

## **Pensions and Lifetime Savings Association**

Directors' Report and Financial Statements

Year Ended

31 December 2021

Company Number 01130269

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**Pensions and Lifetime Savings Association**  
**(A Company Limited by Guarantee)**

**Company Information**

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<b>Directors</b>	J D Chilman D C Coplin E E Douglas (Chair) K Hadley A Hatcher C J May J O Mund (Chief Executive) N Peaple C Young
<b>Company secretary</b>	C Howells
<b>Registered number</b>	01130269
<b>Registered office</b>	24 Chiswell Street London EC1Y 4TY
<b>Independent auditor</b>	BDO LLP 55 Baker Street London W1U 7EU

**Pensions and Lifetime Savings Association  
(A Company Limited by Guarantee)**

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# **Pensions and Lifetime Savings Association**

## **(A Company Limited by Guarantee)**

### **Directors' Report** **For the Year Ended 31 December 2021**

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The Directors of the Pensions and Lifetime Savings Association ("PLSA" or the "Company") present their report for the year ended 31 December 2021.

#### **Business strategy**

The principal activity of the Company is to be the voice of workplace pensions and savings and aim to help everyone achieve a better income in retirement.

The Company normally aims to generate a modest net surplus each year and ensure there are sufficient reserves to give the Company financial strength and depth.

The Board has adopted a strategic plan to deliver its objectives, which includes the objective of achieving a surplus sufficient to maintain the real value of its reserves, while delivering its vision for its members.

#### **Review of 2021**

The Covid pandemic continued to create a challenging environment for a business fuelled by collaboration and connection between our members, whether that's through our policy work or at our events. The organisation performed well as remote working continued for most of the year – our offices reopened from mid-September until mid-December – and our policy work and events achieved considerable success, although uncertainty around events and a lower-than-expected appetite for other digital products among our business members affected our income.

#### **Improving pensions policy**

*"Excellent representation of the pensions industry."*

PLSA Fund Member

Our policy output is a mix of thought leadership and proactive work to change the operating environment for members on one hand, and to respond to government or regulator-led change on the other.

In 2021 we started to build notable support with government, civil service and parliamentarians for the ideas we have been advancing for a new framework to help Defined Contribution savers make good decisions on using their pension pots. Meanwhile our Retirement Living Standards, launched in 2019, continued to grow in influence, with over 50 organisations using them to reach over 14 million savers, and considerable national media coverage for the October 2021 update. In 2021 we also launched a landmark research project to understand the key issues facing local authority funds, a key segment of our membership, which will be published in early 2022.

Meanwhile, the government and regulators published close to 50 consultations on pensions in 2021, placing a significant demand on the PLSA to represent our members' views in response. We had notable lobbying successes on avoiding an investment cap on unquoted assets, flexibility in regulating open defined benefits schemes, and supporting our members with several consultations on climate-reporting requirements. We continued to support our local authority members with specific issues such as the McCloud judgement and its effects. Once, again, we also averted any detrimental moves towards pensions tax relief reform – a long-running campaign since 2015.

Our influence on the industry was demonstrated by our work on the Small Pots Co-ordination Group, membership of the Productive Finance Working Group – alongside the Governor of the Bank of England, Economic Secretary to the Treasury and Minister for Pensions – and our role on the Pensions Dashboards Programme Steering Group.

- Our strategic policy work was highly rated by 81% of our fund members in 2021.
- 71% said our work on regulatory policy was good or very good.

# **Pensions and Lifetime Savings Association**

## **(A Company Limited by Guarantee)**

### **Directors' Report (continued)**

#### **For the Year Ended 31 December 2021**

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#### **Bringing the industry together**

Over the last 18-24 months, digital conferences have worked well for many members, attracting a new audience who never would have attended in person, and increasing overall delegate numbers attending our events by 23 per cent. We ran digital events only in 2021, which turned out to be the right strategic approach as the demand for face-to-face events did not materialise. We ran 25 events in total with 4,973 members registering and 3,823 people tuning into the live event, a 77% conversion rate. Our Annual Conference in 2021 was the largest digital event ever, with 49% of delegates not having attended Annual Conference in the last three years. We also introduced a new ESG Conference for the first time, in response to demand from members, which achieved strong attendance with over 800 registrations. Our conferences continue to exceed the industry benchmark for digital events and remain the largest gatherings in the pensions industry.

- Last year 91% of our fund members rated our events as good or very good.

