

LLP Registration no: OC345142

**OPTIONS UK PERSONAL PENSIONS LLP**  
(Formerly Options SIPP UK LLP)

**Annual Report and Audited Financial Statements**  
**for the year ended 31 December 2020**



**OPTIONS UK Personal Pensions LLP - LLP Registration no: OC345142**  
**(Formerly OPTIONS SIPP UK LLP)**  
**Contents of the financial statements for the year ended 31 December 2020**

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**OPTIONS UK PERSONAL PENSIONS LLP**  
**(Formerly OPTIONS SIPP UK LLP)**

**LLP Information**  
**for the year ended 31 December 2020**

**Designated Members**

Carey Administration Holdings Limited  
Chrysalis Pension Consulting LLP

**Executive Board**

C.P. Hallett  
S. Cole  
D. Hatch  
G Kettleborough  
A Filbin (appointed 2 January 2020)

**Auditor**

Deloitte LLP  
Statutory Auditor  
The Hanover Building  
Corporation Street  
Manchester  
United Kingdom  
M4 4AH

**Registered Office**

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

**LLP Registration No.**  
OC345142

## **OPTIONS UK PERSONAL PENSIONS LLP** **(Formerly OPTIONS SIPP UK LLP)**

### **Report to members for the year ended 31 December 2020**

The Executive Board presents its annual report to the members and the audited financial statements of Options UK Personal Pensions LLP ("the LLP") for the year ended 31 December 2020.

The members of the LLP are known and referred to by both clients and staff as partners. Throughout the financial statements references to partners should be taken as referring to members, as defined by the Limited Liability Partnerships Act 2000. The company name was changed on 13th June 2020 from Options SIPP UK LLP to Options UK Personal Pensions LLP.

#### **Principal activity**

The principal activity of the LLP is pensions administration.

#### **Designated members**

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

#### **Results for the year and allocation to members**

The loss for the financial year available for discretionary division among members was £99,647 (2019: £53,908 loss). The key area that has impacted the results and increased loss is that the levels of new business was slower than expected, generally to with the Covid situation. However, despite the lack of business the turnover for the period has increased by 41% demonstrating the robustness of our administration annuity. Increased expenses of 44% has been a direct result of a major business systems migration of the administration systems.

#### **Partners' drawings and capital**

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

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

#### **Going concern**

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

The Executive Board acknowledges that whilst the Court of Appeal upheld the High Court's ruling on COBS it ruled against Carey (now Options) on s27 of the Financial Services Market Act 2002 (FSMA) and refused to exercise its discretion under s28 to disapply the effect of s27. This could have an impact on claims made against the business as well as reputational damage. Additional information is provided under the Post Balance Sheet events note (14).

Having considered the above, and the commitment given by the STM Group, the Executive Board have an expectation that the LLP has adequate resources to continue in operational existence for the foreseeable future accordingly the Executive Board have continued to adopt the going concern basis in preparing the financial statements.

#### **Indication of future developments**

The Directors expect the general level of activity to increase in the forthcoming year. This is as a result of new business coming in 2021. The LLP was acquired by the STM Group on 12 February 2019. The new owners are committed to supporting the LLP by assisting in its growth both organically and/or by acquisition and increased efficiencies.

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

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

**OPTIONS UK PERSONAL PENSIONS LLP**  
**(Formerly OPTIONS SIPP UK LLP)**

**Report to members (continued)**  
**for the year ended 31 December 2020**

**Statement of partners' responsibilities**

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

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the LLP will continue in business.

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

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

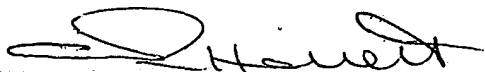
**Statement as to disclosure of information to auditor**

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

**Auditor**

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

**Approved for issue on behalf of the Executive Board :**



Mrs C.P Hallett

**Date** 28th May 2021



Mr D Hatch

**Date** 28th May 2021

## **OPTIONS UK PERSONAL PENSIONS LLP** **(Formerly OPTIONS SIPP UK LLP)**

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

#### **Report on the audit of the financial statements**

##### **Opinion**

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

- give a true and fair view of the state of the limited liability partnership's affairs as at 31 December 2020 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the Limited Liability Partnership Act 2008.

