

Outsourced Professional Administration Limited

Annual Report

Registered number 02947475

For year ended 30 June 2019

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Strategic report

The directors present their strategic report on the company for the year ended 30 June 2019.

Business review

Turnover for the year was £4,268,000 (2018: £3,900,000). The result is an Operating loss of £198,000 for the financial year (2018: loss of £126,000).

In the financial year to June 2019 Outsourced Professional Administration Limited, (hereby OPAL), has continued to develop fully digital administration solutions. The directors have an agreed strategy to continue to develop the capability of the platform and to market digital solutions.

The directors are satisfied with the results for the year, as the business has continued to focus on business development to win new clients and to develop services for our existing clients. Looking forward, the directors feel confident that recent new contracts will deliver profitable growth and give OPAL the opportunity to develop more business.

Key performance indicators

	30 June 2019	30 June 2018	30 June 2017
Turnover £'000	4,268	3,900	3,734
Operating Profit / (loss)	(198)	(126)	231
Total Policies in force '000	149	147	156
Operating Profit (Loss) / Turnover %	(5%)	(3%)	6%
Operating Profit (Loss) / Policies £	(£1.33)	(£0.86)	£1.48

Financial risk management objectives and policies

The Company's activities expose it to a number of risks including financial risk, credit risk, liquidity risk, and regulatory risk.

Financial risk

The Company operates in a rapidly changing and competitive market place where continuing growth is dependent on maintaining existing customer relationships and winning new clients. Customer service is paramount. The Company is confident that it can achieve its objectives and minimise the risk of falling short of its targets by providing a high quality service to its customers and regularly reviewing its processes and procedures.

The Company's risk management objectives and policies aim to mitigate specific financial risks where there is a possibility that any financial risk may lead to material changes in the Company's financial performance, position or cash flow. The Company has limited exposure to financial risk through its financial assets and financial liabilities. The Company is not exposed to currency risk. The Company has no contractually determined cash flows and so interest rate risk is minimal. No hedging techniques are employed.

Credit risk

Cash is held in major UK banks in an attempt to mitigate liquidity and credit risk, regular reviews of the bank ratings are conducted by management. At the balance sheet date the maximum exposure to credit risk is limited to the carrying amount of each financial asset/liability in the balance sheet.

Strategic report *(continued)*

Liquidity risk

The company manages liquidity risk by maintaining sufficient funds in cash held in major UK banks to meet liabilities in a timely and orderly manner.

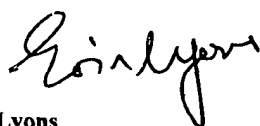
Regulatory risk

Our business and products are regulated by the Financial Conduct Authority in the UK, and we are therefore exposed to the risk of not complying with regulatory requirements, regulatory change or regulators' expectations. Failure to properly manage regulatory risk may result in regulatory sanctions being imposed and could harm our reputation. We therefore monitor the regulatory environment on an on-going basis and our own internal controls have been designed to counter such risk. Management receive regular reports on compliance which include results from compliance reviews on specific topics, suggestions for improvements of systems and information on customer complaints. We also engage external specialists where appropriate to review elements of our controls in this area.

Impact of Brexit

The Board has assessed the impact of Brexit on the trading environment and business in general. We continue to monitor and assess the situation as it develops and have developed contingency plans in the event of a sudden spike in operational demand as a result of changing needs in the market. We have assessed the products we offer and our clients' underlying financial instruments and how our growth and development plans might be impacted by wider economic uncertainty. The nature of our products and the underlying client plans are long term and attractive in times of economic uncertainty. Our clients are large well-funded global businesses that are used to uncertainty and economic cycles including recession. It is the judgement of the Board that our chosen products and markets are of a long term nature and should not be impacted by the current uncertainty.

Signed on behalf of, and after approval by, the Board,



E Lyons
Director

Centrium 1
Griffiths Way
St Albans
AL1 2RD

Date: 21/01/2020

Directors' report

Outsourced Professional Administration Limited is a private company limited by shares and is registered in England.

The directors present their annual report and the audited financial statements for the year ended 30 June 2019.

Principal activity

The principal activity of the Company is the provision of outsourced administration service and software solutions to the financial services sector. The activities of the Company are regulated under the Financial Services and Markets Act 2000. For analysis of performance and management of financial and other risks, see the Strategic Report.

Dividend

The directors do not recommend the payment of a dividend (2018: £nil).

