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Registered Number
03104978

Mobius Life Limited

Report and Financial Statements

31 March 2021



Mobius Life Limited
Report and Accounts
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Mobius Life Limited

Company information

Directors

I C Dawkins
A P Swales

Non-executive Directors

J R Evans
M Goodale (Chairman)
J S B Smith

Secretary

L Voss

Auditors

Ernst and Young LLP
25 Churchill Place
Canary Wharf
London
E14 5EY

Registered office

7th Floor
20 Gresham Street
London
EC2V 7JE

Registered number

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Mobius Life Limited

Strategic report

The directors present their Strategic Report on the Company's business for the year ended 31 March 2021.

The Company is part of the Mobius Life group of companies which also includes another operating company (Mobius Life Administration Services Limited), three holding companies (Mobius Life Bidco Limited, Mobius Life Holdings Limited & Mobius Life Group Limited) and the ultimate parent company, Mobius Life Topco Limited.

Review of the business

The Company is registered as a life insurance company, authorised and regulated by the Prudential Regulation Authority ("PRA") and regulated by the Financial Conduct Authority ("FCA") to provide unit-linked pension products.

The Company's main business is the provision of an institutional investment platform for UK corporate pension schemes. The Company issues unit-linked pension policies to both defined benefit and defined contribution schemes, giving pension trustees and advisers flexibility to create the most appropriate portfolio for their members within a highly regulated framework.

Business Performance

Progress continues to be strong. Funds under administration rose to £22,305m (2020: £18,167m), an increase of 22.8% during the year. Net cash inflows from pension schemes during the year were £1,092m (2020: £2,788m) and were bolstered by positive market returns on underlying funds of £3,086m (2020: negative £451m).

The growth in assets under administration reflected continuing high levels of interest from advisers and trustees. At 31 March 2021, the Company had 783 corporate clients (2020: 707), an increase of 11% during the year (2020: 17%).

Results

Profit before tax of £4,154k (2020: £2,156k) represents an increase of 93% (2020: 18% excluding the sale of the Company's Stakeholder Pensions business in 2019). This increase is predominantly driven by a continuing increase in funds under administration.

Business Environment

The UK's life and pensions industry is a highly regulated and mature market. The industry has seen increasing activity in the buy-out market and demand for funds that more closely match the liabilities and cashflows of pensions schemes.

Clients

Policyholders and customers include insurance companies, trustees of UK pension schemes and other life companies.

Products and services

The Company offers clients access to an investment platform operating within a life company structure, supported by a wide range of investment services. Services include investment administration, creation of blended and white-labelled funds, trigger monitoring, transition management and pension scheme reporting. The platform offers access to a wide range of carefully selected external fund managers.

Strategy

The Company's strategy is continually to provide pension trustees and their advisors tailored investment solutions to allow them to meet their unique investment objectives and strategies through the provision of a dynamic and efficient investment platform.

Mobius Life Limited

Strategic report (continued)

Key Performance Indicators ("KPIs")

The Board monitors progress of the Company by reference to the following KPIs:

	2021 £000	2020 £000	Change
Assets under administration	22,304,901	18,167,144	22.8%
Net cash inflows from pension schemes	1,091,936	2,788,321	(60.8%)
Solvency II own funds*	9,570	7,171	33.4%
Own funds as a ratio to meet Solvency Capital Requirement*	257%	234%	9.8%
Revenue / Technical income	10,865	8,885	22.3%
Profit before tax	4,154	2,156	92.7%

*unaudited

Assets under administration

The assets under administration ("AUA") are an important KPI for the business as growth in AUA is the main driver of revenue growth for the business. AUA have grown by 22.8% over the year, due to positive cash inflows and market returns.

Net cash inflows from pension schemes

Net cash inflows from pension schemes are an important driver of growth in AUA, and one in which the business has greater control over relative to the market performance of underlying funds. Net cash inflows from pension schemes at £1,092m were 60.8% lower than prior year inflows, as shown in note 18. The decrease from prior year reflects the broader industry challenges arising from the COVID-19 pandemic.

Revenue

Revenue has grown in line with the average AUA for the year which has increased by approximately 17.2%.

Profit before tax

Profit before tax has increased 92.7% from the prior year, reflecting higher revenues predominantly from the growth in AUA, offset by only a modest increase in costs as the business continues to grow.

Principal risks and uncertainties

The directors consider the Company's primary economic risks to be operational risk; the impact of a severe and prolonged market downturn; lapse risk; the risk of counterparty failure; reliance on a limited number of clients; and the failure to control expenses.

The main operational risks facing the Company are pricing or dealing errors, regulatory breaches and business interruption. The systems and controls of the business mitigate these risks and are subject to review by the Company's senior management as well as internal auditors.

These risks are managed, among other measures, through the internal control framework; market and counterparty exposure limits; and close monitoring of actual revenue, expenses and lapse rates relative to plan.

The Company operates an established risk management programme, facilitated through the implementation and ongoing monitoring of policies, procedures and internal controls. Directors conduct a regular formal review of the risks facing the Company and take remedial action where deficiencies in controls are identified. The directors recognise that the Company is sensitive to changes in global financial markets as well as interest rates, both of which are outside the Company's control.

Mobius Life Limited

Strategic report (continued)

The Company is the Group's principal operating subsidiary and is subject to the Solvency II regime, whereby it is required to hold capital to ensure it can withstand significant severe adverse scenarios.

The Company is successfully navigating the operational and IT hurdles presented by the COVID-19 pandemic with no interruption to its operations. Changes in financial markets associated with the pandemic may still impact the Company; however, the Company is well-positioned to weather any adverse shocks, as its market exposures are primarily indirect and its unit-linked investments are inherently well-diversified due to the different investment choices made by clients. The Company is also exposed to the risk that more schemes' sponsoring employers become insolvent and surrender their policies and an allowance has been made for this in the business plan.

Financial risk management objectives and policy

The Group only writes policies with unit-linked contracts. The liabilities to policyholders under these contracts are consequently matched with assets in the portfolio such that the Group retains no material price, currency, liquidity, insurance or interest rate risk.

As described in note 4, the Group monitors counterparties' creditworthiness by reviewing their financial strength and credit ratings from recognised industry sources, where these are available. The reinsurer's funds into which the Group invests are unitised investments and carry no insurance risk. The Group has a floating charge on the assets of the reinsurer and is not locked into a reinsurance arrangement for any specified timescale.

