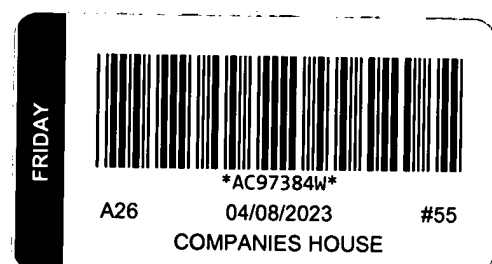


PUNTER SOUTHALL SERVICES LIMITED

**Annual report and financial statements for the year ended
31 December 2022**

Registered number: 02829972



PUNTER SOUTHALL SERVICES LIMITED
Annual report and financial statements 2022
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PUNTER SOUTHALL SERVICES LIMITED
Annual report and financial statements 2022
Directors and advisors for the year ended 31 December 2022

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

PUNTER SOUTHALL SERVICES LIMITED
Annual report and financial statements 2022
Directors report for the year ended 31 December 2022

The Directors present the Directors' report and the audited financial statements of Punter Southall Services Limited for the year ended 31 December 2022.

Overview

Punter Southall Services 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 £18,398,120 and a profit after tax of £264,509 (2021: £6,868,970 turnover and £170,750 profit 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.

Going concern

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. The Directors have prepared projections to 31 December 2025. These projections have been prepared using assumptions which the Directors consider to be appropriate to the current financial position of the Company as regards to current expected revenues and its cost base, and the Company's investments, borrowing and debt repayment plans. These projections are subject to regular stress testing over a three year time period.

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.

PUNTER SOUTHALL SERVICES LIMITED
Annual report and financial statements 2022
Directors report for the year ended 31 December 2022

Dividends

The Directors did not recommend the payment of a dividend for the current year (2021: £nil).

Qualifying third party indemnity provisions

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

Directors

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

M Batheja
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.

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.

PUNTER SOUTHALL SERVICES LIMITED
Annual report and financial statements 2022
Directors report for the year ended 31 December 2022

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: 2 August 2023

PUNTER SOUTHALL SERVICES LIMITED
Annual report and financial statements 2022
Independent auditor's report to the members of Punter Southall Services Limited

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Punter Southall Services Limited ("the Company") for the year ended 31 December 2022 which comprise the income statement and statement of comprehensive income, the statement of financial position, the statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 *Reduced Disclosure Framework* (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

Other information

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

PUNTER SOUTHALL SERVICES LIMITED

Annual report and financial statements 2022

Independent auditor's report to the members of Punter Southall Services Limited

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

We have nothing to report in this regard.

Other Companies Act 2006 reporting

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.

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 Directors' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.
- the Directors were not entitled to prepare the financial statements in accordance with the small companies' regime and 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 determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an

PUNTER SOUTHALL SERVICES LIMITED

Annual report and financial statements 2022

Independent auditor's report to the members of Punter Southall Services Limited

audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the legal and regulatory framework applicable to the entity. We determined that the most significant regulations which are directly relevant to specific assertions in the financial statements are those related to the reporting framework (Financial Reporting Standard 101 Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice)) as well as those resulting from being authorised by the Financial Conduct Authority to undertake regulated activities.
- We enquired of management to identify how the entity is complying with those legal and regulatory frameworks and whether there were any known instances of non-compliance, or any actual, suspected or alleged fraud. We corroborated our enquiries through review of board minutes.
- We assessed the risk of susceptibility of the entity's financial statements to material misstatement, including how fraud might occur and determined the principle risks related to revenue recognition.
- We considered the entity's control environment that has been established to prevent, detect and deter fraud, in particular in relation to the appropriateness of revenue recognition and accrued income.
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments in the general ledger and evaluated the business rationale of any significant transactions that were unusual or outside the normal course of business.
- We communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and discussed how and where these might occur and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

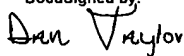
Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by,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

