

**LONDON & COLONIAL SERVICES LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**Year Ended 31 December 2021**

**Registered number 02966313**



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**COMPANY INFORMATION**  
**For the Year Ended 31 December 2021**

**DIRECTORS:**

D Hatch  
G L Kettleborough  
K D Hogg

**REGISTERED OFFICE:**

1<sup>st</sup> Floor,  
21 Perrymount Road  
Haywards Heath  
West Sussex  
England  
RH16 3TP

**REGISTERED NUMBER:**

02966313 (England & Wales)

**AUDITOR:**

Deloitte LLP  
Hanover Building  
Corporation Street  
Manchester  
M4 4AH  
United Kingdom

**DIRECTORS' REPORT**

London & Colonial Services Limited is a private limited company limited by shares.

The Directors present their report with the financial statements of the company for the year ended 31 December 2021. The report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

**Principal activity**

The principal activity of the company in the period under review was that of pension trustees and administrators.

**Going concern basis of accounting**

These financial statements have been prepared on a going concern basis, as it is the Directors' opinion that the Company will be able to meet all liabilities as they fall due. This opinion is derived at from financial and cash projections for the forthcoming twelve months from the date of approval of these financial statements.

**Directors**

The Directors shown below have held office during the year and to date of this report as follows:

D Hatch  
G L Kettleborough  
K D Hogg

**Proposed Dividend**

The directors do not recommend payment of a dividend (2020: £nil).

**Donations**

The directors confirm that no charitable or political donations have been made.

**Statement as to disclosure of information to auditor**

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditor are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditor are aware of that information

**Auditor**

Pursuant to Section 487 of the Companies Act 2006, the retiring auditor are Deloitte LLP, who being eligible have expressed their willingness to continue in office for the following year.

Approved and authorised for issue by the Board on 27th April 2022, and signed on its' behalf by:



D Hatch  
Director



G L Kettleborough  
Director

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

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent auditor's report to the members of London and Colonial Services Limited

Report on the audit of the financial statements

#### Opinion

In our opinion the financial statements of London and Colonial Services Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31st December 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the statement of comprehensive income;
- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 14.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

#### 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 Financial Reporting Council's (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

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 other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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.

Independent auditor's report to the members of London and Colonial Services Limited (continued)

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 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.

#### Responsibilities of directors

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

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

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

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 on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

#### Extent to which the audit was considered 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 considered the nature of the company's industry and its control environment and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management and those charged with governance about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory framework that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act of 2006; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty.

Independent auditor's report to the members of London and Colonial Services Limited (continued)

We discussed among the audit engagement team including relevant internal specialists such as IT and industry specialists regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud in the following areas, and our specific procedures performed to address it are described below:

- Key management estimates on liquidity of underlying assets and recoverability of outstanding fees have significant impacts on the provisioning level: in addressing this risk of fraud we have tested samples of trade debtors to verify and conclude that the underlying investments held by these debtors are sufficient to ensure recoverability of the outstanding fees.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and those charged with governance, and external legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance and reviewing internal audit report, and reviewing correspondence with HMRC and the FCA.

Report on other legal and regulatory requirements

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.

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 any material misstatements in the directors' report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters 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 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.

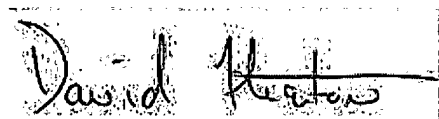
We have nothing to report in respect of these matters.



Independent auditor's report to the members of London and Colonial Services Limited (continued)

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.

A handwritten signature in black ink, reading "David Heaton", enclosed within a rectangular border.

David Heaton (Senior statutory auditor)  
For and on behalf of Deloitte LLP  
Statutory Auditor  
Manchester, United Kingdom

27 April 2022

**INCOME STATEMENT****For the year ended 31 December 2021**

	Notes	31 December 2021 £	31 December 2020 £
<b>TURNOVER</b>	2	1,744,614	1,624,892
Cost of sales		(19,850)	(16,052)
<b>GROSS PROFIT</b>		1,724,764	1,608,840
Administrative expenses	3,4	(1,672,018)	(1,516,380)
<b>PROFIT BEFORE INTEREST AND TAXATION</b>		52,746	92,460
Interest receivable and similar income		2,010	61,109
<b>PROFIT BEFORE TAXATION</b>		54,756	153,569
Tax on profit	5	(10,404)	(27,642)
<b>PROFIT FOR THE FINANCIAL YEAR</b>		44,352	125,927

All the activity is from continuing operations and there were no recognised gains or losses other than as disclosed above, therefore no Statement of Total Comprehensive Income has been disclosed.

The notes on pages 11 to 18 form part of these accounts.

