

Registered number 3252135

CALA (ESOP) Trustees Limited
Annual report and financial statements
for the year ended 31 December 2020



CALA (ESOP) Trustees Limited

Annual report and financial statements for the year ended 31 December 2020

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CALA (ESOP) Trustees Limited

Directors and advisers

Directors

R A Walbourn

Company secretary

Ledge Services Limited
Johnstone House
52 - 54 Rose Street
Aberdeen, Scotland
AB10 1HA

Registered office

CALA House
54 The Causeway
Staines-upon-Thames
Surrey
TW18 3AX

Independent auditor

KPMG LLP
319 St Vincent Street
Glasgow
G2 5AS

CALA (ESOP) Trustees Limited

Director's report (continued)

The director presents his report and the audited financial statements of the company for the year ended 31 December 2020.

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006 and therefore a strategic report has not been presented.

Principal activities

The principal activity of the company was trustee to the CALA plc Employee Trust. Prior to the acquisition from Legal & General, the company operated the group internal market in which eligible employees may purchase and sell shares in CALA Group Limited. The shares were held by the CALA plc Employee Trust, for which the company is corporate trustee. Following the sale of these shares the director does not anticipate any further activity in the foreseeable future. As a result of this, the director has not prepared the financial statements on a going concern basis. The effect of this is explained in note 1.

Results

The results of the company show no profit or loss for the financial year. (31 December 2019: loss of £20). At 31 December 2020 the company had net assets of £371,100 (31 December 2019: £371,100). The director does not recommend payment of a dividend (31 December 2019: £nil).

Key performance indicators

The director believes that analysis using key performance indicators for the company is not necessary or appropriate for an understanding of the development, performance or position of the company.

Directors

The director of the company at 31 December 2020 and those who served during the year and to the date of signing, except where stated, are shown on page 1.

Principal risks and uncertainties

Due to the limited level of trading undertaken by the company, the director believes that there are no specific risks which require to be reported.

Going concern

The directors do not anticipate any further activity within the company in the foreseeable future. Accordingly, they have not prepared the financial statements on a going concern basis. As a result of the types of assets and liabilities held by the company, no adjustments were necessary to the amounts at which the assets and liabilities are included in these financial statements at 31 December 2020.

CALA (ESOP) Trustees Limited

Director's report (continued)

Coronavirus

The Company has assessed the reasonably plausible downside impacts of the coronavirus to its future financial forecasts and budgets and, given the limited trading activity, is currently not anticipating any significant impacts to its ability to meet its business objectives or to experience a significant operating cash flow impact. The risks of Coronavirus have been mitigated within the business, with risk assessments performed with respect to all stakeholders.

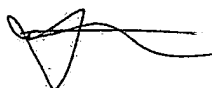
Disclosure of information to auditor

The director who held office at the date of approval of this director's report confirms that, so far as he is aware, there is no relevant audit information of which the Company's auditor is unaware; and that he has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Independent auditor

In accordance with section 487 of the Companies Act 2006, an elective resolution has been passed by shareholders in order to dispense with the need to hold annual general meetings and to appoint auditor annually. KPMG LLP shall therefore continue as auditor to the company.

By order of the board

A handwritten signature in black ink, consisting of a stylized 'V' shape followed by a horizontal line and a small flourish.

For and on behalf of Ledge Services Limited
Company secretary

10 August 2021

CALA (ESOP) Trustees Limited

Director's responsibilities statement

The director is responsible for preparing the annual report, the Director's Report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 *Reduced Disclosure Framework*.

Under company law the director 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 director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so (as explained in note 1 to the financial statements, the director does not believe that it is appropriate to prepare these financial statements on a going concern basis).

The director is 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 him to ensure that the financial statements comply with the Companies Act 2006. He is responsible for such internal control as he determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to him to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Independent auditor's report to the members of CALA (ESOP) Trustees Limited

Opinion

We have audited the financial statements of CALA (ESOP) Trustees Limited ("the company") for the year ended 31 December 2020 which comprise the Profit and loss account, the Balance Sheet as at 31 December 2020, the statement of changes in equity for the year then ended; and the notes to the financial statements, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2020 and of its result for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 *Reduced Disclosure Framework*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Emphasis of matter - non-going concern basis of preparation

We draw attention to the disclosure made in note 1 to the financial statements which explains that the financial statements are now not prepared on the going concern basis for the reason set out in that note. Our opinion is not modified in respect of this matter.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

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

- Enquiring of directors and management as to the Company's high-level policies and procedures to prevent and detect fraud as well as whether they have knowledge of any actual, suspected or alleged fraud; and
- Reading Board minutes.

