

Police Housing Fund Limited

Annual report and financial statements

for the year ended 31 December 2021

Registered Number 05069158



Police Housing Fund Limited

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Police Housing Fund Limited

Company information

Directors

Joseph Cannavan (appointed 1 July 2022)

Andrew Lynskey

Company Secretary

Royal London Management Services Limited

Registered Office

55 Gracechurch Street

London

EC3V 0RL

Registered in England and Wales

Private limited company – limited by shares

Registered Number

05069158

Police Housing Fund Limited

Strategic report for the year ended 31 December 2021

The directors present their strategic report for Police Housing Fund Limited (the Company) for the year ended 31 December 2021.

Review of the business

The Company is an intermediary holding company within The Royal London Mutual Insurance Society Limited (RLMIS) group of companies.

Total comprehensive income for the year was £8,000,000 (2020: £8,500,000). No dividend has been paid during the year (2020: £7,520,000) and, accordingly, £8,000,000 was transferred to reserves (2020: £980,000).

The net assets of the Company were £12,549,000 (2020: £4,549,000).

Principal risks and uncertainties

The Company forms part of The Royal London Mutual Insurance Society Limited group (the Group). The principal risks and uncertainties facing the Company are integrated with those facing the Group and are not managed separately. The Company operates within the risk management policies and procedures maintained by its ultimate parent company, RLMIS, which are discussed within the risk management note in the Group's annual report and accounts.

Statement of directors' statutory duties in accordance with s172(1) Companies Act 2006

Under section 172(1) of the Companies Act 2006, the directors of a company have a duty to act in a way which promotes the success of a company for the benefit of the members as a whole. The board of directors of the Company, which is a subsidiary company of a larger Group, are committed to maintaining the Company's culture and achieving its purpose which ultimately leads to increasing value for the Company's ultimate parent company, RLMIS. During the year the Company has given due regard to the promotion of the success of the Company through suitable corporate governance procedures, which are also closely aligned to those of the Group, as disclosed below.

Long-term decision making and relationship with customers

The strategic direction of the Company is considered as part of the business planning processes of the wider Group. The board meets on a quarterly basis to review financial and operational performance of the Company.

Interests of the company's employees

As a subsidiary of a larger Group, the Company does not have any employees. All staff engaged in the Company's business are employed by the Company's ultimate parent undertaking, RLMIS. Employees are vital to the success of the Company and RLMIS and further information regarding the Group's approach to its workforce and current year initiatives are disclosed in the Group's annual report and accounts.

Environmental and community impact

The Company is a subsidiary of a larger Group, which gives significant consideration to the impact it has on the environment and communities. Further information about these matters, including the Group's approach to climate change, is detailed and disclosed in the Group's annual report and accounts.

Key performance indicators (KPIs)

The directors are of the opinion that an analysis using KPIs is not necessary for an understanding of the development, performance or position of the business.

Approved by the board and signed on its behalf by



Andrew Lynskey
Director
8 September 2022

Police Housing Fund Limited

Directors' report for the year ended 31 December 2021

The directors present their annual report and unaudited financial statements for the financial year ended 31 December 2021.

Directors

The directors who held office during the year and up to the date of signing the financial statements were:

Joseph Cannavan (appointed 1 July 2022)

Andrew Lynskey

Alice Sweet (resigned 31 July 2022)

Gary Warman (resigned 31 May 2022)

Directors' indemnities

The directors have the benefit of a qualifying third-party indemnity provision (as defined in section 234 of the Companies Act 2006). This provision was in force throughout the financial year and as at the date of approval of the financial statements. The Company's ultimate parent undertaking, RLMIS, also maintains Directors' and Officers' liability insurance in respect of the Company and its directors.

Statement of directors' responsibilities

The directors are responsible for preparing the annual 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 prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102, 'The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland', and applicable law).

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;
- state whether applicable UK Accounting Standards have been followed, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 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 also 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.

Dividends

The directors do not propose the payment of a dividend and no dividends were paid during the year (2020: £7,520,000).

Future outlook

The Company is expected to continue to operate at its current level during the coming year.