**STATEMENT OF FINANCIAL POSITION**  
**At 31 December 2021**

	Notes	31 December 2021 £	31 December 2020 £
<b>FIXED ASSETS</b>			
Tangible assets	6	--	--
<b>CURRENT ASSETS</b>			
Debtors	7	696,508	1,143,620
Cash at bank and in hand		2,160,507	2,013,272
		<u>2,857,015</u>	<u>3,156,892</u>
<b>CREDITORS</b>			
Amounts falling due within one year	8	518,525	480,482
Provisions for liabilities	9	12,693	394,965
<b>NET CURRENT ASSETS</b>		<u>2,325,797</u>	<u>2,281,445</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>2,325,797</u>	<u>2,281,445</u>
<b>CREDITORS</b>			
Amounts falling due after more than one year		--	--
<b>NET ASSETS</b>		<u><u>2,325,797</u></u>	<u><u>2,281,445</u></u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	11	1,000,100	1,000,100
Share premium account		882	882
Profit and loss account		1,324,815	1,280,463
<b>EQUITY SHAREHOLDER'S FUND</b>		<u><u>2,325,797</u></u>	<u><u>2,281,445</u></u>

The financial statements on pages 8 to 18 were approved by the Board of directors on 27 April 2022 and were signed on its behalf by:



D Hatch



G L Kettleborough

The notes on pages 11 to 18 form part of these accounts.

**STATEMENT OF CHANGES IN EQUITY****For the year ended 31 December 2021**

	<b>Called up share capital £</b>	<b>Profit and loss account £</b>	<b>Share premium £</b>	<b>Totals £</b>
<b>Balance At 1 January 2020</b>	1,000,100	1,154,701	882	2,155,683
Profit for the year	–	125,927	–	125,927
<b>At 31 December 2020</b>	<u>1,000,100</u>	<u>1,280,463</u>	<u>882</u>	<u>2,281,445</u>

	<b>Called up share capital £</b>	<b>Profit and loss account £</b>	<b>Share premium £</b>	<b>Totals £</b>
<b>Balance At 1 January 2021</b>	1,000,100	1,280,463	882	2,281,445
Profit for the year	–	44,352	–	44,352
<b>At 31 December 2021</b>	<u>1,000,100</u>	<u>1,324,815</u>	<u>882</u>	<u>2,325,797</u>

The notes on pages 11 to 18 form part of these accounts.

**NOTES TO THE 2021 FINANCIAL STATEMENTS****1. ACCOUNTING POLICIES**

London and Colonial Services Limited ("the Company") is a private company limited by shares and incorporated and domiciled in England. The principal activity of the company in the period under review was that of pension trustees and administrators. The registered number is 02966313 and the registered office address is Rockwood House, 9-17 Perrymount Road, Haywards Heath, West Sussex, RH16 3TW.

**Statement of compliance**

These financial statements were prepared in accordance with Financial Reporting Standards 102 *The Financial Reporting Standard* applicable in the UK and Republic of Ireland ("FRS 102"). The amendments to FRS 102 issued in December 2020 and effective immediately have been applied. The presentation currency of these financial statements is sterling, being the Company's functional currency. All amounts in the financial statements have been rounded to the nearest £1. The Company qualifies as a small company according to the Companies Act 2006 and applies the requirements of FRS 102 Section 1A *Small entities*.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

**Going concern basis of accounting**

These financial statements have been prepared on a going concern basis, as it is the Directors' opinion that the Company will be able to meet all liabilities as they fall due. This opinion is derived from financial and cash projections for the forthcoming twelve months from the date of approval of these financial statements.

**Measurement convention**

The accounts have been prepared under the historical cost convention. The accounting policies set out below the applicable legislation in accordance with FRS 102.

**Turnover**

Revenue is derived from the amounts earned for pension trustee and administration services and is recognised in the income statement in proportion to the stage of completion of the services at the reporting date on an accruals basis.

Revenue in respect of pension products is split between the establishment fee and the management fee. The establishment fee is recognised in full at the time of processing the application so as to reflect the completion of the performance obligation such as processing their application and setting up the pension. The management fees, which are billed annually, cover both the provision of trustee services and the administration of the pension funds. The current treatment of these fees, based on the existing profile of the client portfolio, is to recognise 50% at the time of charging and to defer the balance over the year of each policy as each of the performance obligations are satisfied.

Interest receivable & similar income reflects interest earned on all bank accounts by the Company in respect of pension trustee and administration services.

**Depreciation**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful or, if held under a finance lease, over the lease term, whichever is the shorter.

Improvements to property - over the unexpired term of lease  
Computer equipment - 20% on cost

**Current tax**

Current tax is the expected tax payable on the taxable income for the year using enacted tax rates, updated for previous period adjustments.

**NOTES TO THE 2021 FINANCIAL STATEMENTS continued****1. ACCOUNTING POLICIES continued****Deferred tax**

Deferred tax is recognised balance sheet date in respect of all timing differences that have originated but not reversed at the balance sheet date.

