Registration number: 09354862

PensionBee Limited

Annual Report and Financial Statements

31 December 2021

Directors	J R Lister Parsons R Savova
Registered number	09354862
Registered office	209 Blackfriars Road London SE1 8NL
Auditors	Deloitte LLP 4 Brindley Place Birmingham B1 2HZ

Strategic Report
for the Year Ended 31 December 2021

The directors present their strategic report for the year ended 31 December 2021.

Fair review of the business
For the year ended 31 December 2021, PensionBee's Revenue was £12.8m, representing a growth rate of 103% as compared to £6.3m for 2020. Loss before Tax increased to £23.7m for 2021 as compared to £13.5m for 2020, explained by increased non-cash items, non-recurring and finance costs.

We reported strong growth across our key metrics. During 2021, we saw the number of customers with retirement savings invested with PensionBee increase by 70% and the Assets under Administration that we hold on their behalf climbing by more than 90% from £1.4bn to £2.6bn. Correspondingly, our Revenue more than doubled from £6.3m in 2020 to £12.8m in 2021, and our Annual Run Rate Revenue increased by 85% from £8.8m to £16.3m over the same period. Further data-led customer acquisition and continued investment in our technology and people should see us continue to scale and progress on our path to profitability.

Principal risks and uncertainties

Overview of risk
We have identified seven types of potential risks which could have a material impact on the Company's long-term performance. These arise from internal or external events, acts or omissions. The risk factors mentioned below do not purport to be exhaustive as there may be additional risks that the Company has not yet identified, or has deemed to be immaterial, that could have a material adverse effect on the business.

Regulatory risk
PensionBee's business is subject to risks relating to changes in UK government policy and applicable regulations. Whilst we have historically been beneficiaries of favourable regulatory changes, including through the introduction of Automatic Enrolment and Pension Freedoms, any regulatory changes which are negative for PensionBee's business could have a material adverse effect on our prospects.

PensionBee's operations are subject to authorisation and supervision from the Financial Conduct Authority, and supervision from HMRC and the Information Commissioner's Office. PensionBee may fail, or be held to have failed, to comply with regulations and such regulations and approvals may change, making compliance more onerous and costly. The Financial Conduct Authority, or other regulators, could conclude that PensionBee has breached applicable regulations, which could result in a public reprimand, fines, customer redress or other regulatory sanctions. PensionBee must also comply with relevant regulatory capital and liquidity requirements.

PensionBee may be subject to complaints or claims from customers and third parties in the normal course of business. If a large number of complaints, or complaints resulting in substantial customer and third party losses, were upheld against PensionBee, it could have a material adverse effect on PensionBee's business and financial condition.

Strategic Report
for the Year Ended 31 December 2021

Information security risk
PensionBee is subject to strict data protection and privacy laws in the UK including the General Data Protection Regulation ('GDPR'). If our information security processes, policies and procedures relating to personal data are not fully implemented and followed by employees, or if any of our third party service providers has historically failed to manage data in a compliant manner or fails in the future, we could face financial sanctions and reputational damage.

Furthermore, our operations are susceptible to cybercrime and loss or misuse of data. Failure to prevent such actions, or circumvention of our information security processes, policies and procedures could result in financial losses, business interruption and unauthorised access to personal data.

Operational risk
PensionBee is dependent on third-party technology and financial services providers for the provision of investment management, banking and technology services. Any termination, interruption or reduced performance in the services provided by these third parties could negatively impact the provision of our services and have a material adverse effect on our reputation and profitability.

Our operational infrastructure and business continuity may be affected by other failures or interruption from events, some of which are beyond our control. Our systems and the systems of our third-party providers may be vulnerable to fire, flood and other natural disasters; power loss or telecommunications or data network failures; improper or negligent operation by employees or service providers, or unauthorised physical or electronic access; and interruptions to network or wider system integrity generally. There can be no guarantee that our preventative measures will protect us from all potential damage arising from any of the events described above.

Market risk
PensionBee's business may be adversely affected by negative sudden or prolonged fluctuations in the capital markets. We generate the vast majority of Revenue in the form of fees charged on a recurring basis calculated by reference to the value of our AUA. Our Revenue and profitability are therefore directly influenced by global stock markets. A general deterioration in the global economy and a resulting capital market decline may have a negative impact on the value of our customers' pensions and their overall confidence to make new contributions to their PensionBee pensions.

Credit risk
PensionBee is dependent on third-party financial services providers for the provision of investment management and banking services. We are reliant upon these third parties for the safekeeping of our own and our customers' assets. Any default by one of these third parties would have a material adverse effect on our reputation and financial position.

Reputational risk
PensionBee could be subject to adverse publicity, including if we or our customers become targets for actual and attempted financial crime and fraud arising from the actions of third parties, customers and staff. Criminals may attempt to use PensionBee's service to facilitate financial crimes. If we do not continue to develop and implement preventative financial crime and fraud measures, practices and strategies, our ability to combat financial crime and fraud could be adversely affected. There is no guarantee that our proactive measures will be successful in the prevention or detection of financial crime and fraud and any failure to combat these matters effectively could adversely affect our profitability.

Strategic Report
for the Year Ended 31 December 2021

Strategic risk

The pensions market is competitive and there is no guarantee that we will be able to continue to achieve the growth levels we have enjoyed to date or that we will be able to maintain our financial performance either at historical or anticipated future levels. Our competitors include a variety of financial services firms and our market is characterised by ongoing technological progression, including of the underlying infrastructure and user experience. There is no guarantee that we will continue to outpace our competitors. In addition, the pension market remains cost-sensitive and competitors could materially undercut our fees, thereby generating pressure on our revenues. Any failure to maintain our competitive position could lead to a reduction in revenues and profitability as well as lower future growth.

