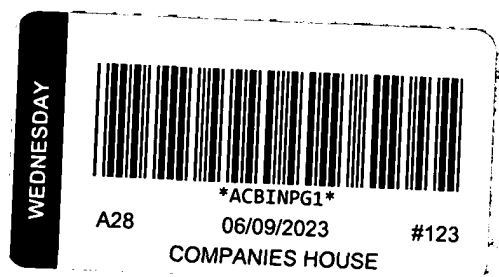


Engage Mutual Funds Limited

Annual report and financial statements

Registered number 03224780

Year ended 31 December 2022



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Directors' report

The Directors present their report and audited financial statements for the year ended 31 December 2022.

Going concern

During the year ended 31 December 2022, the company's principal activity was the provision of fund management services for Child Trust Fund (CTF) accounts. However, at the date of signing of these accounts, there are plans in place to transfer the trade to another group company. As the company is expected to cease trading within the next 12 months, the Directors have prepared the financial statements on a liquidation basis. The effect of this is explained in note 3.

Results and dividends

The profit after taxation for the year ended 31 December 2022 amounted to £1,458,471 (2021: £2,228,442). The Directors do not recommend the payment of a dividend for the year of 2022 (2021: £2,600,000).

Directors

The Directors who held office during the year and up to the date of signing were as follows:

S T Nyahasha	Chair and Chief Executive
N C Audhlam-Gardiner	Director (resigned 29 April 2022)
P J Herz	Director
J Islam	Director

No Director had any interest in the shares of the Company as at 31 December 2022 or as at 31 December 2021.

Directors' remuneration

The Company is required to comply with the FCA Remuneration Code. The Directors of the Company are not remunerated directly by the Company, they are remunerated by the parent company, Family Assurance Friendly Society Limited (FAFS) for their services to the Group as a whole. Details of the remuneration of the Directors can be found in note 6 to these accounts.

Qualifying third-party indemnity arrangements for the benefit of all the Company's Directors and the Company's parent and fellow subsidiaries were in force throughout the year and remain in force.

Provision of information to the auditor

Each of the persons who are Directors at the time when this Directors' report is approved has confirmed that:

- so far as that Director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- that Director has taken all the steps that ought to have been taken as a Director in order to be aware of any information needed by the Company's auditor in connection with preparing their report, and to establish that the Company's auditor is aware of that information.

Directors' report (continued)

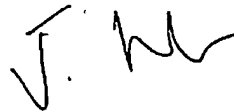
Auditor

Following the completion of an audit tender for the audit of the OneFamily Group, Deloitte LLP were appointed, in July 2022, as auditor of the Company. Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and Deloitte LLP will therefore continue in office.

Signed for and on behalf of the Board:



P Herz
Director



J Islam
Director

16-17 West Street
Brighton
East Sussex
BN1 2RL

14 April 2023

Statement of Directors' responsibilities in respect of the directors' report and the financial statements

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

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), 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;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so (as explained in note 3, the directors do not believe that it is appropriate to prepare these financial statements on a going concern basis).

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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Independent auditor's report to the member of Engage Mutual Funds Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Engage Mutual Funds Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the profit and loss account and other comprehensive income;
- the statement of financial position;
- the statement of changes in equity;
- the related notes 1 to 14.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

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 Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter – Financial statements prepared other than on a going concern basis

We draw attention to note 3a and 3b in the financial statements, which indicates that the financial statements have been prepared on a basis other than that of a going concern. Our opinion is not modified in respect of this matter.

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 our 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 to a material misstatement in the financial statements themselves. If, based on the work we have

Independent auditor's report to the member of Engage Mutual Funds Limited (continued)

Other information (continued)

performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Extent to which 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 material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management, internal audit, risk and compliance and the directors about their own identification and assessment of the risks of irregularities, including those that are specific to the company's business sector.

We obtained an understanding of the legal and regulatory frameworks that the company operates in, and identified the key laws and regulations that:

Independent auditor's report to the member of Engage Mutual Funds Limited (continued)

Extent to which the audit was considered capable of detecting irregularities, including fraud (continued)

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act, tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty. These included regulatory solvency requirements and the wider regulations of the Financial Conduct Authority.

