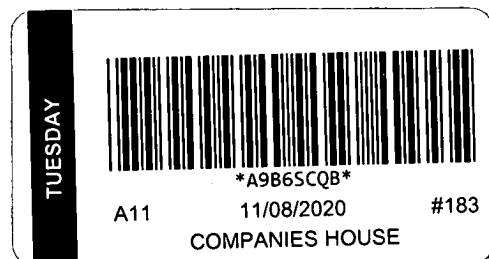


LLP Registration no: OC345142

OPTIONS SIPP UK LLP
(Formerly Carey Pensions UK LLP)

Annual Report and Audited Financial Statements
for the year ended 31 December 2019



OPTIONS SIPP UK LLP - LLP Registration no: OC345142
(Formerly Carey Pensions UK LLP)
Contents of the financial statements for the year ended 31 December 2019

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OPTIONS SIPP UK LLP
(Formerly Carey Pensions UK LLP)

LLP Information
for the year ended 31 December 2019

Designated Members

Carey Administration Holdings Limited
Chrysalis Pension Consulting LLP

Executive Board

C.P. Hallett
B.H. Haering (resigned 12 February 2019)
S. Cole
D. Hatch (appointed 12 February 2019)
G Kettleborough (appointed 1 October 2019)
A Filbin (appointed 2 January 2020)

Auditor

Deloitte LLP
Statutory Auditor
2 Hardman Street
Manchester
United Kingdom
M3 3HF

Registered Office

1st Floor, Lakeside House
Shirwell Crescent
Furzton Lake
Milton Keynes MK4 1GA
England

LLP Registration No.
OC345142

OPTIONS SIPP UK LLP

(Formerly Carey Pensions UK LLP)

Report to members for the year ended 31 December 2019

The Executive Board presents its annual report to the members and the audited financial statements of Options SIPP UK LLP ("the LLP") for the year ended 31 December 2019.

The members of the LLP are known and referred to by both clients and staff as partners. Throughout the financial statements references to partners should be taken as referring to members, as defined by the Limited Liability Partnerships Act 2000. The company name was changed on 2nd January 2020 from Carey Pensions UK LLP to Options SIPP UK LLP.

Principal activity

The principal activity of the LLP is pensions administration.

Designated members

The designated members (as defined in the Limited Liability Partnerships Act 2000) during the year were Chrysalis Pension Consulting LLP and Carey Administration Holdings Limited (formerly Carey Commercial Holdings Limited).

Results for the year and allocation to members

The loss for the financial year available for discretionary division among members was £53,908 (2018: £43,623 loss).

Partners' drawings and capital

All partners are equity partners and share in the profits or losses and subscribe the entire capital of the LLP. Each partner's capital subscription is linked to his or her share of profit and is repaid in full on ceasing to be a partner, subject to replacement capital being provided by other members.

The profits for each accounting period shall be divided among the members' in the respective proportions and credited to members' current accounts with the LLP, as soon as the financial statements for the accounting period have been approved by the members. Save as may otherwise be resolved by the Executive Board, no member shall be entitled to draw on account of its share of the profits.

Going concern

The Executive Board considers that at the balance sheet date the financial resources available to the LLP are adequate to meet its operational needs. The Executive Board also note the commitments made in the LLP agreement for the members to supply further support if required.

Based on the analyses carried out the directors have assessed the impact of COVID-19 and do not anticipate any significant reduction in revenue and new policies at the date of signing. Additional information including details of the assessment of the impact of COVID-19 is provided under the subsequent events note to the accounts.

The LLP was purchased by STM Group Plc on 12 February 2019. Under the terms of the LLP agreement the Executive Board have confirmation from the partners to supply further support if required. Consequently, the financial statements have been prepared on the going concern basis.

Indication of future developments

The Directors expect the general level of activity to increase in the forthcoming year. This is as a result of new business coming in 2020. The LLP was acquired by the STM Group on 12 February 2019. The new owners are committed to supporting the LLP by assisting in its growth both organically and/or by acquisition and increased efficiencies.