We are dependent upon the experience, skills and knowledge of our Directors and senior managers to implement our strategy. The loss of a significant number of Directors, senior managers and/or other key employees, or the inability to recruit suitably experienced, qualified and trained staff, as needed, may cause significant disruption to our business and ability to grow.

Future developments

We believe that growth in the UK pensions market will continue to grow at pace, being driven by the supportive regulatory framework and favourable policy changes, the acceleration of the transition to digital technology and underlying trends in the employment market that increasingly demand a modern consolidation solution.

New opportunities and developments in technology are expected to continue to accelerate change in the pensions industry in ways that will ultimately benefit all consumers. PensionBee has already built a technology platform, a product and a team that can continue to scale quickly, capturing this ever growing 'mass-market' opportunity, allowing individuals to manage all their pensions in one place, through an efficient and scalable platform.

With a leading customer proposition, a resilient business model, and a robust capital position, we believe that we are uniquely positioned to continue to grow at pace and we look forward to 2022 being yet another exciting year in the PensionBee story.

Research and development

The Company's research and development is contained in note 2 of the financial statements.

Strategic Report
for the Year Ended 31 December 2021

Section 172 statement
Section 172 of the Companies Act 2006 ('s172') requires directors to act in the way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its shareholders as a whole and, in doing so, have regard to matters including the items set out in the s172 (a-f).

The Board seeks to understand and carefully consider our key stakeholder's interests, concerns and perspectives. The Board recognises that each decision will have a different impact and relevance to each stakeholder, so a sound understanding of their priorities is key. The Board exercises independent judgement when balancing any competing interests in order to determine what it considers to be the most likely outcome to promote the long-term sustainable success of the Company.

Whilst the Board engages directly with some groups of stakeholders, engagement takes place at all levels of the Company, across the business. Feedback from engagement below and at Board level is reported back to the Board and the Board Committees to help inform Board decision-making.
Further detail on how the Board operates, including certain of the matters it discussed during the year, having regard to its s172 duties, are contained in the PensionBee Group plc Corporate Governance Statement within the Corporate Governance Report in the 2021 Annual Report which is publicly available.

Approved by the Board on .04/13/2022. and signed on its behalf by:

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R Savova
Director

Directors' Report
for the Year Ended 31 December 2021

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

Directors of the company
The directors, who held office during the year, were as follows:

M A Cracknell CBE (resigned 26 April 2021)

J R Lister Parsons

R Savova

J P H Suddaby (resigned 19 March 2021)

G M Wood CBE (resigned 26 April 2021)

M E Francis (resigned 26 April 2021)

Dividends
No dividends have been paid or proposed during the year ended 31 December 2021 (2020: £nil).

Going concern
PensionBee's financial statements have been prepared on a going concern basis on the grounds that current sources of funding will be more than adequate for PensionBee's ongoing cash requirements.

In addition to considering significant accounting policies and judgements, the directors play an important role in the production of the financial statements. This includes reviewing and challenging the assumptions that support the use of the going concern basis for the preparation of the financial statements and the statement given by management as to the Company's longer-term viability.

The directors reviewed detailed management analysis elaborating on the going concern assumption. This included the KPIs, profit and loss, cash flow, balance sheet and capital forecasts on a monthly basis. The directors considered additional stress tests, including a sharp decline in equity markets, the worsening of conversion and lower transferred-in pension pot sizes, all of which could potentially be caused by the Coronavirus pandemic, the Russian invasion of Ukraine and/or interest rate rises. Furthermore, the directors considered management mitigating actions that could be taken in the stress scenarios and the strength of the Company's capital position.

After due consideration, the directors concluded that it was appropriate for the Company to adopt the going concern basis of accounting in the preparation of the financial statements for the year.

Directors' Report
for the Year Ended 31 December 2021

Disclosure of information to the auditor
Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

Appointment of auditors
Deloitte LLP have been appointed as auditor and expressed their willingness to continue in office. A resolution to reappoint them will be proposed at the forthcoming Audit and Risk Committee.

Matters covered in the strategic report
PensionBee's future developments, and research and development activities are disclosed within the Strategic Report.

Approved by the Board on ..04/13/2022.. and signed on its behalf by:

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R Savova
Director

Statement of Directors' Responsibilities

The directors acknowledge their responsibilities 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 elected to prepare the financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 101 'Reduced Disclosure Framework' ('FRS 101'). 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 apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether FRS 101 has been followed, subject to any material departures disclosed and explained in the financial statements; 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 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.

Directors' responsibility statement

We confirm that to the best of our knowledge:

- the financial statements, prepared in accordance with the relevant financial reporting framework, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole;
- the strategic report includes a fair review of the development and performance of the business and the position of the Company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face; and
- the financial statements, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the Company's position, performance, business model and strategy.

Approved by the Board on 04/13/2022 and signed on its behalf by:

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R Savova
Director

Independent auditor's report to the members of PensionBee Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of PensionBee Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2021 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework"; 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 Statement of Financial Position;
- the Statement of Changes in Equity; and
- the related notes 1 to 24.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We 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.

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

We have nothing to report in this regard.

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. 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 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 and pensions legislation; 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.

