

Registered number
05754821


Mobius Life Administration Services Limited

Report and Financial Statements

31 March 2020

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Mobius Life Administration Services Limited

Report and accounts

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Mobius Life Administration Services Limited

Company Information

Directors

A P Swales

Non-executive Directors

J R Evans
M Goodale
J S B Smith

Secretary

L Voss

Auditors

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

Registered office

7th Floor
20 Gresham Street
London
EC2V 7JE

Registered number

05754821

Mobius Life Administration Services Limited

Strategic Report

The directors present their strategic report on the Company's business for the year ended 31 March 2020.

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

Review of the Business

The Company provides investment administration services to insurance companies and trustees of pension schemes, and acts as a service company for the Group, of which MLL is the principal operating entity. MLL is an institutional pension platform business, operating through a regulated life insurance company structure.

The Company's revenue is generated by the recharge of costs incurred on behalf of other group companies and fees earned for undertaking administration activities. Its directors are satisfied with the company's performance, are encouraged by the opportunities open to it, and continue to develop the administration business.

Business performance

The Company earned revenue providing administration services which resulted in it making a profit in the current year.

Results

The profit after tax for the financial year amounted to £407,285 (2019: £108,987).

MLG, the Company's immediate parent undertaking, intends to support the Company financially for the next 12 months, allowing the Company to be able to pay its debts as and when they fall due, and continue in operation without any intention or necessity to liquidate or otherwise wind up its operations.

Products and services

The Company provides investment administration services to insurance companies and trustees of pension schemes. Services include creation of white-labelled funds, trigger monitoring and reporting.

Strategy

The business strategy is for the Company continually to provide its investment administration services to insurance companies and trustees of pension schemes and intends to grow this business into the future.

Key Performance Indicators ("KPIs")

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

	2020 £	2019 £
Profit before tax	<u>295,686</u>	<u>138,667</u>

The Company made a profit in the current year in line with expectations and is expected to make profits in future.

Mobius Life Administration Services Limited

Strategic Report (continued)

Principal risks and uncertainties

The directors consider the Company's primary economic risks to be the impact of a severe and prolonged market downturn as this would impact revenues, the failure to control expenses, reliance on a limited number of clients and operational risk.

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

The Company operates an established risk management programme, which is facilitated through the implementation and ongoing monitoring of policies, procedures and internal controls. Directors conduct a regular formal review of the risks facing the business and take remedial action where deficiencies in controls are identified. The directors recognise that the business 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 successfully navigating the operational and IT hurdles presented by the COVID-19 pandemic with no interruption to its operations. Changes in financial markets associated with the pandemic may impact the Company; however, the Company is well positioned to weather any adverse shocks.

The Group's principal operating subsidiary, MLL, is subject to the UK's Solvency 2 regime, whereby it is required to hold capital to ensure it can withstand significant severe adverse scenarios.

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.

Mobius Life Administration Services Limited

Strategic Report (continued)

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	<p>The Company employs all staff within the Mobius Life Group of companies.</p> <p>Engagement with employees is considered at group level by the Board of Mobius Life Topco Limited ("Topco") and also by the Topco Remuneration Committee which ensures adherence to the Topco Remuneration Policy. The Remuneration Policy and practices for the Topco Group comply with the remuneration requirements of Articles 275 of the Solvency II regulations and with the European Insurance and Occupational Pensions Authority's (EIOPA) 'Guidance on Systems of Governance' and, wherever possible, meet the standards set out in the UK Corporate Governance Code published by the Financial Reporting Council.</p> <p>Employees are kept apprised of business performance through monthly management information and regular presentations, at which they are provided with the opportunity to question and challenge senior management.</p> <p>The Board consulted employees through the issue of an Employee Engagement Survey to determine the effects of the Covid-19 pandemic and the impact of home-working on employees. A risk assessment of the office was carried out to enable employees to return to the office on an ad-hoc basis.</p> <p>Throughout the Covid-19 pandemic, Topco's directors have met regularly to discuss the impact of the pandemic on employees and also to agree and take appropriate actions to safeguard all employees' wellbeing. Employees are regularly reminded of their ability to access the Employee Assistance service which includes individual counselling where relevant. Employees have been provided with additional equipment and information to ensure ergonomic home working. All employees have received individual wellbeing check-in calls from HR and managers have continued to have regular 121s and team meetings.</p> <p>The Company is committed to diversity and, equality and is dedicated to empowering people to develop professionally, as well as personally.</p>

