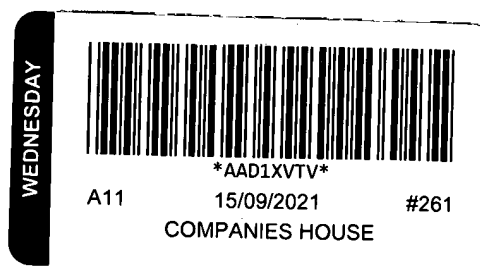


PUNTER SOUTHALL PENSION SOLUTIONS LIMITED

**Annual report and financial statements for the year ended
31 December 2020**

Registered number: 06222098



PUNTER SOUTHALL PENSION SOLUTIONS LIMITED

Annual report and financial statements 2020

Contents

Directors and advisors for the year ended 31 December 2020	1
Directors' report for the year ended 31 December 2020	2
Independent auditors' report to the members of Punter Southall Pension Solutions Limited	5
Profit and loss account for the year ended 31 December 2020	8
Statement of comprehensive income for the year ended 31 December 2020	8
Statement of financial position as at 31 December 2020	9
Statement of changes in equity for the year ended 31 December 2020	10
Notes to the financial statements	11

PUNTER SOUTHALL PENSION SOLUTIONS LIMITED
Annual report and financial statements 2020
Directors and advisors for the year ended 31 December 2020

Directors

R Jones
K J McKelvey
J D Punter
J A A Samuels

Secretary

I E Nash

Registered Office

11 Strand
London
WC2N 5HR
United Kingdom

Auditors

BDO LLP
55 Baker Street
Marylebone
London
W1U 7EU
United Kingdom

PUNTER SOUTHALL PENSION SOLUTIONS LIMITED
Annual report and financial statements 2020
Directors' report for the year ended 31 December 2020

The Directors present the Directors' report and the audited financial statements of Punter Southall Pension Solutions Limited for the year ended 31 December 2020.

Overview

Punter Southall Pension Solutions Limited (the Company) is incorporated and domiciled within the United Kingdom. The Company develops novel solutions to problems arising in the defined benefit pension market for sponsoring employers and trustees.

The Company is a subsidiary of Punter Southall Group Limited, which is the Parent Company of a financial services group (Punter Southall Group or the Group). The Parent Company has a 100% shareholding in Punter Southall Pension Solutions Limited.

Review of the business

Punter Southall Pension Solutions Limited was set up in April 2019 and has been progressing two potential solutions to address issues facing defined benefit pension schemes.

On 20th October the first of these solutions, Stoneport Pensions, was launched. Stoneport is focused on the smaller end of the market (those schemes with fewer than 1,000 members). This innovative solution was designed using the business' practical and technical knowledge of the defined benefit pensions market, and the Group's own experience of running a small legacy defined benefit scheme.

The primary goal of Stoneport is to reduce ongoing running costs for the smallest schemes from over £1,000 per member per annum to less than £200 per member per annum which makes the product very attractive to employers. The way in which Stoneport achieves these savings creates a major improvement in the security of benefits making the product very attractive to trustees. The Stoneport structure delivers a number of additional benefits such as lower Pension Protection Fund levies, better investment returns, improved governance and enhanced member experience, amongst others.

The Company's results for the year are set out in the profit and loss account on page 8 and a loss after tax of £1,730,603 has been reported (2019: £657,290).

Dividends

The Directors did not recommend the payment of a dividend in the current year (2019: £nil).

Qualifying third party indemnity provision

The Company has in place qualifying third party indemnity provisions for the Directors of Punter Southall Pension Solutions Limited.

Directors

The Directors who held office during the year are given below.

R Jones
K J McKelvey
J D Punter
J A A Samuels

PUNTER SOUTHALL PENSION SOLUTIONS LIMITED
Annual report and financial statements 2020
Directors' report for the year ended 31 December 2020

Principal risks and uncertainties

PSPS has undertaken an assessment of the major risk areas relevant to the Company. The key risks identified by the Directors and the existing controls are identified below.

Product development risk

PSPS develops new solutions for the UK defined benefit market. The key risk for PSPS is that such products, whilst attractive to the market in theory, prove, in practice, to not be practicable or appealing to the intended customers as hoped. PSPS mitigates this risk by having experienced Directors with longstanding experience of the target market.

Liquidity risk

PSPS currently does not have any significant revenue streams from its products under development and therefore is entirely dependent on Punter Southall Group Limited for its financial resources until projects start to generate significant income. The Directors manage this risk by ensuring that Punter Southall Group Limited is fully informed on developments and only expending cash on resources that have been pre-approved and covered by an agreed loan facility.