We discussed among the audit engagement team including relevant internal specialists such as IT, share based reward 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:

- *Revenue accuracy of fee percentaqes that are charged to customers*:
    - We hace tested the desing and implentation of relevant controls; and
    - We have tested that fee percentages have been calcauted and applied consistently in the period.

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 internal 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 regulatory correspondence.

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 strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have 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 strategic report or 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.

We have nothing to report in respect of these matters.

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.

K. J. Cooper

Kieren Cooper FCA (Senior statutory auditor) For
and on behalf of Deloitte LLP
Statutory Auditor
Birmingham
13th April 2022

Statement of Comprehensive Income
for the Year Ended 31 December 2021

	Note	2021 £ 000	2020 £ 000
Revenue	4	12,753	6,268
Employee benefits expense (excluding share-based payment)	5	(7,447)	(4,475)
Share-based payment expenses	5, 21	(3,939)	(2,174)
Depreciation	11, 12	(256)	(240)
Advertising and Marketing		(12,865)	(8,223)
Other expenses	7	(8,447)	(3,991)
Listing costs		(2,087)	(637)
Operating loss		(22,288)	(13,472)
Finance costs	8	(1,416)	(11)
Loss before tax		(23,704)	(13,483)
Taxation	10	348	220
Loss for the year		(23,356)	(13,263)
Total comprehensive loss for the year		(23,356)	(13,263)

The above results were derived from continuing operations.

The notes on pages 16 to 41 form an integral part of these financial statements.

Statement of Financial Position
as at 31 December 2021

	Note	2021 £ 000	2020 £ 000
Fixed assets			
Tangible assets	11	127	195
Right of use assets	12	692	118
		819	313
Current assets			
Debtors	13	3,240	1,506
Cash at bank and in hand		31,379	6,736
		34,619	8,242
Creditors: Amounts falling due within one year	17	(3,031)	(2,100)
Net current assets		31,588	6,142
Total assets less current liabilities		32,407	6,455
Creditors: Amounts falling due after more than one year	18	(560)	-
Provisions for liabilities	19	(43)	-
Net assets		31,804	6,455
Capital and reserves			
Called up share capital	14	-	-
Share premium reserve	15	75,087	30,322
Capital contribution reserve	15	3,324	-
Share based payment reserve	15, 21	4,994	4,378
Profit and loss account	15	(51,601)	(28,245)
Shareholders' funds		31,804	6,455

Approved by the Board on 04/13/2022.. and signed on its behalf by:

....
R Savova
Director

The notes on pages 16 to 41 form an integral part of these financial statements.

Statement of Changes in Equity
for the Year Ended 31 December 2021

	Share capital £ 000	*Share premium £ 000*	*Capital contribution reserve £ 000*	*Share based payment reserve £ 000*	*Profit and loss account £ 000*	*Total £ 000*
At 1 January 2020	-	23,111	-	2,204	(14,982)	10,333
Loss for the year	-	-	-	-	(13,263)	(13,263)
Total comprehensive loss	-	-	-	-	(13,263)	(13,263)
New share capital subscribed	-	7,211	-	-	-	7,211
Share based payment transactions	-	-	-	2,174	-	2,174
At 31 December 2020	-	30,322	-	4,378	(28,245)	6,455
At 1 January 2021	-	30,322	-	4,378	(28,245)	6,455
Loss for the year	-	-	-	-	(23,356)	(23,356)
Total comprehensive loss	-	-	-	-	(23,356)	(23,356)
New share capital subscribed	-	44,765	-	-	-	44,765
Share based payment transactions	-	-	3,324	616	-	3,940
At 31 December 2021	-	75,087	3,324	4,994	(51,601)	31,804

The notes on pages 16 to 41 form an integral part of these financial statements.

Notes to the Financial Statements
for the Year Ended 31 December 2021

1 General information

The Company is a private company limited by shares, incorporated and domiciled in England and Wales.

The address of its registered office is:
209 Blackfriars Road
London
SE1 8NL

Principal activity
The principal activity of the Company is that of a direct to consumer online pension provider. The Company seeks to make its UK customers 'Pension Confident' by giving them complete control and clarity over their retirement savings. The Company helps its customers to combine their pensions into one new online plan where they can contribute, forecast outcomes, invest effectively and withdraw their pensions (from the age of 55), all from the palm of their hand.

2 Accounting policies

Basis of preparation
These financial statements have been prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101). The financial statements are prepared on the historical cost basis and on a going concern basis, in accordance with the Companies Act 2006. The Company has adopted FRS 101 for the first time, financial statements were previously prepared in accordance with the International Financial Reporting Standards (IFRS), no accounting differences were identified in the transition from IFRS to FRS 101.

The financial statements are presented in GBP and all values are rounded to the nearest thousand (£'000), except when otherwise indicated. The functional currency of the Company is GBP because it is the primary currency in the economic environment in which the Company operates.

Notes to the Financial Statements

for the Year Ended 31 December 2021

2 Accounting policies (continued)

Summary of disclosure exemptions

The following exemptions form the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101:

- IFRS 7, 'Financial Instruments: Disclosures'
- Paragraph 38 of IAS 1, 'Presentation of financial statements' comparative information requirements in respect of i. paragraph 79(a)(iv) of IAS 1;
- The following paragraphs of IAS 1, 'Presentation of financial statements':
  - 10(d) (statement of cash flows);
  - 10(f) (statement of financial position as at the beginning of the preceding period when an entity applies an accounting policy retrospectively or makes a retrospective restatement of items in its financial statements, or when it reclassifies items in its financial statements);
  - 16 (statement of compliance with all IFRS);
  - 38A (requirement for minimum of two primary statements, including cash flow statements);
  - 111 (cash flow statement information); and
  - 134-136 (capital management disclosures).
- IAS 7, 'Statement of cash flows';
- Paragraph 17 of IAS 24, 'Related party disclosures' (key management compensation);
- The requirements in IAS 24, 'Related party disclosures' (inter group transactions).

