

The Specialised Unit Handling Limited Executive Pension Scheme

Report and Accounts

31 March 2018

Report and accounts
Contents

	Page
Company information	1
Report of the Trustees	2
Statement of Trustees' Responsibilities	3
Financial Statements	
Fund Account	4
Net Asset Statement	5
Notes to the Financial Statements	6

Trustees and Advisors

Trustees

D J Grant (Chair)

Mrs G D Grant

D Grant

Accountants

KBH Accountants Limited

255 Poulton Road

Wallasey

Wirral

Merseyside

CH44 4BT

Sponsoring Employer

Specialised Unit Handling Limited

255 Poulton Road

Wallasey

Wirral

Merseyside

CH44 4BT

The Specialised Unit Handling Limited Executive Pension Scheme Statement of Trustees' Responsibilities

The trustees present their report and accounts for the year ended 31 March 2018.

Management of the scheme

The trustees during the year under review were:

D J Grant (Chair)
Mrs G D Grant
D Grant

Sponsoring Employer

Specialised Unit Handling Limited
255 Poulton Road
Wallasey
Wirral
CH44 4BT

Membership

	At 01/04/17	Increase	Decrease	At 31/03/2018
Active members	3		1	2
Pensioners			1	1
Deferred pensioners				-
	3		1	3

Investment management

The trustees are responsible for administration and determining the scheme's investment strategy. Request for additional information about the scheme generally, or queries relating to members' own benefits should be sent to the trustees, whose address appears on page 1 of this report.

Compliance matters

The scheme is governed by a definitive trust deed and rules dated 17 December 1982.

D J Grant

Mrs G D Grant

D J Grant

Date

The Specialised Unit Handling Limited Executive Pension Scheme Statement of Trustees' Responsibilities

The Specialised Unit Handling Limited Executive Pension Scheme Statement of Trustees' Responsibilities

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 the Trustees to prepare the financial statements for each scheme year which:

- 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 Statement of Recommended Practice "Financial Reports of Pension Schemes" and the Trust Deed.

The Trustees are responsible for supervising the preparation of the financial statements and for agreeing suitable accounting policies, to be applied consistently, making any estimates and judgements on a prudent and reasonable basis.

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 pension legislation for keeping records in respect of contributions received in respect of any active member of the scheme and for monitoring 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.

The Specialised Unit Handling Limited Executive Pension Scheme
Fund Account
for the year ended 31 March 2018

	Notes	2018 £	2017 £
Contributions and benefits			
Employer contributions			
Employee contributions			
Total contributions	2	-	-
Turnover		-	-
Withdrawals			
Benefits payable		(29,375)	-
Administrative expenses	3	(23,174)	(661)
Other operating income		-	-
Net withdrawals from dealings with members		(52,549)	(661)
Returns on investments			
Change in market value of investments	7	516,956	-
Income from investments	4	105,470	72,035
Interest payable		(492)	-
Investment management expenses	6	-	(2,286)
Net return on investments		621,934	69,749
Net increase in the fund during the year		569,385	69,088
Net assets of the scheme as at 1 April 2017		1,485,858	1,416,770
Net increase in the fund during the year		2,055,243	1,485,858

The Specialised Unit Handling Limited Executive Pension Scheme
Statement of Net Assets Available for Benefits
as at 31 March 2018

	Notes	2018 £	2017 £
Investment Assets			
Property	7	1,670,000	1,153,044
Borrowings	11	-	(43,207)
Current assets	12	430,443	380,181
Current liabilities	13	(45,200)	(4,160)
Net assets		<u>2,055,243</u>	<u>1,485,858</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 on _____ 2019

D J Grant (Chair)

D Grant

Mrs G D Grant

Notes to the Accounts for the year ended 31 March 2018

1 Accounting policies

Basis of preparation

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 November 2014). This is the first year that FRS 102 and the revised SORP have been applied to the scheme's financial statements.

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.

Group transfers

Group transfers are accounted for in accordance with the terms of the transfer agreement.

Expenses

Expenses are accounted for on an accruals basis.