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

PUNTER SOUTHALL SERVICES LIMITED
Annual report and financial statements 2022
Independent auditor's report to the members of Punter Southall Services Limited

Use of our report

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

DocuSigned by:

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Daniel Taylor (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
London, UK

02 August 2023

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

PUNTER SOUTHALL SERVICES LIMITED
Annual report and financial statements 2022
Income statement and statement of comprehensive income for the year ended
31 December 2022

Income statement for the year ended 31 December 2022

	Note	2022 £	2021 £
Turnover	3	18,398,120	6,868,970
Administrative expenses		<u>(18,448,351)</u>	<u>(6,935,686)</u>
Operating loss	4	(50,231)	(66,716)
Interest receivable and similar items	6	352,415	220,168
Interest payable and similar items	6	<u>(1,446)</u>	<u>(2,445)</u>
Profit on ordinary activities before taxation		300,738	151,007
Tax (charge)/credit on profit on ordinary activities	7	<u>(36,229)</u>	<u>19,743</u>
Profit on ordinary activities after taxation		<u>264,509</u>	<u>170,750</u>

Statement of comprehensive income for the year ended 31 December 2022

	Note	2022 £	2021 £
Profit for the year		264,509	170,750
Other comprehensive income			
<i>Items that will not be reclassified to profit or loss</i>			
Actuarial (loss)/gain on pension scheme	12	(1,518,000)	1,544,000
Deferred tax credit/(charge) on pension scheme asset	12	319,250	(455,251)
Total comprehensive income for the year		<u>(934,241)</u>	<u>1,259,499</u>

The notes on pages 12 to 22 form part of these financial statements.

PUNTER SOUTHALL SERVICES LIMITED
Annual report and financial statements 2022
Statement of financial position as at 31 December 2022
Registered number: 02829972

	Note	2022 £	2021 £
Non current assets			
Retirement benefit asset	12	606,000	1,563,750
Deferred tax	7	502,039	538,268
		<u>1,108,039</u>	<u>2,102,018</u>
Current assets			
Debtors	8	14,973,186	12,505,201
Cash and cash equivalents		5,485,953	-
		<u>20,459,139</u>	<u>12,505,201</u>
Total assets		21,567,178	14,607,219
Current liabilities			
Creditors: amounts falling due within one year	9	(12,614,362)	(201,253)
Bank overdraft		-	(4,518,909)
		<u>(12,614,362)</u>	<u>(4,720,162)</u>
Total liabilities		(12,614,362)	(4,720,162)
Net assets		<u>8,952,816</u>	<u>9,887,057</u>
Capital and reserves			
Called up share capital	10	3	3
Share premium		8,699,999	8,699,999
Retirement benefit reserve		(2,213,610)	(2,213,610)
Retained earnings		2,466,424	3,400,665
Total shareholders' funds		<u>8,952,816</u>	<u>9,887,057</u>

The financial statements were approved by the Board and authorised for issue on 2 August 2023.
They were signed on behalf of the Board by:



M Batheja
Director

The notes on pages 12 to 22 form part of these financial statements.

PUNTER SOUTHALL SERVICES LIMITED
Annual report and financial statements 2022
Statement of changes in equity for the year ended 31 December 2022

	Share capital £	Share Premium £	Retirement benefit reserve £	Retained earnings £	Total equity £
Balance as at 1 January 2021	3	8,699,999	(2,213,610)	2,141,166	8,627,558
Profit for the year	-	-	-	170,750	170,750
Actuarial gain on pension scheme	-	-	-	1,544,000	1,544,000
Pensions scheme liability - deferred tax (charge)	-	-	-	(455,251)	(455,251)
Balance as at 31 December 2021	3	8,699,999	(2,213,610)	3,400,665	9,887,057
Profit for the year	-	-	-	264,509	264,509
Actuarial loss on pension scheme	-	-	-	(1,518,000)	(1,518,000)
Pensions scheme liability - deferred tax credit	-	-	-	319,250	319,250
Balance as at 31 December 2022	3	8,699,999	(2,213,610)	2,466,424	8,952,816

The notes on pages 12 to 22 form part of these financial statements.

