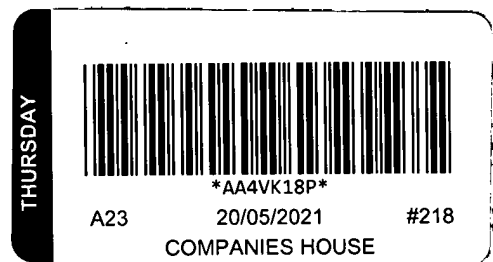


# **Personal Group Limited**

Financial statements

For the year ended 31 December 2020



**Company No. : 09414700**

## Company information

<b>Company registration number :</b>	09414700
<b>Registered office :</b>	John Ormond House 899 Silbury Boulevard Milton Keynes Buckinghamshire MK9 3XL
<b>Directors :</b>	M Winlow D Frost B Head A Lothian M Walker S Mace M Bennett
<b>Secretary :</b>	D Kane
<b>Banker :</b>	Lloyds Bank plc 25 Gresham Street London EC2V 7HN
<b>Solicitor :</b>	Dentons UKMEA LLP The Pinnacle 170 Midsummer Boulevard Milton Keynes MK9 1FE
<b>Auditor :</b>	EY LLP Statutory Auditor 25 Churchill Place Canary Wharf London E14 5EY

## Index to the financial statements

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## Strategic report

### Background

Incorporated on 30 January 2015, Personal Group Limited (PGL) (the Company) operates as an intermediate holding company for Personal Group Holdings Plc (PGH), which is the ultimate parent of the group.

### Business review

The Company retains the investments in the trading companies of the group whilst being fully owned by PGH.

### Principal risks and uncertainties

PGH's risk management policies (see Note 3 of PGH's financial statements) cover all group subsidiary undertakings.

As an intermediate holding Company, the main risk facing the Company surrounds the valuation of the investments in subsidiaries. The investment values are regularly assessed for impairment and are stated at carrying value which the directors feel is recoverable. Despite the substantial global impact of the COVID-19 virus, which necessitates a significant degree of prudence for 2021, the Directors believe that the carrying value of investments remains supportable.

### Key performance indicators and results

Due to its nature as an intermediate holding company, there are not considered to be any key indicators central to the performance of the Company. Profit for the year was £6,116,000 (2019: £9,136,000).

ON BEHALF OF THE BOARD



S Mace  
Director  
31 March 2021

## Report of the Directors

The directors present their report together with the audited financial statements for the year ended 31 December 2020.

### Principal activity

The Company is principally an intermediate holding company.

### Results

The profit for the year is £6,119,000 (2019: £9,136,000) before a taxation charge of £3,000 (2019: £nil).

### Political contributions

The Company has not made any political contributions in the year to 31 December 2020 (2019: £Nil).

### Dividends

During the year ordinary dividends of £4,000,000 (2019: £16,000,000) were paid. No other dividends were declared at year end.

### Directors

The membership of the Board is set out below. All directors served throughout the year, unless stated otherwise:

K W Rooney (resigned 1 January 2021)

M Dugdale (resigned 1 October 2020)

M Winlow

D Frost

B Head

A Lothian

M Walker

S Mace (appointed 1 October 2020)

M Bennett (appointed 1 January 2021)

During the year, directors and officers were covered by third party indemnity insurance.

### Disclosure of information to auditor

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

### Auditor

EY LLP offer themselves for reappointment as auditor in accordance with section 487 of the Companies Act 2006.

### Future developments

The directors do not envisage any significant changes to the business for the foreseeable future as the Company will continue its current activities on behalf of the group.

BY ORDER OF THE BOARD



S Mace

Director

31 March 2021

## Statement of directors' responsibilities

### **Statement of directors' responsibilities in respect of the Strategic Report, the Directors' Report and the financial statements**

The directors are responsible for preparing the Strategic Report, 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 they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 Reduced Disclosure Framework.

Under company law the 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 estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PERSONAL GROUP LIMITED

## Opinion

We have audited the financial statements of Personal Group Limited for the year ended 31 December 2020 which comprise the profit and loss account and other comprehensive income, the balance sheet, the statement of changes in equity and the related notes 1 to 11 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 101 "Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements: In our opinion, the financial statements:

- give a true and fair view 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

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 12 months ending 31st March 2022.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

## 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 this 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 there is 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 the 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 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 directors' report have been prepared in accordance with applicable legal requirements.