We have audited the financial statements which comprise:

- the statement of comprehensive income;
- the balance sheet;
- the statement of changes in members' interests
- the cash flow statement; and
- the related notes 1 to 18.

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

##### **Basis for opinion**

We conduct our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the limited liability partnership in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (FRC's) Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

In auditing the financial statements, we have concluded that the members' 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 limited liability partnership'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 members' with respect to going concern are described in the relevant sections of this report.

##### **Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The members are responsible for the other information contained within the annual report. 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 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 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.

## OPTIONS UK PERSONAL PENSIONS LLP

### Independent auditor's report to the members of Options UK Personal Pensions LLP (continued)

#### Responsibilities of members

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

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

#### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

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

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

We considered the nature of the limited liability partnership's industry and its control environment, and reviewed the limited liability partnership's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management and those charged with governance, about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory framework that the limited liability partnership operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These include the Limited Liability Partnership Act 2008; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the limited liability partnership's ability to operate or to avoid a material penalty

We discussed among the audit engagement team including relevant internal specialists such as tax, IT and industry specialists regarding the opportunities and incentives that may exist within the organisation for fraud and how and why fraud might occur in the financial statements.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and those charged with governance, external legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- Reading minutes of meetings of those charged with governance and reviewing correspondence with HMRC and FCA.

## **OPTIONS UK PERSONAL PENSIONS LLP**

### **Independent auditor's report to the members of Options UK Personal Pensions LLP (continued)**

#### **Report on other legal and regulatory requirements**

##### **Opinions on other matters prescribed by the Limited Liability Partnership Act 2008**

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

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

in the light of the knowledge and understanding of the limited liability partnership and its environment obtained in the course of the audit, we have not identified any material misstatements in the member's report.

##### **Matters on which we are required to report by exception**

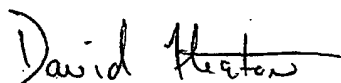
Under the Companies Act 2006 as applied to limited liability partnerships we are required to report in respect of the following matters if, in our opinion:

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

We have nothing to report in respect of these matters.

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

This report is made solely to the limited liability partnership's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, as applied to limited liability partnerships (Application of Companies Act 2006) Regulations 2008. Our audit work has been undertaken so that we might state to the limited liability partnership's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the limited liability partnership and the limited liability partnership's members, as a body, for our audit work, for this report, or for the opinions we have formed.



**David Heaton (Senior statutory auditor)**

For and on behalf of Deloitte LLP

Statutory Auditor

Manchester, United Kingdom

Date 28th May 2021



**OPTIONS UK PERSONAL PENSIONS LLP**  
**(Formerly OPTIONS SIPP UK LLP)**

**Statement of Comprehensive Income**  
**for the year ended 31 December 2020**

|   | Notes | 2020      |                 | 2019      |                 |
|---|-------|-----------|-----------------|-----------|-----------------|
|   |       | £         | £               | £         | £               |
| Turnover  | 2     | 2,438,727 |                 | 1,733,731 |                 |
|   |       |           | 2,438,727       |           | 1,733,731       |
| Administrative expenses                                     | 3, 4  |           | (2,485,266)     |           | (1,731,057)     |
| Loss for the year before members' remuneration and interest | 3     |           | (46,539)        |           | 2,674           |
| Members' remuneration charged as an expense                 | 5     |           | -               |           | -               |
| Interest payable and similar expense                        |       |           | (53,108)        |           | (56,581)        |
| Loss for the year   |       |           | <u>(99,647)</u> |           | <u>(53,908)</u> |

**Continuing operations**

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

**Total Recognised Gains and Losses**

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

The accompanying notes on pages 11 to 17 form an integral part of these financial statements.