We discussed among the audit engagement team including relevant internal specialists such as tax and IT, regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management, internal audit and in-house legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance, reviewing internal audit reports and reviewing correspondence with the Financial Conduct Authority.

Report on other legal and regulatory requirements

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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

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 any material misstatements in the directors' report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Independent auditor's report to the member of Engage Mutual Funds Limited (continued)

Matters on which we are required to report by exception (continued)

We have nothing to report in respect of these matters.

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.



Tom Noble (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
Bristol, UK

14 April 2023

**Profit and loss account and other comprehensive income
for the year ended 31 December 2022**

	Notes	2022 £	2021 £
Turnover	4	3,797,427	4,032,500
Administrative expenses		(1,978,956)	(1,804,058)
Profit before taxation	5	1,818,471	2,228,442
Tax on profit	8	(110,000)	-
Profit for the financial year		1,708,471	2,228,442
Other comprehensive income		-	-
Total comprehensive income for the financial year		1,708,471	2,228,442

The notes on pages 11 to 16 form an integral part of the financial statements.

**Statement of financial position
as at 31 December 2022**

Registered no: 03224780

	Notes	2022 £	2021 £
Current assets			
Debtors	9	1,364,850	873,538
Cash and cash equivalents	10	1,848,299	785,981
		<u>3,213,149</u>	<u>1,659,519</u>
Current liabilities			
Corporation tax provision	8	(110,000)	-
Creditors: Amounts falling due within one year	11	(227,351)	(492,192)
		<u></u>	<u></u>
Net assets		<u>2,875,798</u>	<u>1,167,327</u>
Capital and reserves			
Called up share capital	12	100,000	100,000
Profit and loss account		<u>2,775,798</u>	<u>1,067,327</u>
Equity shareholder's funds		<u>2,875,798</u>	<u>1,167,327</u>

The notes on pages 11 to 16 form an integral part of the financial statements.

The financial statements were approved by the Board of Directors on 14 April 2023 and signed on its behalf by:

Philippa Herz

J. Islam

P Herz
Director

J Islam
Director

**Statement of changes in equity
for the year ended 31 December 2022**

	Called up share capital £	Profit and loss account £	Total £
As at 1 January 2021	100,000	1,438,885	1,538,885
Total comprehensive income: Profit for the year	-	2,228,442	2,228,442
Dividend distribution	-	(2,600,000)	(2,600,000)
As at 31 December 2021	100,000	1,067,327	1,167,327
As at 1 January 2022	100,000	1,067,327	1,167,327
Total comprehensive income: Profit for the year	-	1,708,471	1,708,471
Dividend distribution	-	-	-
As at 31 December 2022	100,000	2,775,798	2,875,798

The notes on pages 11 to 16 form an integral part of the financial statements.

Notes to the financial statements

1 General information

Engage Mutual Funds Limited provides fund management services for Child Trust Fund (CTF) accounts.

Engage Mutual Funds Limited is a private company limited by shares and incorporated in England and Wales and domiciled in the UK. The address of its registered office is 16-17 West Street, Brighton, BN1 2RL.

2 Statement of compliance

The individual financial statements have been prepared in accordance with applicable United Kingdom Accounting Standards, including Financial Reporting Standard 102 "*The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland*" ("FRS 102") as it applies to the financial statements for the year ended 31 December 2022.

3 Summary of significant accounting policies

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

a) Basis of preparation

The intention of the Directors is to transfer the trade to another group company. Consequently, the financial statements for the current period have not been prepared on a going concern basis. The Directors have considered the carrying value of the Company assets and consider the assets to be held at their net realisable value and accordingly no impairment has been recognised.