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Notes to the Financial Statements

for the Year Ended 31 December 2021

2 Accounting policies (continued)

Going concern

The directors have a reasonable expectation that the Company has adequate financial resources to continue in operational existence for the foreseeable future and are satisfied that the Company can continue to pay its liabilities as they fall due for a period of at least 12 months from the date of approval of these financial statements. The Company has strong cash reserves and forecasts growth that should see the financial results improve in the future years.

The COVID-19 pandemic has been considered in the directors' assessment of going concern. The Company has been operationally resilient as proven by consistent operational efficiencies that have been maintained during remote working times. The directors concluded that the COVID-19 pandemic will not impact the Company's ability to continue as a going concern. The impact of Russia's invasion of Ukraine on the markets and on the world more generally has also been considered in the directors' assessment of going concern. While the Company's own exposure to Russia in terms of investments is minimal, rounding to 0%, broader market volatility could impact Assets under Administration and the directors will continue to monitor the rapidly developing situation.

Stress testing was done by considering severe and unlikely but possible scenarios. The Company has adequate resources to survive macroeconomic downturns and the directors concluded that the Company has sufficient financial resources to remain in operational existence. For these reasons, the directors adopt the going concern basis of preparation for these financial statements.

Changes in accounting policy

None of the standards, interpretations and amendments effective for the first time from 1 January 2021 have had a material effect on the financial statements.

Revenue recognition

Revenue represents amounts receivable for services net of VAT. Revenue is derived from administration of our customers' retirement savings and the provision of one-off ancillary services to customers'. The Company operates a service to combine and transfer customers' old pensions into new online plans, which are subsequently managed by third party money managers. The Company has applied the 5-step model outlined in IFRS 15 *Revenue from contracts with customers* as is set out below:

Identification of the contract with a customer - during account opening, the customer is made aware of the promises the Company is making. Rights and obligations of each party are outlined. The point at which the customer agrees to the terms and conditions is the point at which both the Company and the customer have approved the contract.

Identification of the performance obligations in the contract - The Company makes one promise to its customers, the administration of the customers' retirement savings through its third-party money managers. The Company performs administrative tasks during the process of on-boarding its customers to its technology platform which are necessary for the fulfilment of administration of the customers' retirement savings. The Company does not consider these administrative tasks to be a separate performance obligation. As a result, it is considered that the Company has a single performance obligation which is, the administration of the customers' retirement savings.

2 Accounting policies (continued)

Determination of the transaction price - The Company charges an annual management fee that is charged daily against the units held by each customer. The annual management fee is based on a fixed percentage (%) which varies for each of the Company Plans, the fees from 0.50% to 0.95%. There is a further fixed discount of 50% provided to customers who have over £100,000 in their pension pots. The discount is applied to the incremental amount over and above £100,000.

Allocation of the transaction price - as there is only one performance obligation, the whole transaction price is allocated to this performance obligation.

Recognition of revenue when a performance obligation is satisfied - the administration of customers' retirement savings is continuous until the customer draws down their pension pot or transfers it to another UK registered provider. Revenue is recognised over time as the customer simultaneously receives and consumes the benefits provided by the Company's performance as the Company performs them. Revenue is calculated daily as a percentage (basis points) of the value of Assets under Administration (AUA) as agreed by the customer.

Consideration payable to customers

The Company runs a number of incentive-linked marketing campaigns. Under these campaigns a customer becomes entitled to either a pension contribution or cash back once they make their first live pension transfer. This consideration payable to the customer is not in exchange for a distinct good or service that the customer transfers to the Company therefore, it is accounted for as reduction to the transaction price. The full consideration is accounted for as revenue reduction in the year it is payable because the difference between spreading it over the contract life and recognising it in full in the year it is incurred is not material. Materiality assessment is done annually.

Recurring revenue

The Company's revenue is recurring in nature as the annual charges are calculated daily as a percentage (basis points) of the value of AUA and will continue to be earned on an ongoing basis whilst the Company administers those assets. Recurring revenue is derived from management fees and is recognised based on daily accruals of customers' pension balances as the performance obligation, being the provision of pension scheme administration services to customers, is met. These management fees are charged daily and collected by the Company on a monthly basis.

Other revenue

Other revenue relates to one-off ancillary and ad-hoc services including pension splitting on divorce, early withdrawals owing to ill-health, and full draw-down within one year of becoming an invested customer. For this revenue stream, the performance obligation is the execution of the requested task. There are fee structures in place which are used to determine the transaction price. Revenue is recognised at a point in time when the requested task is executed (when the service is provided to the customer).

Notes to the Financial Statements

for the Year Ended 31 December 2021

2 Accounting policies (continued)

Foreign currency transactions and balances

Transactions in foreign currencies are translated to PensionBee's functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the statement of comprehensive income. There are no material foreign exchange transactions in the financial statements.

Tax

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the statement of comprehensive income except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where PensionBee operates and generates taxable income.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

PensionBee offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Notes to the Financial Statements

for the Year Ended 31 December 2021

2 Accounting policies (continued)

Property, Plant and Equipment

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. The Company assesses at each reporting date whether there are impairment indicators for tangible fixed assets.

