets</b>		<b>14,299,280</b>	<b>5,171,486</b>
<b>Current liabilities</b>			
Creditors: amounts falling due within one year	9	(699,474)	(331,954)
Bank overdraft		(4,552,372)	(4,493,289)
		<u>(5,251,846)</u>	<u>(4,825,243)</u>
<b>Non-current liabilities</b>			
Retirement benefit liability	12	-	(2,289,970)
<b>Total liabilities</b>		<b>(5,251,846)</b>	<b>(7,115,213)</b>
<b>Net assets/(liabilities)</b>		<b>9,047,434</b>	<b>(1,943,727)</b>
<b>Capital and reserves</b>			
Called up share capital	10	3	2
Share premium	10	8,699,999	-
Retirement benefit reserve	12	(2,213,610)	(2,213,610)
Retained earnings		2,561,042	269,881
<b>Total shareholders' funds</b>		<b>9,047,434</b>	<b>(1,943,727)</b>

The financial statements were approved by the Board and authorised for issue on  
They were signed on behalf of the Board by:

**24 MAY 2019**



M Batheja  
**Director**

The notes on pages 11 to 22 form part of these financial statements.

**BONNEYSAVE LIMITED****Annual report and financial statements 2018****Statement of changes in equity for the year ended 31 December 2018**

	Share capital £	Share Premium £	Retirement benefit reserve £	Retained earnings £	Total equity £
<b>Balance as at 1 December 2017</b>	2	-	-	569,184	569,186
Loss for the year	-	-	-	(228,653)	(228,653)
Actuarial loss on pension scheme	-	-	-	(86,290)	(86,290)
Pensions scheme liability - deferred tax charge	-	-	-	15,640	15,640
Reserve movement on acquisition of defined benefit plan	-	-	(2,213,610)	-	(2,213,610)
<b>Balance as at 31 December 2017</b>	<b>2</b>	<b>-</b>	<b>(2,213,610)</b>	<b>269,881</b>	<b>(1,943,727)</b>
Profit for the year	-	-	-	1,822,294	1,822,294
Actuarial gain on pension scheme	-	-	-	1,161,851	1,161,851
Pensions scheme liability - deferred tax charge	-	-	-	(692,984)	(692,984)
Issue of shares	1	8,699,999	-	-	8,700,000
<b>Balance as at 31 December 2018</b>	<b>3</b>	<b>8,699,999</b>	<b>(2,213,610)</b>	<b>2,561,042</b>	<b>9,047,434</b>

The notes on pages 11 to 22 form part of these financial statements.

## **BONNEYSAVE LIMITED**

### **Annual report and financial statements 2018**

#### **Notes to the financial statements for the year ended 31 December 2018**

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##### **1. Accounting policies**

###### *Basis of preparation*

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

###### *Application of FRS 101: Disclosure exemptions adopted*

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

- certain comparative information as required by EU-adopted IFRS
- certain disclosures regarding the Company's capital
- a statement of cash flows
- the effect of future accounting standards not yet adopted
- the disclosure of remuneration of the key management personnel
- the disclosure of fees paid to the Company's auditors for services other than audit
- disclosure of the related party transactions with other wholly-owned members of the Group, of which the ultimate Parent Company is Punter Southall Group Limited

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

- financial instruments
- fair value measurement

###### *Going concern*

The Company moved from a net liability position in 2017 to a net asset position of £9.0m at year end (2017: £1.9m net liabilities). The financial statements have been prepared on a going concern basis which assumes that the Company will continue in operational existence for the foreseeable future and will have continual support of its Parent Company.

###### *Turnover*

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

###### *Taxation*

Tax expense comprises current and deferred tax.

###### *Current tax*

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

## **BONNEYSAVE LIMITED**

### **Annual report and financial statements 2018**

#### **Notes to the financial statements for the year ended 31 December 2018 *continued***

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##### **1. Accounting policies *continued***

###### *Taxation continued*

###### Deferred tax

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

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

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

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

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

###### *Pension costs*

Contributions to the Group's personal pension arrangement and to individual personal pension arrangements are charged to the profit and loss account in the period in which they become payable. The assets of these schemes are held separately from those of the Company in independently administered funds.

