

Company Registration No. 06964901 (England and Wales)

**THE MPS PERIODICAL PAYMENTS TRUSTEE LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**



THE MPS PERIODICAL PAYMENTS TRUSTEE LIMITED

COMPANY INFORMATION

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Directors	Simon Kayll David Wheeler
Secretary	David Wheeler
Company number	06964901
Registered office	Level 19, The Shard 32 London Bridge Street London SE1 9SG
Auditor	Grant Thornton UK LLP No.1 Whitehall Riverside Whitehall Road Leeds LS1 4BN

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# THE MPS PERIODICAL PAYMENTS TRUSTEE LIMITED

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# THE MPS PERIODICAL PAYMENTS TRUSTEE LIMITED

## DIRECTORS' REPORT

**FOR THE YEAR ENDED 31 DECEMBER 2020**

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The Directors present their annual report and financial statements for the year ended 31 December 2020. These financial statements are prepared under United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' (FRS 102).

The term 'Company' refers to The MPS Periodical Payments Trustee Limited and the term 'Group' refers to The Medical Protection Society Limited and its subsidiary undertakings.

### Principal activities

To act as Trustee to trusts established by The Medical Protection Society Limited (MPS) to provide security for payments to be paid in satisfaction of an order for periodical payments made pursuant to Section 2 of the Damages Act 1996 as amended by Section 100 of the Courts Act 2003 and any variation of any such order either made directly against members, which MPS has agreed to indemnify, or against persons who are to be indemnified, in whole or in part, by members MPS has in turn agreed to indemnify.

The Company was first registered on 16 July 2009 and was appointed Trustee of the first MPS Periodical Payments Trust on 9 September 2009 (the Trust).

The results for the year to 31 December 2020 are set out in detail on pages 7 to 13.

### Dividends

The Directors propose that no dividend should be paid for the year (2019: £nil).

### Directors

The Directors who held office during the year and up to the date of signature of the financial statements were as follows:

Simon Kayll

Howard Kew

(Retired 31 March 2021)

David Wheeler

### Auditor

Grant Thornton UK LLP have acted as independent auditors since the formation of the Company, 16 July 2009. In view of longevity of service and following an audit tender by the parent company, it is proposed that BDO LLP will be appointed as auditors for the year ending 31 December 2021.

### Statement of disclosure to auditor

Each of the persons who are Directors at the time when this Directors' Report is approved has confirmed that:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the Director has taken all the steps that ought to have been taken, as a Director, in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

### Small companies exemption

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

By order of the Board

*David Wheeler*

David Wheeler

Secretary

23 April 2021

# **THE MPS PERIODICAL PAYMENTS TRUSTEE LIMITED**

## **DIRECTORS' RESPONSIBILITIES STATEMENT**

***FOR THE YEAR ENDED 31 DECEMBER 2020***

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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). 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;
- 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 MPS PERIODICAL PAYMENTS TRUSTEE LIMITED

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBER OF THE MPS PERIODICAL PAYMENTS TRUSTEE LIMITED

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#### Opinion

We have audited the financial statements of The MPS Periodical Payments Trustee Limited (the 'Company') for the year ended 31 December 2020, which comprise the 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 FRS 102 *'The Financial Reporting Standard applicable in the UK and Republic of Ireland'* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### Basis for opinion

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

#### Conclusions relating to going concern

We are responsible for concluding on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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.

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.

The responsibilities of the Directors with respect to going concern are described in the *'Responsibilities of Directors for the financial statements'* section of this report.

# THE MPS PERIODICAL PAYMENTS TRUSTEE LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE MEMBER OF THE MPS PERIODICAL PAYMENTS TRUSTEE LIMITED

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#### **Other information**

The Directors are responsible for the other information. The other information comprises the information included in the Directors' 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.

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

We have nothing to report in this regard.

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

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

#### **Matter on which we are required to report under the Companies Act 2006**

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.

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

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

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

#### **Responsibilities of Directors for the financial statements**

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.

# **THE MPS PERIODICAL PAYMENTS TRUSTEE LIMITED**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

### **TO THE MEMBER OF THE MPS PERIODICAL PAYMENTS TRUSTEE LIMITED**

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#### **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 Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

#### **Explanation as to what extent 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. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- The Company is subject to many laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements. We identified the following laws and regulations as the most likely to have a material effect if non-compliance were to occur; financial reporting legislation, distributable profits legislation, tax legislation and anti-bribery legislation;
- We understood how The MPS Periodical Payments Trustee Limited is complying with those legal and regulatory frameworks by making enquiries of management, internal audit, those responsible for legal and compliance procedures and the Company Secretary. We corroborated our enquiries through our review of Board minutes, papers provided to the Audit and Risk Committee and correspondence received from regulatory bodies;
- We assessed the susceptibility of The MPS Periodical Payments Trustee Limited's Financial Statements to material misstatement, including how fraud might occur, by making enquires of management, those charged with governance, legal advisers and internal audit. We utilised internal and external information to corroborate these enquiries and to perform a fraud risk assessment for each area of the business. We considered the risk of fraud to be higher through the potential for management override of controls;
- Audit procedures performed by the engagement team for those components included in the scope of our audit included:
  - assessment of matters reported through the entity's whistleblowing programme and the results of management's investigation of such matters;



