Registered Number
03104978

Mobius Life Limited

Report and Financial Statements

31 March 2023

Mobius Life Limited

Report and accounts Contents

Mobius Life Limited

Company information

Directors

I C Dawkins
J W Finch

Non-executive Directors

J R Evans
J T Perks
J S B Smith

Secretary

L E Voss

Auditors

Ernst and Young LLP
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Canary Wharf
London
E14 5EY

Registered office

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Registered number

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Strategic report

The directors present their Strategic Report on the Company's business for the year ended 31 March 2023.

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 and 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 ("DB") and defined contribution ("DC") schemes, giving pension trustees and advisers flexibility to create the most appropriate portfolio for their members within a highly regulated framework.

Business Performance

Assets under administration ("AUA") decreased by 17% to £19,323m (2022: £23,297), predominantly due to the market turmoil experienced in the UK and global markets and, of particular reference to Mobius, the UK Liability Driven Investment ("LDI") sector. From early 2022 global financial markets were significantly impacted by the effects of increased inflation, tighter monetary policy and the continuing conflict in Ukraine, which in aggregate resulted in a fall in invested asset values. In late September 2022, UK financial assets suffered a further severe repricing, particularly affecting long-dated gilts and DB schemes whose LDI strategies were under short-term pressure to meet collateral calls from the resulting price falls.

Net cash inflows from pension schemes during the year were £58.6m (2022: £35.5m) and were offset by negative market returns on underlying funds of £3,986m (2022: positive £989m).

Gross inflows and outflows both fell year on year. The Company did see a rise in the number of clients, however, to 760 at 31 March 2023 (2022: 742), an increase of 2.4% (2022: decrease of 5%).

Results

Profit before tax of £169k (2022: £2,863k) represents a decrease of 94% from prior year (2022: decrease of 31%). This decrease is predominantly driven by the fall in AUA and therefore revenues, as well as increasing costs, including headcount as the firm continues to invest for growth.

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. Also, a key trend that is expected to continue to shape the market over the coming years is the consolidation of pension schemes, through master trusts or 'super funds'.

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.

Key Performance Indicators ("KPIs")

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

	2023 £000	2022 £000	Change %
Assets under administration	19,322,757	23,296,590	(17)
Net cash inflows from pension schemes	58,592	35,454	65
Solvency II own funds*	10,365	10,346	0.2
Own funds as a ratio to meet Solvency Capital Requirement*	211%	280%	(25)
Other technical income	11,091	12,657	(12)
Profit before tax	169	2,863	(94)

**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 has decreased by 17% over the year, predominantly due to negative 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 £58.6m were 65% higher than prior year, as shown in note 17. The continuing challenges in cash inflows reflects the broader industry challenges arising from market uncertainty and increasing activity in defined benefit pension scheme buyouts.

Other technical income

Other technical income has decreased 12% over the year, mainly arising from the decrease in AUA and partly offset by a full year's worth of fee increases applied to defined benefit pension schemes (originally effected from 1st December 2021).

Profit before tax

Profit before tax has decreased 94% from the prior year, reflecting the lower revenues and the increase in costs, the latter predominantly headcount related.

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.

Principal risks and uncertainties (continued)

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.

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.

Continuing uncertainties in the financial markets, especially geo-political, may still impact the Company; however, it 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' surrender their policies in the coming years. Consolidation of pension schemes, through master trusts or super funds, is expected to continue and the number of DB schemes will continue to decline as they look to move to buy out. An allowance has been made for this in the business plan.

The Company does not have any direct investments in Russia or Ukraine and has only very little exposure through fund holdings. The Company has reviewed its position to ensure compliance with relevant sanctions. Given the Company's clients bear any market risk associated with their own investments, the investment performance of any funds with exposure to Russia and Ukraine has limited impact on the Company's business performance and capital position.

The same is true for the Company's exposure to any impacts on the value of financial assets from climate change or the transition to a low-carbon economy. In addition, the Company's clients are all either pension schemes or insurance companies and are subject to regulatory requirements to manage their climate-related financial risks: for this reason it is anticipated the Company does not have undue exposure to climate-risky assets.

The Company has an operational resilience framework that supports contingency planning for potential disruptions to systems and facilities, including the potential physical effects of climate change.