Section 172 (1) statement

Section 172 of the Companies Act 2006 requires a company's director to act in the way that they consider, in good faith, would be most likely to promote the company's success for the benefit of its members as a whole. In doing this, section 172 requires a director to have regard, among other matters, to:

- the likely long-term consequences of any decision;
- the interests of the company's employees;
- the need to foster the company's business relationships with suppliers, customers and others;
- the impact of the company's operations on the community and the environment;
- the desirability of the company maintaining a reputation for high standards of business conduct; and
- the need to act fairly between different company members.

The directors' obligations in respect of their duties, including the six factors above, are brought to the attention of all directors on appointment. The Company Secretary also includes a written reminder of the section 172 duty on each Board agenda.

During the year the directors received training from an external provider on their obligations in respect of their duties under section 172 and the general directors duties under the Companies Act 2006 (as amended).

The directors carefully consider the factors set out above in discharging their duties under section 172.

The Board recognises that the long-term success of the business is dependent on the way it works with a large number of important stakeholders. The directors have had regard to the interests of stakeholders (including clients and customers, employees, society and its shareholders) while complying with their obligations to promote the Company's success in line with section 172. The Board's discussions throughout the year have reflected directors' consideration of these obligations.

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Strategic report (continued)

The directors have considered the requirements of section 172 as summarised in the following table:


<p>The likely consequence of any decision in the long term</p>	<p>The Company's directors operate the Company in accordance with the Board Terms of Reference and the Mobius Life Group business plan, which considers the Company's long-term success and the group as a whole, and the likely long-term consequences of any decisions by the Company are taken into account.</p>
<p>The interests of the Company's employees</p>	<p>The Company does not have any direct employees; Mobius Life Administration Services Limited employs all staff within the Mobius Life Group of companies.</p> <p>Engagement with employees is considered at group level by the Board of Mobius Life Topco Limited ("Topco") and also by the Topco Remuneration Committee which ensures adherence to the Topco Remuneration Policy. The Remuneration Policy and practices for the Topco Group comply with the remuneration requirements of Articles 275 of the Solvency II regulations and with the European Insurance and Occupational Pensions Authority's (EIOPA) 'Guidance on Systems of Governance' and, wherever possible, meet the standards set out in the UK Corporate Governance Code published by the Financial Reporting Council.</p> <p>Employees are kept apprised of business performance through monthly management information and regular presentations, at which they are provided with the opportunity to question and challenge senior management.</p> <p>The Board consulted employees through the issue of an Employee Engagement Survey to determine the effects of the Covid-19 pandemic and the impact of home-working on employees, the results of which have helped define the Company's new hybrid working policy. A risk assessment of the office was carried out to enable employees to return to the office on an ad-hoc basis.</p> <p>Throughout the Covid-19 pandemic, Topco's directors have met regularly to discuss the impact of the pandemic on employees and also to agree and take appropriate actions to safeguard all employees' wellbeing. Regular Company newsletters gives prominence to employee wellbeing topics within which employees are reminded of their ability to access the Employee Assistance service which includes individual counselling where relevant. In addition, a group of mental health first aiders have been trained to support employees and wellbeing webinars have been run by a specialist external mental health consultant, with the next planned webinar focusing on supporting a return to the office. Employees have been provided with additional equipment and information to ensure ergonomic home working. All employees have received individual wellbeing check-in calls from HR and managers have continued to have regular 121s and team meetings.</p> <p>The Company is committed to diversity and equality and is dedicated to empowering people to develop professionally, as well as personally.</p>
<p>The need to foster the Group's business relationships with suppliers, customers and others</p>	<p>Supplier relationships within the Mobius Life Group of companies are managed in accordance with the Mobius Life Outsourcing Policy. Engagement with suppliers, customers and others is considered at both an individual entity level and a group level.</p> <p>The Company works responsibly with its suppliers. The Company has a number of key suppliers which support a full suite of services to the Company under either a Service Agreement or an Investment Management Agreement.</p> <p>The Company regularly consults its clients through a team of relationship managers. The Board of Directors receives reports from the Client Managers on a monthly basis and as part of the quarterly Board cycle.</p> <p>The Board receives reports monthly and as part of the quarterly Board cycle from each relevant business function which oversees the services the Company provides. Representatives from these business areas attend the Board meetings to present their reports and address challenge from both executive and non-executive directors. The Company also prepares and publishes an annual Modern Slavery Statement, which includes consideration of supply chain risk.</p>

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Strategic report (continued)

<p>The impact of the Group's operations on the community and the environment</p>	<p>Engagement on environmental and community matters is considered at Topco level.</p> <p>During the period the directors engaged a third party to review the group's management of environmental, social and governance matters. Further measures to support the environment and community have been implemented as a result, including the establishment of a staff Charity Committee to formalise and steer the group's charitable giving, and other recommendations are in the process of being addressed. St Martin-in-the-Fields Charity, which supports people away from homelessness, has been the first organisation selected by the staff Charity Committee to benefit from the group's assistance.</p> <p>The Company is committed to supporting investment approaches that incorporate environmental, social and corporate governance considerations in order to support the interests and needs of clients. This is governed by the group's Environmental, Social and Corporate Governance Policy.</p>
<p>The desirability of the Group maintaining a reputation for high standards of business conduct.</p>	<p>Maintaining a reputation for, and upholding, high standards of business conduct is vital to the ongoing success of the Mobius Life group, including the Company.</p>
<p>The need to act fairly between members of the company.</p>	<p>The Company has a single member and is a wholly owned subsidiary of Mobius Life Group Limited.</p>

This report was approved by the Board on 22 September 2021 and signed on its behalf by:

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 6F246CB489AC499
 A P Swales
 Director
 22 September 2021

Mobius Life Limited

Directors' report (continued)

The directors present their report and financial statements for the year ended 31 March 2021.

Principal activities

The Company, a subsidiary of Mobius Life Topco Limited, is the principal operating subsidiary of the Mobius Life group of companies. It is a life insurance company, authorised and regulated by the PRA and regulated by the Financial Conduct Authority ('FCA') to provide unit-linked pension products.

Directors

The following persons served as directors during the year:

I C Dawkins (appointed 25 November 2020)

A P Swales

Non-executive directors

The following persons served as non-executive directors during the year:

J R Evans (appointed 8 July 2020)

M Goodale (Chairman)

J S B Smith

Dividends

A dividend of £1,500k was approved and paid during the year to 31 March 2021 (2020: nil).

Going concern

After reviewing the Company's forecasts and projections for the next three reporting periods up to and including 31 March 2024, and considering possible scenarios surrounding the COVID-19 pandemic which is discussed further below, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence up to 31 March 2024. The Company therefore continues to adopt the going concern basis in preparing its financial statements.