# OPTIONS UK PERSONAL PENSIONS LLP

(Formerly OPTIONS SIPP UK LLP)

Registered no: OC345142

## Balance Sheet

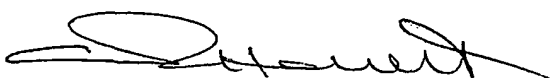
as at 31 December 2020

|   | Notes | 2020               |                  | 2019             |                  |
|---|-------|--------------------|------------------|------------------|------------------|
|   |       | £                  | £                | £                | £                |
| <b>Fixed assets</b>                                   |       |                    |                  |                  |                  |
| Tangible fixed assets                                 | 6     | 16,128             |                  | 22,632           |                  |
| Investments   | 7     | 10                 |                  | 10,010           |                  |
| <b>Total fixed assets</b>                             |       |                    | <b>16,138</b>    |                  | <b>32,642</b>    |
| <b>Current assets</b>                                 |       |                    |                  |                  |                  |
| Cash at bank and in hand                              | 8     | 97,246             |                  | 58,490           |                  |
| Trade and other receivables                           | 9     | 5,502,221          |                  | 1,401,663        |                  |
| <b>Total current assets</b>                           |       | <b>5,599,467</b>   |                  | <b>1,460,153</b> |                  |
| <b>Creditors: amounts falling due within one year</b> | 10    | <b>(4,365,857)</b> |                  | <b>(143,400)</b> |                  |
| <b>Total assets less current liabilities</b>          |       |                    | <b>1,249,748</b> |                  | <b>1,349,395</b> |
| <b>Creditors: amounts falling due after one year</b>  | 11    |                    | <b>(950,010)</b> |                  | <b>(950,010)</b> |
| <b>Net assets attributable to members</b>             |       |                    | <b>299,738</b>   |                  | <b>399,385</b>   |
| <b>Members' interests</b>                             |       |                    |                  |                  |                  |
| Members capital (classified as equity)                | 16    | 1,415,000          |                  | 1,415,000        |                  |
| Profit and loss account                               |       | (1,115,262)        |                  | (1,015,615)      |                  |
| <b>Total members' interests</b>                       |       | <b>299,738</b>     |                  | <b>399,385</b>   |                  |

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

The financial statements of Options UK Personal Pensions LLP were approved and authorised for issue by the members of the LLP on 28 May 2021 and were signed by:

For and on behalf of the Executive Board:



Mrs C P Hallett

Date 28 May 2021



Mr D Hatch

Date 28 May 2021

**OPTIONS UK PERSONAL PENSIONS LLP**  
**(Formerly OPTIONS SIPP UK LLP)**

Registered no: OC345142

**Statement of Changes in Members' Interests**  
**as at 31 December 2020**

|  | Members' other interests                   |                |          |
|--|--|----------------|----------|
|  | Members' capital<br>(classified as equity) | Other Reserves | Total    |
|  | £  | £              | £        |
| Balance at 1 January 2020                  | 1,415,000                                  | (1,015,615)    | 399,385  |
| Total comprehensive loss for the year      | -  | (99,647)       | (99,647) |
| Members' interests after loss for the year | 1,415,000                                  | (1,115,262)    | 299,738  |
| Balance at 31 December 2020                | 1,415,000                                  | (1,115,262)    | 299,738  |

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

**OPTIONS UK PERSONAL PENSIONS LLP**  
**(Formerly OPTIONS SIPP UK LLP)**

**Cash Flow Statement**  
**for the year ended 31 December 2020**

|  | Notes | 2020<br>£            | 2019<br>£            |
|--|-------|----------------------|----------------------|
| Net cash from operating activities                           | 12    | <u>43,698</u>        | <u>44,673</u>        |
| <b>Cash flow from investing activities</b>                   |       |                      |                      |
| Purchases of tangible assets                                 |       | (4,942)              | (2,933)              |
| Net cash used in investing activities                        |       | <u>(4,942)</u>       | <u>(2,933)</u>       |
| <b>Net Increase /(decrease) in cash and cash equivalents</b> |       | <b>38,756</b>        | <b>41,740</b>        |
| Cash and cash equivalents at beginning of year               |       | <u>58,490</u>        | <u>16,750</u>        |
| Cash and cash equivalents at end of year                     |       | <u><u>97,246</u></u> | <u><u>58,490</u></u> |

# **OPTIONS UK PERSONAL PENSIONS LLP**

## **(Formerly OPTIONS SIPP UK LLP)**

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

#### **for the year ended 31 December 2020**

#### **1 Accounting policies**

##### **General Information**

Options UK Personal Pensions LLP is a limited liability partnership incorporated in the United Kingdom under the Companies Act 2006 and is registered in England and Wales. The address of the companies registered office is shown on page 1.

