

ANNUAL REPORT
FOR THE YEAR ENDED 31 MAY 2020
FOR
THE LEADERSHIP FACTOR LIMITED SELF
ADMINISTERED PENSION SCHEME

DSC
Chartered Accountants
Tattersall House
East Parade
Harrogate
North Yorkshire
HG1 5LT

**THE LEADERSHIP FACTOR LIMITED SELF
ADMINISTERED PENSION SCHEME**

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FOR THE YEAR ENDED 31 MAY 2020**

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**THE LEADERSHIP FACTOR LIMITED SELF
ADMINISTERED PENSION SCHEME**

**TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 MAY 2020**

| | |
|-------------------------------|--|
| TRUSTEES: | Mr S N Hill Mrs J Hill |
| SPONSORING EMPLOYER: | The Leadership Factor Limited Taylor Hill Mill Huddersfield HD4 6JA |
| ACCOUNTANTS: | DSC Chartered Accountants Tattersall House East Parade Harrogate North Yorkshire HG1 5LT |
| SCHEME ADMINISTRATORS: | Pension Practitioner 48 Chorley New Road Bolton BL1 4AP |

**THE LEADERSHIP FACTOR LIMITED SELF
ADMINISTERED PENSION SCHEME**

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MAY 2020**

The trustees present their report for the year ended 31 May 2020.

MANAGEMENT OF THE SCHEME

The trustees during the year under review were:

Mr S N Hill
Mrs J Hill

There is no formal procedure in place for trustee meetings. They are called as required.

SPONSORING EMPLOYER

The scheme is a defined benefit scheme and was formed to provide retirement benefits to employees of The Leadership Factor Ltd and their dependents. Benefits are also paid when employees die before the retirement age while in the company's service.

MEMBERSHIP

Details of membership of the scheme during the year are shown below:

| | At 1.6.19 | Increase | Decrease | At 31.5.20 |
|---------------------|--------------|----------|----------|---------------|
| Active members | 2 | - | - | 2 |
| Pensioners | - | - | - | - |
| Deferred pensioners | - | - | - | - |
| | <u>2</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| | <u>2</u> | <u>-</u> | <u>-</u> | <u>2</u> |

INVESTMENT MANAGEMENT

The trustees have produced a statement of investment principles as required by Section 35 of the Pensions Act 1995, a copy of which is available on request.

COMPLIANCE MATTERS

There have been no changes to the scheme's rules during the period.

Signed by the Trustees:

Nigel

Mr S N Hill



Mrs J Hill

27 April 2021

**THE LEADERSHIP FACTOR LIMITED SELF
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**TRUSTEES' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 MAY 2020**

The non-statutory financial statements, which are prepared in accordance with UK Generally Accepted Accounting Practice, are the responsibility of the trustees. The Trust Deed and rules of the scheme require, and the trustees are responsible for ensuring, that those financial statements:

- show a true and fair view of the financial transactions of the scheme during the scheme year and of the amount and disposition at the end of the scheme year of its assets and liabilities, other than liabilities to pay pensions and benefits after the end of the scheme year; and
- contain the information specified in the relevant financial reporting framework applicable to occupational pension schemes.

In discharging the above responsibilities, the trustees are responsible for selecting suitable accounting policies, to be applied consistently, making any estimates and judgements on a prudent and reasonable basis, and for the preparation of the financial statements on a going concern basis unless it is inappropriate to presume that the scheme will not be wound up.

The trustees are also responsible for making available certain other information about the scheme in the form of an Annual Report.

The trustees are also responsible under pensions legislation for keeping records in respect of contributions received in respect of any active member of the scheme and for adopting risk-based processes to monitor whether contributions are made to the scheme by the employer in accordance with the scheme rules.

The trustees also have a general responsibility for ensuring that adequate accounting records are kept and for taking such steps as are reasonably open to them to safeguard the assets of the scheme and to prevent and detect fraud and other irregularities, including the maintenance of an appropriate system of internal control.