It is difficult to assess the long term financial impact on the business community generally due to the impact of COVID-19, however our business model of fixed annual fees should mean that our existing recurring annual revenue stream is protected from any significant downturn

New business volumes are expected to be impacted, but are anticipated to return to pre-Covid forecast levels although uncertainty around the persistency of the Covid-19 outbreak means the timing and overall financial impact is uncertain.

OPTIONS SIPP UK LLP
(Formerly Carey Pensions UK LLP)

Report to members (continued)
for the year ended 31 December 2019

Statement of partners' responsibilities

The members are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

The Limited Liability Partnerships (Accounts & Audit) (Application of Companies Act 2006) Regulations 2008 require the partners to prepare financial statements for each financial period. Under that law the partners have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) including FRS 102, the financial reporting standard applicable in the UK and the Republic of Ireland. The financial statements are required by law to give a true and fair view of the state of affairs of the LLP and of the profit or loss of the LLP for that period. In preparing these financial statements, the partners are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the LLP will continue in business.

The partners are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the LLP and enable them to ensure that the financial statements comply with the Companies Act 2006, as applicable to limited liability partnerships. They are also responsible for safeguarding the assets of the firm and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The responsibilities are exercised by the Executive Board on behalf of the members.

Small companies note

In preparing this report, the partners have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

Partners have taken the small companies' exemption from preparing a strategic report.

Auditor

A resolution to re-appoint Deloitte LLP as auditor will be proposed at the next annual general meeting.

Approved for issue on behalf of the Executive Board :



Mrs C.P Hallett

15th May 2020



Mr D Hatch

15th May 2020

OPTIONS SIPP UK LLP

(Formerly Carey Pensions UK LLP)

Independent auditor's report to the members of Options SIPP UK LLP

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Options SIPP UK LLP (the "limited liability partnership"):

- give a true and fair view of the state of the limited liability partnership's affairs as at 31 December 2019 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 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006 as applied to limited liability partnerships.

We have audited the financial statements which comprise:

- the Statement of Comprehensive Income;
- the Balance Sheet;
- the Statement of Changes in Members' Interests
- the Cash Flow Statement; and
- the related notes 1 to 18.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Ireland" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conduct 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 limited liability partnership 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 (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.

Conclusion relating to going concern

We are required by ISAs (UK) to report in respect of the following matters where:

- the members' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the members have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the limited liability partnership's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

Other information

The members are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in respect of these matters.

OPTIONS SIPP UK LLP

Independent auditor's report to the members of Options SIPP UK LLP (continued)

Responsibilities of members

As explained more fully in the statement of partners' responsibilities, the members 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 members 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 members are responsible for assessing the limited liability partnership's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using going concern basis of accounting unless the members either intend to liquidate the limited liability partnership 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.

Report on other legal and regulatory requirements

Matters on which we are required to report by exception

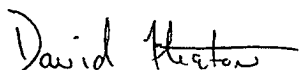
Under the Companies Act 2006 as applied to limited liability partnerships we are required to report in respect of the following matters if, in our opinion:

- adequate accounting records have not been kept by the limited liability partnership, or returns adequate for our audit have not been received from branches not visited by us; or
 - the limited liability partnership financial statements are not in agreement with the accounting records and returns;
- or
- we have not received all the information and explanations we require for our audit; or
 - the members were not entitled to prepare financial statements in accordance with the small limited liability partnerships regime.

We have nothing to report in respect of these matters.

Use of our report

This report is made solely to the limited liability partnership's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, as applied to limited liability partnerships (Application of Companies Act 2006) Regulations 2008. Our audit work has been undertaken so that we might state to the limited liability partnership'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 limited liability partnership and the limited liability partnership's members, as a body, for our audit work, for this report, or for the opinions we have formed.