##### **Principal accounting policies**

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

##### **Basis of accounting**

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

##### **Basis of non-consolidation**

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

##### **Turnover**

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

##### **Trade and other receivables**

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

##### **Creditors and borrowings**

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

##### **Provisions**

Provisions are recognised when there is a present legal or constructive obligation as a result of a past event, for which it is probable that an outflow of economic benefits will be required to settle the obligation, and where a reliable estimate can be made of the amount of the obligation. The amount of the provision is based on a best estimate of the expenditure required to settle the obligation.

##### **Tangible fixed assets**

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

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

# OPTIONS UK PERSONAL PENSIONS LLP

(Formerly OPTIONS SIPP UK LLP)

## Notes to the Financial Statements (continued)

for the year ended 31 December 2020

### 1 Accounting policies (continued)

#### Investments

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

#### Going concern

In reaching their view on the preparation of the Company's financial statements on a going concern basis, the Directors are required to consider whether the Company can continue in operational existence for the foreseeable future. The Executive Board have made appropriate enquiries and taken into account the Company's business activities.

Based on the analyses carried out the directors have assessed the impact of COVID-19 and do not anticipate any significant reduction in revenue and new policies at the date of signing.

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

#### Taxation

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

#### Critical judgements and key sources of estimation

In applying the LLP's accounting policies the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

#### Key sources of estimation

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

#### Disputes and potential legal matters

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

#### Impairment of trade and other receivables

The LLP assesses its trade and other receivables for impairment at each reporting date. In determining whether an impairment loss should be recorded in the Statement of Comprehensive Income, the LLP makes an assessment as to whether there is observable data indicating a measurable decrease in the estimated future cash flows. Management's assessment takes into account views regarding the current economic climate, correspondence with individual customers and historical payment experience. The current provision of £42,895 represents 11.4% of total debt outstanding (2019: £13,790 - 7%). The provision coverage has increased as a result of a full analysis of the underlying investments held by clients and their propensity to produce future income.

### 2 Turnover

|                     | 2020             | 2019             |
|---------------------|------------------|------------------|
|                     | £                | £                |
| SIPP administration | <u>2,438,727</u> | <u>1,733,731</u> |

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

**OPTIONS UK PERSONAL PENSIONS LLP**  
**(Formerly OPTIONS SIPP UK LLP)**

**Notes to the Financial Statements (continued)**  
**for the year ended 31 December 2020**

| <b>3 Loss on ordinary activities</b>   | <b>2020</b>  | <b>2019</b>  |
|--|--------------|--------------|
|  | <b>£</b>     | <b>£</b>     |
| Loss on ordinary activities before members' remuneration is stated after charging: |              |              |
| Operating lease rental   | 44,640       | 46,083       |
| Depreciation on tangible fixed assets  | 11,444       | 14,274       |
| Staff costs (see note 4)   | 1,538,109    | 1,045,856    |
| Auditor's remuneration for the auditing of the financial statements                | 29,914       | 25,865       |
| Other assurance  | <u>7,500</u> | <u>6,000</u> |

| <b>4 Staff costs</b>                                | <b>2020</b>   | <b>2019</b>   |
|---|---------------|---------------|
|   | <b>Number</b> | <b>Number</b> |
| Average number of staff                             | <u>50</u>     | <u>36</u>     |
| The staff numbers disclosed are the monthly average |               |               |

|                               |                  |                  |
|-------------------------------|------------------|------------------|
|                               | <b>2020</b>      | <b>2019</b>      |
|                               | <b>£</b>         | <b>£</b>         |
| Included in staff costs were: |                  |                  |
| Wages and salaries            | 1,359,625        | 907,587          |
| Social security               | 113,275          | 87,379           |
| Pension costs                 | 65,209           | 50,890           |
| Total staff costs             | <u>1,538,109</u> | <u>1,045,856</u> |