Depreciation

Depreciation is charged to the statement of comprehensive income on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. The estimated useful lives are as follows:

Asset class	*Depreciation method and rate*
Fixtures and fittings	four years straight line
Leasehold improvements	straight line over life of the lease
Computer equipment	three years straight line
Right of use asset	straight line over life of the lease

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of comprehensive income when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Impairment of non-financial assets

PensionBee assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any such indication exists, the recoverable amount of the asset is estimated based on future cashflows with a suitable range of discount rates and the expectations of future performance. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. Impairment loss is recognised in the statement of comprehensive income.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and short term highly liquid deposits with a maturity of less than 3 months.

Trade Receivables

Trade and other receivables are recognised initially at the transaction price less attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade receivables.

Notes to the Financial Statements
for the Year Ended 31 December 2021

2 Accounting policies (continued)

Trade Payables

Trade and other payables are recognised initially at transaction price plus attributable transaction costs. Subsequently they are measured at amortised cost using the effective interest method.

Trade and other payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the directors' best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value where the effect is material.

Leases

Initial recognition and measurement

The Company initially recognises a lease liability for the obligation to make lease payments and a right-of-use asset for the right to use the underlying asset for the lease term.
The lease liability is measured at the present value of the lease payments to be made over the lease term. The lease payments include fixed payments, purchase options at exercise price (where payment is reasonably certain), expected amount of residual value guarantees, termination option penalties (where payment is considered reasonably certain) and variable lease payments that depend on an index or rate.
The right-of-use asset is initially measured at the amount of the lease liability, adjusted for lease prepayments, lease incentives received, the Company's initial direct costs (e.g., commissions) and an estimate of restoration, removal and dismantling costs.

Notes to the Financial Statements

for the Year Ended 31 December 2021

2 Accounting policies (continued)

Subsequent measurement

After the commencement date, the Company measures the lease liability by:

(a) Increasing the carrying amount to reflect interest on the lease liability;
(b) Reducing the carrying amount to reflect the lease payments made; and
(c) Re-measuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in substance fixed lease payments or on the occurrence of other specific events.

Interest on the lease liability in each period during the lease term is the amount that produces a constant periodic rate of interest on the remaining balance of the lease liability. Interest charges are included in finance cost in the statement of comprehensive income, unless the costs are included in the carrying amount of another asset applying other applicable standards. Variable lease payments not included in the measurement of the lease liability, are included in operating expenses in the period in which the event or condition that triggers them arises. Repayment of lease liabilities within financing activities in the cashflow statement include both the principal and interest.

The related right-of-use asset is accounted for using the cost model in IAS 16 and depreciated and charged in accordance with the depreciation requirements of IAS 16 *Property, Plant and Equipment* as disclosed in the accounting policy for Property, Plant and Equipment. Adjustments are made to the carrying value of the right of use asset where the lease liability is re-measured in accordance with the above. Right of use assets are tested for impairment in accordance with IAS 36 *Impairment of assets* as disclosed in the accounting policy in impairment of non-financial assets.

Short term and low value leases

The Company has made an accounting policy election, by class of underlying asset, not to recognise lease assets and lease liabilities for leases with a lease term of 12 months or less (i.e., short-term leases).

The Company has made an accounting policy election on a lease-by-lease basis, not to recognise lease assets on leases for which the underlying asset is worth £5,000 or less (i.e., low value leases).

Lease payments on short term and low value leases are accounted for on a straight line bases over the term of the lease or other systematic basis if considered more appropriate. Short term and low value lease payments are included in operating expenses in the statement of comprehensive income.

Notes to the Financial Statements
for the Year Ended 31 December 2021

2 Accounting policies (continued)

Share capital
Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Defined contribution pension obligation
PensionBee operates a defined contribution plan for its employees, under which PensionBee pays fixed contributions into the PensionBee Personal Pension. Once the contributions have been paid PensionBee has no further payment obligations.

The contributions are recognised as an expense in the statement of other comprehensive income when they fall due. Amounts not paid are shown in creditors as a liability in the statement of financial position. The assets of the plan are held separately from PensionBee.

Share based payments
The cost of equity-settled transactions with employees is measured by reference to the fair value of the equity instruments granted at the date at which they are granted and is recognised as an expense over the vesting period, which ends on the date on which the relevant employees become fully entitled to the award. Fair value is determined by using the market price of the shares at a point in time adjacent to the issue of the award. In valuing equity-settled transactions, no account is taken of any vesting conditions, other than conditions linked to the price of the shares of PensionBee (market conditions) and non-vesting conditions. No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market or non-vesting condition, which are treated as vesting irrespective of whether the market or non-vesting condition is satisfied, provided that all other vesting conditions are satisfied. At each balance sheet date before vesting, the cumulative expense is calculated, representing the extent to which the vesting period has expired and management's best estimate of the achievement or otherwise of non-market conditions and of the number of equity instruments that will ultimately vest or in the case of an instrument subject to a market condition, be treated as vesting as described above. The movement in cumulative expense since the previous balance sheet date is recognised in the income statement, with a corresponding entry in equity.

Notes to the Financial Statements

for the Year Ended 31 December 2021

2 Accounting policies (continued)

Where the terms of an equity-settled award are modified, or a new award is designated as replacing a cancelled or settled award, the cost based on the original award terms continues to be recognised over the original vesting period. In addition, an expense is recognised over the remainder of the new vesting period for the incremental fair value of any modification, based on the difference between the fair value of the original award and the fair value of the modified award, both as measured on the date of the modification. No reduction is recognised if this difference is negative. Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any cost not yet recognised in the statement of comprehensive income for the award is expensed immediately. Any compensation paid up to the fair value of the award at the cancellation or settlement date is deducted from equity (Share-based Payment Reserve), with any excess over fair value expensed in the statement of comprehensive income.