# THE MPS PERIODICAL PAYMENTS TRUSTEE LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE MEMBER OF THE MPS PERIODICAL PAYMENTS TRUSTEE LIMITED

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- challenging assumptions and judgments made by management in its significant accounting estimates;
- identifying and testing journal entries, in particular, journal entries posted with unusual account combinations.
- Assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's:
  - understanding of, and practical experience with audit engagements of a similar nature and complexity through appropriate training and participation;
  - knowledge of the industry in which the client operates;
  - understanding of the legal and regulatory requirements specific to the entity including:
    - the provisions of the applicable legislation;
    - the regulators rules and related guidance, including guidance issued by relevant authorities that interprets those rules;
    - the applicable statutory provisions.
- We planned our procedures to give us a reasonable expectation that we would identify any matters relating to non-compliance with laws and regulation or relating to material fraud;
- In assessing the potential risks of material misstatement, we obtained an understanding of:
  - the entity's operations, including the nature of its revenue sources, products and services and of its objectives and strategies to understand the classes of transactions, account balances, expected financial statement disclosures and business risks that may result in risks of material misstatement;
  - the applicable statutory provisions;
  - the entity's control environment, including the policies and procedures implemented to comply with the requirements of its relevant legislation, including the adequacy of the training to inform staff of the relevant legislation, rules and other regulations, the adequacy of procedures for authorisation of transactions, internal review procedures over the entity's compliance with regulatory requirements, the authority of, and resources available to the compliance officer and procedures to ensure that possible breaches of requirements are appropriately investigated and reported.

#### 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.

*Michael Redfern*

**Michael Redfern FCA (Senior Statutory Auditor)**  
for and on behalf of Grant Thornton UK LLP

23 April 2021

**Chartered Accountants**  
**Statutory Auditor**

No.1 Whitehall Riverside  
Whitehall Road  
Leeds  
LS1 4BN

# THE MPS PERIODICAL PAYMENTS TRUSTEE LIMITED

## STATEMENT OF COMPREHENSIVE INCOME

**FOR THE YEAR ENDED 31 DECEMBER 2020**

		<b>2020</b>	<b>2019</b>
	<b>Notes</b>	<b>£</b>	<b>£</b>
<b>Income</b>			
Received from the Trusts	<b>3</b>	9,282	34,977
		<hr/>	<hr/>
<b>Expenditure</b>			
Administrative expenses		(9,218)	(34,977)
		<hr/>	<hr/>
<b>Profit before taxation</b>		64	-
Tax on profit	<b>7</b>	-	-
		<hr/>	<hr/>
<b>Total comprehensive income for the year</b>		64	-
		<hr/> <hr/>	<hr/> <hr/>

The Statement of Comprehensive Income has been prepared on the basis that all operations are continuing operations

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

# THE MPS PERIODICAL PAYMENTS TRUSTEE LIMITED

## STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2020

	Notes	2020 £	£	2019 £	£
<b>Current assets</b>					
Trade and other receivables	8	2,400		57,957	
Cash and cash equivalents		40,001		19,840	
		<u>42,401</u>		<u>77,797</u>	
<b>Current liabilities</b>	9	(2,400)		(37,860)	
<b>Net assets</b>			<u>40,001</u>		<u>39,937</u>
<b>Equity</b>					
Called up share capital	10		40,001		40,001
Retained earnings			-		(64)
<b>Total equity</b>			<u>40,001</u>		<u>39,937</u>

The Company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime in Part 15 of the Companies Act 2006.

The financial statements were approved by the Board of Directors and authorised for issue on 23 April 2021 and are signed on its behalf by:

*Simon Kayll*

Simon Kayll  
Director

Company Registration No. 06964901

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

# THE MPS PERIODICAL PAYMENTS TRUSTEE LIMITED

## STATEMENT OF CHANGES IN EQUITY

**FOR THE YEAR ENDED 31 DECEMBER 2020**

	Share capital £	Retained earnings £	Total £
<b>Balance at 1 January 2019</b>	40,001	(64)	39,937
Profit and total comprehensive income for the year	-	-	-
<b>Balance at 31 December 2019</b>	40,001	(64)	39,937
Profit and total comprehensive income for the year	-	64	64
<b>Balance at 31 December 2020</b>	40,001	-	40,001

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

# THE MPS PERIODICAL PAYMENTS TRUSTEE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2020

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#### 1 Accounting policies

##### Company information

The MPS Periodical Payments Trustee Limited is a private company limited by shares incorporated in England and Wales. The registered office is Level 19, The Shard, 32 London Bridge Street, London, SE1 9SG.