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

| <b>5 Members' remuneration charged as an expense</b>  | <b>2020</b> | <b>2019</b> |
|---|-------------|-------------|
|   | <b>£</b>    | <b>£</b>    |
| Fees paid to Carey Administration Holdings Limited (formerly Carey Commercial Holdings Limited) for directors' services | -           | -           |
| Fees paid to Chrysalis Pension Consulting LLP   | <u>-</u>    | <u>-</u>    |

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

|  |                |                |
|--|----------------|----------------|
| <b>Key management personnel compensation</b> |                |                |
| Salary                                       | 198,000        | 95,000         |
| Pension contributions                        | 17,375         | 11,875         |
| Healthcare plan                              | 958            | 872            |
| Total emoluments                             | <u>216,333</u> | <u>107,747</u> |

**OPTIONS UK PERSONAL PENSIONS LLP**  
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**Notes to the Financial Statements (continued)**  
**for the year ended 31 December 2020**

| 6 Tangible fixed assets    | Office equipment | Furniture       | Computer equipment | Leasehold improvements | Total            |
|----------------------------|------------------|-----------------|--------------------|------------------------|------------------|
|                            | £                | £               | £                  | £                      | £                |
| <b>Cost</b>                |                  |                 |                    |                        |                  |
| At 1 January 2020          | 30,490           | 14,928          | 156,751            | 6,870                  | 209,039          |
| Additions                  | 3,189            | 0               | 1,753              | -                      | 4,942            |
| <b>At 31 December 2020</b> | <b>33,679</b>    | <b>14,928</b>   | <b>158,504</b>     | <b>6,870</b>           | <b>213,981</b>   |
| <b>Depreciation</b>        |                  |                 |                    |                        |                  |
| At 1 January 2020          | (29,299)         | (13,884)        | (136,355)          | (6,870)                | (186,407)        |
| Charge in year             | (1,729)          | 0               | (9,716)            | 0                      | (11,445)         |
| <b>At 31 December 2020</b> | <b>(31,028)</b>  | <b>(13,884)</b> | <b>(146,071)</b>   | <b>(6,870)</b>         | <b>(197,852)</b> |
| <b>Net book value</b>      |                  |                 |                    |                        |                  |
| At 31 December 2019        | 1,191            | 1,044           | 20,396             | 0                      | 22,632           |
| <b>At 31 December 2020</b> | <b>2,651</b>     | <b>1,044</b>    | <b>12,434</b>      | <b>-</b>               | <b>16,128</b>    |

**7 Investments**

|                             | 2020 | 2019   |
|-----------------------------|------|--------|
|                             | £    | £      |
| Investments in Storage Pods | 0    | 10,000 |

On 5th March 2015 seven storage pods were transferred to the LLP as part of a claim settlement. In 2017 this was recognised as an investment at an estimated value of £10,000. On 10th March 2020 these storage pods were sold at auction for £3,000, a loss on sale of £7,000 has been recognised at group level.

**Investments in Subsidiary**

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

|   | Country of incorporation | Date of incorporation | Activity                                | 2020      | 2019          |
|---|--------------------------|-----------------------|---|-----------|---------------|
|   |                          |                       |   | £         | £             |
| MK SIPP Trustees UK Limited<br>(formerly Carey Pension Trustees UK Ltd) |                          |                       | Provision of corporate trustee services |           |               |
| 10 ordinary shares of £1 each   | United Kingdom           | 22 April 2009         |   | 10        | 10            |
| <b>Total Investments</b>  |                          |                       |   | <b>10</b> | <b>10,010</b> |

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

| 8 Cash at bank and in hand | 2020   | 2019   |
|----------------------------|--------|--------|
|                            | £      | £      |
| Cash at bank               | 97,246 | 58,490 |