#### **Engaging our members effectively**

In addition to our policy work we continued to help our members with support and guidance. We published guides to ESG investment strategy, investment cost transparency, long-term asset funds and integrated risk management. Our range of templates and resources continued to help schemes with their stewardship and governance needs. Our priorities are informed by our influential Policy Board and Committees, which set the policy agenda as well as provide vital insight from schemes and suppliers, and our regular meetings with fund members, of which we held 140 in 2021, plus five CEO Network breakfasts, a first meeting of the new CIO Network and 3-to-1 meetings. We also engaged with our business members throughout the year in line with our engagement strategy. Ranging from meetings with the CEO to making regular contact, depending upon the requirements of the member.

- 83% of our fund members rated PLSA communications as good or very good in 2021.
- 71% of our fund members said we engage with them well or very well.

#### **Investing in our people and systems**

Despite another challenging year financially, the Board felt strongly that PLSA staff should be rewarded for their ongoing effort and dedication in difficult times, so pay awards and targeted bonuses were reintroduced at the end of 2021. We worked hard throughout the year to keep staff motivated, connected, and informed about business progress during the year.

Early in the year we prioritised the rollout of bespoke leadership and management training sessions for all our managers. Our wellbeing group, established in 2020, continued to regularly meet and delivered a programme of wellbeing activities across the year. Staff were surveyed four times, twice on our office arrangements and through two staff surveys; one towards the end of the year focused team and management action for 2022.

In 2021 we also undertook a project to create a new digital strategy to guide us in providing the best possible service to PLSA members in a changing world. Work on implementing new approaches will continue over the next three years as we assess demand for change, investment opportunities and resource requirements.

- 76% of PLSA fund members rate our digital services highly.

# **Pensions and Lifetime Savings Association**

## **(A Company Limited by Guarantee)**

### **Directors' Report (continued)**

#### **For the Year Ended 31 December 2021**

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#### **Financial stability**

The PLSA is a not-for-profit organisation, owned by our members. We typically aim to generate a small surplus each year to allow us to maintain healthy reserves and to invest in our business.

Our membership subscriptions base and our events traditionally provide the majority of PLSA income. Our membership retention remained strong, at 94% for fund members in 2021, while business membership was at 79%, reflecting general retrenchment in the market, as a result of the lack of in person networking opportunities due to Covid. During the year we consulted members on an increase to subscriptions, which had not changed structurally in close to a decade, to be phased in from 2022-2024, which achieved the required member support.

Our digital events largely achieved their financial targets, although digital events do not generate income at the same level as face-to-face events. We set out to replace some of this lost income with new digital products based on sharing content from our business members outside of event-driven avenues. These performed less well than market research had suggested would be the case. Nevertheless, we continue to assess new potential income streams that would add value for PLSA members.

Our year-end financial position was:

<b>Key financials:</b>	<b>2021</b>	<b>2020</b>
Membership Subscriptions	£2.9m	£3.1m
Event income	£1.5m	£1.9m
(Deficit) Before Tax	(£0.1m)	(£1.0m)
Closing Reserves	£3.0m	£3.1m

#### **Plans for 2022**

We have refreshed our business strategy for 2022-2024, with increased focus back on face-to-face events and bringing the pensions industry together.

The return to face-to-face events offers the opportunity to continue to normalise our finances, provided the pandemic continues to recede. We will also continue to provide a range of digital events and meetings to retain the new audiences we've reached since March 2020.

Our policy work will focus on making sure savers are saving adequately, preparing our members for the new pensions dashboards, continuing developments in responsible investment, the Pensions Regulator's new defined benefit funding code, decumulation for defined contribution schemes, and the future challenges of the Local Government Pension scheme.

In light of the terrible events in Ukraine, and the UK Government's response in the form of economic sanctions, we sought information from PLSA members about pension schemes' exposure to Russian investments and how they plan to respond to the situation, and shared the results with members to help inform their actions.

The Board approved the budget with a surplus of £83,000 for 2022.

# **Pensions and Lifetime Savings Association (A Company Limited by Guarantee)**

## **Directors' Report (continued) For the Year Ended 31 December 2021**

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### **Reserves and going concern position**

PLSA reserves are £3.0 million at the end of 2021, down slightly on 2020 at £3.1 million. The Board reviewed the reserves position when making its plans for 2022 through to 2024 and considered that, although it was slightly short of the desirable level of £3.4 million, it was adequate to manage any further contingency that might arise in the immediate future. The PLSA will be able to deliver on the Board's financial strategy to restore reserves to the desirable level as soon as possible as the impact of the pandemic eases and face-to-face events return.

Given the substantial reserves and the plan to make a surplus in 2022, which is based on prudent assumptions, the Board is satisfied that PLSA will remain a going concern for the foreseeable future. At the time of signing of these accounts, the financial performance of PLSA during 2022 was meeting plan.

### **Staffing and governance**

Our people are fundamental to the success of the PLSA. It is their hard work and expertise that secures the policy wins and delivers first class conferences and training. Although the PLSA is a small organisation of 50 people, it has a diverse range of activities across membership engagement, policy and advocacy, events and training, digital and communications, business development and corporate services.