**Hire purchase and leasing commitments****Company as a lessee**

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability.

**Company as a lessee**

Rentals paid under operating leases are charged to the profit and loss account on a straight-line basis over the period of the lease.

**Trade debtors**

Trade debtors have maturity dates of three months or less, and are not normally constrained by their maturity date.

**Cash and cash equivalents**

Cash and cash equivalents' include cash balances with banks and, demand and short term deposits which are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in their fair value. Cash and cash equivalents are carried at amortised cost in the statement of financial position

**Financial Instruments**

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions of the instrument. Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. All financial assets and liabilities are initially measured at transaction price (including transaction costs). Debt instruments are subsequently measured at amortised cost using the effective interest method. Debt instruments that have no stated interest rate and are classified as creditor or debtor within one year are initially measured at an undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

**Cash flow statement and related party disclosures**

The Company's ultimate parent company is STM Group Plc, and the Company is included in the consolidated financial statements of STM Group Plc, which are publicly available. Consequently, the Company has taken advantage of the exemption from preparing a cash flow statement under the terms of FRS 102. The Company is also exempt under the terms of FRS 102 from disclosing related party transactions with entities that are part of the STM Group Plc.

**Disputes and potential legal matters**

The Company may at times be involved in disputes arising in the ordinary course of business. In accordance with applicable accounting requirements, the Company provides for potential losses that may arise out of these disputes when the potential losses are probable and estimable. Disputes in respect of legal matters are subject to many uncertainties and the outcome of individual matters cannot be predicted with certainty. The amount of any such provision is based on a best estimate of the expenditure required to settle this. There may be occasions when a potential loss is probable but difficult to quantify therefore a contingent liability would be disclosed.

**NOTES TO THE 2021 FINANCIAL STATEMENTS continued****Critical Accounting Judgements and Estimates**

In the application of the Company's accounting policies, which are described above, the directors are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

**Critical judgements in applying the Company's accounting policies**

The following are the critical judgements, apart from those involving estimations (which are dealt with separately below), that the directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

- Revenue recognition - The management fees, which are billed annually, cover both the provision of trustee services and the administration of the pension funds. The current treatment of these fees, based on the existing profile of the client portfolio, is to recognise 50% at the time of charging and to defer the balance over the year of each policy as each of the performance obligations are satisfied. This split is assessed annually.
- Provision for liabilities – Refer note 9 and note 14
- Impairment of debtors – Trade debtors are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss as described below.

**Key source of estimation uncertainty**

There are no key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

**NOTES TO THE 2021 FINANCIAL STATEMENTS continued**
**2. TURNOVER**

	<b>31 December 2021 £</b>	<b>31 December 2020 £</b>
Turnover from pension trustee and administration services	<b>1,744,614</b>	1,624,892
Total Turnover	<b><u>1,744,614</u></b>	<u>1,624,892</u>

**3. STAFF COSTS**

There were staff costs for the period ended 31 December 2021 of £17,598 (2020: £91,314). Non-Executive Director fees of £17,598 (paid to STM Group Plc) were incurred.

**4. PROFIT BEFORE INTEREST AND TAXATION**

The profit before interest and taxation is stated after charging:

	<b>2021 £</b>	<b>2020 £</b>
Depreciation – Assets on finance leases	--	1,175
Auditors' remuneration – Client assets	<b>46,000</b>	42,000
Auditors' remuneration – for audit of these financial statements	<b><u>21,109</u></b>	<u>17,637</u>

**5. TAXATION**

Recognised in the profit and loss account.

The tax charge on the profit for the period was as follows:

	<b>2021 £</b>	<b>2020 £</b>
Profit before taxation	54,756	153,569
Profits chargeable to corporation tax	54,756	153,569
Corporation tax for the period at 19% (2020 - 18%)	10,404	27,642
Total current tax charge	<b><u>10,404</u></b>	<u>27,642</u>

**Change in tax rate**

The company is subject to UK tax at an effective rate of 19% (2020 18%). Increases to the rate of UK Corporation tax have been enacted, with the rate being increase to 25% from 1st April 2023



## NOTES TO THE 2021 FINANCIAL STATEMENTS continued

## 6. TANGIBLE FIXED ASSETS

	Computer Equipment £	Totals £
<b>COST</b>		
At 1 January 2020	35,241	35,241
At 31 December 2020	35,241	35,241
At 1 January 2021	35,241	35,241
<b>At 31 December 2021</b>	<b>35,241</b>	<b>35,241</b>

	Computer Equipment £	Totals £
<b>DEPRECIATION</b>		
At 1 January 2020	34,066	34,066
Charge for period	1,175	1,175
At 31 December 2020	35,241	35,241
At 1 January 2021	35,241	35,241
Charge for period	--	--
<b>At 31 December 2021</b>	<b>35,241</b>	<b>35,241</b>