Police Housing Fund Limited

Directors' report for the year ended 31 December 2021 (continued)

Subsidiary audit exemption

For the current year the Company has taken advantage of the exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

Approved by the board and signed on its behalf by



Andrew Lynskey
Director
8 September 2022

Police Housing Fund Limited

Statement of comprehensive income for the year ended 31 December 2021

	Note	2021 £000	2020 £000
Income from shares in group undertakings	2	8,000	8,500
Profit before taxation		8,000	8,500
Tax on profit	4	-	-
Profit for the financial year		8,000	8,500
Other comprehensive income, net of tax		-	-
Total comprehensive income for the financial year		8,000	8,500

The notes on pages 10 to 13 form an integral part of these financial statements.

Police Housing Fund Limited

Balance sheet as at 31 December 2021

	Note	2021 £000	2020 £000
Fixed assets			
Investments	5	49	49
Current assets			
Cash at bank and in hand		4,000	-
Debtors	6	8,500	4,500
Net current assets		12,500	4,500
Net assets		12,549	4,549
Capital and reserves			
Called up share capital	7	-	-
Profit and loss account		12,549	4,549
Total shareholders' funds		12,549	4,549

For the year ending 31 December 2021, the Company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

The members have not required the Company to obtain an audit of its accounts for the year in question in accordance with section 476.

The directors acknowledge responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

The financial statements on pages 7 to 13 were approved by the board of directors on 8 September 2022 and signed on its behalf by:



Andrew Lynskey
Director
Police Housing Fund Limited
Registered Number: 05069158

The notes on pages 10 to 13 form an integral part of these financial statements.

Police Housing Fund Limited

Statement of changes in equity for the year ended 31 December 2021

		Share capital	Profit and loss account	Total equity
	Note	£000	£000	£000
At 1 January 2020		-	3,569	3,569
Profit for the financial year		-	8,500	8,500
Dividends paid	8	-	(7,520)	(7,520)
At 31 December 2020		-	4,549	4,549
Profit for the financial year		-	8,000	8,000
Dividends paid	8	-	-	-
At 31 December 2021		-	12,549	12,549

The notes on pages 10 to 13 form an integral part of these financial statements.

Police Housing Fund Limited

Notes to the financial statements for the year ended 31 December 2021

1 Accounting policies

(i) General information

The Company is a private company limited by shares and is incorporated and domiciled in the UK. The address of its registered office is 55 Gracechurch Street, London, EC3V 0RL.

(ii) Basis of preparation

The financial statements of the Company ('the financial statements') have been prepared in accordance with UK accounting standard, Financial Reporting Standard (FRS) 102, 'The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland'. The financial statements are also prepared in compliance with the Companies Act 2006 and under the provisions of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008.

The financial statements have been prepared on a going concern basis under the historical cost convention. The presentation currency of the Company is considered to be pounds sterling because that is the currency of the primary economic environment in which the Company operates.

The Company is a qualifying entity for the purposes of FRS 102 and has taken advantage of the following disclosure exemptions in accordance with FRS 102:

- Financial instruments disclosures and disclosure of valuation techniques and inputs used for fair value measurement of assets and liabilities. Disclosures in accordance with these requirements are included in the consolidated accounts of the Company's ultimate parent, The Royal London Mutual Insurance Society Limited.
- A cash flow statement and related disclosures.
- Key management compensation.

Also, in accordance with FRS 102, the Company does not provide related party transactions between members of the Group provided that any subsidiary that is party to the transaction is wholly-owned by the Group and it does not provide segmental information as it does not have and is not in the process of issuing debt or equity instruments that are traded in a public market.

As permitted by section 400 of the Companies Act 2006, consolidated financial statements have not been prepared because the Company itself is a wholly owned subsidiary of RLMIS, a company incorporated in England and Wales, and is included in the consolidated financial statements of that company.

The principal accounting policies, which have been applied consistently throughout the year, are set out below.

(iii) Going concern

The Company's management has made an assessment of its ability to continue as a going concern and is satisfied that it has the resources to continue in business for the foreseeable future and at least 12 months from the date of signing these financial statements. Furthermore, management is not aware of any material uncertainties which may cast significant doubt upon the Company's ability to continue as a going concern. Accordingly, the directors have prepared the financial statements on a going concern basis.

(iv) Income from shares in group undertakings

Dividends received are recognised when the right to receive payment is established.