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 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; and
- 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; and
- fair value measurement.

Going concern

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. The Directors have prepared projections to 31 December 2025. These projections have been prepared using assumptions which the Directors consider to be appropriate to the current financial position of the Company as regards to current expected revenues and its cost base, and the Company's investments, borrowing and debt repayment plans. These projections are subject to regular stress testing over a three year time period.

In the light of these forecasts the Directors consider it appropriate to continue to prepare the financial statements on a going concern basis.

1. Accounting policies *continued*

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.

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.

Punter Southall Services Limited is the Principal Employer of the Stoneport 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.

1. Accounting policies *continued*

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.

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 any provision for impairment. These are assets with fixed or determinable payments, and can include loans made.

Provisions for estimated irrecoverable amounts are recognised within administrative expenses when there is objective evidence that the assets are impaired, and that the Company will be unable to collect all of the amounts due. Evidence can include significant financial difficulties on the part of the counterparty or default or delay in payment. Trade and other receivables are reported net of any provisions and the provision is recorded in a separate allowance account with the loss being recognised within administrative expenses in the consolidated income statement. On confirmation that the asset will not be collectable, the gross carrying value of the asset is written off against the associated provision.

The Company applies the IFRS 9 simplified approach to measuring expected credit losses for trade receivables.

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.

2. Critical accounting estimates and judgements *continued*

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 retirement benefit 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

	2022 £	2021 £
<i>This is stated after charging:</i>		
Staff costs (note 5)	18,398,120	6,868,970
Pension scheme administrations costs (note 12)	39,000	52,000
Professional fees	5,730	6,244
Other general costs	5,501	8,472
	<u>18,448,351</u>	<u>6,935,686</u>

Auditor's remuneration of £13,353 was paid by Punter Southall Group Limited, the UK ultimate Parent Company (2021: £12,421).

5. Staff costs

	2022 £	2021 £
<i>Staff costs (including Directors) consist of:</i>		
Wages and salaries	4,973,301	4,947,766
Employee incentives and bonuses	9,997,877	910,005
Social security costs	2,994,670	614,838
Pension costs	432,272	396,361
	<u>18,398,120</u>	<u>6,868,970</u>

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

PUNTER SOUTHALL SERVICES LIMITED
Annual report and financial statements 2022
Notes to the financial statements for the year ended 31 December 2022

5. Staff costs *continued*

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

	2022 £	2021 £
Aggregate emoluments	<u>6,623,634</u>	<u>1,869,817</u>
Highest paid Director	<u>3,197,916</u>	<u>818,385</u>

None of the Directors opted to have their pension contributions paid into their personal pension arrangements during the current and previous year. No Directors exercised share options during the year (2021: nil).

6. Interest and similar items

	2022 £	2021 £
<i>Interest receivable and similar items includes:</i>		
Other interest receivable	40,000	6,000
Interest receivable from Group undertakings	<u>312,415</u>	<u>214,168</u>
	<u>352,415</u>	<u>220,168</u>

Interest receivable from Group undertakings relates to a loan of £6,000,000 granted to Punter Southall Group Limited by the Company during 2019. Interest was charged at a rate of 4% plus the 3 month Libor and is repayable on one month's notice. The balance of the loan receivable at year end is £6,312,415 (2021: £6,959,868).

