

LLP Registration no: OC345142

CAREY PENSIONS UK LLP

**Annual Report and Audited Financial Statements
for the year ended 31 December 2018**



CAREY PENSIONS UK LLP - LLP Registration no: OC345142

Contents of the financial statements for the year ended 31 December 2018

	Pages
LLP Information	1
Report to members	2 - 3
Independent Auditor's Report	4 - 5
Statement of Comprehensive Income	6
Balance Sheet	7
Statement of Changes in Members' Interests	8
Cash Flow Statement	9
Notes to the Financial Statements	10 - 16

CAREY PENSIONS UK LLP

LLP Information for the year ended 31 December 2018

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)

Auditor

Deloitte LLP
Statutory Auditor
Four Brindley Place
Birmingham
United Kingdom
B1 2HZ

Registered Office

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

Country of incorporation

United Kingdom

LLP Registration No.

OC345142

CAREY PENSIONS UK LLP

Report to members for the year ended 31 December 2018

The Executive Board presents its annual report to the members and the audited financial statements of Carey Pensions UK LLP ("the LLP") for the year ended 31 December 2018.

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.

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).

Business Review

As shown in the Statement of Comprehensive Income on page 6, the result for the year was a loss of £43,623 (2017: loss £215,226). These losses have arisen as a result of a number of complaints and legal cases relating to some historic business which is now being run down. Members' capital is £1,415,000 (2017: £1,415,000).

Results for the year and allocation to members

The loss for the financial year available for discretionary division among members was £43,623 (2017: £215,226 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. The LLP was sold to 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

At the balance sheet date the LLP along with Carey Corporate Pensions UK Limited, another member of the Group, was in negotiations to be sold to STM Group Plc. This sale was completed 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.

Statement of partners' responsibilities

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

CAREY PENSIONS UK LLP

Report to members (continued) for the year ended 31 December 2018

Statement of partners' responsibilities (continued)

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

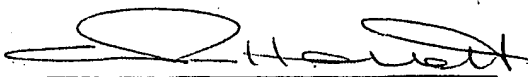
In preparing this report, the partners have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

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



Mr S Cole

16 April 2019

16 April 2019

CAREY PENSIONS UK LLP

Independent auditor's report to the members of Carey Pensions UK LLP

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Carey Pensions 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 2018 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 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.

CAREY PENSIONS UK LLP

Independent auditor's report to the members of Carey Pensions 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 auditors report.

Report on other legal and regulatory requirements

Matters on which we are required to report by exception

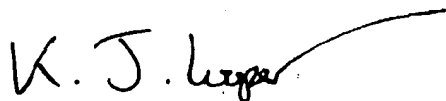
Under the Companies Act 2006 as applied to limited liability partnerships we are required to report in respect of the following matters if, in our opinion:

- 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.



Kieren Cooper (Senior Statutory Auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
Birmingham, United Kingdom
16 April 2019

CAREY PENSIONS UK LLP

Statement of Comprehensive Income for the year ended 31 December 2018

	Notes	2018		2017	
		£	£	£	£
Turnover	2	1,803,857		1,634,514	
			1,803,857		1,634,514
Administrative expenses	3, 4		(1,847,480)		(1,849,740)
Loss for the year before members' remuneration	3		(43,623)		(215,226)
Members' remuneration charged as an expense	5		-		-
Loss for the year			<u>(43,623)</u>		<u>(215,226)</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.

CAREY PENSIONS UK LLP

Registered no: OC345142

Balance Sheet

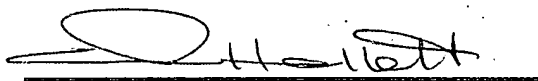
as at 31 December 2018

	Notes	2018		2017	
		£	£	£	£
Fixed assets					
Tangible fixed assets	6	33,973		27,320	
Investments	7	<u>10,010</u>		<u>10,010</u>	
Total fixed assets			43,983		37,330
Current assets					
Cash at bank and in hand	8	16,750		54,037	
Trade and other receivables	9	<u>1,704,199</u>		<u>1,719,095</u>	
Total current assets		1,720,949		1,773,132	
Creditors: amounts falling due within one year	10	<u>(361,629)</u>		<u>(363,536)</u>	
Total assets less current liabilities			1,359,320		1,409,596
Creditors: amounts falling due after one year	11		(950,010)		(950,010)
Provisions for liabilities and charges	14		-		-
Net assets attributable to members			<u>453,293</u>		<u>496,916</u>
Members' interests					
Members capital (classified as equity)	16	1,415,000		1,415,000	
Profit and loss account		<u>(961,707)</u>		<u>(918,084)</u>	
Total members' interests			<u>453,293</u>		<u>496,916</u>