Future developments

The directors do not envisage any future changes in the Company's activities. They aim to maintain the management policies which have resulted in the Company's substantial growth in recent years.

Financial instruments and risk management

Information on the use of financial instruments by Company and its management of financial risk is disclosed in note 4 "Management of Financial Risk" to the financial statements. In particular, the Company's exposure to market risk, credit risk and liquidity risk are separately disclosed therein.

The impact of Covid-19

The COVID-19 pandemic led to a period of market falls and increased volatility at the end of the prior financial period which reduced AuA and increased the risk of operational errors. It also led the Group to transition to home working. The associated operational and IT hurdles have been successfully managed, and whilst AuA fell by approximately 7% during March 2020, it recovered quickly and has continued to grow since. This highlights the benefit of having a well-diversified book of business, which has resulted in a negligible impact on revenues.

Whilst there may be further periods of substantial volatility, depending on the development of the pandemic, the Board has considered the effect of worst-case scenarios and is confident that the Group is well positioned to cope with such fluctuations and that there will continue to be no resulting cashflow, revenue collection or going concern issues.

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Directors' report (continued)

Statement of directors' responsibilities

The directors are responsible for preparing the report and financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable laws), including FRS 102, "The Financial Reporting Standard applicable in the UK and Republic of Ireland". 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 estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Directors' qualifying third party and pension scheme indemnity provisions

There is an indemnity policy effective across all group companies which benefits its current directors and is a Qualifying Third-Party Indemnity provision for the purpose of the Companies Act 2006.

The indemnity was in force during the period and at the date of signing.

Disclosure of information to auditor

Each person who was a director at the time this report was approved confirms that:

- so far as they are aware, there is no relevant audit information of which the Company's auditor is unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information

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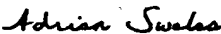
Directors' report (continued)

Independent auditor

The Company appointed Ernst and Young LLP ("E&Y") as its auditors on 10 April 2020.

In accordance with the Companies Act 2006 ("the Act"), the Company is no longer required to hold annual general meetings. Subject to the receipt of any objections, as provided under statute or the Company's Articles of Association, the Company is relying on the provisions of section 487 of the Act for the deemed reappointment of Ernst and Young LLP ("E&Y") as the Company's auditors. E&Y have indicated their willingness to continue.

This report was approved by the Board on 22 September 2021 and signed on its behalf by:

DocuSigned by:

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A P Swales
Director
22 September 2021

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MOBIUS LIFE LIMITED

Opinion

We have audited the financial statements of Mobius Life Limited (the 'company') for the year ended 31 March 2021 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the related Notes 1 to 24 (except for note 24 which is marked as unaudited) 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 company's affairs as at 31 March 2021 and of its profit 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 below. 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 as applied to public interest entities, 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 directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the Directors' assessment of the Company's ability to continue to adopt the going concern basis of accounting included:

- confirming our understanding of the Directors' going concern assessment process and obtaining the Directors' going concern assessment covering the period up to 31 March 2024. This includes the Company's profitability, liquidity and solvency positions;
- evaluating the appropriateness of assumptions and methodology used in the Company's financial forecast which forms the basis for the Directors' going concern assessment and determining whether the forecast provides an appropriate basis for the Directors to assess the Company's going concern basis of accounting;
- assessing the adequacy of the going concern analysis by checking the inputs and the clerical accuracy of the financial forecast used;
- assessing the appropriateness of the Company's going concern disclosures by evaluating the consistency with the Directors' assessment and for compliance with the relevant reporting requirements.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions, that individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period up to 31 March 2024.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Company's ability to continue as a going concern.

Overview of our audit approach

Key audit matters	<ul style="list-style-type: none"> Inappropriate recognition of management fees Existence and valuation of assets held to cover linked liabilities
Materiality	<ul style="list-style-type: none"> Overall materiality of £208 thousand which represents 5% of profit before tax

An overview of the scope of our audit

Our assessment of audit risk, our evaluation of materiality and our allocation of performance materiality determine our audit scope for the company. This enables us to form an opinion on the financial statements. We take into account size, risk profile, the organisation of the company and effectiveness of controls, including controls and changes in the business environment when assessing the level of work to be performed.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in our opinion thereon, and we do not provide a separate opinion on these matters.

Risk	Our response to the risk	Key observations communicated to the Audit Committee
<p>Inappropriate recognition of management fees - £60.2m (2020: £50.3m)</p> <p>Refer to accounting policies (page 23) and Note 5 of the Financial Statements (page 28)</p> <p>Management fees are calculated for each fund by</p>	<ul style="list-style-type: none"> Understood, assessed and tested the design and operating effectiveness of key controls over the management fee processes; We performed testing of the IT application controls to gain comfort over the automatic fee calculation and the accuracy of the automatic net asset value (NAV) inputs, used to 	<p>Based on the results of our procedures we have concluded that the management fees have been calculated and recognised appropriately and are materially correct for the year ended 31 March 2021.</p>



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<p>applying relevant fee rates to the assets under management balances.</p> <p>As these fees are manually posted to the general ledger, there is greater opportunity that the fees may be inappropriately inflated and/or a higher risk of errors occurring.</p>	<p>derive the management fees are based on.</p> <ul style="list-style-type: none">• We performed testing of the relevant manual controls to gain comfort over the manual input of management fee rates;• Reconciled the IT application data to the general ledger to corroborate the accuracy and completeness of information;• Inspected the reconciliation between the general ledger and the IT application data for unusual journal entries;• Traced the revenue recognized within the general ledger to the cash receipt (Refer to the next page for the visual output from the process);• We understood the valuation process to identify and test controls over the valuation of the assets, and the calculation thereof during the year;• Performed an independent valuation of a sample of assets at the year-end using independent third-party sources; and• Obtained independent confirmations of investment holdings to verify existence of a sample of investment holdings and to ensure completeness of the investment portfolio.	
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<p>Existence and valuation of assets held to cover linked liabilities - £22,305m (2020: £18,167m)</p> <p>Refer to the accounting policies (page 23); and Note 12 of the Financial Statements (page 31)</p> <p>Assets held to cover linked liabilities represent the most material element of the Company total assets, and as such, there is an inherent risk that an error in assets held to cover linked liabilities may result in a material misstatement.</p>	<p>We performed the following procedures:</p> <ul style="list-style-type: none"> • We performed testing of the IT application controls to gain comfort over the accuracy of the automatic net asset value (NAV) inputs; • We performed testing of the relevant manual controls to gain comfort over the daily transacting, which include the purchase, sale and daily valuation of investments; • Performed an independent valuation of a sample of assets at the year-end using independent third-party sources; • We performed a cut-off test over a sample of assets to ensure liquidated assets are not recognised in the year end financial statements; • For a sample of assets we recalculated the realised gain/loss recognised during the financial year; • For a sample of assets we recalculated the unrealised gain/ loss using the valuation data as at year-end; and • Obtained independent confirmations of investment holdings to verify the existence of a sample of investment holdings and to ensure completeness of the investment portfolio. 	<p>Based on the results of our procedures we are satisfied with existence and valuation of assets held to cover linked liabilities at 31 March 2021.</p>
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The key audit matters remain unchanged from prior year.