Bonneysave Limited is the Principal Employer of the BGJ Pension Scheme. The pension scheme is a defined benefit scheme in the UK which provides both pensions in retirement and death benefits to members. Pension benefits are related to the members' final salary at retirement and their length of service.

The scheme is described in note 2 below. The assets of both schemes are held separately from those of the Company in independently administered funds.

###### *Trade and other payables*

Trade payables are initially measured at their fair value and are subsequently measured at their amortised cost using the effective interest method. The effective interest rate method allocates interest expense over the relevant period by applying the effective interest rate to the carrying amount of the liability.

## **BONNEYSAVE LIMITED**

### **Annual report and financial statements 2018**

#### **Notes to the financial statements for the year ended 31 December 2018 *continued***

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##### **1. Accounting policies *continued***

###### *Cash at bank and in hand*

Cash comprises of cash in hand, cash at banks and demand deposits.

###### *Trade and other receivables*

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method less provision for impairment. Appropriate provisions for estimated irrecoverable amounts are recognised within administrative expenses when there is objective evidence that the assets are impaired. Interest income is recognised by applying the effective interest rate, except for short-term trade and other receivables when the recognition of interest would be immaterial.

###### *IFRS 9 Financial Instruments*

IFRS 9 is effective for periods beginning on or after 1 January 2018. The company has elected to apply the exemption in IFRS 9 and has not restated prior periods in the year of initial application of the standard (i.e. 1 January 2018).

Based on the Company's assessment there have been no material financial impacts from application of this standard. The following keys areas have been assessed:

- Classification- the classification of financial assets as 'fair value through profit and loss' is unchanged.
- Impairment – IFRS 9 replaced the 'incurred loss' model in IAS 39 with a forward looking 'expected credit loss' model. The Company applied the expected credit loss model when calculating impairment losses on its financial assets measured at amortised costs. The expected loss rates are based on the Company's historical credit losses experienced over the prior year to the current period end. There was no impact to the Company in relation to the impairment of trade and other receivables or any third party loans. The impairment assessment has been made on a simplified approach basis and did not have a material impact on the financial assets of the Company. There are no other impairment impacts from the implementation of IFRS 9.

Overall, the new application of this standard has resulted in greater judgement due to the need to factor in forward looking information when estimating the appropriate amount of provisions. In applying IFRS 9 the Company considered the probability of a default occurring over the contractual life of its trade receivables and contracts assets balances on initial recognition of those assets.

**BONNEYSAVE LIMITED****Annual report and financial statements 2018****Notes to the financial statements for the year ended 31 December 2018 *continued***

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**2. Critical accounting estimates and judgements**

The preparation of financial statements in compliance with FRS 101 requires the Company's Directors to use certain critical accounting estimates and exercise judgements, as well as making certain assumptions and estimates regarding the future. These estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

*Pensions - defined benefit scheme*

The cost of the defined benefit scheme is subject to actuarial valuations based on the projected unit method and these are carried out annually. The discount rate applied in arriving at the present value of the pension liability represents the yield on high quality corporate bonds denominated in the currency in which the benefits will be paid and that have maturity approximating the terms of the related pension liability.

The differences between the fair value of the assets held in the Company's defined benefit pension scheme and the scheme liabilities are recognised in the Company's balance sheet as either a pension scheme asset or liability as appropriate. The pension scheme balance is recognised net of any related deferred tax balance. Changes in the defined benefit pension scheme asset or liability arising from factors - other than cash contributions by the Company are charged to the profit and loss account or the statement of comprehensive income. Actuarial gains and losses are recognised in full in the period in which they occur, in the statement of comprehensive income.

**3. Turnover**

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

**4. Operating loss**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
<i><b>This is stated after charging:</b></i>		
Staff costs (note 5)	<b><u>12,957,702</u></b>	<b><u>10,938,187</u></b>

Auditor's remuneration of £11,100 was paid by Punter Southall Group Limited, the UK ultimate Parent Company (2017: £7,850).



**BONNEYSAVE LIMITED****Annual report and financial statements 2018****Notes to the financial statements for the year ended 31 December 2018 *continued*****5. Staff costs**

	2018 £	2017 £
<i>Staff costs (including Directors) consist of:</i>		
Wages and salaries	7,362,650	7,212,620
Employee incentives and bonuses	4,086,309	2,329,106
Social security costs	947,582	870,846
Pension costs	561,161	525,615
	<u>12,957,702</u>	<u>10,938,187</u>

All staff costs are recharged to other companies within the Punter Southall Group.