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Notes to the financial statements for the year ended 31 December 2021 (continued)

1 Accounting policies (continued)

(v) Fixed asset investments

Investments in subsidiary undertakings are held at cost less provision for diminution in value. Cost comprises the fair value of the consideration paid plus directly attributable and incremental transaction expenses.

(vi) Impairment

The carrying amounts of assets are reviewed at each balance sheet date for any indication of impairment or whenever events or circumstances indicate that their carrying amount may not be recoverable. An impairment loss is recognised if the present value of the estimated future cash flows arising from the asset is lower than the asset's carrying value. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows. Impairment losses are recognised in the income statement.

(vii) Cash at bank and in hand

Cash at bank and in hand comprises cash balances and deposits with a maturity date of three months or less from the acquisition date, which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

(viii) Debtors

Debtors are recognised initially at fair value and subsequently measured at amortised cost. The Company's debtors are held in order to collect contractual cash flows and are solely payments of principal and interest on the principal amount outstanding.

(ix) Use of estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported assets, liabilities, income and expenses. Actual results may differ from these estimates. 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 and in any future periods affected. Information on significant areas of critical judgements in applying accounting policies is described within the significant accounting policies above. There are no significant areas of estimation uncertainty which affect the amounts recognised in the financial statements.

2 Income from shares in group undertakings

	2021 £000	2020 £000
Dividend received on preference shareholding	8,000	8,500

3 Directors' remuneration

The directors received no remuneration in respect of their services to the Company (2020: £nil).

The Company has no employees (2020: none).

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Notes to the financial statements for the year ended 31 December 2021 (continued)

4 Tax on profit

(i) Tax included in profit or loss	2021 £000	2020 £000
UK corporation tax charge at 19% (2020: 19%) on the profit for the year	-	-

(ii) Factors affecting tax charge for the year

The tax assessed for the year is different from the standard rate of corporation tax in the UK of 19% (2020: 19%) applied to the profit before taxation. The differences are explained below:

	2021 £000	2020 £000
Profit before tax	8,000	8,500
Profit multiplied by the standard rate of UK corporation tax at 19% (2020: 19%)	1,520	1,615
Effects of:		
Non-taxable income	(1,520)	(1,615)
Total tax charge for the year	-	-

In the Spring Budget 2021, the UK Government announced that from 1 April 2023 the corporation tax rate would increase to 25%, rather than remaining at 19% as previously enacted. This new law was substantively enacted on 24 May 2021. Deferred taxes at the balance sheet date have been measured using these enacted tax rates and reflected in these financial statements.

(iii) Deferred tax

At 31 December 2021, the Company had an unrecognised deferred tax asset relating to losses carried forward of £1,828,000 (2020: £1,427,000) which has not been recognised due to the uncertainty of future taxable profits against which these losses can be offset.

There was no deferred taxation provided in the financial statements at 31 December 2021 (2020: £nil).

5 Fixed asset investments

	2021 £000	2020 £000
Investment at cost	49	49

The Company owns preference shares in the Pinkerton Segregated account (within Artex SAC Limited) which is incorporated in Bermuda. Its principal activity is the reinsurance of general insurance policies that are arranged by other Group companies.

6 Debtors

	2021 £000	2020 £000
Amounts owed by Group undertakings	8,500	4,500

All amounts owed by Group undertakings are unsecured, interest free and repayable on demand.

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Notes to the financial statements for the year ended 31 December 2021 (continued)

7 Called up share capital

	2021	2020
Allotted, issued and fully paid	£	£
100 (2020: 100) A Ordinary shares of £1 each	100	100

8 Dividends

	2021	2020
	£000	£000
Dividend paid: £nil (2020: £75,200) per £1 ordinary share	-	7,520

9 Ultimate parent undertaking and controlling party

PM Holdings Limited, a Company incorporated in England and Wales is the immediate Parent undertaking. The Royal London Mutual Insurance Society Limited (RLMIS), a Company registered in England and Wales, is the ultimate parent undertaking and controlling party.

RLMIS is the parent undertaking of the smallest and largest group of undertakings to consolidate these financial statements. Copies of the financial statements of RLMIS are available from the Company's registered office.