Our application of materiality

We apply the concept of materiality in planning and performing the audit, in evaluating the effect of identified misstatements on the audit and in forming our audit opinion.

Materiality

The magnitude of an omission or misstatement that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users of the financial statements. Materiality provides a basis for determining the nature and extent of our audit procedures.

We determined materiality for the company to be £208 thousand (2020: £107 thousand), which is 5% of profit before tax (2020: 5% of profit before tax). We consider that the users of the financial statements are likely to be more focused on the profits and ability to pay dividend of the company.

During the course of our audit, we reassessed initial materiality. The reassessment of the initial materiality did not change our final materiality.

Performance materiality

The application of materiality at the individual account or balance level. It is set at an amount to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality.

On the basis of our risk assessments, together with our assessment of the company's overall control environment, our judgement was that performance materiality was 75% (2020: 50%) of our planning materiality, namely £156 thousand (2020: £54 thousand). We have set performance materiality at this percentage due to no material misstatement was identified in prior year audit.

Additionally, we recognise that the audit differences in respect of the assets held to cover linked liabilities and the technical provisions for linked liabilities would offset each other with no net impact on the Profit and Loss Account. As a result, we applied a higher testing threshold of £669m (2020: £363m) to our testing of assets held to cover linked liabilities and the related liabilities, being 3% (2020: 2%) of the assets held to cover linked liabilities.

Reporting threshold

An amount below which identified misstatements are considered as being clearly trivial.

We agreed with the Audit Committee that we would report to them all uncorrected audit differences in excess of £10.4 thousand (2020: £5.4 thousand), which is set at 5% of planning materiality, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds.

We evaluate any uncorrected misstatements against both the quantitative measures of materiality discussed above and in light of other relevant qualitative considerations in forming our opinion.

Other information

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

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this 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 the 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 directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or 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 to be audited 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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 8, 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.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

The objectives of our audit:

- in respect to fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses; and to respond appropriately to fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management; and
- in respect to irregularities, considered to be non-compliance with laws and regulations, are to obtain sufficient appropriate audit evidence regarding compliance with the provisions of those laws and regulations generally recognized to have a direct effect on the determination of material amounts and disclosures in the financial statements ('direct laws and regulations'), and perform other audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements. We are not responsible for preventing non-compliance with laws and regulations and our audit procedures cannot be expected to detect non-compliance with all laws and regulations.

Our approach was as follows:

- We obtained a general understanding of the legal and regulatory frameworks that are applicable to the Company and determined that the direct laws and regulations related to elements of Company law and tax legislation, and the financial reporting framework. Our considerations of other laws and regulations that may have a material effect on the financial statements included permissions and supervisory requirements of the PRA and the Financial Conduct Authority FCA.
- We obtained a general understanding of how the Company complies with these legal and regulatory frameworks by making enquiries of management and through discussion with Board. We also reviewed correspondence between the Company and UK regulatory bodies; reviewed minutes of the Board, and the Audit Committee; and gained an understanding of the Company's approach to governance, demonstrated by the Board's approval of the Company's governance framework.
- For direct laws and regulations, we considered the extent of compliance with those laws and regulations as part of our procedures on the related financial statement items.
- For both direct and other laws and regulations, our procedures involved: making enquiry of those charged with governance and senior management for their awareness of any non-compliance of laws or regulations, inquiring about the policies that have been established to prevent non-compliance with laws and regulations by officers and employees, inquiring about the company's methods of enforcing and monitoring compliance with such policies, inspecting significant correspondence with the FCA and PRA.
- The Company operates in the insurance industry which is a highly regulated environment. As such the Senior Statutory Auditor considered the experience and expertise of the engagement team to ensure that the team had the appropriate competence and capabilities, which included the use of specialists where appropriate.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur, by considering the controls that the Company has established to address risks identified by the entity, or that otherwise seek to prevent, deter or detect fraud. We also considered areas of significant judgement, complex transactions, performance targets, economic or external pressures and the impact these have on the control environment. Where this risk was



considered to be higher, we performed audit procedures to address the identified fraud risk, specifically on revenue recognition of internally calculated management fees. These procedures included testing manual journals and were designed to provide reasonable assurance that the financial statements were free from fraud or error.

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

Other matters we are required to address

- We were appointed by the company on 11 June 2020 to audit the financial statements for the year ending 31 March 2020 and subsequent financial periods.
- The period of total uninterrupted engagement including previous renewals and reappointments is 2 years, covering the year ending 31 March 2020 to 31 March 2021.
- The non-audit services prohibited by the FRC's Ethical Standard were not provided to the company and we remain independent of the company in conducting the audit.

The audit opinion is consistent with the additional report to the audit committee

Use of our report

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

Ed Jervis (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London
27 September 2021

Mobius Life Limited

Statement of comprehensive income for the year ended 31 March 2021 Technical Account – Long-term Business

	Notes	2021 £000	2020 £000
Investment income		101,009	47,300
Realised gains on investments		1,108,760	582,867
Unrealised gains on investments		1,876,471	-
Unrealised losses on investments		-	(1,081,209)
Technical income/net investment return attributable to policyholders	18	3,086,240	(451,042)
Change in technical provisions		(3,086,240)	451,042
Result on policyholder funds attributable to the company		-	-
Other technical income	5	10,865	8,885
Operating expenses	6	(6,740)	(6,715)
Balance on long-term business technical account		4,125	2,170

The notes on pages 22 to 35 form an integral part of these financial statements.

Mobius Life Limited

**Statement of Comprehensive Income
for the year ended 31 March 2021
Non-Technical Account**

	Notes	2021 £000	2020 £000
Balance on long-term business technical account		4,125	2,170
Operating profit		4,125	2,170
Income from investments		27	25
Interest income		2	3
Other expense	9	-	(42)
Profit on ordinary activities before taxation		4,154	2,156
Tax on profit on ordinary activities	10	(789)	(409)
Profit and total comprehensive income for the financial year		3,365	1,747

All the above amounts are in respect of continuing operations.