David Heaton (Senior Statutory Auditor)

For and on behalf of Deloitte LLP

Statutory Auditor

Manchester, United Kingdom

15th May 2020

OPTIONS SIPP UK LLP
(Formerly Carey Pensions UK LLP)

Statement of Comprehensive Income
for the year ended 31 December 2019

	Notes	2019		2018	
		£	£	£	£
Turnover	2	1,733,731		1,803,857	
			1,733,731		1,803,857
Administrative expenses	3, 4		(1,787,638)		(1,847,480)
Loss for the year before members' remuneration	3		(53,908)		(43,623)
Members' remuneration charged as an expense	5		-		-
Loss for the year			<u>(53,908)</u>		<u>(43,623)</u>

Continuing operations

None of the LLP's activities were acquired or discontinued during the current year or previous year.

Total Recognised Gains and Losses

The LLP has no recognised gains or losses other than the loss for the current year and the loss for the previous year.

The accompanying notes on pages 10 to 16 form an integral part of these financial statements.

OPTIONS SIPP UK LLP
(Formerly Carey Pensions UK LLP)

Registered no: OC345142

Balance Sheet

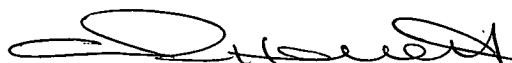
as at 31 December 2019

	Notes	2019		2018	
		£	£	£	£
Fixed assets					
Tangible fixed assets	6	22,632		33,973	
Investments	7	<u>10,010</u>		<u>10,010</u>	
Total fixed assets			32,642		43,983
Current assets					
Cash at bank and in hand	8	58,490		16,750	
Trade and other receivables	9	1,401,663		1,704,199	
Total current assets		<u>1,460,153</u>		<u>1,720,949</u>	
Creditors: amounts falling due within one year	10	<u>(143,400)</u>		<u>(361,629)</u>	
Total assets less current liabilities			1,316,753		1,359,320
Creditors: amounts falling due after one year	11		(950,010)		(950,010)
Provisions for liabilities and charges	14		-		-
Net assets attributable to members			<u>399,385</u>		<u>453,292</u>
Members' interests					
Members capital (classified as equity)	16		1,415,000		1,415,000
Profit and loss account			(1,015,615)		(961,707)
Total members' interests			<u>399,385</u>		<u>453,293</u>

The accompanying notes on pages 10 to 16 form an integral part of these financial statements.

The financial statements of Options SIPP UK LLP were approved and authorised for issue by the members of the LLP on 15 May 2020 and were signed by:

For and on behalf of the Executive Board:



Mrs C P Hallett

15th May 2020



Mr D Hatch

15th May 2020

OPTIONS SIPP UK LLP
(Formerly Carey Pensions UK LLP)

Registered no: OC345142

Statement of Changes in Members' Interests
as at 31 December 2019

	Members' other interests		
	Members' capital (classified as equity)	Other Reserves	Total
	£	£	£
Balance at 1 January 2019	1,415,000	(961,707)	453,293
Total comprehensive loss for the year	-	(53,908)	(53,908)
Members' interests after loss for the year	1,415,000	(1,015,615)	399,385
Balance at 31 December 2019	1,415,000	(1,015,615)	399,385

	Members' other interests		
	Members' capital (classified as equity)	Other Reserves	Total
	£	£	£
Balance at 1 January 2018	1,415,000	(918,084)	496,916
Total comprehensive loss for the year	-	(43,623)	(43,623)
Members' interests after loss for the year	1,415,000	(961,707)	453,293
Balance at 31 December 2018	1,415,000	(961,707)	453,293

OPTIONS SIPP UK LLP
(Formerly Carey Pensions UK LLP)

Cash Flow Statement
for the year ended 31 December 2019

	Notes	2019 £	2018 £
Net cash from operating activities	12	<u>44,673</u>	<u>(14,643)</u>
Cash flow from investing activities			
Purchases of tangible assets		(2,933)	(22,644)
Net cash used in investing activities		<u>(2,933)</u>	<u>(22,644)</u>
Net Increase /(decrease) in cash and cash equivalents		41,740	(37,287)
Cash and cash equivalents at beginning of year		<u>16,750</u>	<u>54,037</u>
Cash and cash equivalents at end of year		<u><u>58,490</u></u>	<u><u>16,750</u></u>