Based on external events and trends, the threat posed by a cyber security breach that could have significant impact on customer outcomes, strategic objectives, regulatory obligations and or the reputation and brand remain high. Potential attack vectors include phishing and business email compromise, hacking, data breach and supply chain compromise. However, ingress and egress points to the Company's environment are extremely limited, supporting effective management of this risk.

The Company is continually strengthening its cyber security controls, attack detection and response processes, identifying weaknesses through ongoing assessment and review. This includes regular vulnerability scanning, penetration testing and business continuity testing. The Company partners with external cyber security specialists to benefit from their expertise and up-to-date threat intelligence, including a Managed Service Provider, virtual Chief Information Security Officer service, and outsourced Security Operations Centre. The Information Security Oversight Committee provides internal oversight and challenge of the Company's information security and operational resilience

frameworks. There is also regular Board and Audit, Risk & Compliance Committee engagement on cyber risk topics.

Financial risk management objectives and policy

The Company 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 Company retains no material price, currency, liquidity, insurance or interest rate risk.

Financial risk management objectives and policy (continued)

As described in note 4, the Company 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 Company invests are unitised investments and carry no insurance risk. The Company 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.

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.

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

The likely consequence of any decision in the long term	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.
The interests of the Company's employees	The Company does not have any direct employees; Mobius Life Administration Services Limited employs all staff within the Mobius Life Group of companies. 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.

	Employees are kept appraised of business performance through regular presentations, at which they are provided with the opportunity to question and challenge senior management. Employee wellbeing is a key priority for the Group. Regular Company communications give prominence to employee wellbeing topics within which employees are reminded of their ability to access the Employee Assistance service which includes individual counselling sessions and varied wellbeing support in all aspects of employees' lives, most of which can now also be accessed by their immediate family. In addition, a group of mental health first aiders are trained to support employees and wellbeing webinars have been run by specialist external mental health consultants. All employees are eligible for company funded private medical insurance with comprehensive physical and mental health cover. Employees have been provided with additional equipment and information to ensure ergonomic home working and everyone continues to benefit from a flexible approach to hybrid working. The Company is committed to diversity and equality and is dedicated to empowering people to develop professionally, as well as personally. All employees receive diversity and unconscious bias training. Management development continued to be a priority with the continuation of roll-out of an ILM accredited training programme and specialised equality and diversity training for anyone in a senior leadership role or with people management responsibility.
The need to foster the Group's business relationships with suppliers, customers and others	Supplier relationships within the Mobius Life Group of companies are managed in accordance with the Mobius Life Third Party Management Policy. This includes standards for initial and ongoing due diligence and monitoring. Engagement with suppliers, customers and others is considered at both an individual entity level and a group level. 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. The Company regularly consults its clients and their advisers through a team of relationship managers. 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.
The impact of the Group's operations on the community and the environment	Engagement on environmental and community matters is considered at Topco level. The directors continue to engage a third party to review the group's management of environmental, social and governance matters on an annual basis. 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. Both Make A Wish and Wipe Away Those Tears, which support seriously and terminally ill children, benefited from the group's assistance during the financial year to 31 March 2023. Additionally, the DEC Appeals for Ukraine and for the Earthquake in Syria and Turkey received combined support from both employees and the Company. 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.

Strategic report (continued)

The desirability of the Group maintaining a reputation for high standards of business conduct.	Maintaining a reputation for, and upholding, high standards of business conduct is vital to the ongoing success of the Mobius Life Group. A rolling programme of training and development is ensured by mandatory monthly cyber, compliance and regulatory training for all staff and monitored by the Mobius Life Group Limited ("MLG") Information Security Oversight Committee and the MLG Audit, Risk & Compliance Committee. The Company was awarded the Professional Pensions Institutional Investment Platform of the Year Award in 2023 (following its success in winning the same award in 2019, 2020, 2021 and 2022).
The need to act fairly between members of the company.	The Company has a single member and is a wholly owned subsidiary of Mobius Life Group Limited.

This report was approved by the Board on 23 October 2023 and signed on its behalf by:

DocuSigned by:
Ian Dawkins
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I C Dawkins
Director
23 October 2023

Directors' report

The directors present their report and financial statements for the year ended 31 March 2023.

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
J W Finch (appointed 27 March 2023)
A P Swales (resigned 30 November 2022)

Non-executive directors

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

J R Evans
M Goodale (resigned 29 June 2023)
J T Perks (appointed 29 June 2023)
J S B Smith (appointed as Chairman 29 June 2023)

Dividends

No dividends were approved, paid or proposed during the year to 31 March 2023 (2022: £1,000k).