**OPTIONS UK PERSONAL PENSIONS LLP**  
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**Notes to the Financial Statements (continued)**  
**for the year ended 31 December 2020**

|   |                  |                  |
|---|------------------|------------------|
| <b>9 Trade and other receivables</b>                            | <b>2020</b>      | <b>2019</b>      |
|   | £                | £                |
| Trade debtors   | 405,200          | 179,839          |
| Receivables due from Insurers (notes 14 and 18)                 | 3,600,000        | -                |
| STM Group Plc   | 222,026          | -                |
| Carey Administration Holdings Ltd                               | 611,404          | 637,325          |
| Options Group Services UK Ltd                                   | 127,903          | 113,582          |
| Options Corporate Pensions UK Ltd                               | 474,513          | 399,238          |
| Other debtors   | 1,260            | 17,083           |
| Work in progress and accrued income                             | 11,281           | 7,970            |
| Prepaid expenses  | 48,634           | 46,625           |
| <b>Total</b>  | <b>5,502,221</b> | <b>1,401,663</b> |
| <b>10 Creditors: amounts falling due within one year</b>        | <b>2020</b>      | <b>2019</b>      |
|   | £                | £                |
| Trade creditors   | 61,221           | 22,319           |
| Provision (notes 14 and 27)                                     | 3,600,000        | -                |
| STM Group Plc   | -                | 10,000           |
| London and Colonial Services Ltd                                | 65,380           | -                |
| VAT payable   | 254,077          | -                |
| Payroll taxes payable   | -                | 44,349           |
| Accruals  | 74,970           | 66,732           |
| Deferred Income   | 310,209          | -                |
| <b>Total</b>  | <b>4,365,857</b> | <b>143,400</b>   |
| <b>11 Creditors: amounts falling due after one year</b>         | <b>2020</b>      | <b>2019</b>      |
|   | £                | £                |
| Subordinated loan agreement                                     | 950,000          | 950,000          |
| Intercompany creditors  | 10               | 10               |
| <b>Total</b>  | <b>950,010</b>   | <b>950,010</b>   |
| Note 15 gives full details of changes to the subordinated loan. |                  |                  |
| <b>12 Note to the cash flow statement</b>                       | <b>2020</b>      | <b>2019</b>      |
|   | £                | £                |
| Loss for the year   | (99,647)         | (53,908)         |
| <b>Adjustments for:</b>   |                  |                  |
| Depreciation of tangible fixed assets                           | 11,445           | 14,274           |
| Sale of investments   | 10,000           | -                |
| Provision for Impairment of bad debts                           | 23,950           | (49)             |
| Operating cash flows before movements in working capital        | (54,252)         | (39,683)         |
| <b>Changes in working capital:</b>                              |                  |                  |
| Decrease in prepaid expenses and accrued income                 | (5,320)          | (16,732)         |
| (Decrease)/Increase in trade and other receivables              | (519,185)        | 319,316          |
| Increase/(decrease) in payables                                 | 622,456          | (218,229)        |
| Cash used in operations   | 43,698           | 44,673           |
| <b>Net cash generated in operating activities</b>               | <b>43,698</b>    | <b>44,673</b>    |

# **OPTIONS UK PERSONAL PENSIONS LLP** (Formerly OPTIONS SIPP UK LLP)

## **Notes to the Financial Statements (continued)** **for the year ended 31 December 2020**

### **13 Operating leases**

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

|                              | 2020           | 2019           |
|------------------------------|----------------|----------------|
|                              | £              | £              |
| - within one year            | 49,600         | 49,600         |
| - between one and five years | 198,400        | 198,400        |
|                              | <u>248,000</u> | <u>248,000</u> |

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

### **14 Provisions and contingent liability**

Provisions are recorded when there is a present legal or constructive obligation as a result of a past event, for which it is probable that an outflow of economic benefits will be required to settle the obligation, and where a reliable estimate can be made of the amount of the obligation. As stated in note 2 this requires judgment and the use of assumptions about the likelihood and magnitude of any cash outflow. The LLP analyses its exposure based on available information, including consultation with professional indemnity insurers and external legal advisors where appropriate, to assess any potential liability.

