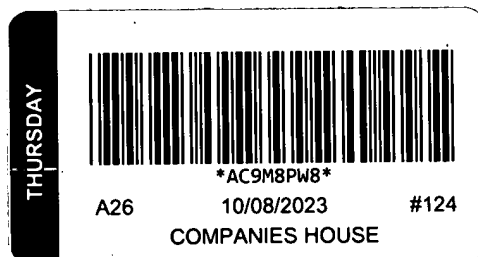


LLP Registration no: OC345142

OPTIONS UK PERSONAL PENSIONS LLP

**Annual Report and Audited Financial Statements
for the year ended 31 December 2022**



OPTIONS UK Personal Pensions LLP - LLP Registration no: OC345142

Contents of the financial statements for the year ended 31 December 2022

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OPTIONS UK PERSONAL PENSIONS LLP

LLP Information for the year ended 31 December 2022

Designated Members

CAH Limited (formerly Carey Administration Holdings Limited)
Chrysalis Pension Consulting LLP (Resigned 18 January 2023)
STM Group Plc (Appointed 18 January 2023)

Executive Board

C Hallett
D Hatch
G Kettleborough
A Filbin

Independent Auditor

Grant Thornton
Chartered Accountants & Statutory Auditors
13-18 City Quay
Dublin
Ireland
D02 ED70

Registered Office

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

LLP Registration No.

OC345142

OPTIONS UK PERSONAL PENSIONS LLP

Report to members for the year ended 31 December 2022

The Executive Board presents its annual report to the members and the audited financial statements of Options UK Personal Pensions LLP ("the LLP") for the year ended 31 December 2022.

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 CAH Limited (formerly Carey Administration Holdings Limited) and Chrysalis Pension Consulting LLP (Resigned 18 January 2023). STM Group Plc was appointed 18 January 2023.

Results for the year and allocation to members

The profit for the financial year available for discretionary division among members was £22,488 (2021: £7,314 loss). The key area that has impacted the results is the acquisition of Cardiff based book from 01 September 2022 which has seen the turnover for the period increasing by 33% in line with an increase in expenses of 31%.

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.

Having considered the above, and the commitment given by the STM Group Plc, the Executive Board have an expectation that the LLP has adequate resources to continue in operational existence for a period of 12 months from the date of approval of these financial statement, accordingly the Executive Board have continued to adopt the going concern basis in preparing the financial statements.

Indication of future developments

The Executive Board expects the general level of activity to increase in the forthcoming year. This is as a result of new business acquired in the current year which will have a full year effect in the coming year. The LLP was acquired by the STM Group Plc on 12 February 2019 who continue to remain committed to supporting the LLP by assisting in its growth both organically and/or by acquisition and increased efficiencies.

OPTIONS UK PERSONAL PENSIONS LLP

Report to members (continued) for the year ended 31 December 2022

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 Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including Financial Reporting Standard 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
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 partners are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

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

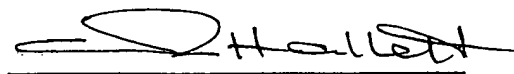
Statement as to disclosure of information to auditor

So far as the partners are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditor are unaware, and each partner has taken all the steps that he or she ought to have taken as a partner in order to make himself or herself aware of any relevant audit information and to establish that the company's auditor are aware of that information.

Auditor

Pursuant to Section 487 of the Companies Act 2006, Grant Thornton were appointed in the year.

Approved for issue on behalf of the Executive Board :



Mrs C.P Hallett

Date 26th April 2023



Mr D Hatch

Date 26 April 2023

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

Opinion

We have audited the financial statements of Options UK Personal Pensions LLP ("the LLP"), which comprise the Statement of comprehensive income, the Balance sheet, the Statement of changes in members' interests and the Cash flow statement for the financial year ended 31 December 2022, and the related notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and accounting standards issued by the Financial Reporting Council including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the LLP's financial statements:

- give a true and fair view in accordance with United Kingdom Generally Accepted Accounting Practice of the assets, liabilities and financial position of the LLP as at 31 December 2022 and of its financial performance and cash flows for the year then ended; and
- have been prepared in accordance with the requirements of the Companies Act 2006, as applied to limited liability partnerships.