Notes to the Accounts
for the year ended 31 March 2018

Accounting policies - continued

Investment income

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

Income from bonds is accounted for on an accruals basis and includes interest bought and sold on investment purchases and sales.

Rental income is accounted for on an accruals basis.

Income from pooled investment vehicles is accounted for when declared by the fund manager.

Changes 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

Investments are stated at fair value on the final working day of the accounting year. Investment management fees are separately disclosed in the notes. These fees and acquisition costs are included in the purchase cost of investments.

Foreign currencies

The scheme functional and presentation currency is pounds sterling. Monetary items denominated in foreign currency are translated into sterling using the closing exchange rates at the scheme year-end. Foreign currency transactions are recorded in sterling at the spot exchange at the date of the transaction.

2 Contributions	2018 £	2017 £
Employer contributions	-	-
Employee contributions	-	-
Total contributions	-	-
3 Administrative expenses		
Subscriptions	29	-
Bank charges	60	61
Insurance	2,962	-
	<u>3,051</u>	<u>61</u>
Legal and professional costs:		
Accountancy fees	600	600
Consultancy fees	15,000	-
Valuation fees	4,523	-
	<u>20,123</u>	<u>600</u>
Total administration fees	<u>23,174</u>	<u>661</u>

**Notes to the Accounts
for the year ended 31 March 2018**

4 Investment Income	2018	2017
	£	£
Net rents from properties	104,500	70,000
Interest on cash deposits	970	2,035
Other investment income	-	-
	<u>105,470</u>	<u>72,035</u>
 5 Taxation	 2018	 2017
	£	£
Taxation	-	-
	<u>-</u>	<u>-</u>
 6 Investment Management Fees	 2018	 2017
	£	£
Investment Management fees	-	2,286
	<u>-</u>	<u>2,286</u>
 7 Reconciliation of investments	 2018	 2017
	£	£
Property		
Cost	1,153,044	1,153,044
Revaluation	516,956	-
	<u>1,670,000</u>	<u>1,153,044</u>

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:

Held for General purpose of the scheme	<u>1,670,000</u>	<u>1,153,044</u>
--	------------------	------------------

Notes to the Accounts
for the year ended 31 March 2018

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.

Transaction costs analysed by main asset class and type of cost are as follows:

	2018 £	2017 £
Transaction costs	-	-
	-	-

9 Fair value determination

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

Category (a) The quoted price for an identical asset in an active market at the reporting date.

Category (b) When quoted prices are unavailable, the price of a recent transaction for an identical asset adjusted if necessary.

Category (c) Where a quoted price is not available and recent transactions of an identical asset on their own are not a good estimate of fair value, the fair value is determined by using a valuation technique that uses:

(c) (i) observable market data; or

(c) (ii) non-observable data.

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

	Category a	Category b	Category c (i) & (ii)	Total
Property	1,670,000	-	-	1,670,000
	1,670,000	-	-	1,670,000

10 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.

Notes to the Accounts
for the year ended 31 March 2018

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.

Credit risk

The scheme is subject to credit risk as the scheme has cash balances. The risk is reduced by ensuring the cash is held within financial institutions which are at least investment grade credit rated.

Currency risk

The scheme is not subject to currency risk as all transactions during the year were carried out using the functional and presentation currency.

Interest rate risk

The scheme is subject to interest rate risk as a result of cash balances held with financial institutions.

Other price risk

Other price risk arises principally in relation to the scheme's return seeking portfolio which includes investment properties. The scheme expects to manage this exposure to other price risk by constructing a diverse portfolio of investments across various markets.

11 Borrowings

	2018	2017
	£	£
Sterling loan	-	43,207
	<u>-</u>	<u>43,207</u>

Notes to the Accounts
for the year ended 31 March 2018

12 Current Assets

	2018	2017
	£	£
Debtors	66,145	101,091
Cash at bank	364,298	279,090
	<u>430,443</u>	<u>380,181</u>

13 Current Liabilities

	2018	2017
	£	£
Rent Deposits		
Due to group undertakings	26,256	-
Other taxes and social security	3,936	-
Accrued expenses	1,674	-
	<u>13,334</u>	<u>4,160</u>
	<u>45,200</u>	<u>4,160</u>