OPTIONS SIPP UK LLP

(Formerly Carey Pensions UK LLP)

Notes to the Financial Statements

for the year ended 31 December 2019

1 Accounting policies

Principal accounting policies

The financial statements have been prepared in accordance with accounting standards applicable in the United Kingdom ("UK GAAP"). The LLP has presented its financial statements under Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

Basis of accounting

The financial statements have been prepared in accordance with the historical cost convention and the Statement of Recommended Practice ("SORP") "Accounting by Limited Liability Partnerships" issued by the Consultative Committee of Accounting Bodies in 2006.

Basis of non-consolidation

The LLP has not prepared consolidated financial statements, as it meets the requirements of s405 of the Companies Act 2006. This exemption is taken in respect of MK SIPP Trustees UK Ltd (formerly Carey Pensions Trustees UK Ltd).

Turnover

Turnover comprises of fees earned from provision of pension administration services and is recognised as the services are provided on an accruals basis. Any amounts received in advance of providing future services are deferred to the period in which the services are rendered.

Trade and other receivables

Trade and other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of pension administration services to customers, but also incorporate other types of contractual monetary asset. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

Impairment provisions are recognised when there is objective evidence (such as significant financial difficulties on the part of the counterparty or default or significant delay in payment) that the LLP will be unable to collect all of the amounts due under the terms receivable, with the amount of such provision being the difference between the net carrying amount and the present value of future expected cash flows associated with the impaired receivable.

Creditors and borrowings

The LLP's creditors and borrowings are initially recognised at fair value and subsequently carried at amortised cost.

Provisions

The LLP has a provision for liabilities of uncertain timing or amount arising from legal claims and dispute with customers arising from performing its fiduciary role in the provision of pension administration services. The amount recognised as a provision is the best estimate to settle the obligation at the reporting date, taking into account the risks and uncertainties surrounding the claim. When all or some of the economic benefits required to settle the obligation are expected to be received from a third party, a receivable is recognised as an asset if it is virtually certain that the reimbursement will be received and the amount of the receivable can be measured reliably.

Tangible fixed assets

Tangible fixed assets are accounted for at cost less depreciation. Depreciation has been provided on the basis of equal annual instalments to write off the cost less estimated residual value of tangible fixed assets over their useful lives on a straight line basis as follows:

- computer equipment	25% per annum
- furniture	25% per annum
- office equipment	20% per annum
- leasehold improvements	20% per annum

Operating leases

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis.

OPTIONS SIPP UK LLP
(Formerly Carey Pensions UK LLP)

Notes to the Financial Statements (continued)
for the year ended 31 December 2019

1 Accounting policies (continued)

Investments

Investments in subsidiaries are recorded at cost less provision for any impairment in value.

Going concern

The Executive Board considers that at the balance sheet date the financial resources available to the LLP are adequate to meet its operational needs. The Executive Board also note the commitments made in the LLP agreement for the members to supply further support if required.

Based on the analyses carried out the directors have assessed the impact of COVID-19 and do not anticipate any significant reduction in revenue and new policies at the date of signing. Additional information including details of the assessment of the impact of COVID-19 is provided under the subsequent events note to the accounts.

The LLP was purchased by STM Group Plc on 12 February 2019. Under the terms of the LLP agreement the Executive Board have confirmation from the partners to supply further support if required. Consequently, the financial statements have been prepared on the going concern basis.

Taxation

This LLP is transparent for tax purposes and therefore no provision has been made for tax in these financial statements.

Critical judgements and key sources of estimation

In applying the LLP's accounting policies the directors are required to make judgements, estimates and assumptions about the carrying amounts 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 year in which the estimate is revised if the revision affects only that year or in the year of the revision and future years if the revision affects both current and future years.

Critical judgements

There were no critical judgements made in the year.