The presentation and functional currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1.

b) Going concern

As the Directors intend to transfer the trade to another group company, they have prepared the financial statements on a liquidation basis.

c) Exemptions for qualifying entities under FRS 102

FRS 102 allows a qualifying entity certain disclosure exemptions. The Company's parent undertaking, Family Assurance Friendly Society Limited (FAFS), includes the Company in its consolidated financial statements, which are available to the public by request to the address shown in note 14 or at www.onefamily.com/company-information/financial-reports. In these financial statements, the Company is considered to be a qualifying entity (for the purposes of FRS 102) and has applied the exemptions available under FRS 102 in respect of financial instrument disclosures, key management personnel compensation disclosures and the presentation of the cash flow statement and related notes.

The Company has taken advantage of an exemption from FRS102.33.1A not to disclose transactions with Family Assurance Friendly Society Limited's group undertakings as they are fully controlled by FAFS.

In the opinion of the Directors, there are no mandatory new accounting policies applicable in the current period that are relevant or material to the Company. Consequently, no such mandatory new accounting policies are listed.

Notes to the financial statements (continued)

3 Summary of significant accounting policies (continued)

d) Revenue recognition

Fee income receivable in relation to commission on funds under management net of trade discounts, is recognised when the services are provided, to the extent the amounts are considered recoverable.

e) Interest

Interest receivable represents interest receivable on Company bank and deposit accounts and is recognised in the profit or loss account as it accrues.

f) Expenses

Expenses are recognised when they are incurred. Expenses include a service charge payable by the Company to other group entities in respect of certain expenses.

g) Current tax

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws enacted or substantially enacted at the balance sheet date.

h) Deferred tax

Except as set out in FRS102, deferred tax is provided on timing differences that have originated but not reversed by the balance sheet date. Deferred tax assets are recognised only to the extent that it is regarded as more likely than not that they will be recovered.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantially enacted at the balance sheet date. Deferred tax balances are not discounted.

i) Basic financial instruments

Financial assets

Basic financial assets, including trade and other debtors are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses. At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired an impairment loss is calculated, representing the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

Financial assets are derecognised when (i) the contractual rights to the cash flows from the asset expire or are settled, or (ii) substantially all the risks and rewards of ownership of the asset are transferred to another party or (iii) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

Trade debtors are amounts due for goods or services that have been provided in the ordinary course of business. Trade and other debtors are classified as current assets if receipt is due within one year or less. If not, they are presented as non-current assets.

Cash and cash equivalents

Cash and cash equivalents represent cash at bank and other short-term, highly liquid investments that are readily convertible to known amounts of cash and that are subject to an

Notes to the financial statements (continued)

3 Summary of significant accounting policies (continued)

insignificant risk of changes in value with a short maturity of three months or less from the date of acquisition.

Financial liabilities

Basic financial liabilities including trade and other creditors are initially recognised at transaction price. Subsequent to initial recognition they are measured at amortised cost using the effective interest method. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of interest for a similar debt instrument. Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade and other creditors are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

j) Called up share capital

Ordinary shares are classified as equity and the holders of such shares are entitled to full voting rights.

k) Distributions to equity shareholder

Dividends and other distributions the Company's shareholder are recognised as a liability in the financial statements in the period in which the dividends and other distributions are approved by the Company's directors. These amounts are recognised in the statement of changes in equity.

l) Accounting estimates and judgements

Key sources of estimation uncertainty

Deferred tax assets are recognised only to the extent that it is regarded as more likely than not that they will be recovered. In making this assessment estimates are made of future profits. There is uncertainty on the timing and level of these future profits and therefore on the associated deferred tax asset.

Critical Accounting Judgements

No judgements have been made in applying the Company's accounting policies.

4 Turnover

The total turnover of the Company derives from its principal activity, wholly undertaken in the United Kingdom, and is stated exclusive of value added tax.

5 Profit before taxation

	2022	2021
	£	£
Profit before taxation is stated after charging:		
Amounts receivable by the Company's auditor and its associates in respect of:		
Audit of these financial statements (Inc. VAT)	12,900	9,646

Fees paid to Deloitte LLP (2021: KPMG LLP) for non-audit services and the audit of associated companies are disclosed in the consolidated accounts of the ultimate parent company (FAFS) on a consolidated basis. The Company's auditor did not provide any non-audit services during the year (2021: nil).