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

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 strategic report or directors' report.

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.

### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement set out on page 5, 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.

### ***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 irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company and determined that the most significant are the direct laws and regulations related to elements of Company law and tax legislation, and the financial reporting framework.
- We understood how the Company is complying with those frameworks by making enquiries of management, and through discussions with those charged with governance. We also reviewed minutes of the Board and the Risk and Compliance Committee; and gained an understanding of the Company's approach to governance, demonstrated by the Board's approval of the Company's governance framework.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by considering the controls that the Company has established to address risks identified by the entity, or that otherwise seek to prevent, deter or detect fraud. We also considered the impact of COVID-19 including the remote working environment when assessing the risk. Where fraud risk, including risk of management override, was considered to be higher, we performed audit procedures to address each identified risk. These procedures included:
  - Testing the appropriateness of journal entries recorded in the general ledger, with a focus on manual journals and evaluating the business rationale for significant and/or unusual transactions.

In addition, we considered the impact of Covid-19 on the Company, including an assessment of the consistency of operations and entity level controls in place as they transitioned to operating remotely for a significant proportion of 2020, and making enquiries with management via use of videoconferencing. We performed analytical review procedures to assess for unusual movements throughout the year. Our audit procedures also incorporate unpredictability into the nature, timing and extent of our testing.

- We designed our audit procedures to identify non-compliance with both direct and other laws and regulations impacting the Company. Our procedures involved: making enquiry of those charged with governance and senior management for their awareness of any non-compliance of laws or regulations, inquiring about the policies that have been established to prevent non-compliance with laws and regulations by officers and employees, inquiring about the Company's methods of enforcing and monitoring compliance with such policies.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

#### **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.



Robert Bruce (Senior statutory auditor)  
for and on behalf of Ernst & Young LLP, Statutory Auditor  
London  
31 March 2021

## Profit and loss account and other comprehensive income

	Note	2020 £'000	2019 £'000
Interest receivable		29	35
Administrative expenses		(210)	(9)
<b>Operating (loss) / profit</b>		<b>(181)</b>	<b>26</b>
Dividends receivable		6,300	9,110
<b>Profit before taxation</b>	1	<b>6,119</b>	<b>9,136</b>
Tax on profit	3	(3)	-
<b>Profit for the financial year</b>		<b>6,116</b>	<b>9,136</b>

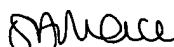
There are no other items of other comprehensive income. All operations are classed as continuing activities.

**The accompanying accounting policies and notes form part of these financial statements.**

## Balance sheet

	Note	2020 £'000	2019 £'000
<b>Non-current assets</b>			
Investments	6	24,962	24,958
<b>Current assets</b>			
Debtors	4	3,742	4,378
Cash at bank and in hand		828	45
		<u>4,570</u>	<u>4,423</u>
<b>Creditors: amounts falling due within one year</b>	5	<u>(2,272)</u>	<u>(4,241)</u>
<b>Net current assets</b>		2,298	182
<b>Net assets</b>		<u>27,260</u>	<u>25,140</u>
<b>Capital and reserves</b>			
Called up share capital	7	-	-
Profit and loss account		<u>27,260</u>	<u>25,140</u>
<b>Shareholders' funds</b>		<u>27,260</u>	<u>25,140</u>

The financial statements were approved by the Board on 31 March 2021 and signed on their behalf by;



S Mace

Company Number: 09414700

The accompanying accounting policies and notes form part of these financial statements.

## Statement of changes in equity

	Called up share capital £'000	Profit and loss account £'000	Total £'000
<b>Balance as at 1 January 2019</b>	-	31,925	31,925
Profit for the financial year	-	9,136	9,136
Employee share based compensation	-	79	79
Dividends Paid	-	(16,000)	(16,000)
<b>Balance as at 31 December 2019</b>	-	<b>25,140</b>	<b>25,140</b>
Profit for the financial year	-	6,116	6,116
Employee share based compensation	-	4	4
Dividends Paid	-	(4,000)	(4,000)
<b>Balance as at 31 December 2020</b>	-	<b>27,260</b>	<b>27,260</b>

Dividends paid per ordinary share in the year were £0.50 (2019: £1.99). No other dividends were declared at year end (2019: £nil).