We work to ensure all the staff are engaged with the PLSA's strategic direction and kept informed of developments. Senior management hold regular briefings for all staff, as well as social events when possible. The PLSA's Learning and Development programme focuses on the training and personal development of all staff to further increase performance. All staff can earn performance-related bonuses, reflecting the outcome of their reviews. The PLSA has become a living wage employer, with the main benefit of this being for contracted staff, such as cleaners, who work at our offices.

The strengthened governance structure adopted in 2018 has been working effectively. A smaller Board, comprising six non-executive and three executive directors, oversees corporate activities. It makes sure that the PLSA can fulfil its vision "to help everyone achieve a better income in retirement". It sets strategy, allocates resources, reviews financial performance and monitors the effectiveness of lobbying, events, training and membership products and services. Beneath this, the Policy Board guides and decides the PLSA's public policy positions.

PLSA staff profile at December 2021:

50 (2020 - 49) people in post

33 (2020 - 32) female

17 (2020 - 17) male.

### **Results and dividends**

The results of the Company show a deficit on ordinary activities before taxation of £92,100 (2020 a deficit of £1,044,000). As the PLSA is a not-for-profit organisation, the Company does not make any distributions to members.

### **Group structure**

All of the Company's subsidiaries are dormant and the Company has taken advantage of the available exemption from preparing consolidated financial statements.

# **Pensions and Lifetime Savings Association**

## **(A Company Limited by Guarantee)**

### **Directors' Report (continued)**

#### **For the Year Ended 31 December 2021**

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#### **Directors**

The directors who served during the year were:

R Butcher (Chair) (resigned 14 October 2021)  
J D Chilman (appointed 14 October 2021)  
M A Cooke (resigned 8 July 2021)  
D C Coplin  
E E Douglas (Chair)  
K Hadley  
A Hatcher  
C J May  
J O Mund (Chief Executive)  
N Peaple  
C Young

#### **Directors' responsibilities statement**

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the surplus or deficit of the Company for that period.

In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### **Qualifying third party indemnity provisions**

The Company has made qualifying third party indemnity provisions for the benefit of its directors during the year. These provisions remain in force at the reporting date.

#### **Disclosure of information to auditor**

Each of the persons who are directors at the time when this directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.



**Pensions and Lifetime Savings Association  
(A Company Limited by Guarantee)**

**Directors' Report (continued)  
For the Year Ended 31 December 2021**

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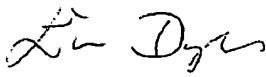
**Auditor**

The auditor, BDO LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

**Small companies note**

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

This report was approved by the board on 21 June 2022 and signed on its behalf.



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**E Douglas (Chair)**  
Director

# **Pensions and Lifetime Savings Association**

## **(A Company Limited by Guarantee)**

### **Independent Auditor's Report to the Members of Pensions and Lifetime Savings Association**

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#### **Opinion on the financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2021 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Pensions and Lifetime Savings Association ("the Company") for the year ended 31 December 2021 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Reserves, Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### *Independence*

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

#### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

# **Pensions and Lifetime Savings Association**

## **(A Company Limited by Guarantee)**

### **Independent Auditor's Report to the Members of Pensions and Lifetime Savings Association** **(continued)**

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#### **Other information**

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

We have nothing to report in this regard.

#### **Other Companies Act 2006 reporting**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report has been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit. ;or
- the Directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' report and from the requirement to prepare a Strategic report.

#### **Responsibilities of Directors**

As explained more fully in the Statement of Directors' Responsibilities, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

# **Pensions and Lifetime Savings Association**

## **(A Company Limited by Guarantee)**

### **Independent Auditor's Report to the Members of Pensions and Lifetime Savings Association** **(continued)**

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#### **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.

#### *Extent to which the audit was capable of detecting irregularities, including fraud*

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and the industry it operates, and considered the risk of acts by the company which were contrary to applicable laws and regulations, including fraud. These included but were not limited to compliance with relevant laws and regulations and applicable accounting standards.