Directors and directors' interests

The directors who were in office during the year and up to the date of this report were as follows:

E Lyons
N H Elliott

Company status

The Company is a close company within the meaning of Section 414 of the Income and Corporation Taxes Act 1988.

Political donations

The Company made £nil political donations in the year (2018: £nil).

Statement of directors' responsibilities

The directors are responsible for preparing the Strategic Report, 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 prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising Financial Reporting Standard 102, *The Financial Reporting Standard Applicable in the UK and Republic of Ireland* (FRS 102), and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements;
- notify its shareholders in writing about the use of disclosure exemptions, if any, of FRS 102 used in the preparation of financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

Directors' report *(continued)*

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.

Each director who held office at the date of approval of this directors' report confirms that:

(a) so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware; and

(b) they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

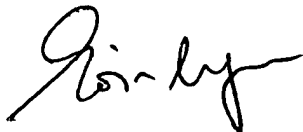
Disclosure of information to Auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Independent Auditors

Pursuant to Section 487 of the Companies Act 2006, Mazars LLP have been appointed as the Auditor and will continue to remain in office.

Signed on behalf of, and after approval by, the Board,



E Lyons
Director

Centrium 1
Griffiths Way
St Albans
AL1 2RD

Date: 21/01/2020

Independent auditor's report to the members of Outsourced Professional Administration Limited

Opinion

We have audited the financial statements of Outsourced Professional Administration Limited (the 'company') for the year ended 30 June 2019 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2019 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.

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.

The impact of uncertainties due to the United Kingdom exiting the European Union on our audit

The Directors' view on the impact of Brexit is disclosed on page 2.

The terms on which the United Kingdom may withdraw from the European Union, are not clear, and it is therefore not currently possible to evaluate all the potential implications to the company's trade, customers, suppliers and the wider economy.

We considered the impact of Brexit on the company as part of our audit procedures, applying a standard firm wide approach in response to the uncertainty associated with the company's future prospects and performance.

However, no audit should be expected to predict the unknowable factors or all possible implications for the Company and this is particularly the case in relation to Brexit.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Independent auditor's report to the members of Outsourced Professional Administration Limited *(continued)*

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.

In connection with our audit of the financial statements, 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 there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In 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 Strategic Report or 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.

Independent auditor's report to the members of Outsourced Professional Administration Limited (continued)

Responsibilities of Directors

As explained more fully in the Statement of directors' responsibilities set out on page 3, 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of the audit 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.



Amanda Barker (Jan 21, 2020)

Amanda Barker (Senior Statutory Auditor) for and on behalf of Mazars LLP
Chartered Accountants and Statutory Auditor
Tower Bridge House
St Katharine's Way
London
E1W 1DD

Date Jan 21, 2020

Statement of Comprehensive Income
for the year ended 30 June 2019

	<i>Note</i>	2019 £000	2018 £000
Turnover	4	4,268	3,900
Staff costs	7	(2,363)	(2,064)
Depreciation and other amounts written off tangible assets	5	(95)	(86)
Other operating charges		(2,008)	(1,876)
Operating loss		(198)	(126)
Interest receivable and similar income		18	23
(Loss)/Profit on ordinary activities before taxation	5	(180)	(103)
Tax on profit on ordinary activities	8	25	14
Profit for the financial year		(155)	(89)

The company has no other comprehensive income or expense other than that included above and therefore no separate statement of other comprehensive income has been presented.

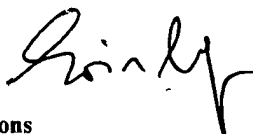
All results arise from continuing activities in the UK.

Notes on pages 11 to 19 form part of these financial statements.

Statement of Financial Position
at 30 June 2019

	<i>Note</i>	2019 £000	2019 £000	2018 £000	2018 £000
Fixed assets					
Tangible assets	9		496		469
Current assets					
Debtors	10	2,617		2,337	
Cash at bank and in hand		2,876		3,372	
		<u>5,493</u>		<u>5,709</u>	
		(469)		(503)	
Creditors: amounts falling due within one year	12				
Net current assets			5,024		5,206
Total assets less current liabilities			<u>5,520</u>		<u>5,675</u>
Net assets			<u>5,520</u>		<u>5,675</u>
Capital and reserves					
Called up share capital	13		1		1
Profit and loss account			5,519		5,674
Total Shareholders' funds			<u>5,520</u>		<u>5,675</u>

These financial statements on pages 11 to 19 were approved by the board of directors on 21/01/2020 and were signed on its behalf by:


E Lyons
Director

Statement of Changes in Equity
for the year ended 30 June 2019

	Called up Share Capital £'000	Profit and loss account £'000	Total shareholders funds £'000
Balance as at 1 July 2018	<u>1</u>	<u>5,674</u>	<u>5,675</u>
Profit for the financial year	-	(155)	(155)
Balance as at 30 June 2019	<u>1</u>	<u>5,519</u>	<u>5,520</u>

	Called up Share Capital £'000	Profit and loss account £'000	Total shareholders funds £'000
Balance as at 1 July 2017	<u>1</u>	<u>5,763</u>	<u>5,764</u>
Profit for the year	-	(89)	(89)
Balance as at 30 June 2018	<u>1</u>	<u>5,674</u>	<u>5,675</u>

Notes to the financial statements

1 Statement of compliance

The financial statements of Outsourced Professional Administration Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

2 Accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of preparation

These financial statements are prepared on a going concern basis, under the historical cost convention and in accordance with Companies Act 2006 and applicable accounting standards in the United Kingdom.

As the company is a wholly owned subsidiary of OPAL (UK) Holdings Limited, the company has taken advantage of the exemption contained in Section 33 of FRS 102 and has therefore not disclosed transactions or balances with entities which form part of the group. The consolidated financial statements of OPAL (UK) Holdings Limited, within which this company is included, can be obtained from the address given in note 17.

Exemptions for qualifying entities under FRS 102

FRS 102 allows a qualifying entity certain disclosure exemptions, subject to certain conditions, which have been complied with, including notification of, and no objection to, the use of exemptions by the Company's shareholders.

The Company has taken advantage of the following exemptions:

- i. from preparing a statement of cash flows, on the basis that it is a qualifying entity and the consolidated statement of cash flows, included in the group financial statements, includes the Company's cash flows;
- ii. from the financial instrument disclosures, required under FRS 102 paragraphs 11.39 to 11.48A and paragraphs 12.26 to 12.29, as the information is provided in the consolidated financial statement disclosures;
- iii. from disclosing the Company key management personnel compensation, as required by FRS 102 paragraph 33.7; and
- iv. from producing a reconciliation of the number of shares outstanding at the beginning and end of the period.

Financial Instruments

The Company holds basic financial instruments as defined in Section 11 of FRS 102.

Financial instruments comprise other financial assets, trade and other debtors, cash and trade and other creditors. The company does not hold or issue derivative financial instruments for trading purposes or other financial purposes.

Cash and cash equivalents comprise cash balances and deposits.

Notes to the financial statements *(continued)*

A financial instrument is recognised if the company becomes a party to the contractual provisions of the instrument. Financial assets are de-recognised if the company's contractual rights to the cash flows from the financial assets expire or if the company transfers the financial asset to another party without retaining control or substantially all risks and rewards of the asset. Purchases and sales of financial assets are accounted for at the trade date, i.e. the date that the company commits itself to purchase or sell the asset. Financial liabilities are de-recognised if the company's obligations specified in the contract expire or are discharged or cancelled.

No hedging techniques are employed.

Tangible assets and depreciation

Tangible assets are stated at cost, being the purchase, price less accumulated depreciation and accumulated impairment losses.

Depreciation is provided to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

Computer and office equipment	- 5 years
Fixtures and fittings	- 10 years

Leases

Operating lease rentals are charged to the profit and loss account on a straight-line basis over the period of the lease.

Taxation

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the profit and loss account.

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end.

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements.

Deferred tax assets are only recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Post retirement benefits

The Company contributes to a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The amount charged to the profit and loss account represents the contributions payable in respect of employees of the company to the scheme in respect of the accounting period.

3 Judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

- i) material judgements
- ii) key accounting estimates and assumptions

For contract spanning across more than one accounting year, the overall profitability of those contracts would be assessed. If a contract is expected to be loss making overall, the full expected loss will be recognised as an expense in the current year.

There have been no material judgements, key accounting estimates, or assumptions reported for assets and liabilities at the balance sheet date and the amounts reported for revenues and expenses during the year ended 30 June 2019.

Notes to the financial statements *(continued)*

4 Turnover

Turnover (excluding value added tax) represents fees receivable from clients, principally from financial organisations in respect of the provision of administrative services for their single premium and regular premium products. Depending on the product a separate fee may be received on set up of the product, recurring fees from ongoing administration of the product and on maturity for some products. In addition, turnover includes fees in respect of the development of bespoke administrative systems.