Mobius Life Administration Services Limited

Strategic Report (continued)

<p>The need to foster the Company's business relationships with suppliers, customers and others</p>	<p>Supplier relationships within the Mobius Life Group of companies are managed in accordance with the Mobius Life Outsourcing Policy. Engagement with suppliers, customers and others is considered at both an individual entity level and a group level.</p> <p>The Company works responsibly with its suppliers. The Company has a number of key suppliers which support a full suite of services to the Company under either a Service Agreement or an Investment Management Agreement.</p> <p>The Company regularly consults its clients through a team of relationship managers. The Board of Directors receives reports from the Client Managers on a monthly basis and as part of the quarterly Board cycle.</p> <p>The Board receives reports monthly and as part of the quarterly Board cycle from each relevant business function which oversees the services the Company provides. Representatives from these business areas attend the Board meetings to present their reports and address challenge from both executive and non-executive directors.</p>
<p>The impact of the Company's operations on the community and the environment</p>	<p>Engagement on environmental and community matters is considered at Topco level.</p> <p>During the period the directors engaged a third party to review the group's management of environmental, social and governance matters. The recommendations are being reviewed with a view to implementing further measures to support the environment and community.</p> <p>The Company is committed to supporting investment approaches that incorporate environmental, social and corporate governance considerations in order to support the interests and needs of clients. This is governed by the group's Environmental, Social and Corporate Governance Policy.</p>
<p>The desirability of the Company maintaining a reputation for high standards of business conduct</p>	<p>Maintaining a reputation for, and upholding, high standards of business conduct is vital to the ongoing success of the Mobius Life group, including the Company.</p>
<p>The need to act fairly between members of the company.</p>	<p>The Company has a single member and is a wholly owned subsidiary of Mobius Life Group Limited.</p>

This report was approved by the Board on 28 September 2020 and signed on its behalf by:

A. P. Swales

A P Swales

Director

28 September 2020

Mobius Life Administration Services Limited

Directors' Report

The directors present their report and financial statements for the year ended 31 March 2020.

Principal activities

The Company, a subsidiary of Mobius Life Holdings Limited ("MLH"), is an operating subsidiary of the Mobius Life group of companies.

On 2 April 2019, Souter FT Limited and MLH's other shareholders entered into a share purchase agreement with Mobius Life Bidco Limited ("MLB") whereby they agreed to sell their existing shares in MLH, and therefore its investments in its subsidiaries, to MLB. The purchase was satisfactorily concluded, after receipt of regulatory approval, on 30 September 2019 whereby Phoenix Equity Holdings LLP ("Phoenix") became the ultimate controlling party. Mobius Life Topco Limited, MLB's immediate parent, and its subsidiaries comprise the Group.

Directors

The following served as directors during the year:

Directors

L I Catterick (resigned 18 December 2019)
S S Pereira (resigned 2 August 2019)
A P Swales
C Trebilcock (resigned 20 November 2019)

Non-Executive Directors

M Christophers (resigned 18 December 2019)
J R Evans (appointed 8 July 2020)
M Goodale
A J Macfie (resigned 30 September 2019)
J S B Smith (appointed 18 December 2019)

Dividends

No dividend (2019: nil) was approved, paid or recommended during the year.

Going concern

After reviewing the Company's forecasts and projections for the next three reporting periods up to and including 31 March 2023, and considering possible scenarios surrounding the COVID-19 pandemic, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The Company therefore continues to adopt the going concern basis in preparing its financial statements.

Future developments

The directors aim to maintain the management policies which have resulted in the Company's continued growth in recent years.

Mobius Life Administration Services Limited

Directors' Report (continued)

The impact of Covid-19

The COVID-19 pandemic led to a period of market falls and increased volatility at the end of the financial period which increased uncertainty and the risk of operational errors. It also led the Company to transition to home working. The associated operational and IT hurdles have been successfully managed. This highlights the benefit of having a well-diversified business, which has resulted in a negligible impact on revenues.

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

Statement of Directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable laws), including FRS 102, "The Financial Reporting Standard applicable in the UK and Republic of Ireland". Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume the company will continue in business.

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

Directors' qualifying third party and pension scheme indemnity provisions

The Company is party to a group wide indemnity policy 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 year 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 he is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Mobius Life Administration Services Limited

Directors' Report (continued)

Independent auditor

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

This report was approved by the board on 28 September 2020 and signed on its behalf by:



A P Swales

Director

28 September 2020

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

Opinion

We have audited the financial statements of Mobius Life Administration Limited (the 'company') for the year ended 31 March 2020 which comprise Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and the related notes 1 to 16, 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 2020 and of its profit for the year then ended;
- ▶ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- ▶ have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, 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

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

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

The UK Firm Ernst & Young LLP is a limited liability partnership registered in England and Wales with registered number OC300001 and is a member firm of Ernst & Young Global Limited.