The notes on pages 22 to 35 form an integral part of these financial statements.

Mobius Life Limited**Statement of Financial Position
as at 31 March 2021**

Company number: 03104978

	Notes	2021 £000	2020 £000
Investments	11	420	641
Assets held to cover linked liabilities	12	22,304,901	18,167,144
Debtors	13	13,666	12,337
Tangible assets	14	7	20
Cash at bank & in hand		9,361	8,183
Prepayments		98	200
Total Assets		22,328,453	18,188,525
Equity & liabilities			
Called up share capital	16	4,000	4,000
Profit and loss account		4,411	2,546
Shareholders' equity & reserves		8,411	6,546
Technical provision for linked liabilities	18	22,304,901	18,167,144
Creditors: amounts falling due within one year	19	10,144	10,484
Accruals and deferred income	20	4,997	4,351
Total liabilities		22,317,042	18,181,979
Total shareholders' equity & liabilities		22,328,453	18,188,525

DocuSigned by:

Adrian Swales

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A P Swales

Director

Approved by the Board on 22 September 2021

The notes on pages 22 to 35 form an integral part of these financial statements.

Mobius Life Limited**Statement of changes in equity
for the year ended 31 March 2021**

	Notes	Share capital £000	Profit and loss account £000	Total £000
At 1 April 2019		4,000	799	4,799
Total comprehensive income for the financial year		-	1,747	1,747
At 31 March 2020		4,000	2,546	6,546
At 1 April 2020		4,000	2,546	6,546
Total comprehensive income for the financial year		-	3,365	3,365
Dividend Paid	17	-	(1,500)	(1,500)
At 31 March 2021		4,000	4,411	8,411

The notes on pages 22 to 35 form an integral part of these financial statements.

Mobius Life Limited

Notes to the financial statements for the year ended 31 March 2021

1. General information

The Company is a private limited company incorporated in England and Wales, whose principal place of business and registered office is 7th Floor, 20 Gresham Street, London, EC2V 7JE.

The Company is authorised and regulated as an insurance company by the PRA and regulated by the FCA.

2. Basis of preparation

The financial statements have been prepared in accordance with applicable UK accounting standards, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' ('FRS 102'), and with the Companies Act 2006. The Company has applied FRS 102 as issued in March 2018, reflecting the amendments made as part of the Triennial Review 2017. Although these amendments have had no material impact on the financial statements.

The financial statements have been prepared on the historical cost basis except for the modification to a fair value basis for certain financial instruments as specified in the accounting policies below. They are prepared in Sterling (£) which is the Company's functional currency and rounded to the nearest £'000.

The Company is required to prepare accounts in a format defined in 'The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008' ('SI 2008/410') relating to insurance companies.

Going concern

After reviewing the Company's forecasts and projections, including considering the possible developments of and volatilities surrounding the COVID-19 pandemic, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The Company therefore continues to adopt the going concern basis in preparing its financial statements.

Reduced disclosures

The Company is a qualifying entity for the purposes of FRS 102 because it is a member of the Mobius Life Topco Limited ("MLT") group of companies. MLT prepares publicly available consolidated financial statements (see Note 23 for details of whence they may be obtained) which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss. The Company is a wholly owned subsidiary and is included in this consolidation.

In preparing the financial statements, the Company has taken advantage of the following exemptions:

- from disclosing key management personnel compensation, as required by paragraph 7 of Section 33 Related Party Disclosures;
- from presenting a reconciliation of the number of shares outstanding at the beginning and end of the year, as required by paragraph 12 of Section 4 Statement of Financial Position; and
- from presenting a statement of cash flows, as required by Section 7 Statement of Cash Flows.

Critical accounting judgements and key sources of estimation uncertainty

The Company does not consider that there is a significant risk of material adjustment to the carrying amounts of its own assets and liabilities within the next financial year. No significant judgements have been required to arrive at the values reported in the financial statements as these are from external or objective sources.

There are no sources of estimation uncertainty which require disclosure of the key assumptions concerning the future.

Mobius Life Limited

Notes to the financial statements for the year ended 31 March 2021 (continued)

3. Principal accounting policies

Other technical income

Other technical income comprises platform fees which are reported on an accrual basis. These fees are based on a percentage of the assets under administration for the reporting period.

Unit-linked assets and liabilities

Assets held to cover linked liabilities are initially and subsequently measured at fair value, using quoted prices for identical assets in an active market, to back the underlying liabilities to which they relate.

Investment contracts are contracts that transfer significant financial, and no significant insurance, risk. Financial risk is the risk of a possible future change in one or more of: a specified interest rate; financial instrument price; commodity price; foreign exchange rate; price or rates index; credit rating or index; or other variable, provided in the case of a non-financial variable that it is not specific to a party to the contract.

Amounts received in respect of unit-linked investment contracts are accounted for using deposit accounting under which amounts collected are recognised in the Statement of Financial Position. Financial liabilities in respect of unit-linked investment contracts are carried in the Statement of Financial Position as 'Technical provisions for linked liabilities', with the amount received being reported within 'Assets held to cover linked liabilities'.

The Company recognises the premiums received as a financial liability, rather than as revenue.

The Company uses the following FRS 102 hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1: quoted prices for an identical asset in an active market
- Level 2: the price of a recent transaction for an identical asset, provided there has been no significant change in economic circumstances or a significant lapse of time
- Level 3: valuation techniques which attempt to estimate what the transaction price would have been on the measurement date in an arm's length exchange motivated by normal business considerations provided that the market for the asset is not active and recent transactions of an identical asset on their own are not a good estimate of fair value

In the above hierarchy, all assets in which the Company invests its own or policyholders' funds fall into level 1.

Business placed through policies with managed funds operated by regulated insurance companies is described as "reinsured". Business placed with asset managers is classified as "retained".

Technical provisions for linked liabilities

The technical provisions for linked liabilities are based on the value of the underlying assets to which these relate.

Unit-linked contracts that are investment contracts (i.e. do not involve the transfer of significant insurance risk) are measured at fair value through profit or loss. Unit-linked liabilities are repayable or transferable on demand.

Fees receivable from policyholders on such unit-linked investment contracts are recognised as 'Other technical income' in the Technical Account – Long Term Business

Mobius Life Limited

Notes to the financial statements for the year ended 31 March 2021 (continued)

Principal accounting policies (continued)

Insurance contracts

FRS 102 defines an insurance contract as “a contract under which one party (the insurer) accepts significant insurance risk from another party (the policyholder) by agreeing to compensate the policyholder if a specified uncertain future event (the insured event) adversely affects the policyholder”.