Key sources of estimation

The following are the key sources of estimation that the Directors have made, in the process of applying the LLP's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Provision for legal claims and disputes

The LLP makes assessments as to whether legal fees need to be provided for by making reference to estimated future cash flows for certain legal claims and disputes. Management's assessment takes into account amounts expected to be received from insurance arrangements, correspondence with individual customers, number of open complaints and legal claims. Provisions for the current year are £nil (2018: £nil).

Impairment of trade and other receivables

The LLP assesses its trade and other receivables for impairment at each reporting date. In determining whether an impairment loss should be recorded in the Statement of Comprehensive Income, the LLP makes an assessment as to whether there is observable data indicating a measurable decrease in the estimated future cash flows. Management's assessment takes into account views regarding the current economic climate, correspondence with individual customers and historical payment experience. The current provision of £13,790 represents 7% of total debt outstanding (2018: £13,839 - 8%). The provision coverage has reduced as a result of a full analysis of the underlying investments held by clients and their propensity to produce future income.

OPTIONS SIPP UK LLP
(Formerly Carey Pensions UK LLP)

Notes to the Financial Statements (continued)
for the year ended 31 December 2019

2 Turnover	2019	2018
	£	£
SIPP administration	<u>1,733,731</u>	<u>1,803,857</u>

The LLP operates within one business segment and operates solely within the UK.

3 Loss on ordinary activities	2019	2018
	£	£
Loss on ordinary activities before members' remuneration is stated after charging:		
Operating lease rental	46,083	45,338
Depreciation on tangible fixed assets	14,274	15,991
Staff costs (see note 4)	1,045,856	1,050,634
Auditor's remuneration for the auditing of the financial statements	<u>25,865</u>	<u>24,635</u>

4 Staff costs	2019	2018
	Number	Number
Average number of staff	<u>36</u>	<u>36</u>

The staff numbers disclosed are the monthly average

	2019	2018
	£	£
Included in staff costs were:		
Wages and salaries	907,587	933,439
Social security	87,379	70,455
Pension costs	50,890	46,740
Total staff costs	<u>1,045,856</u>	<u>1,050,634</u>

The LLP has no employees. All staff are employed by Carey Group Services UK Limited and recharged to the LLP on a monthly basis. There is only one category of staff and therefore only one average number has been disclosed above.

5 Members' remuneration charged as an expense	2019	2018
	£	£
Fees paid to Carey Administration Holdings Limited (formerly Carey Commercial Holdings Limited) for directors' services	-	-
Fees paid to Chrysalis Pension Consulting LLP	<u>-</u>	<u>-</u>

Christine Hallett is the sole member of Chrysalis Pension Consulting LLP.

Key management personnel compensation

Salary	95,000	95,000
Pension contributions	11,875	11,875
Healthcare plan	872	872
Total emoluments	<u>107,747</u>	<u>107,747</u>

OPTIONS SIPP UK LLP
(Formerly Carey Pensions UK LLP)

Notes to the Financial Statements (continued)
for the year ended 31 December 2019

6 Tangible fixed assets	Office equipment	Furniture	Computer equipment	Leasehold improvements	Total
	£	£	£	£	£
Cost					
At 1 January 2019	30,490	13,860	154,886	6,870	206,106
Additions	0	1,068	1,865	-	2,933
Disposals	-	-	-	-	-
At 31 December 2019	30,490	14,928	156,751	6,870	209,039
Depreciation					
At 1 January 2019	(27,157)	(13,581)	(124,525)	(6,870)	(172,133)
Charge in year	(2,142)	(303)	(11,829)	0	(14,274)
Disposals	-	-	-	-	-
At 31 December 2019	(29,299)	(13,884)	(136,355)	(6,870)	(186,407)
Net book value					
At 31 December 2018	3,333	279	30,361	0	33,973
At 31 December 2019	1,191	1,044	20,396	-	22,632

7 Investments

	2019	2018
	£	£
Investments in Storage Pods	10,000	10,000

On 5th March 2015 seven storage pods were transferred to the LLP as part of a claim settlement. In 2017 this was recognised as an investment at an estimated value of £10,000.