Going concern

After reviewing the Company's forecasts and projections for the next three reporting periods up to and including 31 March 2026, and considering possible scenarios surrounding the continuing market uncertainties which is discussed under "Principal risks and uncertainties", the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence up to 31 March 2026. 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.

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;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- 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.

Independent auditor

The Company's Board resolved to appoint Ernst & Young LLP ("EY") as its auditors on 10 April 2020, subsequent to which they were engaged by the Company on 11 June 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 EY as the Company's auditors. EY have indicated their willingness to continue.

This report was approved by the Board on 23 October 2023 and signed on its behalf by:

DocuSigned by:
Ian Dawkins
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I C Dawkins
Director
23 October 2023

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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 2023 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 2023 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. 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 2026. 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; and
- 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.

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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 2026.

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	• Inappropriate recognition of management fees (other technical income) • Valuation of assets held to cover linked liabilities
Materiality	• Overall materiality of £111k which represents 1% of other technical income.

An overview of the scope of our audit

Tailoring the scope

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, the potential impact of climate change and changes in the business environment when assessing the level of work to be performed.

Climate change

Stakeholders are increasingly interested in how climate change will impact Mobius Life Limited. The company has determined that the that the physical and transition risks from climate change do not currently pose a material risk to the company. These are explained on page 4 in the Strategic report and page 23 in the notes to financial statements. Our audit effort in considering climate change was focused on reviewing management's risk assessment of the impact of physical and transition risks and the resulting conclusion that there was no material impact from climate change and the adequacy of the disclosures in the financial statements which explain the rationale.

In planning and performing our audit we assessed the potential impacts of climate change on the company's business and any consequential material impact on its financial statements.

Based on our work we have not identified the impact of climate change on the financial statements to be a key audit matter or to impact a key audit matter.

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

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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
Inappropriate recognition of management fees (other technical income) – (31 March 2023: £11.09m; 31 March 2022: £12.66m) *Refer to the accounting policies (page 23) and Note 5 of the Financial Statements (page 28)* The management fees earned by Mobius Life Limited are calculated by the Mobius IT application and then manually posted to the general ledger. As these transactions are posted manually there is always a presumption that management has the opportunity to manipulate revenue through top up manual journal entries. Furthermore, the management fee is based on the unit linked assets, and therefore the existence and valuation of these assets impact the determination of the management fee.	• Understood, assessed and tested the design and operating effectiveness of key controls over the management fee processes; • We performed testing of the Invest Pro application control to gain comfort over the automatic fee calculation; • Performed testing of the relevant manual controls to gain comfort over the manual input of management fee rates; • We substantively tested the accuracy of the net asset value (NAV) inputs used to derive the management fees; • Reconciled the Invest Pro NAV and fees data to the general ledger to corroborate the accuracy and completeness of information; • Inspected the reconciliation between the general ledger and the Invest Pro for unusual journal entries; • Traced the revenue recognised within the general ledger to cash receipts; • Understood the valuation process to identify and test controls over the valuation of the assets and the calculation thereof during the year; • Obtained valuation of a sample of assets at the year-end using independent third-party sources; and • Obtained independent confirmations of investment holdings to verify the existence of a sample of investment holdings and to ensure the completeness of the investment portfolio.	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 2023.

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Risk	Our response to the risk	Key observations communicated to the Audit Committee
Valuation of assets held to cover linked liabilities – (31 March 2023: £19,323m; 31 March 2022: £23,297m) *Refer to accounting policies (page 23) and Note 11 of the Financial Statements (page 31)* Assets held to cover linked liabilities represent the most material element of the company's 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.	• We performed testing of the relevant manual controls to gain comfort over the daily transactions, which include the purchase, sale and daily valuation of investments; • We obtained valuation of a sample of assets at the year-end using independent third-party sources; and • We performed cut-off tests for a sample of assets to ensure liquidated assets are not recognised in the year-end financial statements.	Based on the results of our procedures we are satisfied with the valuation of assets held to cover linked liabilities at 31 March 2023.

In the prior year, our auditor's report included a key audit matter in relation to the existence and valuation of assets held to cover linked liabilities. In the current year, based on our risk assessment, we have updated our significant risk over linked assets to valuation only. This change has not had an impact on our testing approach and our audit procedures have remained unchanged.