We focused on laws and regulations that could give rise to a material misstatement in the Partnership financial statements. Our tests included, but were not limited to:

- Enquiring with management and those responsible for legal and compliance procedures. We corroborated our enquiries through our review of board minutes and other correspondence provided.
- Obtaining an understanding of the legal and regulatory frameworks that the Company operates in, focusing on those laws and regulations that had a direct effect on the financial statements or that had a fundamental effect on the operations of the Company. The key laws and regulations we considered in this context included the UK Companies Act and relevant tax legislation.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by meeting with management from various parts of the business to understand where it is considered there was a susceptibility of fraud.
- Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations, journals posted by senior management, journals posted and reviewed by the same individual.
- We considered the systems and controls that the company has established to address risks identified, or that otherwise prevent, deter and detect fraud; and how senior management monitors those systems and controls. Where certain risk was considered to be higher, we performed audit procedures to address each identified fraud risk.
- Reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations.
- Assessing whether the judgements made in making accounting estimates are indicative of potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

# **Pensions and Lifetime Savings Association**

## **(A Company Limited by Guarantee)**

### **Independent Auditor's Report to the Members of Pensions and Lifetime Savings Association** **(continued)**

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Auditor's responsibilities for the audit of the financial statements (continued)

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

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

#### **Use of our report**

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

*Eran Wieder*

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**Eran Wieder** (Senior Statutory Auditor)  
For and on behalf of BDO LLP, Statutory Auditor  
London  
United Kingdom

Date: 28 June 2022

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

**Pensions and Lifetime Savings Association**  
**(A Company Limited by Guarantee)**

**Statement of Comprehensive Income**  
**For the Year Ended 31 December 2021**

	Note	2021 £	2020 £
Revenue	4	5,173,412	5,703,631
Administrative expenses		(5,271,339)	(6,755,484)
Other operating income	5	5,409	-
<b>Operating loss</b>	6	<b>(92,518)</b>	<b>(1,051,853)</b>
Interest receivable and similar income	9	418	7,854
<b>Loss before taxation</b>		<b>(92,100)</b>	<b>(1,043,999)</b>
Tax on loss	10	-	-
<b>Loss for the financial year</b>		<b>(92,100)</b>	<b>(1,043,999)</b>

There was no other comprehensive income for 2021 (2020 - £Nil).

All amounts relate to continuing operations.

The notes on pages 15 to 28 form part of these financial statements.

**Pensions and Lifetime Savings Association**  
**(A Company Limited by Guarantee)**  
Registered number: 01130269

**Statement of Financial Position**  
**As at 31 December 2021**

	Note	2021 £	2021 £	As restated 2020 £	As restated 2020 £
<b>Fixed assets</b>					
Tangible fixed assets	11		1,036,955		1,105,825
<b>Current assets</b>					
Debtors: amounts falling due within one year	12	3,534,479		1,806,694	
Cash at bank and in hand		4,164,066		5,142,347	
		<u>7,698,545</u>		<u>6,949,041</u>	
<b>Current liabilities</b>					
Creditors: amounts falling due within one year	13	(5,719,576)		(4,946,842)	
<b>Net current assets</b>			1,978,969		2,002,199
<b>Net assets</b>			<u>3,015,924</u>		<u>3,108,024</u>
<b>Capital and reserves</b>					
Profit and loss account	17		3,015,924		3,108,024
			<u>3,015,924</u>		<u>3,108,024</u>

Further detail on the restatement of the comparative period is disclosed in note 21.

The Company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



.....  
**E Douglas (Chair)**  
Director

Date: 28 June 2022

The notes on pages 15 to 28 form part of these financial statements.

**Pensions and Lifetime Savings Association**  
**(A Company Limited by Guarantee)**

**Statement of Changes in Reserves**  
**For the Year Ended 31 December 2021**

	Profit and loss account £	Total reserves £
<b>At 1 January 2020</b>	4,152,023	4,152,023
Loss for the year	(1,043,999)	(1,043,999)
<b>Total comprehensive income for the year</b>	<u>(1,043,999)</u>	<u>(1,043,999)</u>
<b>At 1 January 2021</b>	<u>3,108,024</u>	<u>3,108,024</u>
Loss for the year	(92,100)	(92,100)
<b>Total comprehensive income for the year</b>	<u>(92,100)</u>	<u>(92,100)</u>
<b>At 31 December 2021</b>	<u><u>3,015,924</u></u>	<u><u>3,015,924</u></u>

The notes on pages 15 to 28 form part of these financial statements.



# Pensions and Lifetime Savings Association

## (A Company Limited by Guarantee)

### Statement of Cash Flows For the Year Ended 31 December 2021

	2021 £	As restated 2020 £
<b>Cash flows from operating activities</b>		
Loss for the financial year	(92,100)	(1,043,999)
<b>Adjustments for:</b>		
Depreciation of tangible assets	253,391	249,785
Deficit on disposal of tangible assets	-	546
Interest received	(418)	(7,854)
(Increase) in debtors	(1,727,785)	(124,015)
Increase in creditors	772,734	1,166,465
<b>Net cash (used in)/generated from operating activities</b>	<b>(794,178)</b>	<b>240,928</b>
<b>Cash flows from investing activities</b>		
Purchase of tangible fixed assets	(184,521)	(325,115)
Interest received	418	7,854
<b>Net cash used in investing activities</b>	<b>(184,103)</b>	<b>(317,261)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(978,281)</b>	<b>(76,333)</b>
Cash and cash equivalents at beginning of year	5,142,347	5,218,680
<b>Cash and cash equivalents at the end of year</b>	<b>4,164,066</b>	<b>5,142,347</b>
<b>Cash and cash equivalents at the end of year comprise:</b>		
Cash at bank and in hand	4,164,066	5,142,347
	<b>4,164,066</b>	<b>5,142,347</b>

Further detail on the restatement of the comparative period is disclosed in note 21.