#### 1.1 Accounting convention

The financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland" (FRS 102) and with the Companies Act 2006.

The financial statements have been prepared on the historical cost basis.

The financial statements are prepared in Sterling (£).

The Company has taken advantage of the exemption from the requirement of s1.12 of FRS 102 to prepare a cash flow statement as during the year it was a wholly owned subsidiary of The Medical Protection Society Limited, whose consolidated financial statements include those of the Company and are publicly available.

#### 1.2 Going concern

After reviewing the Company's forecasts and projections, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for a period of at least 12 months from the date of approval of these financial statements. The Company therefore continues to adopt the going concern basis in preparing its financial statements.

#### 1.3 Revenue

Income received is recognised to the extent that the Company has obtained the right to consideration in exchange for its performance. Income is measured at the fair value of the consideration received excluding VAT and other sales taxes, or duties.

#### 1.4 Cash and cash equivalents

Cash and cash equivalents in the Statement of Financial Position comprise cash at banks and in hand as well as short-term deposits with a maturity date of three months or less.

#### 1.5 Debtors

Trade and other debtors are recognised initially at fair value and subsequently measured at amortised cost, using the effective interest method, less any impairment losses.

#### 1.6 Creditors

Trade creditors are measured at the transaction price. Other financial liabilities are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

#### 1.7 Intercompany balances

Intercompany transactions are initially recorded at fair value, which is generally proceeds received. Amounts are subsequently carried at amortised cost.

# THE MPS PERIODICAL PAYMENTS TRUSTEE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2020

#### 2 Judgements and key sources of estimation uncertainty

Preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where these judgements and estimates have been made include:

##### *Amounts due from other Group entities*

The Directors have made the judgement that the balance due from the MPS Periodical Trust will be received as there are sufficient assets in the Trust to be able to settle current and future liabilities.

#### 3 Revenue

The Company receives management fee income from the MPS Periodical Payments Trust in respect of approved administration expenses that the Company incurs regarding oversight of the Trust.

#### 4 Operating profit

	2020	2019
	£	£
Operating profit for the year is stated after charging:		
Fees payable to the auditor in respect of the audit of the Company's financial statements	3,600	5,400
	<u>          </u>	<u>          </u>

Other auditors' remuneration is disclosed in the Group financial statements, as the Group financial statements are required to comply with regulation 5(1) of the Companies (Disclosure of Auditor Remuneration) Regulations 2005.

#### 5 Employees

The Company has no employees.

#### 6 Directors' remuneration

Directors' emoluments were paid by the parent company, The Medical Protection Society Limited, which makes no recharge to the Company.

It is not possible to make an accurate apportionment of the emoluments of the Directors between The MPS Periodical Payments Trustee Limited and fellow subsidiaries.

# THE MPS PERIODICAL PAYMENTS TRUSTEE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

### 7 Taxation

	2020 £	2019 £
Profit before taxation	64	-
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%)	12	-
Group relief	(12)	-
Taxation charge for the year	-	-

The tax charge for the period is £nil (2019: £nil) and there is no outstanding payable or receivable in respect of tax.

### 8 Trade and other receivables

	2020 £	2019 £
Amounts falling due within one year:		
Amounts due from Group undertakings	2,400	57,957

Amounts due from Group undertakings are non-interest bearing, unsecured and repayable on demand.

### 9 Current liabilities

	2020 £	2019 £
Other creditors and accruals	2,400	37,860

### 10 Share capital

	2020 £	2019 £
Ordinary share capital Issued and fully paid 40,001 Ordinary shares of £1 each	40,001	40,001

There is a single class of ordinary shares. There are no restrictions on the distribution of dividends and the repayment of capital.

### 11 Reserves

The Income and expenditure account contains gains and losses from previous years. The gains and losses recognised in this reserve are all realised.

## **THE MPS PERIODICAL PAYMENTS TRUSTEE LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2020**

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**12 Related party transactions**

The Company has taken advantage of the exemption in s33.1A of FRS 102 from disclosing transactions with the parent company and other wholly owned subsidiaries in The Medical Protection Society Limited Group.

The Company has also taken advantage of the reduced disclosures exemption in s1.12 of FRS 102 from disclosing its Key Management Personnel by way of being a wholly owned subsidiary of The Medical Protection Society Limited.

**13 Ultimate holding company**

The ultimate and immediate parent company is The Medical Protection Society Limited (a company limited by guarantee and incorporated in England, registered office Level 19, The Shard, 32 London Bridge Street, London SE1 9SG), which is the largest and smallest group into which the results of the Company are consolidated.

The Medical Protection Society Limited has guaranteed that The MPS Periodical Payments Trustee Limited has adequate resources to meet its liabilities as they fall due.

Copies of the Group's financial statements are available from:

The Company Secretary  
Level 19, The Shard  
32 London Bridge Street  
London  
SE1 9SG