COVID 19 Pandemic – 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. The nature of the PSPS business meant that there was very limited operational disruption from the pandemic with an immediate switch to home working proceeding smoothly. However, as PSPS is currently reliant on funding from Punter Southall Group Limited, the Directors confirmed that Punter Southall Group Limited had undertaken suitable stress tests on the financial impact of the pandemic and its ability to continue to fund PSPS. Financial projections have been prepared to 31 December 2023. Punter Southall Group Limited confirmed to the Directors that the stress tests and projections indicated that they would be able to deliver funding to PSPS despite the pandemic.

In the light of forecasts and on the basis that it will be receiving support from the parent entity, the Directors consider it appropriate to continue to prepare the financial statements on a going concern basis.

Statement of Directors' responsibilities

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 Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard (FRS) 101 *Reduced Disclosure Framework*. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of the affairs of the Company and of the profit or loss of the Company for that period.

PUNTER SOUTHALL PENSION SOLUTIONS LIMITED

Annual report and financial statements 2020

Directors' report for the year ended 31 December 2020

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 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.

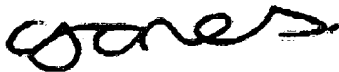
Auditors

All Directors have taken all appropriate steps to make themselves aware of any information needed by the Company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The Directors are not aware of any relevant audit information of which the auditors are unaware.

BDO LLP has expressed its willingness to continue in office and a resolution to re-appoint it will be proposed at a forthcoming board meeting in accordance with section 487 of the Companies Act 2006.

In preparing this Directors' report, advantage has been taken of the small companies' exemption.

On behalf of the Board



R Jones
Director

Date: 15 June 2021

PUNTER SOUTHALL PENSION SOLUTIONS LIMITED
Annual report and financial statements 2020
Independent auditors' report to the members of Punter Southall Pension Solutions Limited

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 2020 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 Punter Southall Pension Solutions Limited ("the Company") for the year ended 31 December 2020 which comprise the profit and loss account and statement of comprehensive income, the statement of financial position, the statement of changes in equity and the 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 101 Reduced Disclosure Framework (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 are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remain 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.

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

PUNTER SOUTHALL PENSION SOLUTIONS LIMITED

Annual report and financial statements 2020

Independent auditors' report to the members of Punter Southall Pension Solutions Limited

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 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.

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

PUNTER SOUTHALL PENSION SOLUTIONS LIMITED

Annual report and financial statements 2020

Independent auditors' report to the members of Punter Southall Pension Solutions Limited

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 framework applicable to the entity. We determined that the most significant regulations which are directly relevant to specific assertions in the financial statements are those related to the reporting framework (Financial Reporting Standard 101 Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice)).
- We enquired of management to identify how the entity is complying with those legal and regulatory frameworks and whether there were any known instances of non-compliance, or any actual, suspected or alleged fraud. We corroborated our enquiries where necessary through review of supporting documentation.
- We assessed the risk of susceptibility of the entity's financial statements to material misstatement, including how fraud might occur and determined the principle risks related to revenue recognition.
- We considered the entity's control environment that has been established to prevent, detect and deter fraud, in particular in relation to the appropriateness of revenue recognition and accrued income.
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments in the general ledger and evaluated the business rationale of any significant transactions that were unusual or outside the normal course of business.
- We communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and discussed how and where these might occur and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

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 for the audit of the financial statements is located on the Financial Reporting Council's website at:

<https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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

DocuSigned by:


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Elizabeth Hooper (Senior Statutory Auditor)

For and on behalf of BDO LLP, Statutory Auditor

London, UK

Date: 15 June 2021

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

PUNTER SOUTHALL PENSION SOLUTIONS LIMITED**Annual report and financial statements 2020****Profit and loss account and statement of comprehensive income for the year ended 31 December 2020****Profit and loss account for the year ended 31 December 2020**

	Note	2020 £	2019 £
Turnover	3	15,000	-
Administrative expenses		<u>(1,567,673)</u>	<u>(657,290)</u>
Operating loss	4	(1,552,673)	(657,290)
Interest payable and similar charges	6	(177,930)	-
Loss on ordinary activities before taxation		(1,730,603)	(657,290)
Tax credit on loss on ordinary activities	7	-	-
Loss on ordinary activities after taxation		<u>(1,730,603)</u>	<u>(657,290)</u>

Statement of comprehensive income for the year ended 31 December 2020

	2020 £	2019 £
Loss on ordinary activities after taxation	<u>(1,730,603)</u>	<u>(657,290)</u>
Total comprehensive loss for the period	<u>(1,730,603)</u>	<u>(657,290)</u>

The notes on pages 11 to 18 form part of these financial statements.