Included in staff costs were Directors emoluments, as listed below:

	2018 £	2017 £
Aggregate emoluments	<u>2,589,523</u>	<u>4,214,119</u>
Highest paid Director	<u>791,351</u>	<u>1,862,787</u>

None of the Directors opted to have their pension contributions paid into their personal pension arrangements during the current and previous year. One Director exercised share options during the year (2017: 3).

**6. Interest and similar items**

	2018 £	2017 £
<i>Interest income and similar items includes:</i>		
Other interest receivable	5,128	352
Interest receivable from Group undertakings	<u>250,742</u>	<u>-</u>
	<u>255,870</u>	<u>352</u>

Interest receivable from Group undertakings relates to a loan of £6,000,000 granted to Punter Southall Group Limited by the Company during 2018. Interest was charged at a rate of 4% plus the 3 month Libor and is repayable on one months notice. The balance of the loan receivable at year end is £6,250,742 (2017:£nil).

	2018 £	2017 £
<i>Interest charges and similar items includes:</i>		
Other finance charges	<u>-</u>	<u>5,710</u>
Bank charges	<u>2,931</u>	<u>2,972</u>

**BONNEYSAVE LIMITED****Annual report and financial statements 2018****Notes to the financial statements for the year ended 31 December 2018 *continued*****7. Taxation on profit/(loss) on ordinary activities**

	2018 £	2017 £
<b>Deferred tax</b>		
Current year	244,626	92,357
Adjustment in respect of prior periods	(454,672)	126,490
Total tax (credit)/charge for the year	<u>(210,046)</u>	<u>218,847</u>

The tax (credit)/charge can be reconciled to the loss for the year as follows:

Profit/(loss) on ordinary activities before tax	1,612,248	(9,806)
Profit/ (loss) before tax multiplied by the effective rate of corporation tax in the UK of 19% (2017: 19.25%)	306,327	(1,888)
<b>Effects of:</b>		
Expenses not deductible for tax purposes	-	1,099
Transfer pricing adjustments	131,134	105,370
Prior year adjustment	(454,672)	126,490
Relief on exercise of share options	(164,056)	-
Movement in temporary differences	(28,779)	(12,224)
Total tax (credit)/charge for year	<u>(210,046)</u>	<u>218,847</u>

Reconciliation of the deferred tax asset:

	Short-term timing differences £	Losses £	Total £
As at 1 January 2017	9,263	523,416	532,679
Charge through the income statement	(1,334)	(217,513)	(218,847)
<b>As at 31 December 2017</b>	<b>7,929</b>	<b>305,903</b>	<b>313,832</b>
(Charge)/credit through the income statement	(2,019)	212,065	210,046
<b>As at 31 December 2018</b>	<b><u>5,910</u></b>	<b><u>517,968</u></b>	<b><u>523,878</u></b>

**BONNEYSAVE LIMITED****Annual report and financial statements 2018****Notes to the financial statements for the year ended 31 December 2018 *continued*****8. Debtors**

	2018 £	2017 £
<b><i>Debtors due within one year</i></b>		
Amounts due from Group undertakings	12,583,312	4,846,716
Other debtors	94,439	10,938
Prepayments and accrued income	4,229	-
	<u>12,681,980</u>	<u>4,857,654</u>
<b><i>Debtors due after more than one year</i></b>		
Deferred tax (note 7)	523,878	313,832
	<u>13,205,858</u>	<u>5,171,486</u>

***Trade receivables under IFRS 9***

IFRS 9 Financial Instruments replaces IAS 39 Financial Instruments: Recognition and Measurement for periods beginning on or after 1 January 2018, bringing together all three aspects of accounting for financial instruments: classification and measurement; impairment; and hedge accounting.

As the Company had no trade receivables in the current or prior year the application of this new standard in the current year has had no impact and no material adjustments were required in the current or prior year. The transition to the new standard is complete; however, the Company will continue to monitor emerging developments and interpretations of the new standard.