The Company has established a Share-based Payments reserve but does not transfer any amounts from this reserve on the exercise or lapse of options. On exercise, shares issued are recognised in share capital at their nominal value. Share premium is recognised to the extent the exercise price is above the nominal value.

Parent company granted equity-settled share-based payments to employees of the Company are recorded as an expense in the statement of comprehensive income and a credit within equity (Capital Contribution reserve).

Notes to the Financial Statements
for the Year Ended 31 December 2021

2 Accounting policies (continued)

Research and development

Research and development expenditure is recognised as an expense as incurred, except that development expenditure incurred on an individual project is capitalised as an intangible asset when the Company can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sell, how the asset will generate future economic benefits, the availability of resources to complete development of the asset and the ability to measure reliably the expenditure during development. Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is ready for use. No development expenditure has been capitalised during the years 2020 and 2021, on the basis that the specified criteria for capitalisation has not been met, as costs spent on the development phase of projects cannot be reliably estimated. All research and development costs are therefore recognised as an expense as incurred.

Impairment of financial assets

Measurement of Expected Credit Losses

Expected credit losses (ECLs) are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that PensionBee expects to receive, discounted at an approximation of the original effective interest rate.

For trade receivables, PensionBee applies a simplified approach in calculating the ECLs. Therefore, PensionBee does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECL's at each reporting date.

3 Critical accounting judgements and key sources of estimation uncertainty

In the application of PensionBee's accounting policies, the Directors are required to make judgements, estimates and assumptions about the carrying amount 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 where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

The Company does not have any critical accounting judgements or key estimation uncertainties.

Notes to the Financial Statements
for the Year Ended 31 December 2021

4 Revenue

The analysis of the Company's revenue for the year from continuing operations is as follows:

	2021 £ 000	2020 £ 000
Rendering of services	12,592	6,155
Other revenue	161	113
	12,753	6,268

5 Employee benefits expense

The aggregate payroll costs (including directors' remuneration) were as follows:

	2021 £ 000	2020 £ 000
Wages and salaries	6,477	3,957
Social security costs	767	385
Pension costs, defined contribution scheme	203	133
	7,447	4,475
Share based payment expense	3,939	2,174
	11,386	6,649

The average number of persons employed by the Company (including directors) during the year, analysed by category was as follows:

	2021 No.	2020 No.
Executive Management	9	5
Technology and Product	30	23
Marketing	9	6
Customer Service	85	60
Legal, Compliance and Risk	7	5
Administration and other	15	11
	155	110

Notes to the Financial Statements
for the Year Ended 31 December 2021

6 Directors' remuneration

The directors' remuneration for the year was as follows:

	2021 *£ 000*	*2020* *£ 000*
Remuneration	389	288
Contributions paid to money purchase schemes	5	5
	394	293

During the year the number of directors who were receiving benefits and share incentives was as follows:

	2021 *No.*	*2020* *No.*
Members of defined contribution pension schemes	2	3

Notes to the Financial Statements
for the Year Ended 31 December 2021

6 Directors' remuneration (continued)

In respect of the highest paid director:

	2021 *£ 000*	*2020* *£ 000*
Remuneration	168	98
Contributions to money purchase pension schemes	2	2

7 Other expenses

Arrived at after charging:

	2021 *£ 000*	*2020* *£ 000*
Loss on disposal of equipment	10	7
Auditor's remuneration	95	70
Management fees	2,300	940
Other expenses	6,042	2,974
	8,447	3,991

Included in Other expenses is technology and platform costs, professional services fees, irrecoverable VAT and general and administrative costs.

8 Finance costs

	2021 *£ 000*	*2020* *£ 000*
Revolving credit facility fees	1,409	-
Interest expense on lease liabilities	7	11
Total finance costs	1,416	11

Notes to the Financial Statements
for the Year Ended 31 December 2021

9 Auditors' remuneration

	2021 *£ 000*	*2020* *£ 000*
Audit of the financial statements	95	70
Fees payable for audit related services	-	315
Tax advisory services	-	38
	95	423

10 Tax

Tax credited in the statement of comprehensive income

	2021 *£ 000*	*2020* *£ 000*
Current taxation		
UK corporation tax	(348)	(194)
Deferred taxation		
Arising from origination and reversal of temporary differences	-	(29)
Arising from changes in tax rates and laws	-	3
Total deferred taxation	-	(26)
Tax credit in the statement of comprehensive income	(348)	(220)

Notes to the Financial Statements

for the Year Ended 31 December 2021

10 Tax (continued)

The tax on loss for the year was computed at the standard rate of corporation tax in the UK (2020 - at the standard rate of corporation tax in the UK) of 19% (2020: 19%).

The differences are reconciled below:

	2021 *£ 000*	*2020* *£ 000*
Loss before tax	(23,704)	(13,483)
Corporation tax at standard rate	(4,504)	(2,562)
Increase from effect of different UK tax rates on some earnings	-	3
Increase from effect of expenses not deductible in determining taxable profit	1,300	636
Increase in current tax from unrecognised tax loss or credit	3,204	1,897
Decrease from effect of adjustment in research development tax credit	(348)	(194)
Total tax credit	(348)	(220)

The UK Budget 2021 announcements on 3 March 2021 included measures to support economic recovery as a result of the ongoing COVID-19 pandemic. These included an increase to the UK's main corporation tax rate to 25%, which is due to be effective from 1 April 2023. These changes were substantively enacted at the balance sheet date.