The notes on pages 15 to 28 form part of these financial statements.

# **Pensions and Lifetime Savings Association**

## **(A Company Limited by Guarantee)**

### **Notes to the Financial Statements** **For the Year Ended 31 December 2021**

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#### **1. General information**

Pensions and Lifetime Savings Association ("PLSA") is a private company limited by guarantee, incorporated in England and Wales under the Companies Act. The address of the registered office is given on the Company information page. The nature of the Company's operations and principal activities are set out in the directors' report.

#### **2. Accounting policies**

##### **2.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The Company's functional and presentational currency is Sterling.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires company management to exercise judgement in applying the Company's accounting policies (see note 3).

The Company has taken advantage of the available exemption under Section 402 of the Companies Act 2006, and not prepared consolidated financial statements, as all of its subsidiaries are dormant.

##### **2.2 Going concern**

The financial statements have been prepared on a going concern basis, which assumes that the Company will continue in operational existence for the foreseeable future. In light of the Covid pandemic, in addition to the regular budget and forecasting, the Directors have stress tested this forecast for the worst-case scenario. The Company currently has sufficient cash resources to fund that scenario. In light of this, the Directors consider it appropriate to continue to prepare the financial statements on a going concern basis 12 months from the date of signing of the Financial Statements.

##### **2.3 Revenue**

Revenue represents amounts receivable for goods and services provided in the normal course of business, and excludes Value Added Tax. Revenue comprises:

- Sales of membership subscriptions: the value of goods and services is recognised across the period of subscription.
- Sales of conferences and events: the value of goods and services is recognised in the period the event occurs.
- Publications and other income: this is generally recognised on a receivable basis where entitlement to the income and the amount can be measured with reasonable certainty. It is reported gross of related expenditure.

##### **2.4 Interest receivable**

Interest income is recognised in the statement of comprehensive income using the effective interest method.

# **Pensions and Lifetime Savings Association**

## **(A Company Limited by Guarantee)**

### **Notes to the Financial Statements**

#### **For the Year Ended 31 December 2021**

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## **2. Accounting policies (continued)**

### **2.5 Tangible fixed assets**

Depreciation is provided using the following rates and bases to write off the tangible fixed assets over their estimated useful economic lives:

Leasehold improvements	- straight line over the remaining length of the lease
Computer equipment and software	- 33.33% straight line or 20% straight line
Office equipment/event structures	- 20% straight line
Website	- 33.33% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

### **2.6 Debtors**

Short term debtors are measured at transaction price, less any impairment.

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

Cash is represented by cash in hand and deposits repayable on demand.

### **2.8 Financial instruments**

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors and loans to related parties.

Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an outright short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

# **Pensions and Lifetime Savings Association**

## **(A Company Limited by Guarantee)**

### **Notes to the Financial Statements** **For the Year Ended 31 December 2021**

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#### **2. Accounting policies (continued)**

##### **2.9 Creditors**

Short term creditors are measured at the transaction price.

##### **2.10 Operating leases: the Company as lessee**

Rentals paid under operating leases are charged to the statement of comprehensive income on a straight line basis over the lease term.

##### **2.11 Government grants**

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Statement of Comprehensive Income in the same period as the related expenditure.

##### **2.12 Pensions**

###### **Defined contribution pension plan**

Contributions to the Company's defined contribution pension scheme are charged to the statement of comprehensive income in the year in which they become payable.

##### **2.13 Holiday pay accrual**

A liability is recognised to the extent of any unused holiday pay entitlement which is accrued at the statement of financial position date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the statement of financial position date.

##### **2.14 Interest income**

Interest income is recognised in the statement of comprehensive income using the effective interest method.

##### **2.15 Provisions for liabilities**

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the statement of comprehensive income in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the statement of financial position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the statement of financial position.