**9. Creditors: amounts falling due within one year**

	2018 £	2017 £
Amounts due to Group undertakings	29	16
Taxation and social security	699,445	331,938
	<u>699,474</u>	<u>331,954</u>

**10. Share capital**

	2018 £	2017 £
<b>Authorised</b>		
1,000 ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
<b>Allotted, called up and fully paid</b>		
3 ordinary shares of £1 each	<u>3</u>	<u>2</u>

On 18 January 2018 the company issued 1 ordinary share with a nominal value of £1 at a premium of £8,699,999.

**BONNEYSAVE LIMITED****Annual report and financial statements 2018****Notes to the financial statements for the year ended 31 December 2018 *continued***

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**11. Reserves**

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

<u>Reserve</u>	<u>Description and purpose</u>
Share capital	Nominal value of share capital subscribed for.
Share premium	Amount subscribed for share capital in excess of nominal value.
Retained earnings	Net gains and losses and transactions with owners not recognised elsewhere.
Retirement benefit reserve	Reserve movement created on acquisition of the defined benefit plan.

**12. Post-employment benefit scheme**

The pension scheme is a defined benefit scheme in the UK which provides both pensions in retirement and death benefits to members. Pension benefits are related to the members' final salary at retirement and their length of service.

The Scheme is closed to new members and to future accruals of benefits. Company contributions to the Scheme for the year ending 31 December 2019 are expected to be £240,000.

The Scheme is exposed to a number of risks, including:

- *Investment risk:* the return on the Scheme's assets being lower than assumed, resulting in an unaffordable increase in the required Company contribution rate, or falls in asset values not being matched by similar falls in the value of liabilities.
- *Inflation risk:* inflation being higher than assumed, resulting in an increase in the value of the member's benefits and therefore a higher cost to the Scheme.
- *Longevity risk:* changes in the estimation of mortality rates for current and future pensioners.
- *Selection risk:* the potential exercise (by members or others) of options against the Scheme, for example taking early retirement or exchanging a portion of pension for a cash lump sum.

An actuarial valuation of the Scheme was carried out as at 31 December 2018, based on membership at 31 December 2017, updated to take account of benefit outgo since 31 December 2017, using actuarial assumptions at 31 December 2018.

**BONNEYSAVE LIMITED****Annual report and financial statements 2018****Notes to the financial statements for the year ended 31 December 2018 *continued*****12. Post-employment benefit scheme *continued***

The major assumptions used by the actuary were (in nominal terms) as follows:

The major assumptions used by the actuary were:

	As at 31 Dec 2018	As at 31 Dec 2017
Discount rate	3.0%	2.5%
Inflation assumption (RPI)	3.5%	3.5%
Inflation assumption (CPI)	2.5%	2.7%
LPI pension increases	3.2%	3.2%

The assumptions used by the actuary are best estimates chosen from a range of possible actuarial assumptions which, due to the timescale covered, may not necessarily be borne out in practice.

Assumed life expectancies on retirement at age 65 years are:

	As at 31 Dec 2018	As at 31 Dec 2017	As at 6 Dec 2017
Retired today - Males	23.2	23.3	23.3
Retired today - Females	24.4	24.4	24.4
Retiring in 20 years time - Males	24.3	24.4	24.4
Retiring in 20 years time - Females	25.6	25.7	25.7

The weighted-average duration of the defined benefit scheme at 31 December 2018 was 25 years (2017: 27 years).

The assets in the Scheme were:

	Fair value at 31 Dec 2018 £	Fair value at 31 Dec 2017 £	Fair value at 6 Dec 2017 £
Equities & property	3,577,111	3,095,000	3,020,000
Fixed interest	1,243,548	1,005,000	1,051,000
Index Linked Gilts	1,114,617	908,000	808,000
Derivatives	3,480,887	2,036,000	1,729,000
Other – cash	424,124	531,000	766,000
Total fair market value of assets	9,840,287	7,575,000	7,374,000

The actual return on assets over the period was: (86,022) 750,071 270,885

Present value of funded obligations	(8,522,911)	(10,334,000)	(10,041,000)
Fair value of scheme assets	9,840,287	7,575,000	7,374,000
Surplus/(deficit) in funded scheme	1,317,376	(2,759,000)	(2,667,000)