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 'Responsibilities of the auditor 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 United Kingdom, including the FRC's Ethical Standard and the ethical pronouncements established by Chartered Accountants Ireland, applied as determined to be appropriate in the circumstances for the entity. 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 members' use of 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 limited liability partnership's ability to continue as a going concern for a period of at least twelve months from the date when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the members with respect to going concern are described in the relevant sections of this report.

Other matter

The financial statements of Options UK Personal Pensions LLP for the year ended 31 December 2021 were audited by Deloitte LLP who expressed an unmodified opinion on those statements on 11 August 2022.

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

Other information

Other information comprises information included in the annual report, other than the financial statements and our auditor's report thereon, including the Members' Report.

The members are responsible for the other information. 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 in the financial statements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006, as applied to Limited Liability Partnerships, 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 members' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the members were not entitled to take advantage of the small companies' exemptions, as applied to limited liability partnerships, from the requirement in preparing the members' report.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation of the financial statements which give a true and fair view in accordance with United Kingdom Generally Accepted Accounting Practice, including FRS 102, and for such internal control as management determine necessary to enable the preparation of financial statements are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the LLP'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 management either intends to liquidate the LLP or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the LLP's financial reporting process.

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

Responsibilities of the auditor for the audit of the financial statements

The objectives of an auditor 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 their 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 an auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatement in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

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

Based on our understanding of the LLP and its industry, we identified the principal risks of non-compliance with laws and regulations and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006, as applied to limited liability partnerships.

The Audit engagement partner considered the experience and expertise of the engagement team to ensure that the team had appropriate competence and capabilities to identify or recognise non-compliance with the laws and regulation. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to manipulate financial performance and management bias through judgements and assumptions in significant accounting estimates, in particular in relation to significant one-off or unusual transactions. We apply professional scepticism through the audit to consider potential deliberate omission or concealment of significant transactions, or incomplete/inaccurate disclosures in the financial statement.

In response to these principal risks, our audit procedures included but not limited to:

- enquiries of management on the policies and procedures in place regarding compliance with laws and regulations, including consideration of known or suspected instances of non-compliance and whether they have knowledge of any actual, suspected or alleged fraud;
- gaining an understanding of the entity's current activities, the scope of its authorisation and the effectiveness of its control environment;

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

Responsibilities of the auditor for the audit of the financial statements (continued)

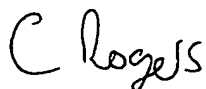
Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud (continued)

- inspection of the LLP's regulatory (including The Pensions Regulator) and legal correspondence and review of minutes during the year to corroborate inquiries made;
- obtaining an understanding of internal controls established to mitigate risk related to fraud;
- discussion amongst the engagement team in relation to the identified laws and regulations and regarding the risk of fraud, and remaining alert to any indications of non-compliance or opportunities for fraudulent manipulation of financial statements throughout the audit;
- identifying and testing journal entries to address the risk of inappropriate journals and management override of controls; and
- evaluating the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.

The primary responsibility for the prevention and detection of irregularities including fraud rests with those charged with governance and management. As with any audit, there remains a risk of non-detection or irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or override of internal controls.

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the LLP's members, as a body, in accordance with chapter 3 of Part 16 of the Companies Act 2006 as applied to limited liability partnerships. 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.



Christopher Rogers (Senior Statutory Auditor)

For and on behalf of

Grant Thornton

Chartered Accountants & Statutory Auditors

Dublin, Ireland

26 April 2023

OPTIONS UK PERSONAL PENSIONS LLP

Statement of Comprehensive Income for the year ended 31 December 2022

	Note	2022 £	2021 £
Turnover	2	3,403,628	2,564,496
		3,403,628	2,564,496
Administrative expenses	3, 4	(3,312,458)	(2,521,098)
Profit for the year before members' remuneration and interest		91,170	43,398
Members' remuneration charged as an expense	5	-	-
Interest payable and similar expense		(68,682)	(50,712)
Profit/(loss) for the year		<u>22,488</u>	<u>(7,314)</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 profit for the current year and the loss for the previous year.

The accompanying notes on pages 14 to 21 form an integral part of these financial statements.