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

The financial statements of Carey Pensions UK LLP were approved and authorised for issue by the members of the LLP on 16 April 2019 and were signed by:

For and on behalf of the Executive Board:



Mrs C P Hallett



Mr S Cole

16 April 2019

16 April 2019

CAREY PENSIONS UK LLP

Registered no: OC345142

Statement of Changes in Members' Interests as at 31 December 2018

	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

	Members' other interests		
	Members' capital (classified as equity)	Other Reserves	Total
	£	£	£
Balance at 1 January 2017	915,000	(702,858)	212,142
Increase in capital	500,000	-	500,000
Total comprehensive loss for the year	-	(215,226)	(215,226)
Members' interests after loss for the year	1,415,000	(918,084)	496,916
Balance at 31 December 2017	1,415,000	(918,084)	496,916

CAREY PENSIONS UK LLP

Cash Flow Statement for the year ended 31 December 2018

	Notes	2018 £	2017 £
Net cash from operating activities	12	<u>(14,643)</u>	<u>(1,084,504)</u>
Cash flow from investing activities			
Purchases of tangible assets		(22,644)	(10,827)
Net cash used in investing activities		<u>(22,644)</u>	<u>(10,827)</u>
Cash flow from financing activities			
Proceeds from issuance of ordinary shares to Company's shareholders		-	500,000
Proceeds from borrowings		-	100,000
Net cash generated from financing activities		<u>-</u>	<u>600,000</u>
Net decrease in cash and cash equivalents		(37,287)	(495,331)
Cash and cash equivalents at beginning of year		54,037	549,368
Cash and cash equivalents at end of year		<u>16,750</u>	<u>54,037</u>

CAREY PENSIONS UK LLP

Notes to the Financial Statements for the year ended 31 December 2018

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.

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.

CAREY PENSIONS UK LLP

Notes to the Financial Statements (continued) for the year ended 31 December 2018

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 the financial resources available to Carey Pensions UK LLP are adequate to meet its operational needs for the foreseeable future. The Executive Board also note the commitments made in the LLP agreement for the members to supply further support if required. Consequently, the financial statements have been prepared on a 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.

There were no critical judgements made in the year. 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 (2017: £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 £13,839 represents 8% of total debt outstanding (2017: £35,607 - 12%). 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.

CAREY PENSIONS UK LLP

Notes to the Financial Statements (continued) for the year ended 31 December 2018

2 Turnover	2018 £	2017 £
SIPP administration	<u>1,803,857</u>	<u>1,634,514</u>

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

3 Loss on ordinary activities	2018 £	2017 £
Loss on ordinary activities before members' remuneration is stated after charging:		
Operating lease rental	45,338	37,950
Depreciation on tangible fixed assets	15,991	24,402
Staff costs (see note 4)	1,050,634	1,037,012
Auditor's remuneration for the auditing of the financial statements	<u>24,635</u>	<u>23,690</u>

4 Staff costs	2018 Number	2017 Number
Average number of staff	<u>36</u>	<u>38</u>

The staff numbers disclosed are the monthly average

	2018 £	2017 £
Included in staff costs were:		
Wages and salaries	933,439	926,096
Social security	70,455	67,167
Pension costs	46,740	43,749
Total staff costs	<u>1,050,634</u>	<u>1,037,012</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	2018 £	2017 £
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	919
Total emoluments	<u>107,747</u>	<u>107,794</u>

CAREY PENSIONS UK LLP

Notes to the Financial Statements (continued) for the year ended 31 December 2018

6 Tangible fixed assets	Office equipment	Furniture	Computer equipment	Leasehold improvements	Total
	£	£	£	£	£
Cost					
At 1 January 2018	30,251	13,860	132,481	6,870	183,462
Additions	239	0	22,405	-	22,644
Disposals	-	-	-	-	-
At 31 December 2018	30,490	13,860	154,886	6,870	206,106
Depreciation					
At 1 January 2018	(25,044)	(12,649)	(111,579)	(6,870)	(156,142)
Charge in year	(2,113)	(932)	(12,946)	0	(15,991)
Disposals	-	-	-	-	-
At 31 December 2018	(27,157)	(13,581)	(124,525)	(6,870)	(172,133)
Net book value					
At 31 December 2017	5,207	1,211	20,902	0	27,320
At 31 December 2018	3,333	279	30,361	-	33,973