Notes to the financial statements (continued)

6 Directors' emoluments

All directors were remunerated by the parent company, Family Assurance Friendly Society Limited (FAFS), for their services to the Group as a whole. No direct charge has been made to the Company in respect of the emoluments of these directors as they were not specifically remunerated for their services to the Company. Accordingly, no emoluments are disclosed in respect of the directors. Directors of the Company that are not directors of FAFS are classified as Key Management Personnel of FAFS. Details of the remuneration of directors of the Group, and of Key Management Personnel, can be found in the Annual Report and Consolidated Financial Statements of FAFS, which is available from the FAFS Secretary at the address in Note 14.

7 Employees

There are no employees directly employed by the Company (2021: nil). A service charge is payable by the Company to the parent company, Family Assurance Friendly Society Limited (FAFS), in respect of certain expenses (including salary and staff related costs), as well as for other operational and support costs.

8 Taxation

a) Analysis of charge in the year

	2022	2021
	£	£
<i>Current tax:</i>		
Current tax on income for the year	110,000	-
Total current tax	110,000	-
Total deferred tax	-	-
Tax charge for the year (note 8(b))	-	-

b) Factors affecting the tax charge for the year

The tax assessed for the year is higher (2021: lower) than the main rate of corporation tax in the UK (19%) (2021: 19%). The differences are explained below:

	2022	2021
	£	£
Profit before tax	1,818,471	2,228,442
Profit multiplied by main rate of corporation tax in the UK of 19% (2021: 19%)	345,509	423,404
<i>Effects of:</i>		
Group relief	(235,509)	(423,404)
Adjustments in respect of prior years	-	-
Total tax charge for the period (note 8(a))	110,000	-

Notes to the financial statements (continued)

c) Factors that may affect future tax charges

An increase in the UK corporation tax rate from 19% to 25% (effective 1 April 2023) was substantively enacted on 24 May 2021. This will increase the company's future current tax charge accordingly.

The Company has no trading losses carried forward for tax purposes (2021: £nil), for offsetting against future trading profits.

9 Debtors

	2022 £	2021 £
Amounts falling due within one year:		
Amounts due from group undertakings: fellow subsidiaries	899,424	339,195
Other debtors	465,426	534,343
	<u>1,364,850</u>	<u>873,538</u>

10 Cash and cash equivalents

	2022 £	2021 £
Cash at bank	<u>1,848,299</u>	<u>785,981</u>
	<u>1,848,299</u>	<u>785,981</u>

11 Creditors: Amounts falling due within one year

	2022 £	2021 £
Amounts due within one year:		
Amounts owed to group undertakings: parent company	<u>227,351</u>	<u>492,192</u>
	<u>227,351</u>	<u>492,192</u>

12 Called up share capital

	2022 £	2021 £
Called up share capital		
Allotted, issued and fully paid up £1 ordinary shares:		
In issue 100,000 ordinary shares as at 1 January	<u>100,000</u>	<u>100,000</u>
In issue as at 31 December	<u>100,000</u>	<u>100,000</u>

Notes to the financial statements (continued)

13 Related party disclosures

The Company has taken advantage of an exemption from FRS102.33.1A not to disclose transactions with the parent company, Family Assurance Friendly Society Limited's (FAFS) group undertakings as they are fully controlled by the Society. Balances with Family Assurance Friendly Society Limited's group undertakings are shown in notes 9 and 11.

No member of key management personnel, being any person having authority and responsibility for planning, directing, or controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise) of the Company, nor their close family, had a material transaction with the Company.

14 Registered office and ultimate parent

The registered office of Engage Mutual Funds Limited is the same address as its parent company below. The immediate and ultimate parent company is Family Assurance Friendly Society Limited, a Friendly Society incorporated in England and Wales in accordance with the Friendly Societies Act 1992. Copies of the ultimate parent's consolidated financial statements may be obtained from:

The Secretary
Family Assurance Friendly Society Limited
16-17 West Street
Brighton
East Sussex
BN1 2RL