PUNTER SOUTHALL PENSION SOLUTIONS LIMITED
Annual report and financial statements 2020
Statement financial position as at 31 December 2020
Registered number: 06222098

	Note	2020 £	2019 £
Current assets			
Debtors	8	23,902	2
Cash at bank and in hand		204,596	-
		<u>228,498</u>	<u>2</u>
Creditors: amounts falling due within one year	9	<u>(2,604,827)</u>	<u>(646,216)</u>
Net current liabilities		<u>(2,376,329)</u>	<u>(646,214)</u>
Total assets less current liabilities		<u>(2,376,329)</u>	<u>(646,214)</u>
Creditors: amounts falling due after more than one year	9	<u>(3,884)</u>	<u>(6,463)</u>
Net liabilities		<u>(2,380,213)</u>	<u>(652,677)</u>
Capital and reserves			
Called up share capital	10	2	2
Retained earnings		(2,380,215)	(652,679)
Total shareholders' deficit		<u>(2,380,213)</u>	<u>(652,677)</u>

The financial statements were approved by the Board and authorised for issue on 15 June 2021.
They were signed on behalf of the Board by:



R Jones
Director

The notes on pages 11 to 18 form part of these financial statements.

PUNTER SOUTHALL PENSION SOLUTIONS LIMITED
Annual report and financial statements 2020
Statement of changes in equity for the year ended 31 December 2020

	Share capital £	Retained earnings £	Total equity £
Balance as at 1 January 2019	2	-	2
Share based payments (note 11)	-	4,611	4,611
Loss for the year	-	(657,290)	(657,290)
Balance as at 31 December 2019	2	(652,679)	(652,677)
Share based payments (note 11)	-	3,067	3,067
Loss for the year	-	(1,730,603)	(1,730,603)
Balance as at 31 December 2020	2	(2,380,215)	(2,380,213)

The notes on pages 11 to 18 form part of these financial statements.

PUNTER SOUTHALL PENSION SOLUTIONS LIMITED
Annual report and financial statements 2020
Notes to the financial statements for the year ended 31 December 2020

1. Accounting policies

Basis of preparation

The financial statements have been prepared in accordance with Financial Reporting Standard (FRS) 101 *Reduced Disclosure Framework*. The principal accounting policies adopted in the preparation of the financial statements are set out below.

Application of FRS 101: Disclosure exemptions adopted

In preparing these financial statements, the Company has taken advantage of all disclosure exemptions granted by FRS 101. Therefore these financial statements do not include:

- certain disclosures regarding the Company's capital;
- a statement of cash flows;
- the effect of future accounting standards not yet adopted;
- the disclosure of remuneration of the key management personnel;
- the disclosure of fees paid to the Company's auditors for services other than audit; and
- disclosure of the related party transactions with other wholly-owned members of the Group, of which the ultimate Parent Company is Punter Southall Group Limited.

In addition and in accordance with FRS 101, further disclosure exemptions have been adopted because the equivalent disclosures are included in the consolidated financial statements of Punter Southall Group Limited. These financial statements do not include certain disclosures in respect of:

- financial instruments; and
- fair value measurement.

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. The nature of the PSPS business meant that there was very limited operational disruption from the pandemic with an immediate switch to home working proceeding smoothly. However, as PSPS is currently reliant on funding from Punter Southall Group Limited, the Directors confirmed that Punter Southall Group Limited had undertaken suitable stress tests on the financial impact of the pandemic and its ability to continue to fund PSPS. Financial projections have been prepared to 31 December 2023. Punter Southall Group Limited confirmed to the Directors that the stress tests and projections indicated that they would be able to deliver funding to PSPS despite the pandemic.

In the light of forecasts and on the basis that it will be receiving support from the parent entity, the Directors consider it appropriate to continue to prepare the financial statements on a going concern basis.

PUNTER SOUTHALL PENSION SOLUTIONS LIMITED
Annual report and financial statements 2020
Notes to the financial statements for the year ended 31 December 2020

1. Accounting policies *continued*

Taxation

Tax expense comprises current and deferred tax.