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

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because we consider that there are limited incentives and opportunities to fraudulently adjust revenue recognized. No other fraud risks were identified throughout the audit.

In determining the audit procedures, we took into account the results of our evaluation and testing of the operating effectiveness of the Company-wide fraud risk management controls. The procedures we performed included the identification of journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included unexpected journal combinations.

Independent auditor's report to the members of CALA (ESOP) Trustees Limited (continued)

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

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

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

The potential effect of these laws and regulations on the financial statements varies considerably. Firstly, the Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: health and safety, anti-bribery, employment law and certain aspects of company legislation recognising the nature of the Company's activities. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and management and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

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

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

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

Director's report

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

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

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

Independent auditor's report to the members of CALA (ESOP) Trustees Limited (continued)

Matters on which we are required to report by exception

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

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

We have nothing to report in these respects.

Director's responsibilities

As explained more fully in their statement set out on page 4, the director is responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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

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

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

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



Deborah Ramsay (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
319 St Vincent Street
Glasgow
G2 5AS
10 August 2021

CALA (ESOP) Trustees Limited

Profit and loss account For the year ended 31 December 2020

	Note	Year to 31 December 2020 £	Year to 31 December 2019 £
Operating expenses		<u>-</u>	<u>(25)</u>
Loss before taxation	2	-	(25)
Tax on loss	4	-	5
Loss for the financial year		<u>-</u>	<u>(20)</u>

All operations are continuing.

There are no recognised gains and losses other than those included in the profit and loss account above and, therefore, no separate statement of other comprehensive income has been presented.

The notes on pages 11-14 form an integral part of these financial statements.

CALA (ESOP) Trustees Limited

Balance sheet At 31 December 2020

	Note	At 31 December 2020 £	At 31 December 2019 £
Current assets			
Debtors		10	10
Cash at bank and in hand		<u>371,090</u>	<u>371,090</u>
Net current assets		<u>371,100</u>	<u>371,100</u>
Capital and reserves			
Called up share capital	5	1	1
Profit and loss account		<u>371,099</u>	<u>371,099</u>
Total shareholders' funds		<u>371,100</u>	<u>371,100</u>

The notes on pages 11-14 form an integral part of these financial statements.

The financial statements of CALA (ESOP) Trustees Limited, registration number: 03252135, were prepared under the small companies regime, were approved by the board of directors on 10 August 2021 and were signed on its behalf by:



R A Walbourn

Director

CALA (ESOP) Trustees Limited

Statement of changes in equity

	Called up share capital £	Profit and loss account £	Total shareholders' funds £
At 31 December 2018	<u>1</u>	<u>371,119</u>	<u>371,120</u>
Loss for the financial year	-	(20)	(20)
At 31 December 2019	<u>1</u>	<u>371,099</u>	<u>371,100</u>
Result for the financial year	-	-	-
At 31 December 2020	<u>1</u>	<u>371,099</u>	<u>371,100</u>

The notes on pages 11-14 form an integral part of these financial statements.

CALA (ESOP) Trustees Limited

Notes to the financial statements

1. Accounting policies

General information

CALA (ESOP) Trustees Limited (the company) is a private company incorporated and domiciled in the United Kingdom under the Companies Act 2006. The address of the registered office is given on page 1. The nature of the company's operations and its principal activities are set out in the director's report on pages 2 to 3.

These financial statements are presented in pounds sterling because that is the currency of the primary economic environment in which the company operates.

Basis of accounting

The financial statements have been prepared on the historical cost basis and on the basis of going concern. Historical cost is generally based on the fair value of the consideration given in exchange for the goods and services. The principal accounting policies adopted are set out below.

The company meets the definition of a qualifying entity under FRS 100 (Financial Reporting Standard 100) issued by the Financial Reporting Council. The financial statements have therefore been prepared in accordance with FRS 101 (Financial Reporting Standard 101) 'Reduced Disclosure Framework' as issued by the Financial Reporting Council and in accordance with the Companies Act 2006.