The accompanying accounting policies and notes form part of these financial statements.

## Principal accounting policies

### Basis of preparation

Personal Group Limited (the “Company”) is a company incorporated and domiciled in England and Wales.

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (“FRS 101”). The amendments to FRS 101 (2019/20 Cycle) issued in May 2020 have been applied.

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Accounting Standards in conformity with the requirements of the Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

The Company’s parent undertaking, Personal Group Holdings Plc, includes the Company in its consolidated financial statements. The consolidated financial statements of Personal Group Holdings Plc are prepared in accordance with Adopted IFRSs and are available to the public and may be obtained from Companies House. As the Company is a wholly owned subsidiary undertaking of another company registered in England and Wales, group financial statements are not prepared. Accordingly, the financial statements present information about the Company as an individual undertaking and are not consolidated.

In these financial statements, the company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- Cash Flow Statement and related notes (IAS 1 paragraphs 10(d), 38A and 111 and IAS 7);
- Statement of compliance with all IFRSs (IAS 1 paragraph 16);
- Disclosures in respect of capital management (IAS 1 paragraphs 134-136);
- The effects of new but not yet effective IFRSs (IAS 8 paragraphs 30 and 31);
- Disclosures in respect of the compensation of Key Management Personnel (IAS 24 paragraphs 17 and 18A); and
- Disclosures in respect of transactions with wholly owned subsidiaries (IAS 24).

No judgements which have a significant effect on the financial statements have been required in the preparation of these financial statements

No significant assumptions or estimates which have a significant effect on the financial statements have been required in the preparation of these financial statements.

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

The financial statements have been prepared under the historical cost convention. The functional and presentational currency of the Company is Sterling.

### Going concern

The financial statements are prepared on a going concern basis. In considering going concern, the directors have reviewed the Company’s available financial resources, historical performance and the impact of COVID-19, over the next 12 months from the date of signing the financial statements to 31 March 2022 and have concluded that the Company will be able to operate without requiring any external funding and therefore believe it is appropriate to prepare the financial statements of the Company on a going concern basis. Personal Group Holdings Plc has indicated its intention to make available such funds as are needed by the Company for a period of at least 12 months from the date of approval to 31 March 2022, should the need arise.

## Principal accounting policies (*continued*)

### **Investments**

Investments in subsidiaries are carried at cost less accumulated impairments. Acquisitions from entities under common control are recognised at book value less any subsequent impairment.

### **Non-derivative financial instruments**

Non-derivative financial instruments comprise trade and other debtors, cash and cash equivalents, loans and borrowings, and trade and other creditors.

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

Trade and other creditors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

The Company holds no derivative financial instruments.

### **Impairment**

#### *Financial assets (including trade and other debtors)*

IFRS 9 requires the use of an expected credit loss model to calculate impairment losses rather than an incurred loss model. Therefore, it is not necessary for a credit event to have occurred before credit losses are recognised. The new impairment model applies to all the Company's financial assets.

The Company assesses on a forward-looking basis, the expected credit losses ("ECL") associated with its debt instrument assets carried at amortised costs. The Company recognises a loss allowance for such losses at each reporting date. The Company measures ECL on each balance sheet date according to a three stage ECL impairment model:

Stage 1 – from initial recognition of the financial asset to the date on which the asset has experienced a significant increase in credit risk (SICR) relative to its initial recognition, a loss allowance is equal to the credit loss expected to result from default occurring over 12 months following the reporting date.

Stage 2 – following a significant increase in credit risk relative to the initial recognition of the financial asset, a loss allowance is recognised equal to the credit losses expected over the remaining lifetime of the asset. Where an SICR is no longer observed, the instrument will move back to Stage 1.

Stage 3 – when the financial asset is considered to be credit impaired, a loss allowance is recognised equal to the credit losses expected over the remaining life of the asset. Interest and revenue is calculated based on the gross carrying amount of the asset, net of the loss allowance.