# **Pensions and Lifetime Savings Association**

## **(A Company Limited by Guarantee)**

### **Notes to the Financial Statements**

#### **For the Year Ended 31 December 2021**

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## **2. Accounting policies (continued)**

### **2.16 Taxation**

Tax is recognised in the statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the statement of financial position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

# **Pensions and Lifetime Savings Association**

## **(A Company Limited by Guarantee)**

### **Notes to the Financial Statements**

#### **For the Year Ended 31 December 2021**

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### **3. Judgements in applying accounting policies and key sources of estimation uncertainty**

Preparation of financial statements requires management to exercise judgement in applying the Company's accounting policies. Estimates and assumptions used in the preparation of the financial statements are continually reviewed and revised as necessary. The following judgements have had the most significant effect on amounts recognised in the financial statements.

#### **Taxation:**

The Company establishes provisions based on reasonable estimates. The amount of such provisions is based on various factors, such as experience with previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority.

Management estimation is required to determine the amount of deferred tax that can be recognised, based upon likely timing and the level of future taxable profits.

The PLSA is a not-for-profit membership organisation, owned by its members as a company limited by guarantee. Under its articles its members cannot receive any distribution of surplus from the Company.

The Company aims to make a modest surplus each year to ensure it maintains an appropriate level of reserves against future contingencies. It would therefore be expected to pay a small amount of corporation tax on that surplus.

The PLSA has, however, a substantial amount of unused tax losses arising from earlier years' activities. These mainly arose in 2016 when the Company used a large amount from its reserves to enable its former defined benefit pension scheme to transfer its liabilities to an insurance Company. This protected the interests of both the Company and its employees and former employees who were members of the scheme. Under tax law the Company is allowed to use these losses, subject to certain conditions which have been met, to offset any taxable surpluses that arise from future trading. It is therefore unlikely that PLSA will actually pay any corporation tax in the foreseeable future.

The Company limits the deferred tax asset in its balance sheet to the amount of the tax losses it expects to be able to offset against taxable surpluses over the foreseeable future, approximately the next three years.

The Board has carefully considered whether the valuation of the deferred tax asset remains appropriate, taking account of their plans and the financial prospects of the Company. They have concluded that it remains probable that the current valuation will be realised, but that this will need to be regularly reviewed to ensure that this remains the case.

There are no key sources of estimation uncertainty.

# Pensions and Lifetime Savings Association (A Company Limited by Guarantee)

## Notes to the Financial Statements For the Year Ended 31 December 2021

### 4. Revenue

An analysis of turnover by class of business is as follows:

	2021 £	2020 £
Membership subscriptions	2,932,768	3,069,760
Events income	1,478,267	1,942,405
Other income	639,401	551,975
Costs recharged	122,976	139,491
	<u>5,173,412</u>	<u>5,703,631</u>

All turnover arose within the United Kingdom.

### 5. Other operating income

	2021 £	2020 £
Furlough income	5,409	-
	<u>5,409</u>	<u>-</u>

Included within other operating income are claims to cover wages and salaries for the group's employees placed on temporary leave ('furlough') under the Coronavirus Job Retention Scheme. As well as other government grants claimed due to lockdown restrictions.

### 6. Operating loss

The operating loss is stated after charging:

	2021 £	2020 £
Research	74,182	107,327
Depreciation of tangible fixed assets	253,391	249,785
Deficit on disposal of fixed assets	-	546
Fees payable to the Company's auditor for the audit of the Company's annual financial statements	21,000	18,000
Fees payable to the Company's auditors for other services		
- Taxation compliance services	8,418	5,355
- Other non-audit services	4,100	4,000
Other operating lease rentals	334,992	334,992
Defined contribution pension cost	323,217	389,130
	<u>323,217</u>	<u>389,130</u>

# Pensions and Lifetime Savings Association (A Company Limited by Guarantee)

## Notes to the Financial Statements For the Year Ended 31 December 2021

### 7. Employees

The average monthly number of employees, including directors, during the year was 46 (2020 - 50).

### 8. Directors' remuneration

	2021 £	2020 £
Directors' emoluments	<b>653,178</b>	415,503

Directors' remuneration includes on average 3.4FTE Executive Directors in 2021 (1.8FTE in 2020).

#### *Key management personnel*

Key management personnel are considered to be the directors who have the responsibility and authority for planning, directing and controlling the activities of the Company. As a result, the disclosures required for these individuals are met by existing directors' disclosures.