Deferred tax

	2021 *£ 000*	*2020* *£ 000*
Fixed assets	(13)	(24)
Temporary difference trading	-	6
Total deferred tax liability	(13)	(18)
Losses available for offsetting against future taxable income	13	18
Total deferred tax asset	-	-

PensionBee has £38,218,000 of non-expiring carried forward tax losses at 31 December 2021 (2020: £21,419,000) against which no deferred tax has been recognised. A deferred tax asset has not been recognised on the basis that there is insufficient certainty over the recovery of these tax losses in the near future.

Notes to the Financial Statements
for the Year Ended 31 December 2021

11 Property, Plant and Equipment

	Fixtures and fittings £ 000	*Leasehold improvements £ 000*	*Computer equipment £ 000*	*Total £ 000*
Cost				
At 1 January 2021	71	126	198	395
Additions	-	-	69	69
Disposals	(6)	-	(7)	(13)
Transfers	(5)	-	5	-
At 31 December 2021	60	126	265	451
Depreciation				
At 1 January 2021	43	71	86	200
Charge for the year	12	55	60	127
Eliminated on disposal	-	-	(3)	(3)
Transfers	(4)	-	4	-
At 31 December 2021	51	126	147	324
Carrying amount				
At 31 December 2021	9	-	118	127
At 31 December 2020	28	55	112	195

Notes to the Financial Statements
for the Year Ended 31 December 2021

12 Right of use assets

	Property £ 000
Cost	
At 1 January 2021	295
Additions	703
Disposals	(295)
At 31 December 2021	703
Depreciation	
At 1 January 2021	177
Charge for the year	129
Eliminated on disposal	(295)
At 31 December 2021	11
Carrying amount	
At 31 December 2021	692
At 31 December 2020	118

13 Debtors

	2021 £ 000	2020 £ 000
Trade Receivables	1,335	708
Prepayments	821	360
Accrued income	-	11
Amounts due from parent undertaking	133	-
Other Receivables	951	427
	3,240	1,506

Trade and other receivables are measured at amortised cost and management assessed that the carrying value is approximately their fair value due to the short term maturities of these balances.

14 Share capital

Allotted, called up and fully paid shares

Notes to the Financial Statements
for the Year Ended 31 December 2021

14 Share capital (continued)

		2021		2020
	No.	*£*	*No.*	*£*
Ordinary shares of £0.001 each	249,733	250	220,948	221

During the year, the Company issued a total of 28,785 ordinary shares of £0.001 each for a total consideration of £44,765,000.

Each ordinary share carries one vote per share and ranks pari passu with respect to dividends and capital.

15 Reserves

Share premium
The share premium account represents the excess of the issue price over the par value on shares issued, less transaction costs arising on the issue.

Capital contributions reserve
The capital contributions reserve represents the cumulative balance in relation to share options expense granted by the parent in respect of the Company's employees.

Share based payment reserve
The share-based payments reserve is used to recognise the value of equity-settled share-based payments provided to employees, including key management personnel, as part of their remuneration.

Retained earnings
The balance in the retained earnings account represents the distributable reserves of the Company.

Notes to the Financial Statements
for the Year Ended 31 December 2021

16 Leases

31 December 2020, the Company had a single property lease which was exited during 2021 on exercise of the break option. On inception, the lease liability was determined using a discount rate linked to London office rental yields, adjusted for risk premium for certain company specific factors. The discount rate was 6%.

In December 2021, the Company entered into a new property lease with a 5-year lease term ending in December 2026 with an option to terminate the lease after three years. The Company is reasonably certain that this option will not be exercised therefore the lease term was determined to be five years. On inception, the lease liability was determined using a discount rate linked to London office rental yields, adjusted for risk premium for certain company specific factors as well as taking into consideration the interest rate associated with the revolving credit facility entered in March 2021 and cancelled in September 2021. The discount rate was 7%.

The carrying amounts of right-of-use assets recognised and the movements during each year are set out in Note 12

Set out below are the carrying amounts of lease liabilities and the movements during the year:

	2021 *£ 000*	*2020* *£ 000*
As at 1 January	109	248
Additions	654	-
Accretion of interest	7	11
Payments	(113)	(150)
As at 31 December	657	109

Lease liabilities included in the statement of financial position	*2021* *£ 000*	*2020* *£ 000*
Non-currrent	560	-
Current	97	109
	657	109

Notes to the Financial Statements
for the Year Ended 31 December 2021

16 Leases (continued)

The following are the amounts recognised in the statement of comprehensive income:	*2021* *£ 000*	*2020* *£ 000*
Depreciation on Right of use asset	129	118
Interest on Lease Liability	7	11
Low value leases	-	6
	136	135

17 Creditors: Amounts falling due within one year

	2021 *£ 000*	*2020* *£ 000*
Trade Payables	294	749
Accrued expenses	1,841	1,200
Social security and other taxes	83	-
Other Payables	716	42
Lease liability	97	109
	3,031	2,100

Trade and other payables are measured at amortised cost and management assessed that the carrying value is approximately their fair value due to the short-term maturities of these balances.