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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 £111k, which is 1% of other technical income (2022: £143.5k which was 5% of profit before tax). Due to the combination of market volatility and non-recurring expenses, profit before tax has reduced significantly and no longer provides an appropriate measure for materiality. We believe that other technical income provides us with an appropriate alternative basis and reflects a more stable measure.

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% (2022: 75%) of our planning materiality, namely £83.2k (2022: £107k). We have set performance materiality at this percentage due to the low level of identified misstatements in the prior year audit.

Additionally, we recognise that the differences in respect of the assets held to cover linked liabilities and the technical provisions for the linked liabilities would offset each other with no net impact on the Profit and Total Comprehensive Income. As a result, we applied a higher testing threshold of £580m (2022: 698m) to our testing of assets held to cover linked liabilities and the related liabilities, being 3% (2022: 3%) 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 £5.5k (2022: £7.1k), 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 annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise toa material misstatement in the financial statements themselves. If, based on the work we have

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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 the 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 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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 9, 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.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the company and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are 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 Prudential Regulation Authority ('PRA') and the Financial Conduct Authority (FCA).
- We understood how the company is complying with these frameworks by making enquiries of management and through discussion with the Board. We also reviewed correspondence between the company and regulatory bodies; reviewed minutes of the Board and the Audit Committee; and gained an understanding of the company's approach to governance.
- 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 inappropriate recognition of management fees (other technical income). These procedures included testing manual journals and were designed to provide reasonable assurance that the financial statements were free from fraud or error.
- Based on this understanding, we designed our audit procedures to identify non-compliance with such 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 the PRA.

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.

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Other matters we are required to address

Following the recommendation from the Audit Committee 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 4 years, covering the years ending 31 March 2020 to 31 March 2023.

- 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.

Ernst & Young LLP

Edward Jervis (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London
23 October 2023

Mobius Life Limited

Statement of comprehensive income
for the year ended 31 March 2023
Technical Account – Long-term Business

	Notes	2023 £000	2022 £000
Investment income		131,882	84,000
Realised (losses)/gains on investments		(787,242)	1,380,842
Unrealised losses on investments		(3,330,651)	(475,581)
Net investment (loss)/return attributable to policyholders	17	(3,986,011)	989,261
Change in technical provisions		3,986,011	(989,261)
Result on policyholder funds attributable to the company		-	-
Other technical income	5	11,091	12,657
Operating expenses	6	(11,091)	(9,816)
Balance on long-term business technical account		-	2,841

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 2023
Non-Technical Account

	Notes	2023 £000	2022 £000
Balance on long-term business technical account		-	2,841
Operating profit		-	2,841
Income from investments		135	10
Interest income		34	12
Profit on ordinary activities before taxation		169	2,863
Tax on profit on ordinary activities	9	(13)	(555)
Total comprehensive income for the financial year		156	2,308

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 2023

	Notes	2023	2022
		£000	**£000**
Investments	10	2,454	2,440
Assets held to cover linked liabilities	11	19,322,757	23,296,590
Debtors	12	10,806	12,417
Tangible assets	13	39	58
Cash at bank & in hand		9,384	10,005
Prepayments		20	90
Total Assets		**19,345,460**	**23,321,600**
Equity & liabilities			
Called up share capital	15	4,000	4,000
Profit and loss account		5,875	5,719
Shareholders' equity & reserves		9,875	9,719
Technical provision for linked liabilities	17	19,322,757	23,296,590
Creditors: amounts falling due within one year	18	8,673	9,960
Accruals and deferred income	19	4,155	4,971
Provisions	20	-	360
Total liabilities		19,335,585	23,311,881
Total shareholders' equity & liabilities		**19,345,460**	**23,321,600**

DocuSigned by:
Ian Dawkins
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I C Dawkins
Director
Approved by the Board on 23 October 2023

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 2023

	Notes	Share capital £000	Profit and loss account £000	Total £000
At 1 April 2021		4,000	4,411	8,411
Total comprehensive income for the financial year		-	2,308	2,308
Dividend paid	16	-	(1,000)	(1,000)
At 31 March 2022		4,000	5,719	9,719
At 1 April 2022		4,000	5,719	9,719
Total comprehensive income for the financial year		-	156	156
Dividend paid	16	-	-	-
At 31 March 2023		4,000	5,875	9,875

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

1. General information

The Company is a private limited company incorporated in England and Wales, whose principal place of business and registered office is 3rd 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 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 'Schedule 3 of 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 3-year forecasts and projections up to 31 March 2026, including considering the continuing market volatilities and the Ukraine conflict, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence up to 31 March 2026. 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.