Signed by the Trustees:

Nigel

Mr S N Hill



Mrs J Hill

27 April 2021

**REPORT OF THE ACCOUNTANTS TO THE TRUSTEES OF
THE LEADERSHIP FACTOR LIMITED SELF
ADMINISTERED PENSION SCHEME**

In order to assist you to fulfil your duties under the Trust Deed and the rules of the scheme, we have prepared for your approval the financial statements of The Leadership Factor Limited Self Administered Pension Scheme for the year ended 31 May 2020 which comprise the Fund Account, the Statement of Net Assets Available for Benefits and the related notes from the scheme's accounting records and from information and explanations you have given us.

As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at icaew.com/membershandbook.

This report is made solely to the trustees of The Leadership Factor Limited Self Administered Pension Scheme, as a body, in accordance with our terms of engagement. Our work has been undertaken solely to prepare for your approval the financial statements of The Leadership Factor Limited Self Administered Pension Scheme and state those matters that we have agreed to state to the trustees of The Leadership Factor Limited Self Administered Pension Scheme, as a body, in this report in accordance with AAF 2/10 as detailed at icaew.com/compilation. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the scheme and its trustees, as a body, for our work or for this report.

It is your duty to ensure that The Leadership Factor Limited Self Administered Pension Scheme has kept adequate accounting records and to prepare financial statements that give a true and fair view of the financial transactions of the scheme during the year and of the amount and disposition at the end of that year of its assets and liabilities, other than liabilities to pay pensions and benefits after the end of the scheme year, and contain the information specified in the Statement of Recommended Practice "Financial Reports of Pension Schemes" and the Trust Deed. You consider that The Leadership Factor Limited Self Administered Pension Scheme is exempt from the audit requirement for the year.

We have not been instructed to carry out an audit or a review of the financial statements of The Leadership Factor Limited Self Administered Pension Scheme.. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the financial statements.

DSC
Chartered Accountants
Tattersall House
East Parade
Harrogate
North Yorkshire
HG1 5LT

27 April 2021

**THE LEADERSHIP FACTOR LIMITED SELF
ADMINISTERED PENSION SCHEME**

**FUND ACCOUNT
FOR THE YEAR ENDED 31 MAY 2020**

| | Notes | 2020 £ | 2019 £ |
|---|-------|-----------|-------------|
| CONTRIBUTIONS AND BENEFITS | | | |
| Employer contributions | | - | - |
| Employee contributions | | - | - |
| Total contributions | 3 | - | - |
| Administrative expenses | 4 | (1,389) | (167) |
| Net withdrawals from dealings with members | | (1,389) | (167) |
| RETURNS ON INVESTMENTS | | | |
| Investment income | 5 | 39,211 | 36,420 |
| Change in market value of investments | 7 | (387,175) | (1,058,919) |
| Net returns on investments | | (347,964) | (1,022,499) |
| NET DECREASE IN THE FUND DURING THE YEAR | | (349,353) | (1,022,666) |
| NET ASSETS OF THE SCHEME AT 1 JUNE 2019 | | 3,022,800 | 4,045,466 |
| AT 31 MAY 2020 | | 2,673,447 | 3,022,800 |

**THE LEADERSHIP FACTOR LIMITED SELF
ADMINISTERED PENSION SCHEME**

**STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS
31 MAY 2020**

| | Notes | 2020 £ | 2019 £ |
|--|----------|-----------------------------|-----------------------------|
| INVESTMENT ASSETS | 7 | | |
| Equities | | 1,601,694 | 2,195,804 |
| Property | | 190,000 | 195,000 |
| | | <u>1,791,694</u> | <u>2,390,804</u> |
| Current assets | 12 | 882,833 | 631,996 |
| Current liabilities | 13 | (1,080) | - |
| NET ASSETS OF THE SCHEME AT 31 MAY 2020 | | <u><u>2,673,447</u></u> | <u><u>3,022,800</u></u> |

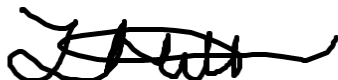
The financial statements summarise the transactions of the scheme and deal with the net assets at the disposal of the trustees. They do not take account of obligations to pay pensions and benefits which fall due after the end of the scheme year.