Net asset/(liability) recognised in balance sheet before tax	1,317,376	(2,759,000)	(2,667,000)
Related deferred tax (liability)/asset	(223,954)	469,030	453,390
Net asset/(liability) in balance sheet after tax	1,093,422	(2,289,970)	(2,213,610)

**BONNEYSAVE LIMITED****Annual report and financial statements 2018****Notes to the financial statements for the year ended 31 December 2018 *continued*****12. Post-employment benefit scheme *continued***

Reconciliation of opening and closing balances of the present value of the defined benefit obligation:

	2018 £	2017 £
Benefit obligation at 1 January 2018:	10,334,000	10,041,000
Finance cost	251,037	21,499
Net remeasurement (gains)/losses - financial	(1,351,314)	271,722
Net remeasurement (gains) - demographic	(44,009)	-
Net remeasurement (gains) - experience	(108,112)	709
Benefits paid	(588,691)	(930)
Past Service cost	30,000	-
Defined benefit of obligation at 31 December	<u>8,522,911</u>	<u>10,334,000</u>

Reconciliation of opening and closing balances of the fair value of scheme assets:

	2018 £	2017 £
Fair value of scheme assets at 1 January 2018:	7,575,000	7,374,000
Finance income on Scheme assets	255,562	15,789
Return on assets, excluding interest income	(341,584)	186,141
Contributions by employers	2,940,000	-
Benefits paid	(588,691)	(930)
Fair value of Scheme assets at 31 December	<u>9,840,287</u>	<u>7,575,000</u>

The amount recognised in the income statement:

	2018 £	2017 £
Service cost - administrative cost	30,000	-
Net interest on the net defined benefit liability	(4,525)	5,710
Total expense	<u>25,475</u>	<u>5,710</u>

Remeasurement of the net defined benefit (asset)/liability to be shown in the statement of comprehensive income:

	2018 £	2017 £
Net remeasurement - financial	(1,351,314)	271,722
Net remeasurement - demographic	(44,009)	-
Net remeasurement - experience	(108,112)	709
Return of assets, excluding interest income	341,584	(186,141)
Total remeasurement to be shown in OCI	<u>(1,161,851)</u>	<u>86,290</u>

**BONNEYSAVE LIMITED****Annual report and financial statements 2018****Notes to the financial statements for the year ended 31 December 2018 *continued*****12. Post-employment benefit scheme *continued****Sensitivity analysis*

A sensitivity analysis of the principal assumptions used to measure the scheme liabilities is described below. Extrapolation of the sensitivity analysis beyond the ranges shown may not be appropriate.

	<b>Change in assumption</b>	<b>Impact of scheme liabilities 31/12/2018</b>
Discount rate	<b>Increase by 0.25%</b>	Decrease by £505,000
Rate of inflation (RPI)*	<b>Increase by 0.25%</b>	Increase by £504,000
Assumed future improvements in mortality	<b>Increase long-term rate by 0.5%</b>	Increase by £225,000

Extrapolation of the sensitivity analysis beyond the ranges shown may not be appropriate.

\*With corresponding changes to the salary, CPI and pension increase assumptions.

**13. Related party transactions**

As disclosed in note 1 the Company has taken the exemption under FRS 101 not to disclose transactions with wholly-owned subsidiaries included in the consolidated statements of the ultimate Parent Company, Punter Southall Group Limited.

During the year the Company provided payroll services to other related parties of £nil (2017: £1,579,004).

	<b>2018 £</b>	<b>2017 £</b>
Punter Southall Governance Services Limited	-	1,579,004

The Company did not pay any administration costs to other related parties (2017: £nil).

The following balances were receivable/(owed to) at 31 December:

	<b>2018 £</b>	<b>2017 £</b>
XPS Pensions Limited (formerly Punter Southall Limited)	-	(12,898)
Punter Southall Governance Services Limited	-	37,154
Punter Southall Health and Protection Limited	(29)	(16)
Red Arc Assurance Limited	-	78

Apart from XPS Pensions Limited which was sold during the year, all companies listed above are part of the Punter Southall Group, of which Punter Southall Group Limited is the ultimate Parent Company.

**BONNEYSAVE LIMITED**

**Annual report and financial statements 2018**

**Notes to the financial statements for the year ended 31 December 2018 *continued***

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**14. Immediate and ultimate Parent Company**

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

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