Investments in Subsidiary

The LLP holds 100% of the issued share capital in the following company:

	Country of incorporation	Date of incorporation	Activity	2019	2018
				£	£
MK SIPP Trustees UK Limited (formerly Carey Pension Trustees UK Ltd)			Provision of corporate trustee services		
10 ordinary shares of £1 each	United Kingdom	22 April 2009		10	10
Total Investments				10,010	10,010

The registered address of MK SIPP Trustees UK Limited is 1st floor, Lakeside, Furzton Lake, Milton Keynes.

8 Cash at bank and in hand	2019	2018
	£	£
Cash at bank	58,490	16,750
9 Trade and other receivables	2019	2018
	£	£
Trade debtors	179,839	169,792
Carey Administration Holdings Ltd	637,325	587,079
Options Group Services UK Ltd	113,582	0
Options Corporate Pensions UK Ltd	399,238	869,461
VAT	17,083	40,003
Work in progress and accrued income	7,970	-
Prepaid expenses	46,626	37,864
Total	1,401,663	1,704,199

OPTIONS SIPP UK LLP
(Formerly Carey Pensions UK LLP)

Notes to the Financial Statements (continued)
for the year ended 31 December 2019

10 Creditors: amounts falling due within one year	2019	2018
	£	£
Trade creditors	22,319	44,900
STM Group Plc	10,000	-
Options Group Services UK Ltd	-	234,432
Other Payables third parties	44,349	36,148
Accruals	66,732	46,149
Total	<u>143,400</u>	<u>361,629</u>

11 Creditors: amounts falling due after one year	2019	2018
	£	£
Subordinated loan agreement	950,000	950,000
Intercompany creditors	10	10
Total	<u>950,010</u>	<u>950,010</u>

Note 15 gives full details of changes to the subordinated loan.

12 Note to the cash flow statement	2019	2018
	£	£
Loss for the year	(53,908)	(43,623)
Adjustments for:		
Depreciation of tangible fixed assets	14,274	15,991
Impairment release	(49)	(21,768)
Operating cash flows before movements in working capital	(39,683)	(49,401)
Changes in working capital:		
Decrease in prepaid expenses and accrued income	(16,732)	(4,775)
Increase in trade and other receivables	319,316	41,440
Decrease in payables	(218,229)	(1,907)
Cash used in operations	<u>44,673</u>	<u>(14,643)</u>
Net cash generated / (used) in operating activities	<u>44,673</u>	<u>(14,643)</u>

OPTIONS SIPP UK LLP
(Formerly Carey Pensions UK LLP)

Notes to the Financial Statements (continued)
for the year ended 31 December 2019

13 Operating leases

Total future minimum lease payments under non cancellable operating leases are as follows:

	2019	2018
	£	£
- within one year	49,600	23,763
- between one and five years	198,400	-
	<u>248,000</u>	<u>23,763</u>

Options Group Services UK Ltd holds an operating lease for the rental of office premises located at 1st Floor and 2nd Floor (West), Lakeside, Shirwell Crescent, Furzton, Milton Keynes. The lease expires on 30 June 2029.

14 Provisions for liabilities and charges

In the normal course of business, the LLP is, from time to time, involved in disputes or litigation in its capacity as a fiduciary service provider (where applicable). In the opinion of the Directors, there were no contingent liabilities as at 31 December 2019 that require further disclosure.

15 Related party transactions

Central service costs and other overhead expenses were previously paid by Options Group Services UK Limited (formerly Carey Group Services UK Limited), a group company, and were recharged via intercompany accounts. The balances owing to Options Group Services UK Limited at year end of £nil (2018: £234,431.97) and STM Group Plc of £10,000 (2018: £nil) are included in the Intercompany Creditors. The amounts due to STM (Options) group companies are unsecured, interest free and repayable on demand.