These financial statements were approved by the Trustees and authorised for issue on 27 April 2021.

Signed by the Trustees:

Nigel

Mr S N Hill



Mrs J Hill

**THE LEADERSHIP FACTOR LIMITED SELF
ADMINISTERED PENSION SCHEME**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2020**

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements have been prepared in accordance with the Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the guidance set out in the Statement of Recommended Practice, Financial Reports of Pension Schemes (Revised 2018).

Contributions

Employee contributions, including AVCs, are accounted for by the Trustees when they are deducted from pay by the Employer, except for the first contribution due where the employee has been auto-enrolled by the Employer, in which case it is accounted for when received by the scheme.

Employer normal contributions that are expressed as a rate of salary are accounted for on the same basis as employee contributions, in accordance with the Schedule of Contributions in force during the year.

Employer augmentation contributions are accounted for in accordance with the agreement under which they are payable.

Employer deficit funding contributions are accounted for on the due dates on which they are payable under the Schedule of Contributions or on receipt if earlier with the agreement of the Employer and the Trustees.

Employer S75 debt contributions are accounted for when a reasonable estimate of the amount due can be determined.

Payments to members

Pensions in payment are accounted for in the period to which they relate.

Benefits are accounted for in the period in which the member notifies the Trustees of his decision on the type or amount of benefit to be taken or, if there is no member choice, they are accounted for on the date of retirement or leaving.

Opt-outs are accounted for when the Scheme is notified of the opt-out.

Individual transfers in and out of the Scheme are accounted for when member liability is accepted or discharged which is normally when the transfer amount is paid or received.

Expenses

Expenses are accounted for on an accruals basis.

Investment income

Dividends from equities are accounted for on the ex-dividend date.

Rental income is accounted for on an accruals basis.

Change in market value of investments

The change in market value of investments during the year comprises all increases and decreases in the market value of investments held at any time during the year, including profits and losses realised on sales of investments during the year.

Investments

All investments are valued at market value, which is the mid market value on the last day of the reporting period.

2. IDENTIFICATION OF THE FINANCIAL STATEMENTS

The scheme is established as a trust under English law. The address for enquiries to the scheme can be found on the General Information page.

**THE LEADERSHIP FACTOR LIMITED SELF
ADMINISTERED PENSION SCHEME**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2020**

3. CONTRIBUTIONS

| | 2020 £ | 2019 £ |
|------------------------|-----------|-----------|
| Employer contributions | - | - |
| Employee contributions | - | - |
| Total contributions | - | - |

4. ADMINISTRATIVE EXPENSES

| | 2020 £ | 2019 £ |
|------------------|-----------|-----------|
| Sundries | 309 | 167 |
| Accountancy fees | 1,080 | - |
| | 1,389 | 167 |

5. INVESTMENT INCOME

| | 2020 £ | 2019 £ |
|---------------------------|-----------|-----------|
| Dividends from equities | 15,811 | 13,020 |
| Net rents from properties | 23,400 | 23,400 |
| | 39,211 | 36,420 |

6. TAXATION

| 2020 £ | 2019 £ |
|-----------|-----------|
|-----------|-----------|

7. RECONCILIATION OF INVESTMENTS

| | Value at 1.6.19 £ | Sales proceeds £ | Change in market value £ | Value at 31.5.20 £ |
|----------|-------------------------|------------------------|-----------------------------------|--------------------------|
| Equities | 2,195,804 | (211,935) | (382,175) | 1,601,694 |
| Property | 195,000 | - | (5,000) | 190,000 |
| | 2,390,804 | (211,935) | (387,175) | 1,791,694 |

**THE LEADERSHIP FACTOR LIMITED SELF
ADMINISTERED PENSION SCHEME**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2020**

7. RECONCILIATION OF INVESTMENTS - continued

Investments purchased by the scheme are allocated to provide benefits to the individuals on whose behalf corresponding contributions are paid. The investment manager holds the investment units on a pooled basis for the trustees. The scheme administrator allocates investment units to members. The trustees may hold investment units representing the value of employer contributions that have been retained by the scheme that relate to members leaving the scheme prior to vesting.