### 9. Interest receivable

	2021 £	2020 £
Bank interest receivable	<b>418</b>	7,854

### 10. Taxation

	2021 £	2020 £
Current tax on loss for the year	-	-
<b>Total current tax</b>	<b>-</b>	-
<b>Deferred tax</b>		
Origination and reversal of timing differences	-	-
<b>Total deferred tax</b>	<b>-</b>	-
<b>Taxation on loss on ordinary activities</b>	<b>-</b>	-



# Pensions and Lifetime Savings Association

## (A Company Limited by Guarantee)

### Notes to the Financial Statements For the Year Ended 31 December 2021

#### 10. Taxation (continued)

##### Factors affecting tax charge for the year

The tax assessed for the year is higher than (2020 - higher than) the standard rate of corporation tax in the UK of 19% (2020 - 19%). The differences are explained below:

	2021 £	2020 £
Loss on ordinary activities before tax	<b>(92,100)</b>	(1,043,999)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	<b>(17,499)</b>	(198,360)
<b>Effects of:</b>		
Depreciation not deductible for tax	<b>48,144</b>	47,459
Capital allowances deductible for tax	<b>(52,908)</b>	(73,553)
Expenses not deductible for tax	<b>1,069</b>	3,936
Relief for losses brought forward/losses carried forward	<b>21,194</b>	220,518
<b>Total tax charge for the year</b>	<b>-</b>	-

##### Factors that may affect future tax charges

The standard corporation tax in the UK was 19% throughout the reporting period. As announced as Budget 2020, the corporation tax rate for the fiscal years 2021 and 2022 will remain at 19%. Finance Bill 2021, which includes provision for the main rate of corporation tax to increase to 25% with effect from 1 April 2023, was substantially enacted on 24 May 2021. The deferred tax balances at 31 December 2021 have been stated at 25% and 19% as these are the expected prevailing rates when the individual temporary differences are expected to reverse.

**Pensions and Lifetime Savings Association**  
**(A Company Limited by Guarantee)**

**Notes to the Financial Statements**  
**For the Year Ended 31 December 2021**

**11. Tangible fixed assets**

	Long-term leasehold property £	Website £	Office equipment £	Computer equipment £	Total £
<b>Cost</b>					
At 1 January 2021	838,687	97,363	353,442	1,079,524	2,369,016
Additions	-	-	-	184,521	184,521
Disposals	-	-	-	(66,940)	(66,940)
At 31 December 2021	838,687	97,363	353,442	1,197,105	2,486,597
<b>Depreciation</b>					
At 1 January 2021	192,092	91,536	250,752	728,811	1,263,191
Charge for the year	83,958	5,054	39,225	125,154	253,391
Disposals	-	-	-	(66,940)	(66,940)
At 31 December 2021	276,050	96,590	289,977	787,025	1,449,642
<b>Net book value</b>					
At 31 December 2021	562,637	773	63,465	410,080	1,036,955
At 31 December 2020	646,595	5,827	102,690	350,713	1,105,825

# Pensions and Lifetime Savings Association

## (A Company Limited by Guarantee)

### Notes to the Financial Statements For the Year Ended 31 December 2021

#### 12. Debtors

	2021 £	2020 £
Trade debtors	2,777,968	1,104,869
Other debtors	126,168	98,041
Prepayments and accrued income	380,343	353,784
Deferred taxation	250,000	250,000
	<u>3,534,479</u>	<u>1,806,694</u>

During the year there was a impairment loss recognised in profit or loss of £955. In the prior year there was an impairment write off of £3,061 in respect of bad and doubtful trade debtors which was recognised against trade debtors.

Other debtors includes an amount for Interim 1000 Ltd, a former subsidiary, for £Nil (2020 - £9,833) for costs recharged in the period.

During the year an administrative change occurred resulting in invoices for membership renewals all being raised in time for the start of the membership year, resulting in an increase to trade debtors at December 2021. In line with the existing revenue recognition policy, the appropriate portion of this income was deferred and has resulted in an increase to accruals and deferred income.

#### 13. Creditors: Amounts falling due within one year

	2021 £	As restated 2020 £
Trade creditors	318,424	301,303
Other taxation and social security	822,972	1,085,826
Other creditors	507,566	633,636
Accruals and deferred income	4,070,614	2,926,077
	<u>5,719,576</u>	<u>4,946,842</u>

Further detail on the restatement of the comparative period is disclosed in note 21.

Other creditors includes an amount due to Interim 1000 Ltd, a former subsidiary, of £Nil (2020 - £14,700) in respect of a VAT reclaim.

An administrative change in the invoicing procedure has resulted in an increase in accruals and deferred income at December 2021, as detailed within debtors (note 12).

# **Pensions and Lifetime Savings Association**

## **(A Company Limited by Guarantee)**

### **Notes to the Financial Statements**

#### **For the Year Ended 31 December 2021**

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#### **14. Financial Risk Management**

The Company considers it faces two main areas of financial risk - liquidity risk and customer credit exposure.

##### **Liquidity risk**

The objective of the Company in managing liquidity risk is to ensure that it can meet its financial obligations as and when they fall due. The Company expects to meet its financial obligations through operating cash flows. The Company is in a position to meet its commitments and obligations as they fall due.