The Group is authorised and regulated by the PRA as an insurance company, and many of the contracts into which the Group enters for unit-linked pensions business take the legal form of insurance and reinsurance contracts.

These contracts do not transfer insurance risk; only financial risk is transferred between the Company and the investing pension schemes and fund manager into which these monies are placed. As such, under FRS 103 the contracts create financial liabilities (rather than insurance or reinsurance contracts), that fall within the scope of FRS 102 (Sections 11 - Basic Financial Instruments – & 12 – Other Financial Instruments Issues), requiring parties to the contract to use deposit accounting.

Therefore, the Company's liability to each policyholder moves in line with the investment return less applicable fees.

Investments

The Company measures investments in collective investment schemes of its own funds at fair value, having elected to apply the recognition and measurement provisions of FRS 102 sections 11 and 12 in full for all its financial investments. Changes in fair value are recognised within profit or loss. Where a reliable measure of fair value no longer available for an investment, its fair value at the last date the instrument was reliably measurable would be treated as the cost, and the Company would value the asset at this cost less impairment, until a reliable measure of fair value became available.

Debtors

Debtors, including prepayments and accrued income, are initially recognised at the transaction price, including any transaction costs, and are subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

Amounts that are receivable within one year are measured at the undiscounted amount expected to be receivable, net of any impairment.

Where a financial asset constitutes a financing transaction it is initially and subsequently measured at the present value of the future payments, discounted at a market rate of interest.

At each reporting date, the Company assesses whether there is objective evidence that any financial asset may be impaired. A provision for impairment is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the financial asset. The amount of the provision is the difference between the asset's carrying amount and the present value of the estimated future cash flows. The amount of the provision is recognised immediately in profit or loss.

Tangible assets

Tangible fixed assets, which comprise leasehold improvements, are measured at cost less accumulated depreciation and any accumulated impairment losses. Depreciation is provided at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life, which is the lease term.

Cash at bank & in hand

Cash comprises cash at banks and in hand, and short-term deposits with an original maturity date of three months or less.

Mobius Life Limited

Notes to the financial statements for the year ended 31 March 2021 (continued)

Principal accounting policies (continued)

Creditors

Creditors, including accruals and deferred income, are initially measured at the transaction price, including any transaction costs, and are subsequently measured at amortised cost using the effective interest method.

Amounts that are payable within one year are measured at the undiscounted amount expected to be payable.

Where a financial liability constitutes a financing transaction it is initially and subsequently measured at the present value of the future payments, discounted at a market rate of interest.

Taxation

A current tax liability is recognised for the tax payable on the taxable profit of the current and past periods. A current tax asset is recognised in respect of a tax loss that can be carried back to recover tax paid in a previous period.

Deferred tax is recognised in respect of all timing differences at the reporting date, except as otherwise noted, between the recognition of total comprehensive income in the financial statements and its inclusion in tax assessments. 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.

Deferred tax is calculated using the tax rates and laws that have been enacted or substantively enacted by the reporting date and that are expected to apply to the reversal of the timing difference.

Current and deferred tax assets and liabilities are not discounted.

Deferred tax assets are presented within debtors.

Provisions

Provisions (i.e. liabilities of uncertain timing or amount) are recognised when there is an obligation at the reporting date as a result of a past event, it is probable that economic benefit will be transferred to settle the obligation and the amount of the obligation can be estimated reliably.

Foreign currency translation

Transactions in foreign currencies are initially recognised at the rate of exchange ruling at the date of the transaction.

At the end of each reporting period foreign currency monetary items are translated at the closing rate of exchange. Non-monetary items that are measured at historical cost are translated at the rate ruling at the date of the transaction. All differences are recognised within profit or loss.

Technical account

The technical account reports the movements of funds invested through the Mobius platform, comprising realised gains and losses, movements in unrealised values, investment income and fees, together with the costs incurred by the Company in managing the platform.

Mobius Life Limited

Notes to the financial statements for the year ended 31 March 2021 (continued)

Principal accounting policies (continued)

Investment return

Investment income and expenses include dividends, distributions from collective investment schemes, gains and losses on the realisation of investments and related expenses.

Dividends and distributions from collective investment schemes are recognised on the date that the collective investments become quoted ex-dividend.

Shareholder investment income and expenses are recognised in the non-technical account.

Realised gains and losses are calculated as sale proceeds less average purchase cost.

Expenses incurred on the management of investments are accounted for on an accruals basis.

Interest is measured using the effective interest rate.

Purchases and sales of financial assets are recorded on the trade date.

Operating leased assets

Leases that do not transfer all the risks and rewards incidental to ownership are classified as operating leases. Payments under operating leases are charged to the profit and loss account on a straight-line basis over the period of the lease.

Dividends

Dividends on ordinary shares are recognised as a liability and deducted from equity when they are approved by the shareholders. Interim dividends are deducted from equity when they are paid.

4. Management of financial risk

All policies written by the Company are unit-linked contracts. The liabilities to policyholders under these contracts are consequently matched with assets in the portfolio such that the Company retains no material price, currency, liquidity, insurance or interest rate risk.

The Company invests policyholder assets into collective investment schemes based on instructions received from the relevant pension scheme trustees or, where delegated, their investment advisor.

All unit linked insurance policies written by the Company can be terminated by the policyholder or the Company giving three months' notice.

The Company is regulated by the PRA and is subject to insurance solvency regulations which specify the minimum amount of regulatory capital that must be held in addition to the insurance liabilities. The Company manages capital in accordance with these rules and has embedded in its processes the necessary tests to ensure continuous and full compliance with such regulations as per note 24. Given the variability of the many inflows and outflows which are subject to price and other combinations of risk, regular monitoring of liability and asset profiles is undertaken to establish the implications for supporting capital requirements.

Credit risk

Credit risk can be defined as the risk of capital or income loss resulting from counterparty default or issuer credit downgrades affecting financial assets.

Mobius Life Limited**Notes to the financial statements
for the year ended 31 March 2021 (continued)****Management of financial risk (continued)**

The maximum exposure for the Company's assets bearing credit risk at the end of the financial period is:

	2021	2020
	£000	£000
Unit-linked business		
Debtors	10,404	2,449
Deposits with credit institutions	35,600	26,683
	<u>46,004</u>	<u>29,132</u>
Non linked		
Debtors	3,638	3,547
Deposits with credit institutions	9,632	8,717
Prepayments and accrued income	10,126	8,990
	<u>23,396</u>	<u>21,254</u>
	<u>69,400</u>	<u>50,386</u>

Of the financial assets held by the Company at the reporting date, none are past due but not impaired, and none have been impaired.