Investments are as follows:

| | 2020 £ | 2019 £ |
|--|------------------|------------------|
| Held for the general purpose of the scheme | 1,791,694 | 2,390,804 |
| | <u>1,791,694</u> | <u>2,390,804</u> |

The change in market value of investments during the year comprises all increases and decreases in the market value of investments held at any time during the year, including profits and losses realised on sales of investments during the year.

8. TRANSACTION COSTS

Transaction costs are included in the cost of purchases and deducted from sales proceeds. Direct transaction costs include costs charged to the scheme such as fees, commissions and stamp duty.

9. INVESTMENT PROPERTY

Investment property was valued on an open market basis on 31 May 2020 by Eddisons Chartered Surveyors.

The movements in investments during the year were:

Property - at market value

| | 2020 £ | 2019 £ |
|-------------------------------------|----------------|----------------|
| Market value/cost at 1 June 2019 | 195,000 | 195,000 |
| Increase/(decrease) in market value | (5,000) | - |
| | <u>190,000</u> | <u>195,000</u> |
| Market Value at 31 May 2020 | 190,000 | 195,000 |

10. FAIR VALUE HIERARCHY

The fair value of financial instruments has been disclosed using the following fair value hierarchy:

| | |
|---------|---|
| Level 1 | The unadjusted quote price in an active market for identical assets or liabilities that the entity can access at the measurement date. |
| Level 2 | Inputs other than quoted prices included with Level 1 that are observable (i.e. developed using market data) for the asset or liability, either directly or indirectly. |
| Level 3 | Inputs are unobservable (i.e. for which market data is unavailable) for the asset or liability. |

**THE LEADERSHIP FACTOR LIMITED SELF
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2020**

10. FAIR VALUE HIERARCHY - continued

The scheme's investment assets have been fair valued using the above hierarchy levels as follows:

| 31 May 2020 | | | | |
|-------------|------------------|----------------|--------------|------------------|
| | Level 1 £ | Level 2 £ | Level 3 £ | Total £ |
| Equities | 1,601,694 | - | - | 1,601,694 |
| Property | - | 190,000 | - | 190,000 |
| | <u>1,601,694</u> | <u>190,000</u> | <u>-</u> | <u>1,791,694</u> |
| 31 May 2019 | | | | |
| | Level 1 £ | Level 2 £ | Level 3 £ | Total £ |
| Equities | 2,195,804 | - | - | 2,195,804 |
| Property | - | 195,000 | - | 195,000 |
| | <u>2,195,804</u> | <u>195,000</u> | <u>-</u> | <u>2,390,804</u> |

11. INVESTMENT RISK DISCLOSURES

FRS 102 requires the disclosure of information in relation to certain investment risks. These risks are set out by FRS 102 as follows:

Credit risk

This is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge the obligation.

Market risk

This comprises currency risk, interest rate risk and other price risk.

- **Currency risk**
This is the risk that the fair value or future cash flows of a financial asset will fluctuate because of changes in foreign exchange rates.
- **Interest rate risk**
This is the risk that the fair value or future cash flows of a financial asset will fluctuate because of changes in market interest rates.
- **Other price risk**
This is the risk that the fair value or future cash flows of a financial asset will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

Investment strategy

The Trustees determine their investment strategy after taking advice from professional investment advisers. The Trustees manage investment risk, including credit risk and market risk, within risk limits which are set taking into account the Scheme's strategic investment objectives.

12. CURRENT ASSETS

| | 2020 £ | 2019 £ |
|---------------|----------------|----------------|
| Cash balances | <u>882,833</u> | <u>631,996</u> |

**THE LEADERSHIP FACTOR LIMITED SELF
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2020**

13. CURRENT LIABILITIES

| | 2020 | 2019 |
|------------------|-------------------|-------------------|
| | £ | £ |
| Accrued expenses | 1,080 | - |
| | <u> </u> | <u> </u> |