During the year ended 30 June 2019 all turnover was derived from the provision of administrative services, the development of bespoke administrative systems and the fulfilment of change requests.

Turnover is recognised when administrative services have been provided to and are accepted by clients. Ongoing service revenue is recognised monthly in arrears following the provision of administration services for that month. Development fees are recognised following set up of the system and service fees are recognised in line with the contractual agreements on the monthly basis of the associated products.

All sales are made in the UK market and are deemed to originate from one class of business.

5 (Loss)/Profit on ordinary activities before taxation

(Loss)/Profit on ordinary activities before taxation is stated after charging:

	2019 £000	2018 £000
Depreciation and other amounts written off tangible fixed assets	95	86
Operating Leases – Other	224	189
	<hr/>	<hr/>

Auditors' remuneration:

	2019 £000	2018 £000
Audit of these financial statements	38	36
Audit-related assurance services	3	3
Tax compliance services	7	7
	<hr/>	<hr/>

6 Remuneration of directors

	2019 £000	2018 £000
Directors' emoluments	177	220
Company contributions to money purchase pension schemes	8	8
	<hr/>	<hr/>
	185	228
	<hr/>	<hr/>

The aggregate emoluments of the highest paid director were £165,290 (2018: £160,000) including £nil (2018: nil) benefits in kind and pension contributions of £9,244 (2018: £8,000) were made to a money purchase scheme on his behalf.

Retirement benefits are accruing for one director under money purchase schemes (2018: two).

Notes to the financial statements *(continued)*

7 Staff costs

The monthly average number of persons employed by the Company (including directors) during the year, analysed by category was as follows:

	Number of employees	
	2019	2018
Administration	42	41
Information technology	15	12
	<u>57</u>	<u>53</u>

The aggregate payroll costs of these persons were as follows:

	2019 £000	2018 £000
Wages and salaries	2,075	1,822
Social security costs	216	188
Other pension costs	72	54
	<u>2,363</u>	<u>2,064</u>

8 Tax on profit on ordinary activities

Analysis of charge in the year

	2019 £000	2018 £000
<i>UK corporation tax</i>		
Current tax on income for the year	-	-
Adjustments in respect of prior years	-	-
	<u>-</u>	<u>-</u>
Total current tax	-	-
Deferred tax (see note 12)		
Origination/reversal of timing differences	(23)	(14)
Adjustments in respect of prior periods	(2)	-
	<u>(25)</u>	<u>(14)</u>
Tax on profit on ordinary activities	(25)	(14)

Notes to the financial statements (continued)

8 Tax on profit on ordinary activities (continued)

Factors affecting the tax charge for the current year

The current tax charge for the year is lower (2018: lower) than the standard rate of corporation tax in the UK of 19.00% (2018: 19.00 %). The differences are explained below.

	2019 £000	2018 £000
<i>Total tax reconciliation</i>		
Profit/(Loss) on ordinary activities before taxation	(181)	(103)
	<hr/>	<hr/>
Current tax at 19.00% (2018: 19.00 %)	(34)	(20)
<i>Effects of:</i>		
Expenses not deductible for tax purposes	9	6
Deferred tax not previously recognised	-	(2)
Other permanent differences	-	-
Adjustments to tax charge in respect of previous years	(3)	2
Adjust opening/closing deferred tax to average rate of 19%	3	-
	<hr/>	<hr/>
Total tax charge (see above)	(25)	(14)
	<hr/>	<hr/>

Factors which may affect future tax changes:

The UK corporation tax rate reduced from 20% to 19% with effect from 1 April 2017 and will be further reduced from 19% to 17% with effect from 1 April 2020. Where applicable this rate has been used in the calculation of deferred tax.

9 Tangible assets

	Computer and office Equipment £000	Fixtures and Fittings £000	Total £000
<i>Cost</i>			
At 1 July 2018	950	495	1,445
Additions	24	97	121
	<hr/>	<hr/>	<hr/>
At 30 June 2019	974	592	1,566
	<hr/>	<hr/>	<hr/>
<i>Accumulated Depreciation</i>			
At 1 July 2018	(651)	(324)	(975)
Charge for year	(67)	(28)	(95)
	<hr/>	<hr/>	<hr/>
At 30 June 2019	(718)	(352)	(1,070)
	<hr/>	<hr/>	<hr/>
<i>Net book value</i>			
At 30 June 2019	256	240	496
	<hr/>	<hr/>	<hr/>
At 1 July 2018	298	171	469
	<hr/>	<hr/>	<hr/>