The measurement of the ECL reflects an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes, the time value of money and reasonable and supportable information that is available without undue cost and effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

#### *Non-financial assets*

The carrying amounts of the Company's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is

## Principal accounting policies (*continued*)

reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

### **Costs incurred to fulfil a contract**

Costs incurred to fulfil a contract under IFRS 15 are recognised as an asset under certain conditions laid out in IFRS 15.95. The capitalised contract costs are amortised on a systematic basis that is consistent with the Company's transfer of the related goods or services to the customer. Capitalised contract costs are subject to an impairment assessment at the end of each reporting period. Impairment losses are recognised in the profit or loss. There are no contracts in the Group for which these conditions are met and, as such, no assets have been recognised.

### **Cash at bank and in hand**

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

### **Equity**

Equity comprises the following:

- "Share capital" represents the nominal value of equity shares.

### **Taxation**

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income. Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

## Principal accounting policies (*continued*)

### **Share-based payment**

The grant date fair value of share-based payments awards granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period in which the employees become unconditionally entitled to the awards. The fair value of the awards granted is measured using an option valuation model, taking into account the terms and conditions upon which the awards were granted. The amount recognised as an expense is adjusted to reflect the actual number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that do meet the related service and non-market performance conditions at the vesting date.

Where the Company grants options over its own shares to the employees of its subsidiaries it recognises, in its individual financial statements, an increase in the cost of investment in its subsidiaries equivalent to the equity-settled share-based payment charge recognised in the financial statements with the corresponding credit being recognised directly in equity.

## Notes to the financial statements

### 1 Profit before taxation

	Year ended 31 December 2020 £'000	Year ended 31 December 2019 £'000
Profit before taxation is stated after:		
Auditor's remuneration		
- audit fees	5	4
Impairment of investments in subsidiaries	-	-

The audit fees are payable to Ernst and Young LLP.

### 2 Directors and employees

The Company has no employees. The directors are paid by subsidiary companies.

The apportionment of remuneration for directors relating to Personal Group Limited and its subsidiaries is:

	2020 £'000	2019 £'000
Aggregate remuneration in respect of qualifying services	789	926
Amounts paid to third parties in respect of directors services	-	-
Gains on exercise of share options	-	-
Pension schemes	17	21

The aggregate of remuneration and amounts receivable under long term incentive schemes of the highest paid director, apportioned to PGL and its subsidiaries, was £238k (2019: £308k), and company pension contributions of £8k (2019: £8k) were made to a money purchase scheme on his behalf.

During the year, no directors (2019: no directors) exercised share options and received shares under a long term incentive scheme.

## Notes to the financial statements (*continued*)

### 3 Tax on profit

The relationship between the expected tax expense based on the effective tax rate of Personal Group Limited at 19.00% (2019: 19.00%) and the expense actually recognised in the profit or loss statement can be reconciled as follows.

	Year ended 31 December 2020 £'000	Year ended 31 December 2019 £'000
<b>Recognised in the profit and loss account</b>		
Current tax charge	-	-
In respect of prior year	3	-
	<hr/>	<hr/>
Actual tax expense	3	-
	<hr/>	<hr/>
<b>Reconciliation of effective tax rate</b>		
Profit before tax	6,119	9,136
	<hr/>	<hr/>
Tax rate	19.00%	19.00%
Expected tax expense	1,163	1,736
Adjustment for non-deductible expenses	36	-
Adjustment for tax exempt revenue	(1,198)	(1,731)
Group relief	(3)	(5)
	<hr/>	<hr/>
Actual tax expense	3	-
	<hr/>	<hr/>

The standard rate of tax applied to reported profit on ordinary activities is 19.00% (2019: 19.00%). These will reduce future tax charges accordingly.

On 16 March 2016 the UK Government announced that the UK corporation tax rate will be reduced to 17% with effect from 1 April 2020. On 11 March 2020 the UK Government announced that the UK corporate tax rate will remain at 19% from 1 April 2020. On the 3 March 2021 Budget, it was announced that the rate of corporation tax will increase to 25% from April 2023.

## Notes to the financial statements (*continued*)

### 4 Debtors

	2020 £'000	2019 £'000
Amounts due from Group undertakings (payable within 1 year)	32	451
Loans due from Group undertakings (repayable on demand)	3,698	3,927
Other debtors	12	-
	<u>3,742</u>	<u>4,378</u>

Amounts due from group undertakings are ongoing trading balances, which are repayable on demand and non-interest bearing.

Loans due from group undertakings are intercompany loan balances on which interest is charged at an interest rate equal to the Bank of England base rate plus 0.5%. These amounts are considered short term as they are not intended to be long-term financing solutions.