	2022 £	2021 £
<i>Interest payable and similar items includes:</i>		
Bank charges	<u>1,446</u>	<u>2,445</u>

PUNTER SOUTHALL SERVICES LIMITED**Annual report and financial statements 2022****Notes to the financial statements for the year ended 31 December 2022****7. Taxation on profit on ordinary activities**

	2022 £	2021 £
Current tax		
Current year	-	-
Deferred tax		
Current year	36,229	96,590
Adjustment in respect of prior periods	-	(116,333)
Total tax charge/(credit) for the year	<u>36,229</u>	<u>(19,743)</u>

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

Profit on ordinary activities before tax	<u>300,738</u>	<u>151,007</u>
Profit before tax multiplied by the effective rate of corporation tax in the UK of 19% (2021: 19%)	57,140	28,691
Effects of:		
Expenses not deductible for tax purposes	(45,790)	(36,860)
Transfer pricing adjustments	66,050	89,606
Prior year adjustment	-	(116,333)
Relief on exercise of share options	(86,679)	(8,029)
Movement in temporary differences	45,508	23,182
Total tax charge/(credit) for year	<u>36,229</u>	<u>(19,743)</u>

Reconciliation of the deferred tax asset:

	Losses £	Total £
As at 1 January 2021	518,525	518,525
(Charge) through the income statement	(96,590)	(96,590)
Prior year adjustment	116,333	116,333
As at 31 December 2021	<u>538,268</u>	<u>538,268</u>
(Charge) through the income statement	(36,229)	(36,229)
As at 31 December 2022	<u>502,039</u>	<u>502,039</u>

PUNTER SOUTHALL SERVICES LIMITED
Annual report and financial statements 2022
Notes to the financial statements for the year ended 31 December 2022

8. Debtors

	2022 £	2021 £
<i>Debtors due within one year</i>		
Amounts due from Group undertakings	14,947,177	12,465,676
Other debtors	26,009	39,525
	<u>14,973,186</u>	<u>12,505,201</u>
<i>Debtors due after more than one year</i>		
Deferred tax (note 7)	502,039	538,268
	<u>15,475,225</u>	<u>13,043,469</u>

Amounts due from Group undertakings comprises of a loan of £6,000,000 (2021: £6,000,000) and interest of £312,415 (2021: £959,868) to its immediate parent, Punter Southall Group Limited. This balance is repayable with 1 month notice. Remainder balances are intercompany balances repayable on demand.

9. Creditors: amounts falling due within one year

	2022 £	2021 £
Trade creditors	263	-
Amounts due to Group undertakings	6,000,000	-
Accruals and deferred income	-	500
Taxation and social security	6,614,099	200,753
	<u>12,614,362</u>	<u>201,253</u>

The Company has a loan payable to group company, PS SIPP Holdings Limited. As at 31 December 2022 the outstanding balance on the loan was £6,000,000 (2021: £nil) which is repayable on demand.

10. Share capital

	2022 £	2021 £
Authorised		
1,000 ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
Allotted, called up and fully paid		
3 ordinary shares of £1 each	<u>3</u>	<u>3</u>

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11. Reserves

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

Reserve	Description and purpose
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

A defined benefit scheme, the Stoneport Pension Scheme, is operated by Punter Southall Services Limited, a subsidiary of Punter Southall Group Limited 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 accrual of benefits. Company contributions to the Scheme for the year ending 31 December 2023 are expected to be £0.1m.

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

- *Investment risk:* The Scheme holds investments in asset classes, such as equities, which have volatile market values and while these assets are expected to provide real returns over the long-term the short-term volatility can cause additional funding to be required if a deficit emerges.
- *Interest rate risk:* The Scheme's liabilities are assessed using market yields on high quality corporate bonds to discount the liabilities. As the Scheme holds assets such as equities the value of the assets and liabilities may not move in the same way.
- *Inflation risk:* A significant proportion of the benefits under the Scheme are linked to inflation. Although the Scheme's assets are expected to provide a good hedge against inflation over the long term, movements over the short-term could lead to deficits emerging.
- *Mortality risk:* In the event that members live longer than assumed a deficit will emerge in the Scheme.