OPTIONS UK PERSONAL PENSIONS LLP

Registered no: OC345142

Balance Sheet

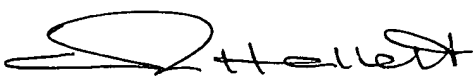
as at 31 December 2022

	Note	2022	2021
		£	£
Fixed assets			
Tangible fixed assets	6	94,676	37,239
Investments	7	<u>10</u>	<u>10</u>
Total fixed assets		94,686	37,249
Current assets			
Cash at bank and in hand	8	1,262,172	237,193
Trade and other receivables	9	1,795,430	1,901,783
Total current assets		3,057,602	2,138,976
Creditors: amounts falling due within one year	10	(1,787,366)	(833,791)
Total current liabilities		(1,787,366)	(833,791)
Total assets less current liabilities		1,364,922	1,342,434
Creditors: amounts falling due after one year	11	(1,050,010)	(1,050,010)
Net assets attributable to members		<u>314,912</u>	<u>292,424</u>
Members' interests			
Members capital (classified as equity)	16	1,415,000	1,415,000
Profit and loss account		(1,100,088)	(1,122,576)
Total members' interests		<u>314,912</u>	<u>292,424</u>

The accompanying notes on pages 14 to 21 form an integral part of these financial statements.

The financial statements of Options UK Personal Pensions LLP were approved and authorised for issue by the members of the LLP on 26 April 2023 and were signed by:

For and on behalf of the Executive Board:



 Mrs C P Hallett



 Mr D Hatch

Date: 26th APRIL 2023

Date: 26 APRIL 2023

OPTIONS UK PERSONAL PENSIONS LLP

Registered no: OC345142

Statement of Changes in Members' Interests as at 31 December 2022

	Members' other interests		
	Members' capital (classified as equity)	Other Reserves	Total
	£	£	£
Balance at 1 January 2022	1,415,000	(1,122,576)	292,424
Total comprehensive profit for the year	-	22,488	22,488
Members' interests after profit for the year	1,415,000	(1,100,088)	314,912
Balance at 31 December 2022	1,415,000	(1,100,088)	314,912

	Members' other interests		
	Members' capital (classified as equity)	Other Reserves	Total
	£	£	£
Balance at 1 January 2021	1,415,000	(1,115,262)	299,738
Total comprehensive loss for the year	-	(7,314)	(7,314)
Members' interests after loss for the year	1,415,000	(1,122,576)	292,424
Balance at 31 December 2021	1,415,000	(1,122,576)	292,424

OPTIONS UK PERSONAL PENSIONS LLP

Cash Flow Statement for the year ended 31 December 2022

	Note	2022 £	2021 £
Net cash from operating activities	12	<u>1,105,434</u>	<u>72,341</u>
Cash flow from investing activities			
Purchases of tangible assets		(80,455)	(32,394)
Net cash used in investing activities		<u>(80,455)</u>	<u>(32,394)</u>
Cash flow from financing activities			
Proceeds from borrowings		-	100,000
Net cash generated from financing activities		<u>-</u>	<u>100,000</u>
Net Increase in cash at bank		1,024,979	139,947
Cash at bank at beginning of year		237,193	97,246
Cash at bank at end of year		<u><u>1,262,172</u></u>	<u><u>237,193</u></u>

OPTIONS UK PERSONAL PENSIONS LLP

Notes to the Financial Statements for the year ended 31 December 2022

1 Accounting policies

General Information

Options UK Personal Pensions LLP is a limited liability partnership incorporated in the United Kingdom under the Companies Act 2006 and is registered in England and Wales. The address of the companies registered office is shown on page 3.

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

Revenue is derived from the amounts earned for pension trustee and administration services and is recognised in the income statement in proportion to the stage of completion of the services at the reporting date on an accruals basis.

Revenue in respect of pension products is split between the establishment fee and the management fee. The establishment fee is recognised in full at the time of processing the application so as to reflect the completion of the performance obligation such as processing their application and setting up the pension. The management fees, which are billed annually, cover both the provision of trustee services and the administration of the pension funds. The current treatment of these fees, based on the existing profile of the client portfolio, is to recognise 50% at the time of charging and to defer the balance over the year of each policy as each of the performance obligations are satisfied.

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.