2. Basis of preparation (continued)

Climate Risk

Due to its business model the Company has limited exposure to climate-related risks. There is a small amount of indirect market risk exposure to transition risks from the move to low-carbon economy and the impact this has on asset valuation and hence Company revenues, as well as potential exposures to physical impacts of extreme weather events affecting its premises, data centres and third parties. These risks are regularly reviewed and are managed in line with the Company's broader risk management framework.

At the current time the Company does not consider climate risk to represent a significant area of judgement or of estimation uncertainty because the majority of the Company's financial assets are held at fair value and use quoted market prices or observable market inputs in their valuation. As at 31 March 2023, no material impacts on the Company's financial position, nor on the valuation of assets or liabilities on the Company's Balance Sheet as a result of climate change risk have been identified.

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 through profit or loss, 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.

3. Principal accounting policies (continued)

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

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 Company is authorised and regulated by the PRA as an insurance company, and many of the contracts into which the Company 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. Were 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.

Bank deposits with original maturity of over 3 months are treated as investments and measured at amortised cost.

Debtors

Debtors 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

3. Principal accounting policies (continued)

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.

Creditors

Creditors 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 (ie. 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.

3. Principal accounting policies (continued)

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.

Investment return

Investment income and expenses include dividends, distributions from collective investment schemes 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.

4. Management of financial risk (continued)

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

	2023 £000	2022 £000
Unit-linked business		
Debtors	5,519	5,604
Deposits with credit institutions	33,529	47,829
	39,048	53,433
Non linked		
Debtors	3,626	2,815
Deposits with credit institutions	11,838	12,445
Accrued income	7,192	9,692
	22,656	24,952
	61,704	78,385

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 2% (2022: 0.50%).

4. Management of financial risk (continued)

The pandemic, the Ukraine conflict and more recently the turmoil in the LDI sector 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 the impact of any similar incidents recurring.

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 £34k (2022: £12k).

5. Other technical income

	2023 £000	2022 £000
Gross fees deducted from investment managed funds	50,214	65,812
Fees collected on behalf of clients and paid to fund managers or reinvested in funds	(39,123)	(53,155)
Technical income	11,091	12,657

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 no longer 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

	2023 £000	2022 £000
Operating costs include:		
Depreciation of tangible assets	26	20
Operating lease expenses – land and buildings	195	224
Overhead allocation from MLAS	9,353	7,841
Fees payable for the audit of the Company accounts	202	145
Other costs	1,315	1,586
	11,091	9,816

Overhead allocations from MLAS represent the Company's share of group overhead cost allocations, which has increased year-on-year mainly from staff costs, as headcount increases, and inflation.

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 the Company.

Other costs include expenses such as legal and professional, actuarial and banking costs. In 2022, a provision was also included in respect of the Company's operational processes which is explained in more detail in note 20.

7. Directors' remuneration

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

	2023 £000	2022 £000
Remuneration	575	570
Compensation for loss of office	131	-
Contributions to money purchase pension schemes	-	-
	706	570

During the year no director (2022: none) participated in money purchase pension schemes.

The remuneration in respect of the highest paid director was:

	2023 £000	2022 £000
Remuneration	383	349
Contributions to money purchase pension schemes	-	-
	383	349

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. Taxation

	2023 £000	2022 £000
Analysis of charge in period		
Current tax:		
UK Corporation tax on result for the year	18	544
Adjustments in respect of prior periods	4	4
	22	548
Deferred tax:		
Deferred tax – current year	-	-
Adjustments in respect of prior periods	(9)	7
Tax on results for ordinary activities	13	555

9. Taxation (continued)

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:

	2023 £000	2022 £000
Profit on activities before taxation	169	2,863
Standard rate of corporation tax in the UK	19%	19%
	£000	£000
Profit on activities multiplied by the standard rate of corporation tax	32	544
Effects of:		
Expenses not deductible for tax purposes	(15)	-
Capital allowances less than depreciation	1	-
Adjustments to tax charge in respect of prior periods	(5)	11
Tax charge for period	13	555

The UK Government announced that with effect from 1 April 2023, the UK Corporation Tax rate will increase from 19% to 25%.