The Company's assets backing insurance policies are invested in collective investment schemes with UK regulated asset managers or UK insurance companies ('reinsurers'). The investment of assets with reinsurers is facilitated by way of investment-only unit-linked reinsurance. There is no reinsurance of insurance risk. The Company has a deed of charge in place with each reinsurer such that the company will rank equally with the reinsurer's direct policyholders in the event of the reinsurer's insolvency. Any reduction in capital value from reinsurer default is met by policyholders under the terms of the policy.

The Company monitors the creditworthiness of reinsurers by reviewing the solvency cover disclosed in its most up to date regulatory filings, in the absence of a rating from an external rating agency. All reinsurance counterparties are considered investment grade, either based on an explicit credit rating, or on an implied basis using the solvency cover.

The Company's deposits with credit institutions are all with investment-grade counterparties.

Market risk

Market risk can be defined as the risk that movements in market factors (such as the valuation of equities or bonds), interest rates and currency rates impact adversely the value of, or income from, financial assets. The Company does not suffer any direct losses should unit-linked asset values fall: the unit-linked structure means that gains and losses are borne directly by the policyholder. However, fees are predominantly charged as a percentage of AuA, and so falling asset values reduce revenue. This indirect market risk is accepted and there is no appetite to hedge exposure to it. Direct market exposures (for example, arising from fund seeding and box management) are limited to minimal levels.

- a) Business is transacted in the United Kingdom and transactions are denominated in GBP such that currency risk is not applicable.
- b) The fair value of deposits with credit institutions is exposed to future interest rate fluctuations which impact the amount of interest earned on the deposits. The average effective rate for deposits with credit institutions is 0.50%.

COVID-19 has caused disruption to businesses and economic activity which has been reflected in fluctuations in global stock markets ever since. The Company is using business continuity and resilience processes with the objective of mitigating COVID-19's impact. No sensitivity analysis is provided for the market risks set out above because the exposure is not deemed material.

The total income from deposits with credit institutions in the year was £2k (2020: £3k).

Mobius Life Limited**Notes to the financial statements
for the year ended 31 March 2021 (continued)****5. Other technical income**

	2021 £000	2020 £000
Gross fees deducted from investment managed funds	60,219	50,311
Fees collected on behalf of clients and paid to fund managers or reinvested in funds	<u>(49,354)</u>	<u>(41,426)</u>
Technical income	<u>10,865</u>	<u>8,885</u>

All receipts are derived from contracts concluded in the United Kingdom.

Technical income represents fees earned by the Company from the administration of funds on the Mobius investment platform.

As set out in note 2 above, the Company has adopted the deposit basis of accounting for premiums and claims as unit-linked investments do not fit the definition of insurance contracts (per FRS 103). The deposits / withdrawals are recognised as unit-linked liabilities once they are processed onto the Company's investment platform.

6. Operating Expenses

	2021 £000	2020 £000
Operating costs include:		
Depreciation of tangible assets	13	10
Operating lease expenses – land and buildings	209	207
Overhead allocation from MLAS	5,174	5,046
Fees payable for the audit of the Company accounts	120	130
Other costs	<u>1,224</u>	<u>1,322</u>
	<u>6,740</u>	<u>6,715</u>

Audit costs for all group companies are paid by Mobius Life Limited and recharged to other group companies as part of the overhead allocation. The cost above is the audit fee for Mobius Life Limited.

Mobius Life Limited**Notes to the financial statements
for the year ended 31 March 2021 (continued)****7. Directors' emoluments**

The executive Directors are employed and paid by a fellow group company, Mobius Life Administration Services Limited and the emoluments are based on an apportionment of these amounts

	2021 £000	2020 £000
Emoluments	158	122
Contributions to money purchase pension schemes	1	-
	<u>159</u>	<u>122</u>

During the year, one director (2020: one director) participated in money purchase pension schemes.

The remuneration in respect of the highest paid director was:

	2021 £000	2020 £000
Emoluments	113	122
Contributions to money purchase pension schemes	-	-
	<u>113</u>	<u>122</u>

8. Staff costs

The Company has no employees. Staff costs are borne by Mobius Life Administration Services Limited, a fellow subsidiary, and recharged as an overhead reallocation. Details of employees and employee related costs, including pension costs, are shown in the financial statements of that company.

9. Other expense

	2021 £000	2020 £000
Deal specific expenses relating to Part VII transfer	-	(42)
	<u>-</u>	<u>(42)</u>

Expenses incurred from the Part VII transfer relate to the prior year sale of the stakeholder pension business to Scottish Friendly Assurance Society Limited.

Mobius Life Limited

Notes to the financial statements for the year ended 31 March 2021 (continued)

10. Taxation

	2021 £000	2020 £000
Analysis of charge in period		
Current tax:		
UK Corporation tax on result for the year	789	409
Adjustments in respect of previous periods	-	-
	<u>789</u>	<u>409</u>
Deferred tax:		
Adjustments in respect of prior periods	-	-
	<u>-</u>	<u>-</u>
Tax on results for ordinary activities	<u>789</u>	<u>409</u>

Factors affecting tax charge for period

The differences between the tax assessed for the period and the standard rate of corporation tax are explained as follows:

	2021 £000	2020 £000
Profit on activities before taxation	<u>4,154</u>	<u>2,156</u>
Standard rate of corporation tax in the UK	19%	19%
	£000	£000
Profit on activities multiplied by the standard rate of corporation tax	789	409
Effects of:		
Adjustments to tax charge in respect of previous records	-	-
Tax charge for period	<u>789</u>	<u>409</u>

In March 2021, the UK Government announced that the UK corporation tax rate would increase to 25% from 1 April 2023. This change in tax rate was substantively enacted on 24 May 2021 and enacted on 10 June 2021, after the balance sheet date.

Mobius Life Limited

Notes to the financial statements for the year ended 31 March 2021 (continued)

11. Investments

	2021 £000	2020 £000
Bank deposits with original maturity of over 3 months	272	534
Collective Investment Schemes invested in:		
Money markets	43	33
Other funds (seeding)	105	74
	<u>420</u>	<u>641</u>

Fund seeding, which arises only in relation to defined contribution funds and which are in turn subject to more frequent switching, ensures continuity of pricing. Seeding is maintained at the minimum level possible.

12. Assets held to cover linked liabilities

	2021 £000	2020 £000
Units in collective investment schemes	22,216,688	18,131,889
Bank balances	35,600	26,683
Outstanding settlements	42,209	6,123
Accrued fees	2,644	2,265
Debtors	7,760	184
	<u>22,304,901</u>	<u>18,167,144</u>

All investments held are Level 1.