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

Following the Court of Appeal judgment on 1 April 2021 (see note 18) the LLP has considered the potential impact this might have on the outcome of other claims made by SIPP members in respect of non-performing assets. Whilst the final outcome of Mr Adams' case is not yet known, as Carey has sought permission to appeal to the Supreme Court, under FRS 102 Section 21 – Provisions, Contingent Liabilities and Contingent Assets consideration has to be given as to whether such provisions can reliably be estimated as to the potential financial obligation which could arise in the future.

Furthermore, it is also recognised that the ruling made in Mr Adams case was fact specific and included the exercise of discretion on the part of the Court of Appeal, and which was exercised in the context of those facts. The Court of Appeal has also at the time of this filing not determined the appropriate relief payable to Mr Adams. It is therefore difficult to assess the exact obligation that could arise on other claims based on this one case. An estimate has been arrived at by considering a cohort of claims which may be deemed to have similar characteristics to Mr Adams' claim. The value of this estimate, which has been reflected within trade and other payables, is £3,600,000. This is covered by professional indemnity insurance and thus has also been reflected within trade and other receivables.

With reference to the prejudicial exemption allowed under FRS 102 Section 21.17, the Company will not disclose any further information about the assumptions for the provision, including any details about current and potential claims.

## OPTIONS UK PERSONAL PENSIONS LLP (Formerly OPTIONS SIPP UK LLP)

### Notes to the Financial Statements (continued) for the year ended 31 December 2020

#### 15 Related party transactions

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

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

Key management personnel remuneration is detailed in note 5.

#### 16 Members' interests

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

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

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

Chrysalis Pensions Consulting LLP shall contribute the sum of £392,143 (2019: £392,143) of capital by way of the application of such amounts of its share of the profits as are due to be paid to it in accordance with clauses 10.1 and 10.2 of the LLP agreement. Chrysalis Pension Consulting LLP is ultimately obliged to contribute 30% of the LLP's total capital in this way.

|   | 2020      | 2019      |
|---|-----------|-----------|
| Members' capital (classified as equity) | 1,415,000 | 1,415,000 |

#### 17 Ultimate controlling party

CAHL the smallest parent company was purchased by STM Group Plc on 12 February 2019, the registered office is PO Box 285, Elizabeth House, Les Ruettes Brayes, St Peter Port, Guernsey, GY1 4LX. CAHL does not prepare consolidated accounts. The largest parent company from 12 February 2019 is STM Group Plc, 18 Athol Street, Douglas, IM1 1JA, Isle of Man, an AIM listed company incorporated and registered in Isle of Man. STM Group PLC prepares group accounts. The consolidated financial statements of STM Group plc are available to the public and may be obtained from [www.stmgroupplc.com](http://www.stmgroupplc.com) or <http://www.stmgroupplc.com>. The largest and smallest group on which the results of the Company are consolidated is that headed by STM Group plc.

**OPTIONS UK PERSONAL PENSIONS LLP**  
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**Notes to the Financial Statements (continued)**  
**for the year ended 31 December 2020**

**18 Post balance sheet events**

On the 1 April 2021 the Court of Appeal handed down their judgment on the Adams v Carey (now renamed Options) case which had been heard remotely by video-conferencing in early March 2021. Mr Adams had appealed primarily two causes of action as follows:

1: that under the FCA's Conduct of Business Sourcebook rules (COBS) 2.1.1, Carey had failed to act fairly, honestly and in accordance with the best interests of its client; and

2: that, given the unregulated introducer 'advised' (for the purposes of the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 (RAO)) Mr Adams to purchase the investment, transfer his pension and establish the SIPP, and the introducer 'arranged' (for the purposes of the RAO) the underlying investment, without the necessary permissions and therefore in breach of the general prohibition under s.19 of FSMA, that under section 27 of the FSMA, Mr Adams' agreement with Carey should be unwound, and Carey should provide relief to Mr Adams.

The judgment dismissed the first claim but upheld the second. Permission to appeal this judgment has been filed with the Supreme Court on 29 April 2021. At the time of signing the financial statements the Supreme Court was yet to rule on this.

*There have been no other significant events between the year end and the date of approval of these financial statements which would require a change or disclosure in the financial statements:*