10. Investments

	2023 £000	2022 £000
Bank deposits with original maturity of over 3 months	2,300	2,275
Collective Investment Schemes invested in:		
- Money markets	39	47
- Other funds (seeding)	115	118
	2,454	2,440

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.

11. Assets held to cover linked liabilities

	2023 £000	2022 £000
Units in collective investment schemes	19,281,024	23,179,235
Bank balances	33,529	47,829
Outstanding settlements	2,685	63,922
Accrued fees	1,393	2,459
Debtors	4,126	3,145
	19,322,757	23,296,590

All investments held are Level 1.

12. Debtors

	2023 £000	2022 £000
Management fee receivable	6,480	8,480
Rebate receivable	691	1,099
Mobius Life Topco ("MLT")	6	-
Mobius Life Group Ltd ("MLG")	2,013	1,720
Mobius Life Holdings Ltd ("MLH")	1,251	356
Mobius Life Administration Services Ltd ("MLAS")	138	437
Deferred tax asset (see note 14)	9	-
Other debtors	218	325
	10,806	12,417

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

13. Tangible assets

	Leasehold improvements £000
Cost	
At 1 April 2022	71
Additions	7
At 31 March 2023	78
Depreciation	
At 1 April 2022	13
Charge for the year	26
At 31 March 2023	39
Carrying amount	
At 31 March 2023	39
At 31 March 2022	58

14. Deferred taxation assets

	2023 £000	2022 £000
Timing differences on capital allowances:	(9)	-

	2023 £000	2022 £000
At 1 April	-	7
Charge to the profit or loss	(9)	(7)
At 31 March	(9)	-

15. Share Capital

	Nominal Value	2023 Number	2023 £000	2022 £000
Allotted, called up and fully paid:				
Ordinary Shares	£1 each	4,000,000	4,000	4,000

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.

16. Dividends

Amounts receivable from and owed to other group companies are disclosed in notes 12 and 18.

	2023 £000	2022 £000
Dividends paid on ordinary shares	-	1,000
Dividends proposed after the reporting date	-	-

17. Technical provision for linked liabilities

	2023 £000	2022 £000
Net investment return attributable to policyholders	(3,986,011)	989,261
Amounts received from pension schemes	2,891,232	3,979,188
Amounts repaid to pension schemes	(2,832,640)	(3,943,734)
Movement in amounts awaiting investment/repayment	(12,724)	8,249
Fees – Mobius Life Limited	(11,090)	(12,657)
Net fees – fund managers and advisors	(22,600)	(28,618)
Change in liability in year	(3,973,833)	991,689
Technical provision for linked liabilities brought forward	23,296,590	22,304,901
Technical provision for linked liabilities carried forward	19,322,757	23,296,590

18. Creditors: amounts falling due within one year

	2023 £000	2022 £000
Trade creditors	5,700	7,315
Mobius Life Topco Ltd ("MLT")	-	1
Mobius Life Bidco Ltd ("MLB")	2	2
Corporation Tax	386	984
Other creditors	2,585	1,658
	8,673	9,960

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

19. Accruals and deferred income

	2023 £000	2022 £000
Accrued fees	3,276	4,150
Accrued expenses	879	821
	4,155	4,971

20. Provisions

	2023 £000	2022 £000
Provisions	-	360

At 31 March 2022, the Company had provided £360k in respect of expenditure which was committed in respect of ongoing projects focussed on the continuing enhancement of its operational processes. The work was completed during the year ended 31 March 2023 and no further provision is required.

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:

	2023 £000	2022 £000
Land and buildings		
Falling due:		
within one year	195	249
within two to five years	95	373
	290	622

The lease payments have been recognised as an expense during the period. The Company had no other capital or other commitments at 31 March 2023 (2022: £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' remuneration 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 12 and 18.

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 and its 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 3rd Floor, 20 Gresham Street, London EC2V 7JE.

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.

Solvency II position and capital statement (unaudited)

	2023 £000	2022 £000
Shareholder's funds	9,875	9,719
Adjustments on a regulatory basis	490	627
Total available capital resources	10,365	10,346

According to statutory solvency requirements at 31 March 2023 the company has £4,000k representing shareholder "equity" with the balance of surplus on this basis of £6,365k. This latter amount is partially represented by an asset of £762k (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 211% and 301% respectively.