13. Debtors

	2021 £000	2020 £000
Management fee receivable	8,914	7,394
Rebate receivable	1,114	1,161
Mobius Life Group Limited ("MLG")	-	710
Mobius Life Holdings Ltd ("MLH")	2,500	2,260
Mobius Life Administration Services Ltd ("MLAS")	485	-
Deferred tax asset (see note 15)	7	7
Other debtors	646	805
	<u>13,666</u>	<u>12,337</u>

Amounts owed by MLG, the Company's immediate parent undertaking, and MLH, MLG's immediate parent undertaking are unsecured, interest free and repayable on demand.

Mobius Life Limited**Notes to the financial statements
for the year ended 31 March 2021 (continued)****14. Tangible assets**

	Leasehold improvements £000
Cost	
At 1 April 2020	53
Additions	-
At 31 March 2021	<u>53</u>
Depreciation	
At 1 April 2020	33
Charge for the year	13
At 31 March 2020	<u>46</u>
Carrying amount	
At 31 March 2021	<u>7</u>
At 31 March 2020	<u>20</u>

15. Deferred taxation assets

	2021 £000	2020 £000
Timing differences on capital allowances:	<u>7</u>	<u>7</u>
	2021 £000	2020 £000
At 1 April	7	7
Charge to the profit or loss	<u>-</u>	<u>-</u>
At 31 March	<u>7</u>	<u>7</u>

16. Share Capital

	Nominal Value	2021 Number	2020 Number	2021 £000	2020 £000
Alloted, called up and fully paid:					
Ordinary Shares	£1 each	4,000,000	4,000,000	<u>4,000</u>	<u>4,000</u>

The Company has one class of ordinary shares which carries one voting right per share and the right to participate in the distribution of dividends and capital, including on winding up.

Mobius Life Limited**Notes to the financial statements
for the year ended 31 March 2021 (continued)****17. Dividends**

	2021 £000	2020 £000
Dividends paid on ordinary shares	1,500	-
Dividends proposed after the reporting date	-	-

18. Technical provision for linked liabilities

	2021 £000	2020 £000
Technical income/net investment return attributable to policyholders	3,086,240	(451,042)
Amounts received from pension schemes	3,105,277	3,800,186
Amounts repaid to pension schemes	(2,013,341)	(1,011,865)
Movement in amounts awaiting investment/repayment	(2,609)	10,843
Fees – Mobius Life Limited	(10,865)	(8,885)
Net fees – fund managers and advisors	(26,945)	(24,039)
Change in liability in year	4,137,757	2,315,198
Technical provision for linked liabilities brought forward	18,167,144	15,851,946
Technical provision for linked liabilities carried forward	22,304,901	18,167,144

19. Creditors: amount falling due within one year

	2021 £000	2020 £000
Trade creditors	6,789	7,720
Mobius Life Administration Services Limited ("MLAS")	-	10
Corporation Tax	961	891
Other creditors	2,394	1,863
	10,144	10,484

Amounts owed to group undertakings are unsecured, interest free and repayable on demand.

Mobius Life Limited

Notes to the financial statements for the year ended 31 March 2021 (continued)

20. Accruals and deferred income

	2021 £000	2020 £000
Accrued fees	4,359	3,741
Accrued expenses	638	610
	<u>4,997</u>	<u>4,351</u>

21. Other financial commitments

At the reporting date, the Company had future minimum lease payments under non-cancellable operating leases for each of the following periods:

	Land and Buildings 2021 £000	Land and Buildings 2020 £000
Not later than one year	103	206
Later than one year and not later than five years	-	103
	<u>103</u>	<u>309</u>

The lease payments have been recognised as an expense during the period. The Company had no other capital or other commitments at 31 March 2021 (2020: £nil).

22. Related party transactions

The Company has taken advantage of the exemption permitted by Section 33 Related Party Disclosure, not to disclose transactions with wholly owned members of the Mobius Life group.

As set out in notes 7 and 8 above, directors' emoluments and staff costs are paid by Mobius Life Administration Services Limited, a fellow subsidiary, and recharged to the Company.

Certain overheads, such as property, rent and rates, are paid by the Company and recharged to fellow group companies.

Amounts receivable from and owed to other group companies are disclosed in notes 13 and 19.

23. Ultimate parent company and controlling party

The Company's immediate parent company is Mobius Life Group Limited, which is registered in England and Wales. The Company's ultimate controlling party up to 30 September 2019 was the Trustees of the Souter 2011 Family Trust.

From 1 October 2019, the Company's ultimate controlling party is Phoenix Equity Partners Holdings LLP, which is registered in England and Wales.

The Mobius Life Topco Limited ("MLT") group is the smallest and largest group to consolidate the Company's financial statements. MLT is registered in England and Wales, and copies of the consolidated financial statements may be obtained from 7th Floor, 20 Gresham Street, London EC2V 7JE.

Mobius Life Limited

Notes to the financial statements for the year ended 31 March 2021 (continued)

24. Capital management

The Company maintains an efficient capital structure consistent with the Company's risk profile and the regulatory and market requirement of its business.

In reporting the Company's financial strength, capital and solvency is measured using the regulations prescribed by the PRA. These regulatory capital tests are based upon required levels of solvency capital and a series of prudent assumptions in respect of the type of business written by the Company.

Capital Management policies and objectives

The Company's objectives in managing its capital are:

- To match the profile of its assets and liabilities, taking account of the risks inherent in the business;
- To maintain financial strength to support new business growth;
- To satisfy the requirements of its policyholders and regulators; and
- To manage exposures to credit risk.

Restrictions on available capital resources (unaudited)

The capital held within shareholder's funds is generally available to meet any requirements. It remains the intention of the Directors to ensure that there is adequate capital to exceed the Company's regulatory requirements.

	2021	2020
	£000	£000
Solvency II position and capital statement		
Shareholder's funds	8,411	6,546
Adjustments on a regulatory basis	1,159	625
Total available capital resources	9,570	7,171

According to statutory solvency requirements at 31 March 2021 the company has £4,000k representing shareholder "equity" with the balance of surplus on this basis of £5,570k. This latter amount is partially represented by an asset of £1,159k (net of deferred tax) held within the long-term fund which does not qualify to be considered for distribution to shareholders. The total available capital resources are sufficient to meet the Solvency II capital requirements with ratios of own funds to meet its Solvency Capital Requirement and Minimum Capital Requirement of 257% and 287% respectively.