<b>NET BOOK VALUE</b>		
<b>At 31 December 2021</b>	<b>--</b>	<b>--</b>
At 31 December 2020	--	--

## NOTES TO THE 2021 FINANCIAL STATEMENTS continued

## 7. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31 December 2021 £	31 December 2020 £
Trade debtors	51,441	38,850
Receivable due from insurers	--	340,000
Amounts owed by group undertakings	77,815	--
Other debtors	567,252	764,770
	<u>696,508</u>	<u>1,143,620</u>

Amounts owed by group undertakings are transactions with other group companies carried out at arm's length with no fixed repayment terms and repayable on demand. The Company had transactions with Options Personal Pensions LLP £1,136,340 (2020: £653,800) for administration services which were settled during the financial year.

## 8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31 December 2021 £	31 December 2020 £
Deferred income	345,972	342,211
Trade creditors	3,208	7,054
Amounts owed to group undertakings	62,906	34,150
Corporation Tax	40,196	29,790
Accruals	66,243	67,277
	<u>518,525</u>	<u>480,482</u>

## 9. PROVISIONS FOR LIABILITIES

	31 December 2021 £	31 December 2020 £
At 1 <sup>st</sup> January	394,965	--
Charged to profit and loss account	10,344	394,965
Released/unused	(42,188)	--
Utilisation of provision	(350,428)	--
At 31 December	<u>12,693</u>	<u>394,965</u>

Other provisions relate to the best estimate of the consideration required to settle compensation claims. A compensating insurance asset of £nil (2020: £340,000, now settled) is also held (note 7).

**NOTES TO THE 2021 FINANCIAL STATEMENTS continued****10. OPERATING LEASE COMMITMENTS**

	<b>31 December 2021</b>	<b>31 December 2020</b>
	<b>£</b>	<b>£</b>
Due:		
1 Year	<b>20,156</b>	80,624
Between 2-5 Years	<b>--</b>	20,156

The above represent the present value of non-cancellable operating lease payments.

**11. CALLED UP SHARE CAPITAL**

	<b>Redeemable preference shares 2021</b>	<b>Ordinary shares 2021</b>
In issue at 1 January 2021 and at 31 December 2021	<b>1,000,000</b>	<b>100</b>
	<b>=====</b>	<b>=====</b>
	<b>31 December 2021</b>	<b>31 December 2020</b>
	<b>£</b>	<b>£</b>
Allotted, issued and fully paid:		
100 ordinary shares of £1 each	<b>100</b>	<b>100</b>
1,000,000 non-voting, redeemable preference shares of £1 each	<b>1,000,000</b>	<b>1,000,000</b>
	<b>=====</b>	<b>=====</b>
	<b>1,000,100</b>	<b>1,000,100</b>
	<b>=====</b>	<b>=====</b>

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

**12. HOLDING COMPANY**

The Company's parent company is London & Colonial Holdings Ltd incorporated in the United Kingdom. The ultimate holding company is STM Group plc, incorporated in the Isle of Man. The registered address of STM Group Plc is 18 Athol Street, Douglas, Isle of Man. The consolidated financial statements of STM Group plc are available to the public and may be obtained from [www.stmgroupplc.com](http://www.stmgroupplc.com) <<http://www.stmgroupplc.com>>.

The largest and smallest group on which the results of the Company are consolidated is that headed by STM Group plc.

**NOTES TO THE 2021 FINANCIAL STATEMENTS continued****13. RELATED PARTY TRANSACTIONS**

The company has taken advantage of the exemption conferred by FRS 102 Section 1A not to disclose transactions with group companies.

During the year, no transactions with related parties, other than with group companies, took place.

**14. CONTINGENT LIABILITY**

As required by FRS102, provisions are recorded when there is a present legal or constructive obligation as a result of a past event, for which it is probable that an outflow of economic benefits will be required to settle the obligation, and where a reliable estimate can be made of the amount of the obligation. This requires judgement and the use of assumptions about the likelihood and magnitude of any cash outflow. The Company analyses its exposure based on available information, including consultation with professional indemnity insurers and external legal advisors where appropriate, to assess any potential liability.

The UK SIPP industry is becoming more litigious over non-performing assets. Whilst the Company does not provide financial or investment advice to its customers and is not responsible for the performance of the investments, the Company occasionally receives complaints in relation to these matters as well as others relating to general services provided. Each complaint is dealt with on its merits.

On the basis of present information, amounts already recognised and the availability of insurance coverage, it is the opinion of the Company that the ultimate determination of complaints received to date will not have a material adverse effect on the financial position of the Company. However, it is possible that future results of operations or cash flows for any annual period could be materially affected by an unfavourable resolution of these matters.