On the 12th January 2017 the subordinated loans were replaced by a new subordinated loan of £950,000 agreed by Carey Administration Holdings Limited to the LLP. On the 24th March 2017 it was resolved that, in accordance with clause 9 of the LLP agreement, Carey Administration Holdings Limited would increase the subordinated loan above by £150,000 and £500,000 of this would be converted into equity by 31st March 2017 in order to satisfy the increased capital adequacy requirements of the FCA. See note 16 for further details on the terms associated with members capital. On the 30th June 2017 a further £50,000 was added to the loan and the subordinated loans were replaced by a new subordinated loan of £650,000. On 24th August 2017 a further £300,000 was added to the loan and the subordinated loans were replaced by a new subordinated loan of £950,000 agreed by Carey Administration Holdings Limited to the LLP.

Interest will be payable by the LLP on this loan, at a rate of 5% above LIBOR. The subordinated loan has no fixed repayment date but Carey Administration Holdings Limited has the option to recall the funds at any time from 24th August 2019 after giving one month's notice and there being written consent from the FCA before such repayment is made by the LLP.

Key management personnel remuneration is detailed in note 5.

Intercompany debtors at year end were; Carey Administration Holdings Limited ("CAHL") £637,325 (2018: £587,079) Options Group Services UK Ltd £113,582 (2018 £nil) and Options Corporate Pensions UK Limited £399,238 (2018: £869,461).

OPTIONS SIPP UK LLP
(Formerly Carey Pensions UK LLP)

Notes to the Financial Statements (continued)
for the year ended 31 December 2019

16 Members' interests

In accordance with Clause 9 of the LLP agreement, CAHL contributed the sum of £400,000 by way of capital contributions on 1 August 2009. Further capital contributions of £150,000, £300,000, £10,000, £55,000 and £500,000 were introduced by CAHL on 31 March 2010, 31 October 2010, 30 June 2011, 14 July 2011 and 31 March 2017 respectively. Members' capital can only be withdrawn by a member if:

- they become an outgoing member and an equal amount of capital is contributed to the LLP by a continuing member or by such person or persons replacing them as a member;
- an equal amount is contributed to the LLP by another member or by a new member;
- the LLP is wound up or otherwise dissolved; or
- the LLP has ceased to be authorised under Part IV of the Financial Services and Markets Act 2000.

As a result the capital introduced has been classified as equity capital.

Chrysalis Pensions Consulting LLP shall contribute the sum of £392,143 (2018: £392,143) of capital by way of the application of such amounts of its share of the profits as are due to be paid to it in accordance with clauses 10.1 and 10.2 of the LLP agreement. Chrysalis Pension Consulting LLP is ultimately obliged to contribute 30% of the LLP's total capital in this way.

	2019	2018
Members' capital (classified as equity)	1,415,000	1,415,000

17 Ultimate controlling party

CAHL the smallest parent company was purchased by STM Group Plc on 12 February 2019, the registered office is PO Box 285, Elizabeth House, Les Ruettes Brayes, St Peter Port, Guernsey, GY1 4LX. The largest parent company from 12 February 2019 is STM Group Plc, 18 Athol Street, Douglas, IM1 1JA, Isle of Man, an AIM listed company incorporated and registered in Isle of Man. STM Group PLC prepares group accounts.

18 Post balance sheet events

The partnerships name was changed at Companies House on 2nd January 2020 from Carey Pensions UK LLP to Options SIPP Pensions UK LLP.

The Covid-19 virus has not only created unprecedented times from a health and social perspective but has changed the economic landscape for the immediate future, and probably for significantly longer. It is difficult to assess the long term financial impact on the business community generally, however our business model of fixed annual fees should mean that our existing recurring annual revenue stream is protected from any significant downturn.

New business volumes are expected to be impacted, but are anticipated to return to pre-Covid forecast levels although uncertainty around the persistency of the Covid-19 outbreak means the timing and overall financial impact is uncertain.

We have instigated contingency procedures within our various businesses, which has resulted in almost all of our employees are working from home, so as to comply with the various Governments' advices, protect our colleagues as well as ensuring that we are able to maintain service levels to our customers.

The directors consider the impact of Covid-19 to be a non-adjusting subsequent event and therefore no changes to the carrying values of assets or liabilities have been recorded in these financial statements. No material impact to the value of assets or liabilities has been observed to date.