Creditors and borrowings

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

Provisions

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

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cashflows estimated to settle the present obligation, its carrying amount is the present value of those cashflows (when the effect of the time value of money is immaterial).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

OPTIONS UK PERSONAL PENSIONS LLP

Notes to the Financial Statements (continued) for the year ended 31 December 2022

1 Accounting policies (continued)

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

Investments

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

Going concern

In reaching their view on the preparation of the LLP's financial statements on a going concern basis, the partners are required to consider whether the LLP can continue in operational existence for a period of 12 months from the date of approval to of these financial statements. In considering this requirement the Executive Board and partners have considered the three-year business plan, three-year budgets and the level of professional indemnity insurance held by the partnership and the indemnity related to the Carey (Options) v Adams case. In addition, the risks included on the partnership's risk register that could impact on the LLP's liquidity and solvency over the next 12 months. These show that the LLP should continue to be cash generative, and have sufficient resources to meet its business objectives, both in the short term and in relation to its strategic priorities.

Having considered the above, and the commitment given by the STM Group Plc, the partners have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future and accordingly the partners have continued to adopt the going concern basis in preparing the financial statements.

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 LLP's accounting policies, which are described above, the partners are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make 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 period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying the Company's accounting policies

The following are the critical judgements, apart from those involving estimations (which are dealt with separately below), that the partners 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.

• *Revenue recognition* - The management fees, which are billed annually, cover both the provision of trustee services and the administration of the pension funds. The current treatment of these fees, based on the existing profile of the client portfolio, is to recognise 50% at the time of charging and to defer the balance over the year of each policy as each of the performance obligations are satisfied. This split is assessed annually.

• *Provision for liabilities* – Relating to the quantification of payable claims and the related insurance receivable - refer note 14.

OPTIONS UK PERSONAL PENSIONS LLP

Notes to the Financial Statements (continued) for the year ended 31 December 2022

1 Accounting policies (continued)

Company as a lessee

Rentals paid under operating leases are charged to the profit and loss account on a straight-line basis over the period of the lease.

Key sources of estimation

The following are the key sources of estimation that the partners 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.

Disputes and potential legal matters

The LLP may at times be involved in disputes arising in the ordinary course of business. In accordance with applicable accounting requirements, the LLP provides for potential losses that may arise out of these disputes when the potential losses are probable and estimable. Disputes in respect of legal matters are subject to many uncertainties and the outcome of individual matters cannot be predicted with certainty. The amount of any such provision is based on a best estimate of the expenditure required to settle this. There may be occasions when a potential loss is probable but difficult to quantify therefore a contingent liability would be disclosed. Refer note 14.

Impairment of trade 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 held is £61,842 represents 12% of total debt outstanding (2021: £61,392 - 32.5%).

2 Turnover	2022 £	2021 £
SIPP administration	<u>3,403,628</u>	<u>2,564,496</u>

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

3 Profit/(loss) on ordinary activities	2022 £	2021 £
Profit/(loss) on ordinary activities before members' remuneration is stated after charging:		
Operating lease rental	94,299	44,640
Depreciation on tangible fixed assets	23,018	11,284
Staff costs (see note 4)	2,141,473	1,676,701
Auditor's remuneration for the auditing of the financial statements	<u>30,000</u>	<u>46,030</u>

4 Staff costs	2022 Number	2021 Number
Average number of staff	<u>71</u>	<u>59</u>

The staff numbers disclosed are the monthly average.

	2022 £	2021 £
Included in staff costs were:		
Wages and salaries	1,903,405	1,489,313
Social security	159,928	125,168
Pension costs	78,140	62,220
Total staff costs	<u>2,141,473</u>	<u>1,676,701</u>

The LLP has no contracted employees. All staff are employed by Options 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.