The balances above are net of an expected credit loss provision of £nil (2019: £nil). The net effect of the probability of default and the loss given default was considered immaterial for these balances.

### 5 Creditors: amounts falling due within one year

	2020 £'000	2019 £'000
Amounts owed to Group undertakings	2,261	4,233
Accruals and deferred income	11	8
	<u>2,272</u>	<u>4,241</u>

Amounts owed to group undertakings are generated from the provision of services by other group undertakings and are repayable on demand. These amounts are non-interest bearing.

## Notes to the financial statements (*continued*)

### 6 Company investment in subsidiary undertakings and joint venture

	Shares in subsidiary undertakings 2020 £'000
Cost	
At 1 January 2020	28,305
Acquired in the year	-
Share based expenses	4
At 31 December 2020	<u>28,309</u>
Amounts written off	
At 1 January 2019	3,347
Impairment provision in year	-
At 31 December 2020	<u>3,347</u>
Net book amount at 31 December 2020	<u>24,962</u>
Net book amount at 31 December 2019	<u>24,958</u>

During the year, several of the Company's subsidiaries, undertook a capital reduction exercise with dividends being made, through the Company, to its immediate parent undertaking. These reductions, and subsequent dividends, reduced the net assets of the subsidiaries to an extent that these fell below the investment values in the Company, driving the need for an impairment.

At 31 December 2020, the Company held 100% of the allotted share capital of the following trading companies, all of which were incorporated in England and Wales, with the exception of Personal Assurance (Guernsey) Limited which is incorporated in Guernsey and have been consolidated in the Group financial statements. The registered address of all Group entities is John Ormond House, 899 Silbury Boulevard, Milton Keynes, Buckinghamshire, MK9 3XL, with the exception of Personal Assurance (Guernsey) Limited whose registered address is Level 5, Mill Court, La Charroterie, St Peter Port, Guernsey, GY1 1EJ.

	Nature of business
Personal Assurance Plc*	General insurance
Personal Assurance Services Limited*	Administration services
Personal Group Benefits Limited*	Employee benefits sales and marketing
Personal Group Trustees Limited*	Trustee for employee share options
Personal Management Solutions Limited*	Employee benefits sales and marketing
Berkeley Morgan Group Limited*	Berkeley Morgan Group Holding company
Berkeley Morgan Limited +*	Independent financial advisers
Universal Provident Limited +*	Health insurance services
B M Agency Services Limited +*	Wholesale insurance intermediary
Personal Assurance (Guernsey) Limited*	Death insurance underwriting services
Personal Group Mobile Limited*	Wireless telecommunications
Innecto People Consulting Limited	HR consultancy and technology providers
Lets Connect IT Solutions Limited*	Employee benefits salary sacrifice technology products

+Indirectly owned by Personal Group Limited via Berkeley Morgan Group Limited

\*Registered address 899 Silbury Boulevard, Milton Keynes MK9 3XL

\*Registered address Level 5, Mill Court, La Charroterie, St Peter Port, Guernsey, GY1 1EJ

## Notes to the financial statements (*continued*)

### 7 Share capital

	2020 £'000	2019 £'000
Authorised		
8,036,001 ordinary shares of £0.000001 each	-	-
Allotted		
8,036,001 ordinary shares of £0.000001 each	-	-

### 8 Capital commitments

The Company had no capital commitments at 31 December 2020 or 31 December 2019.

### 9 Contingent liabilities

There were no contingent liabilities at 31 December 2020 or 31 December 2019.

### 10 Ultimate controlling related party

The ultimate parent undertaking of this company is its parent company, Personal Group Holdings Plc, a company registered in England and Wales. The address of which is as follows,

John Ormond House  
899 Silbury Boulevard  
Central Milton Keynes  
MK9 3XL

The only group of undertakings for which group accounts have been drawn up is that headed by Personal Group Holdings Plc. Copies of these group accounts may be obtained from Companies House.

As a wholly owned subsidiary of Personal Group Holdings Plc the company has taken advantage of the exemption available under FRS 101 not to disclose transactions with other members of the group headed by Personal Group Holdings Plc.

### 11 Post balance sheet events

There were no post balance sheet events that would require disclosure.