Notes to the financial statements (continued)

10 Debtors

	2019 £000	2018 £000
<i>Due within one year</i>		
Trade debtors	605	390
Amounts owed by group undertakings	1,688	1,435
Deferred tax asset	10	-
Other debtors	4	3
Prepayments and accrued income	310	508
	<u>2,617</u>	<u>2,337</u>

Amounts owed by group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

11 Deferred Tax Liability

	2019 £000
At beginning of year	(16)
Credit to the profit and loss account for the year	16
At end of year	<u>-</u>

The elements of deferred taxation are as follows:

	2019 £000	2018 £000
Difference between accumulated depreciation and capital allowances	(64)	(56)
Losses and other deductions	70	38
Other timing differences	4	2
	<u>10</u>	<u>(16)</u>

Deferred income tax assets are only recognised to the extent that the realisation of the related tax benefit through future taxable profits is probable. As such, a deferred tax asset of £10k in relation to trading losses and other temporary differences has been recognised. The deferred tax asset has been calculated at 17%.

12 Creditors: amounts falling due within one year

	2019 £000	2018 £000
Trade creditors	174	233
Deferred tax liability	-	16
Other Taxation and social security	127	105
Other creditors	2	3
Accruals and deferred income	166	146
	<u>469</u>	<u>503</u>

13 Called up share capital

	2019 £000	2018 £000
<i>Authorised</i>		
Equity: 10,000 (2018: 10,000) Ordinary shares of £1 each	<u>10</u>	<u>10</u>
<i>Allotted, called up and fully paid</i>		
Equity: 1,000 (2018: 1,000) Ordinary shares of £1 each	<u>1</u>	<u>1</u>

14 Capital and other commitments

The Group had the following future minimum lease payments under non-cancellable operating leases for each of the following periods:

	2019 £000	2018 £000
Payments due		
Not later than one year	192	206
Within two to five years	738	762
After five years	<u>645</u>	<u>814</u>

The Group has no other off-balance sheet arrangements.

15 Pension Scheme

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £72,000 (2018: £54,000).

Contributions amounting to £nil (2018: nil) are included within creditors.

Notes to the financial statements *(continued)*

16 Related party disclosures

Management, staff and other support and services have been provided to and received from Outsourced Professional Administration Limited by Synergy Financial Products Limited, Black Ink Processing Services Limited and Pandora Software Solution Limited. Synergy Financial Products Limited, Black Ink Processing Services Limited and Pandora Software Solutions Limited qualify as related parties under FRS 102 on the basis that they have both a degree of common key management and the same shareholders.

The net transactions in respect of this were income/(expense) to Outsourced Professional Administration Limited as set out below:

	2019 £000	2018 £000
Synergy Financial Products Limited		
– Turnover: provision of administration services	169	191
– Staff costs recharged	(208)	(25)
– Office costs recharged	-	20
– Other Services	12	-
	<u> </u>	<u> </u>
	2019	2018
	£000	£000
Black Ink Processing Services Limited		
– Consultancy Services	-	(210)
	<u> </u>	<u> </u>
	2019	2018
	£000	£000
Pandora Software Solutions Limited		
– Turnover: provision of administration services	(426)	(318)
– Staff costs recharged	-	(1)
– Consultancy Services	(350)	(359)
– Licence Fees	(160)	(181)
	<u> </u>	<u> </u>

Balances outstanding at the end of the financial year, which have now been settled, were:

	2019 £000	2018 £000
Synergy Financial Products Limited – Debtor	13	20
Synergy Financial Products Limited – Creditor	(14)	(4)
Pandora Software Solutions Limited - Creditor	(79)	(82)
	<u> </u>	<u> </u>

Notes to the financial statements *(continued)*

17 Ultimate parent company and parent undertaking of larger group of which the company is a member

The immediate and ultimate parent undertaking is OPAL (UK) Holdings Limited, a company incorporated in England and Wales, which is the parent undertaking of the smallest and largest group to consolidate these financial statements. The consolidated financial statements of the group are available to the public and may be obtained from the Registrar of Companies, Companies House, and Crown Way, Cardiff CF4 3UZ.

The Company is owned by a number of private shareholders and companies, none of whom whether acting alone or in a small group, own a controlling interest in the issued share capital of the Company. Accordingly there is no parent entity nor ultimate controlling party.