OPTIONS UK PERSONAL PENSIONS LLP

Notes to the Financial Statements (continued) for the year ended 31 December 2022

4 Staff costs (continued)	2022	2021
	£	£
Key management personnel compensation		
Salary	163,554	101,929
Pension contributions	11,672	9,598
Healthcare plan	1,086	1,070
Total emoluments	<u>176,312</u>	<u>112,597</u>
5 Members' remuneration charged as an expense	2022	2021
	£	£
Fees paid to CAH Limited (formerly Carey Administrative Holdings Limited) for directors' services	-	-
	<u>-</u>	<u>-</u>

6 Tangible fixed assets	Office equipment	Furniture	Computer equipment	Leasehold improvements	Total
	£	£	£	£	£
Cost					
At 1 January 2022	33,679	14,928	190,899	6,870	246,376
Additions	-	3,702	76,753	-	80,455
At 31 December 2022	33,679	18,630	267,652	6,870	326,831
Depreciation					
At 1 January 2022	(32,288)	(13,884)	(156,095)	(6,870)	(209,137)
Charge in year	(1,197)	-	(21,821)	-	(23,018)
At 31 December 2022	(33,485)	(13,884)	(177,916)	(6,870)	(232,155)
Net book value					
At 31 December 2021	1,391	1,044	34,804	-	37,239
At 31 December 2022	194	4,746	89,735	-	94,676

7 Investments

Investments in Subsidiary

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

	Country of incorporation	Date of incorporation	Activity	2022	2021
				£	£
MK SIPP Trustees UK Limited 10 ordinary shares of £1 each	United Kingdom	22 April 2009	Provision of corporate trustee services	<u>10</u>	<u>10</u>
Total Investments				<u>10</u>	<u>10</u>

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

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Notes to the Financial Statements (continued) for the year ended 31 December 2022

8 Cash at bank and in hand	2022	2021
	£	£
Cash at bank	<u>1,262,172</u>	<u>237,193</u>
9 Trade and other receivables: Falling due within one year	2022	2021
	£	£
Trade debtors	454,816	127,367
STM Group Plc *	167,176	1,142,180
CAH Ltd *	7,877	68,652
Options SSAS Ltd *	10,335	4,761
Options Corporate Pensions UK Ltd *	214,668	319,633
London Colonial Serviced Ltd *	-	420
Work in progress and accrued income	517,259	173,068
Prepaid expenses	<u>423,299</u>	<u>65,702</u>
Total	<u>1,795,430</u>	<u>1,901,783</u>

* The amounts due from Group companies are unsecured, interest free and repayable on demand.

10 Creditors: amounts falling due within one year	2022	2021
	£	£
Trade creditors	379,364	45,976
Options EBC Ltd *	113,811	161,611
London and Colonial Services Ltd *	385,783	-
Options Group Services UK Ltd *	2,732	46,265
VAT payable	114,778	170,144
Accruals	190,730	81,039
Deferred Income	<u>600,168</u>	<u>328,756</u>
Total	<u>1,787,366</u>	<u>833,791</u>

* The amounts due to Group companies are unsecured, interest free and repayable on demand.

11 Creditors: amounts falling due after one year	2022	2021
	£	£
Subordinated loan agreement	1,050,000	1,050,000
Intercompany creditors	<u>10</u>	<u>10</u>
Total	<u>1,050,010</u>	<u>1,050,010</u>

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Notes to the Financial Statements (continued) for the year ended 31 December 2022

12 Note to the cash flow statement	2022 £	2021 £
Profit/(loss) for the year	22,488	(7,314)
Adjustments for:		
Depreciation of tangible fixed assets	23,018	11,284
Provision for impairment of bad debts	451	23,653
Operating cash flows before movements in working capital	45,957	27,623
Changes in working capital:		
Increase in prepaid expenses and accrued income	(701,789)	(178,854)
Increase in trade and other receivables	807,692	298,554
Increase/(Decrease) in payables	953,574	(74,982)
Cash generated in operations	1,105,434	72,341
Net cash generated in operating activities	1,105,434	72,341

13 Operating leases

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

	2022 £	2021 £
- within one year	96,827	49,600
- between one and five years	83,812	198,400
	180,639	248,000

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.

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Notes to the Financial Statements (continued) for the year ended 31 December 2022

14 Provision, receivables due from insurers and contingent liability

As stated in Note 1 and as required by FRS 102, provisions are recorded when there is a present legal or constructive obligation as a result of a past event, for which it is probable that an outflow of economic benefits will be required to settle the obligation, and where a reliable estimate can be made of the amount of the obligation. This requires judgement and the use of assumptions about the likelihood and magnitude of any cash outflow. The LLP analyses its exposure based on available information, including consultation with professional indemnity insurers and external legal advisors where appropriate, to assess any potential liability.