Valuation

An actuarial valuation of the Scheme was carried out as at 31 December 2022, based on membership at 31 December 2019, updated to take account of benefit outgo since 31 December 2019, using actuarial assumptions at 31 December 2022. The major assumptions used by the actuary were (in nominal terms) as follows:

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	As at 31 Dec 2022	As at 31 Dec 2021
Discount rate	4.80%	1.85%
Inflation assumption (RPI)	3.35%	3.40%
Inflation assumption (CPI) – Pre 2030	2.35%	2.40%
Inflation assumption (CPI) – Post 2030	3.35%	3.40%
LPI pension increases	3.20%	3.25%

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:

	2022	2021	2020
Retired today - Males	23.3	23.3	23.3
Retired today - Females	24.6	24.6	24.5
Retiring in 20 years time - Males	24.4	24.3	24.3
Retiring in 20 years time - Females	25.8	25.8	25.7

The weighted-average duration of the defined benefit scheme at 31 December 2022 was 19 years (2021: 25 years).

The assets in the Scheme were:

	Fair value at 31 Dec 2022 £'000	Fair value at 31 Dec 2021 £'000	Fair value at 31 Dec 2020 £'000
Equities and property	-	3,181	3,017
Fixed interest bonds	-	1,634	1,602
LDI (Liability Driven Investment)	3,322	6,061	6,309
Index linked bonds	-	156	146
Derivatives	2,244	-	-
Alternatives	-	947	880
Other – cash	1,677	1,687	652
Total fair market value of scheme assets	7,243	13,666	12,606
The actual return on assets over the period was:	(6,548)	1,018	1,653
Present value of funded obligations	(6,435)	(11,581)	(12,259)
Fair value of scheme assets	7,243	13,666	12,606
Surplus in funded scheme	808	2,085	347
Net asset recognised in balance sheet before tax	808	2,085	347
Related deferred tax (liability)	(202)	(521)	(66)
Net asset in balance sheet after tax	606	1,564	281

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12. Post-employment benefit scheme *continued*

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

	2022 £'000	2021 £'000
Benefit obligation at 1 January:	11,581	12,259
Finance cost	214	158
Net remeasurement (gains) - financial	(5,836)	(684)
Net remeasurement (gains) - demographic	-	(6)
Net remeasurement losses - experience	552	-
Benefits paid	(76)	(146)
Defined benefit of obligation at 31 December	<u>6,435</u>	<u>11,581</u>

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

	2022 £'000	2021 £'000
Fair value of scheme assets at 1 January:	13,666	12,606
Finance income on Scheme assets	254	164
Return on assets, excluding interest income	(6,802)	854
Contributions by employers	240	240
Scheme administrative costs	(39)	(52)
Benefits paid	(76)	(146)
Fair value of Scheme assets at 31 December	<u>7,243</u>	<u>13,666</u>

The amount recognised in the income statement:

	2022 £'000	2021 £'000
Administration costs	39	52
Net interest on the net defined benefit asset	(40)	(6)
Total expense	<u>(1)</u>	<u>46</u>

Remeasurement of the net defined benefit asset to be shown in the statement of comprehensive income:

	2022 £'000	2021 £'000
Net remeasurement - financial	(5,836)	(684)
Net remeasurement - demographic	-	(6)
Net remeasurement - experience	552	-
Loss/(return) on assets, excluding interest income	6,802	(854)
Total remeasurement to be shown in OCI	<u>1,518</u>	<u>(1,544)</u>

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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.

	<i>Change in assumption</i>	<i>Impact on scheme liabilities 31/12/2022</i>	<i>Impact of scheme liabilities 31/12/2021</i>
	<i>Increase by</i>	<i>Decrease by</i>	<i>Decrease by</i>
<i>Discount rate</i>	<i>0.5%</i>	<i>£584,000</i>	<i>£690,000</i>
	<i>Increase by</i>	<i>Increase by</i>	<i>Increase by</i>
<i>Rate of inflation (RPI)*</i>	<i>0.5%</i>	<i>£443,000</i>	<i>£583,000</i>
	<i>Increase long- term rate by</i>	<i>Increase by</i>	<i>Increase by</i>
<i>Assumed future improvements in mortality</i>	<i>0.5%</i>	<i>£108,000</i>	<i>£339,000</i>

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.

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.