As permitted by FRS 101, the company has taken advantage of the disclosure exemptions available under that standard in relation to financial instruments, presentation of a cash-flow statement, standards not yet effective, impairment of assets and related party transactions with key management personnel.

Where relevant, equivalent disclosures have been given in the group financial statements of CALA Group (Holdings) Limited. The group financial statements of CALA Group (Holdings) Limited are available to the public and can be obtained as set out in note 6.

Going concern

As noted in the Director's Report, the directors do not anticipate any further activity within the company in the foreseeable future. Accordingly, they have not prepared the financial statements on a going concern basis. As a result of the types of assets and liabilities held by the company, no adjustments were necessary to the amounts at which the assets and liabilities are included in these financial statements at 31 December 2020.

Operating income

The net dealing income is the difference between the selling and acquisition cost of shares and is recognised at the date on which the shares are allocated.

CALA (ESOP) Trustees Limited

Notes to the financial statements (continued)

1. Accounting policies (continued)

Taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the profit and loss account, except to the extent that it relates to items recognised in other comprehensive income or directly in shareholders' funds. In this case, the tax is also recognised in other comprehensive income or directly in shareholders' funds, respectively.

The current tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred taxes assets and liabilities relate to taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Critical accounting judgements and key sources of estimation uncertainty

In applying the company's accounting policies the director has made no individual judgements that have a significant impact upon the financial statements.

2. Loss before taxation

Auditor's remuneration is borne by another group company. Fees in respect of audit services were £3,000 (31 December 2019: £3,000). Fees in respect of taxation services were £nil (31 December 2019: £nil).

CALA (ESOP) Trustees Limited

Notes to the financial statements (continued)

3. Directors and employees

	Year to 31 December 2020 Number	Year to 31 December 2019 Number
The average monthly number of employees during the year was made up as follows:		
Directors	<u>1</u>	<u>1</u>

There were no employment costs during the year (2019 - £nil). Directors' remuneration is borne by CALA Management Limited, a fellow group company. No material qualifying services were provided by the directors to the company during either the current or prior year.

4. Tax on loss

	Year to 31 December 2020 £	Year to 31 December 2019 £
a) Recognised in profit & loss account		
<u>Current tax</u>		
Current year	-	(5)
Total current tax	-	(5)
Total tax credit	-	(5)

b) Reconciliation of effective tax rate

The difference between the tax charge on ordinary activities for the year, reported in the profit and loss account, and the charge that would result from applying the relevant standard rate of tax to the loss before tax, is explained as follows:

	Year to 31 December 2020 £	Year to 31 December 2019 £
Loss for the year	-	(20)
Total tax credit	-	(5)
Loss before taxation	-	(25)
Loss multiplied by the standard rate of corporation tax at 19% (2019: 19%)	-	(5)
Total tax credit for the year	-	(5)

CALA (ESOP) Trustees Limited

Notes to the financial statements (continued)

4. Tax on loss (continued)

c) Tax rates

The UK Budget on 3 March 2021 included an announcement that the corporation tax rate will increase to 25% from 1 April 2023 for certain companies. This increase has not yet been substantively enacted.

Under IAS 12, deferred tax is required to be calculated using rates that have been substantively enacted at the balance sheet date.

Consequently, deferred tax should continue to be calculated at 19% until the 25% tax rate has been substantively enacted, which we expect to occur during Summer of 2021.

In the meantime, the 25% tax rate announcement is a non-adjusting post balance sheet event.

5. Called up share capital

	31 December 2020 £	31 December 2019 £
Allotted, called up and fully paid		
1 (31 December 2019: 1) ordinary share of £1 each	<u>1</u>	<u>1</u>

6. Controlling party

The immediate parent undertaking is CALA Limited.

The intermediate parent company, at which level these financial statements are consolidated, is CALA Group (Holdings) Limited. The consolidated financial statements of CALA Group (Holdings) Limited are available from CALA House, 54 The Causeway, Staines-Upon-Thames, Surrey TW18 3AX.

The ultimate parent company for both of those entities is Legal & General Group Plc. The results of CALA (ESOP) Trustees Limited are included in the Legal & General Group Plc's consolidated financial statements. Copies of the accounts of the ultimate holding company, Legal & General Group Plc, are available, at the Registered Office, One Coleman Street, London, EC2R 5AA, on the group website at www.legalandgeneralgroup.com or from the Company Secretary.