Current tax

Current tax assets and liabilities comprise those obligations to, or claim from, fiscal authorities relating to the current or prior reporting period, that are unpaid at the reporting date.

Deferred tax

Deferred tax is provided in respect of temporary differences between the carrying amounts of assets and liabilities and their tax bases. Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the deferred tax assets can be utilised.

Deferred tax is not recognised if the temporary difference arises from the initial recognition of goodwill (if any) or from the initial recognition of other assets and liabilities in a transaction, other than a business combination (if any), that affects neither the tax nor the accounting profit.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to be applied to their respective period of realisation, provided they are enacted or substantially enacted at the reporting date.

Where applicable, deferred tax assets and liabilities are offset when there is a legally enforceable right to set off, when they relate to income taxes levied by the same taxation authority and the Group intends to settle on a net basis.

Changes in deferred tax assets and liabilities are recognised as a component of tax expense in the income statement, except where they relate to items that are charged or credited directly to equity, in which case the related deferred tax is also charged or credited directly to equity.

Trade and other payables

Trade payables are initially measured at their fair value and are subsequently measured at their amortised cost using the effective interest method. The effective interest rate method allocates interest expense over the relevant period by applying the effective interest rate to the carrying amount of the liability.

Cash at bank and in hand

Cash comprises of cash in hand, cash at bank and demand deposits.

Turnover

Turnover represents sales to customers at invoiced amounts less value added tax. Turnover is recognised on an accruals basis.

PUNTER SOUTHALL PENSION SOLUTIONS LIMITED
Annual report and financial statements 2020
Notes to the financial statements for the year ended 31 December 2020

2. Critical accounting estimates and judgements

The preparation of financial statements in compliance with FRS 101 requires the Company's Directors to use certain critical accounting estimates and exercise judgements, as well as making certain assumptions and estimates regarding the future. These estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Share-based payments

Where share options are awarded to employees the fair value of the options at the date of grant is charged to the income statement over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each balance sheet date, so that ultimately the cumulative amount recognised over the vesting period is based on the number of options granted.

As long as all non-market vesting conditions are satisfied a charge is made, irrespective of whether the market vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

Where the terms and conditions of options are modified before they vest the increase in the fair value of the options measured immediately before and after the modifications, is also charged to the income statement over the remaining vesting period.

3. Turnover

Turnover is attributable to the principal activity of the Company and arises mainly within the United Kingdom.

4. Operating loss

	2020 £	2019 £
<i>This is stated after charging:</i>		
Staff costs (note 5)	808,012	463,882
Professional fees	395,546	152,104

The auditors' remuneration of £5,150 (2019: £5,000) was paid by Punter Southall Group Limited, the ultimate Parent Company.

PUNTER SOUTHALL PENSION SOLUTIONS LIMITED
Annual report and financial statements 2020
Notes to the financial statements for the year ended 31 December 2020

5. Staff costs

	2020 £	2019 £
<i>Staff costs (including Directors) consist of:</i>		
Wages and salaries	596,700	364,824
Employee incentives and bonuses	54,506	-
Social security costs	86,721	52,121
Share based payments	3,067	4,611
Other employee benefits - insurance	9,379	5,655
Pension costs	57,639	36,671
	<u>808,012</u>	<u>463,882</u>

The average number of employees (including Directors) employed by the Company during the period was:

<u>5</u>	<u>2</u>
----------	----------

Included in staff costs above were Directors emoluments as listed below:

	2020 £	2019 £
Aggregate emoluments	352,622	241,981
Pension costs	5,500	6,667
	<u>358,122</u>	<u>248,648</u>

The highest paid Director emoluments are equal to the total Directors emoluments shown above.

6. Interest and similar charges

	2020 £	2019 £
Interest payable to Group undertakings	177,140	-
Bank charges	790	-
	<u>177,930</u>	<u>-</u>

PUNTER SOUTHALL PENSION SOLUTIONS LIMITED
Annual report and financial statements 2020
Notes to the financial statements for the year ended 31 December 2020

7. Tax credit on loss on ordinary activities

	2020 £	2019 £
Current tax		
Current year	-	-
Total tax charge	-	-

The tax charge can be reconciled to the loss for the year as follows:

Loss on ordinary activities before tax	(1,730,603)	(657,290)
Loss before tax multiplied by the effective rate of corporation tax in the UK of 19% (2019:19%)	(328,815)	(124,885)
Effects of:		
Expenses not deductible for tax purposes	(14,797)	72
Group relief	398,588	-
Movement in temporary differences	(54,976)	124,813
Total tax credit for year	-	-