##### **Customer credit exposure**

The Company may offer credit terms to its customers which allow payment of the debt after delivery of the services. The Company is at risk to the extent that a customer may be unable to pay the debt on the specified due date. This risk is mitigated by embedding strong customer relationship management.

#### **15. Financial instruments**

The Company's income, expense, gains and losses in respect of financial instruments are summarised below:

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Total interest income for financial assets at amortised cost	<b>418</b>	<b>7,854</b>

# Pensions and Lifetime Savings Association

## (A Company Limited by Guarantee)

### Notes to the Financial Statements For the Year Ended 31 December 2021

#### 16. Deferred taxation

	2021 £
At beginning of year	250,000
<b>At end of year</b>	<b>250,000</b>

The deferred tax asset is made up as follows:

	2021 £	2020 £
Fixed asset timing differences	(125,434)	(126,148)
Tax losses carried forward	375,434	376,148
	<u>250,000</u>	<u>250,000</u>

The Board have carefully considered whether the valuation of the deferred tax asset remains appropriate, taking account of their plans and the financial prospects of the Company. They have concluded that it remains probable that the current valuation will be realised, but that this will need to be regularly reviewed to ensure that this remains the case.

#### 17. Reserves

##### Profit and loss reserve

Profit and loss reserve represents a cumulative surplus.

# Pensions and Lifetime Savings Association (A Company Limited by Guarantee)

## Notes to the Financial Statements For the Year Ended 31 December 2021

### 18. Commitments under operating leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership of the leased asset to the Company. All other leases are classified as operating leases.

At 31 December 2021 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2021 £	As restated 2020 £
Not later than 1 year	419,018	419,018
Later than 1 year and not later than 5 years	237,137	656,155
	<u>656,155</u>	<u>1,075,173</u>

Comparative disclosure includes restated future minimum lease payments due under non-cancellable operating leases to show the total future minimum lease payments based on the gross cash payments.

### 19. Members' funds and articles of association

The Company is limited by guarantee and has no issued share capital. Every member, in pursuance with Clause 4 of the Articles of Association, undertakes to contribute a sum not exceeding £1 in the event of the Company being wound up whilst they are a member or within one year after they cease to be a member.

### 20. Subsidiary undertakings

At the year end, the Company controlled Pension Quality Mark Limited, a dormant Company limited by guarantee. The Company's registered office is 24 Chiswell Street, London, England, EC1Y 4TY.

The Company also controlled PLSA Ltd, a dormant Company. This Company's registered office is 24 Chiswell Street, London, England, EC1Y 4TY.

The Company is also the sole member of the National Association of Pension Funds Limited, a dormant Company limited by guarantee. This Company's registered office is 24 Chiswell Street, London, England, EC1Y 4TY.

# Pensions and Lifetime Savings Association (A Company Limited by Guarantee)

## Notes to the Financial Statements For the Year Ended 31 December 2021

### 21. Prior year adjustments

	As previously stated 31 December 2020 £	Effect of prior year adjustments 31 December 2020 £	As restated 31 December 2020 £
<b>Impact on balance sheet</b>			
Cash at bank and in hand	4,740,523	401,824	5,142,347
Creditors: amounts falling due within one year	(4,545,018)	(401,824)	(4,946,842)
<b>Impact on cash flow statement</b>			
Increase in creditors	1,166,111	354	1,166,465
Cash at bank and in hand	4,740,523	401,824	5,142,347

The prior year restatement has had no impact on the profit or net assets for the year ended 31 December 2020.

The financial statements for the year ended 31 December 2020 are restated for the correction of the following items:

At 31 December 2021, the Company held £374,642 (2020: 401,824) on trust on behalf of its members to finance the costs associated with taking a case to the VAT tribunal relating to the treatment of fund management charges payable by defined benefit pension funds. The case was referred to the Court of Justice of the European Union and its judgement was issued on 7 March 2013. The judgement was unfavourable.

Following resolution of a number of related cases it has been concluded that there is no prospect of taking these further. Accordingly, the Company is repaying balances to the contributors and further amounts will be repaid in 2022.

The Company was not a party to the case. It received the funds from its members and held these held on their behalf for the sole purpose of financing the cost associated with the case. A new bank account was opened to receive the money from the members of the Association and the Company's authorised signatories were used for this new bank account.

In prior years, this has been recognised as an off-balance sheet item in the Financial Statements. In current year, it was noted that the account name and authorised signatories to the account are in the name of the Company such that the company exercises control over the bank account. As such the cash and corresponding liability representing the funds owed to the members should be included on the company balance sheet.

As a result of this, there is a prior year restatement to bring this balance on the balance sheet. The comparative balance includes a restated other creditor balance to include an additional liability of £401,824 representing amounts owed to members. The cash balance and corresponding cash flow statement is restated by the same amount.