7 Investments

	2018	2017
	£	£
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	2018	2017
				£	£
Carey Pension Trustees UK Limited 10 ordinary shares of £1 each	United Kingdom	22 April 2009	Provision of corporate trustee services	10	10
Total Investments				10,010	10,010

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

8 Cash at bank and in hand	2018	2017
	£	£
Cash at bank	16,750	54,037
9 Trade and other receivables	2018	2017
	£	£
Trade debtors	169,792	263,181
Intercompany debtors	1,456,540	1,414,667
VAT	40,003	8,158
Prepaid expenses	37,864	33,089
Total	1,704,199	1,719,095

CAREY PENSIONS UK LLP

Notes to the Financial Statements (continued) for the year ended 31 December 2018

10 Creditors: amounts falling due within one year	2018	2017
	£	£
Trade creditors	44,900	15,582
Intercompany creditors	234,432	131,400
Other Payables third parties	36,148	54,211
Accruals	46,149	162,343
Total	<u>361,629</u>	<u>363,536</u>
11 Creditors: amounts falling due after one year	2018	2017
	£	£
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	2018	2017
	£	£
Loss for the year	(43,623)	(215,226)
Adjustments for:		
Depreciation of tangible fixed assets	15,991	24,402
Impairment release	(21,768)	(4,451)
Decrease in provisions	-	(70,816)
Increase in other non cash items	-	(10,000)
Operating cash flows before movements in working capital	<u>(49,401)</u>	<u>(276,091)</u>
Changes in working capital:		
(Decrease)/increase in prepaid expenses and accrued income	(4,775)	29,465
Increase/(decrease) in trade and other receivables	41,440	(773,872)
Decrease in payables	<u>(1,907)</u>	<u>(64,006)</u>
Cash used in operations	<u>(14,643)</u>	<u>(1,084,504)</u>
Net cash used in operating activities	<u>(14,643)</u>	<u>(1,084,504)</u>

CAREY PENSIONS UK LLP

Notes to the Financial Statements (continued) for the year ended 31 December 2018

13 Operating leases

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

	2018 £	2017 £
- within one year	23,763	43,250
- between one and five years	-	-
	<u>23,763</u>	<u>43,250</u>

The LLP holds operating leases 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 2019.

14 Provisions for liabilities and charges

	2018 £	2017 £
Provision brought forward	-	70,816
Charges to profit and loss account	-	-
Usage	-	(70,816)
Provision carried forward	<u>-</u>	<u>-</u>

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 2018 that require further disclosure.

15 Related party transactions

Central service costs and other overhead expenses are paid by Carey Administration Holdings Limited ("CAHL"), a member company, and Carey Administraion Limited ("CAL"), a group company, and are recharged via intercompany accounts. The balances owing to CAHL at year end of £nil (2017: £4,387) and CGSUK Ltd of £234,431.97 (2017: £127,013) are included in the Intercompany Creditors.

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 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.

Intercompany debtors at year end were; Carey Administration Holdings Limited £587,079 (2017: £826,627) and Carey Corporate Pensions UK Limited £869,461 (2017: £588,041).

CAREY PENSIONS UK LLP

Notes to the Financial Statements (continued) for the year ended 31 December 2018

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 (2017: £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.

	2018	2017
Members' capital (classified as equity)	<u>1,415,000</u>	<u>1,415,000</u>

17 Ultimate controlling party

The immediate parent company is CAHL. The ultimate parent company at the balance sheet date was Carey Holdings Limited (CHL) a private company incorporated and registered in Guernsey, 1st & 2nd Floors, Elizabeth House, Les Ruettes Brayes, St Peter Port, Guernsey GY1 1EW. CHL is both the largest and the smallest group of which the LLP is a member. The group financial statements of CHL are not publicly available. At the balance sheet date, the LLP was ultimately owned and controlled by current and former equity partners of Carey Olsen, a limited liability partnership established under Guernsey law.

18 Post balance sheet events

CAHL the immediate parent company was purchased by STM Group PLC on 12 February 2019. The ultimate 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.