8. Debtors

	2020 £	2019 £
<i>Amounts due within one year</i>		
Trade debtors	18,000	-
Other debtors	2	2
Prepayment and accrued income	5,900	-
	23,902	2

9. Creditors

	2020 £	2019 £
<i>Creditors: amounts falling due within one year</i>		
Trade creditors	9,439	-
Amounts due to Group undertakings	2,477,348	469,352
Taxation and social security	18,070	-
Accruals and deferred income	99,970	176,864
	2,604,827	646,216
<i>Creditors: amounts falling due after one year</i>		
Accruals and deferred income	3,884	6,463
	2,608,711	652,679

Amounts due to Group undertakings comprises of a loan of £2,300,000 and interest of £177,140 from its immediate parent, Punter Southall Group Limited. The loan attract interest at 12% per annum, is unsecured and repayable on demand.

PUNTER SOUTHALL PENSION SOLUTIONS LIMITED
Annual report and financial statements 2020
Notes to the financial statements for the year ended 31 December 2020

10. Called up share capital

	2020	2019
	£	£
<i>Authorised, allotted, called up and fully paid</i>		
2 ordinary shares of £1 each	<u>2</u>	<u>2</u>

11. Share-based payments

The total movement through retained earnings relating to all share-based payments can be analysed as follows:

	2020	2019
	£	£
Share options	<u>3,067</u>	<u>4,611</u>

The Company incurred the share-based payment charges described above during the year. The Company did not enter into any share-based payment transactions with parties other than employees in the current or prior year.

Information on each share-based payment scheme for the Company is given below.

Share options

The Company operates approved and unapproved share option schemes for employees' participation which is at the discretion of the Directors of Punter Southall Group Limited.

The options are over shares in Punter Southall Group Limited. There are varying vesting conditions based on the growth of the Group and the growth in equity value of the Company over a 5 year period. Options are forfeited if an individual ceases employment before the options are exercised. The options have a contractual life of 10 years.

PUNTER SOUTHALL PENSION SOLUTIONS LIMITED
Annual report and financial statements 2020
Notes to the financial statements for the year ended 31 December 2020

11. Share-based payments *continued*

	2020	2020	2019	2019
<i>Company</i>	Weighted average price	Number	Weighted average price	Number
Outstanding at 1 January	£6.81	36,710	-	-
Reallocated from PSG	-	-	£6.81	36,710
Outstanding at 31 December	£6.81	36,710	£6.81	36,710

The exercise prices of options outstanding in the Company at the end of the year and their weighted average contractual life are detailed below:

Number outstanding 31 December 2020	Exercise price	Weighted average contractual life
36,710	£6.81	5 years, 11 months

Of the total number of options outstanding at the end of the year in the Company, 12,237 had vested and were exercisable at the end of the year (2019: 12,237). No options were granted in the Company in 2020 or 2019.

No new share options were issued in the current year (2019: none).

12. Reserves

The following describes the nature and purpose of each reserve within equity:

Reserve	Description and purpose
Share capital	Nominal value of share capital subscribed for.
Retained earnings	Net gains and losses and transactions with owners not recognised elsewhere.

13. Related party transactions

During the year the Company did not provide any services to other related parties (2019: £nil).

During the year the Company paid administration services and interest charges to related parties:

	2020	2019
	£	£
Punter Southall Governance Services Limited	12,865	-
Punter Southall Analytics Limited	1,862	2,238

PUNTER SOUTHALL PENSION SOLUTIONS LIMITED
Annual report and financial statements 2020
Notes to the financial statements for the year ended 31 December 2020

13. Related party transactions *continued*

The following balances were owed to other related parties at 31 December:

	2020 £	2019 £
Punter Southall Analytics Limited	-	(2,238)

All companies listed above are part of the Punter Southall Group. Punter Southall Group Limited is the ultimate Parent Company of Punter Southall Pension Solutions Limited, with a 100% shareholding.

14. Post Balance Sheet Events

Between February and April 2021 the Company drew down further loans of £500,000 from its parent company.

15. Immediate and ultimate Parent Company

The Company's ultimate Parent and controlling undertaking is Punter Southall Group Limited, an entity incorporated in the United Kingdom. Punter Southall Group Limited is the Parent of the smallest and largest group of which the Company is a member.

Copies of the financial statements of Punter Southall Group Limited can be obtained from the Company Secretary: Punter Southall Group Limited, 11 Strand, London, WC2N 5HR, United Kingdom.