18 Creditors: Amounts falling due after more than one year

	2021 *£ 000*	*2020* *£ 000*
Lease liability	560	-

Notes to the Financial Statements
for the Year Ended 31 December 2021

19 Provisions

	Dilapidations £ 000	*Total £ 000*
At 1 January 2021	-	-
Additional provisions	43	43
At 31 December 2021	43	43
Non-current liabilities	43	43

The Company is required to restore the leased premises of its offices to their original condition at the end of the lease term. A provision has been recognised for the present value of the estimated expenditure required to remove any leasehold improvements. These costs have been capitalised as part of the right of use asset and are amortised over the useful life of the asset.

20 Pension and other schemes

The Company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the Company to the scheme and amounted to £203,000 (2020 - £133,000).

Contributions totaling £Nil (2020 - £34,000) were payable to the scheme at the end of the year and are included in creditors.

Notes to the Financial Statements
for the Year Ended 31 December 2021

21 Share-based payments

PensionBee 2015 EMI Share Option Scheme

Scheme description
Under the PensionBee 2015 EMI Share Option Scheme share options were granted to the senior management of the Company. The exercise price of the share options was £0.001 on the date of grant.

The share options vested as follows:
(a) 33% of the shares on the first anniversary of the vesting commencement date; and
(b) the remaining 67% of the shares monthly in equal instalments over the following two years, so the options were fully vested on the third anniversary of the vesting commencement date.

At 31 December 2020 all options had been fully exercised and there is no intention to issue any further options under this scheme.

21 Share-based payments (continued)

PensionBee EMI and Non EMI Share Option Scheme

Scheme details and movements
Under the PensionBee EMI and Non-EMI Share Option Scheme share options were granted to eligible employees who have passed their probation period at the Company. The exercise price of all share options is £0.001 per share.

The share options normally vest on the later of the following tranches, 25% of the shares vest on the first anniversary of the vesting commencement date with the remaining 75% of the shares vesting quarterly in equal instalments over the following three years.

The fair value of equity-settled share options granted is estimated as at the date of grant, considering the terms and conditions upon which the options were granted.

The fair value of the share options granted is estimated at the date of grant by reference to the prevailing share price. Before the Company was acquired by PensionBee Group plc, the market value was determined by reference to the price paid by external investors as part of periodic funding rounds.

The weighted average fair value of share options during the year of grant was £1,320 in 2021 (2020 - £1,081)

Prior to the share for share exchange with the parent company, share options could only be exercised upon the occurrence of an exit event, a takeover, reconstruction, liquidation and sale of the business, to the extent they had vested. In the event that there was no exit event before the tenth anniversary of the date of grant, the Directors could determine that an option holder may exercise their option in the 30 day period before such anniversary. The exercise period is up to ten years from the grant date.

Following the group restructure and the share for share exchange with the parent company during the year, share options can be exercised upon satisfying the service condition.

21 Share-based payments (continued)

The movements in the number of share options during the year were as follows:

	2021 Number	*2020 Number*
Outstanding, start of period	15,293	11,059
Granted during the period	390	4,394
Exercised during the period	(10,579)	-
Expired during the period	(215)	(160)
Outstanding, end of period	4,889	15,293

The weighted average share price on date of exercise of share options exercised during the year was £1,312 (2020: £Nil) and the weighted average remaining contractual life is two years and five months (2020: one year and nine months).

Deferred Share Bonus Plan

Scheme description

Under the PensionBee Deferred Share Bonus Plan awards are granted to eligible employees who are or were an employee (including an executive Director) of the Company and have been granted a bonus. DSBP awards are granted at the end of the financial year once the annual bonus outturn has been determined. The exercise price of all DSBP awards is £nil per award.

For the two executive Directors that were in office at year end their DSBP awards cliff vest on the third anniversary of the date of grant. For the rest of the employees their DSBP awards vest in three equal installments over a service period of three years from grant date . DSBP awards vest upon satisfying the service condition.

The fair value of the DSBP awards is the share price on grant date. DSBP awards can be exercised to the extent they have vested.

No DSBP awards were granted during the year (2020 - Nil).

Charge/credit arising from share-based payments

The total charge for the year for share-based payments was £3,939,000 (2020 - £2,174,000), of which £Nil (2020 - £Nil) related to equity-settled share-based payment transactions.

Notes to the Financial Statements

for the Year Ended 31 December 2021

22 Related party transactions

The following related party transactions occur between the Company and PensionBee Trustees Limited:

(i) Payment of the PensionBee Trustees Limited bank fees on a quarterly basis. During the year bank fees amounted to £15,000 (2020: £20,000). There was no outstanding balance at year end (2020: £nil).
(ii) Compensation payments as a gesture of goodwill to customers that prefer to be compensated via a pension contribution or the purchasing additional units. During the year, these costs amounted to £16,000 (2020: £45,000). There was no outstanding balance at year end (2020: £nil).
(iii) Other payments to customers (e.g., referral rewards) Payments are made from the Company and invested into the customers fund from the PensionBee Trustees account. These payments can be found in 'Other Expenses' and 'Advertising and Marketing'. During these costs amounted to £314,000 (2020: £141,000). There was no outstanding balance at year end (2020: £nil).

Transactions with directors

During the year ended, the Company made a payment to HMRC on behalf of Mark Wood (£105,279) and Joe Suddaby (£74,550). Both will reimburse the Company.

23 Parent and ultimate parent undertaking

The Company's immediate and ultimate parent is PensionBee Group Plc.

The most senior parent entity producing publicly available financial statements is PensionBee Group Plc. These financial statements are available upon request from 209 Blackfriars Road, London, United Kingdom, SE1 8NL

24 Non adjusting events after the financial period

There were no events of material impact to the financial statements that occurred after the reporting date.