The LLP operates in a legal and regulatory environment that exposes it to certain litigation risks and in particular the LLP recognises that the UK SIPP industry is becoming more litigious over non-performing assets. Whilst the LLP does not provide financial or investment advice to its customers and therefore believes it is not responsible for the performance of the investments, the LLP occasionally receives complaints in respect to these matters as well as others relating to general services provided. Each complaint is dealt with on its merits and remains a contingent liability until an outflow of economic benefits is assessed as probable and the quantum can be reliably estimated.

	2022	2021
Provision and receivables due from insurers	£	£
Carey (Options) v Adams	-	21,400,000
	<u>-</u>	<u>21,400,000</u>

Carey (Options) v Adams:

The high profile and protracted Court case of Carey (Options) v Adams came to a conclusion in April 2022 when the right to appeal the Court of Appeal's decision of 1 April 2021 to the Supreme Court was refused.

It was recognised that the ruling made in Mr Adams case was fact specific and included the exercise of discretion on the part of the Court of Appeal, and which was exercised in the context of those facts. The Court of Appeal also at the time of its ruling did not determine the appropriate relief payable to Mr Adams. It was therefore difficult to assess the exact obligation that could arise on other claims based on this one case. An estimate was therefore arrived at by considering a cohort of claims which were deemed to have similar characteristics to Mr Adams' claim resulting in a provision of £3.6 million for the year ended 31 December 2020. Following receipt of notice that right to appeal to the Supreme Court had been denied in March 2022 management, in consultation with its legal advisors and insurers reviewed the potential claims payable applying a broader range of criteria given that there was no further basis to appeal the judgement. This resulted in a provision of £21.4 million for the year ended 31 December 2021. This is covered by professional indemnity insurance and thus also reflected as receivables due from insurers.

During the year ended 31 December 2022 the insurers have settled the claim with Mr Adams as mandated by the Courts. However, the LLP has received agreement for a judicial review on a Financial Ombudsman Service's decision on the basis that it impacts on a large number of claims and raises issues of general importance. The outcome of this judicial review could subsequently impact a significant number of claims handled, including the cohort of claims arising from the Carey v Adams case. The matter is currently being considered by the courts and the timing of any judgement remains uncertain.

The LLP has reassessed the probability of an outflow of economic benefits arising from this case and the reliability of estimates based on the latest information. Subject to the new developments on the judicial review and the increasing uncertainty surrounding the potential liability, the LLP considers that it is not practical to estimate the potential impacts on the cohort of claims and the likelihood and timing of settlements. As a result, the provision has been reclassified as contingent liability and the corresponding receivables due from insurers have been derecognised as at 31 December 2022.

With reference to the prejudicial exemption allowed under FRS 102 para 21.17, the LLP will not disclose any further information about the contingent liability, including any details about current and potential claims as these claims are ongoing.

On the basis of present information, amounts already recognised and the availability of insurance coverage, it is the opinion of the LLP that the ultimate determination of complaints received to date will not have a material adverse effect on the financial position of the LLP. However, it is possible that future results of operations or cash flows for any annual period could be materially affected by an unfavourable resolution of these matters.

OPTIONS UK PERSONAL PENSIONS LLP

Notes to the Financial Statements (continued) for the year ended 31 December 2022

15 Related party transactions

On the 12th January 2017 the subordinated loans were replaced by a new subordinated loan of £950,000 agreed by CAH Limited (formerly 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, CAH 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 17 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 CAH Limited to the LLP. On 30 June 2021 a further £100,000 was added to the loan and the subordinated loans were replaced by a new subordinated loan of £1,050,000 agreed by CAH Limited to the LLP.

Interest will be payable by the LLP on this loan, at a rate of 5% above SONIA. The subordinated loan has no fixed repayment date but CAH 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 4.

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.

	2022	2021
Members' capital (classified as equity)	<u>1,415,000</u>	<u>1,415,000</u>

17 Ultimate controlling party

CAH Limited, 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. CAHL does not prepare consolidated accounts. 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. The consolidated financial statements of STM Group plc are available to the public and may be obtained from www.stmgroupplc.com <<http://www.stmgroupplc.com>>. The largest and smallest group on which the results of the LLP are consolidated is that headed by STM Group plc.

18 Post Balance Sheet Events

There are no post balance sheet events.