A list of members' names is available for inspection at 1 More London Place, London SE1 2AF, the firm's principal place of business and registered office. Ernst & Young LLP is a multi-disciplinary practice and is authorised and regulated by the Institute of Chartered Accountants in England and Wales, the Solicitors Regulation Authority (authorisation number 614947), the Financial Conduct Authority (registration number 196203) and other regulators. Further details can be found at <http://www.ey.com/UK/en/Home/Legal>

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.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements 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.

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.

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

Ed Jervis (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London
29 September 2020

Mobius Life Administration Services Limited
Statement of Comprehensive Income
for the year ended 31 March 2020

	Notes	2020 £	2019 £
Turnover	4	7,157,508	5,487,805
Administrative expenses		(6,861,822)	(5,349,137)
Operating profit	5	<u>295,686</u>	<u>138,667</u>
Profit on ordinary activities before tax		295,686	138,667
Taxation	8	111,599	(29,680)
Profit for the financial year after tax		<u>407,285</u>	<u>108,987</u>
Other comprehensive income		-	-
Total comprehensive income for the financial year		<u>407,285</u>	<u>108,987</u>

All the above amounts are in respect of continuing operations.

The notes on pages 17 to 25 form an integral part of these financial statements.

Mobius Life Administration Services Limited**Statement of Financial Position****as at 31 March 2020****Company number: 05754821**

	Notes	2020 £	2019 £
Fixed assets			
Intangible assets	9	225,940	424,178
Tangible assets	10	<u>47,700</u>	<u>22,051</u>
		273,640	446,229
Current assets			
Debtors	11	1,224,495	3,262,117
Cash at bank and in hand		<u>124,029</u>	<u>86,688</u>
		1,348,524	3,348,805
Creditors: amounts falling due within one year	12	<u>(1,173,014)</u>	<u>(3,753,169)</u>
Net current assets/(liabilities)		175,510	(404,364)
Total assets less current liabilities		<u>449,150</u>	<u>41,865</u>
Net assets		<u>449,150</u>	<u>41,865</u>
Shareholders' equity & reserves			
Called up share capital	14	1,000,001	1,000,001
Profit and loss account		<u>(550,851)</u>	<u>(958,136)</u>
Total shareholders' equity		<u>449,150</u>	<u>41,865</u>


A P Swales**Director****Approved by the Board on 28 September 2020 and signed on 28 September 2020****The notes on pages 17 to 25 form an integral part of these financial statements.**

Mobius Life Administration Services Limited
Statement of Changes in Equity
for the year ended 31 March 2020

	Called-up share capital £	Profit and loss account £	Total £
At 1 April 2018	1,000,001	(1,067,123)	(67,122)
Total comprehensive income for the financial year	-	108,987	108,987
At 31 March 2019	<u>1,000,001</u>	<u>(958,136)</u>	<u>41,865</u>
At 1 April 2019	1,000,001	(958,136)	41,865
Total comprehensive income for the financial year	-	407,285	407,285
At 31 March 2020	<u>1,000,001</u>	<u>(550,851)</u>	<u>449,150</u>

The notes on pages 17 to 25 form an integral part of these financial statements.

Mobius Life Administration Services Limited

Notes to the Accounts

for the year ended 31 March 2020

1. General information

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

2. Basis of preparation

The financial statements have been prepared in accordance with applicable UK accounting standards, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' ('FRS 102'), and with the Companies Act 2006.

The company has applied FRS 102 as issued in March 2018, reflecting the amendments made as part of the Triennial Review 2017, although these amendments have had no material impact on the financial statements.

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

Going concern

After reviewing its forecasts and projections, including considering the possible developments of and volatilities surrounding the COVID-19 pandemic, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The Company therefore continues to adopt the going concern basis in preparing its financial statements, which the directors consider appropriate due to the continued financial support of its parent company, Mobius Life Group Limited (MLG). The directors have received confirmation that MLG intends to support the company for at least one year after these financial statements are signed.

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 which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss. Mobius Life Limited is a wholly owned subsidiary and is included in this consolidation. Note 17 provides details of whence those consolidated financial statements may be obtained.

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.

Mobius Life Administration Services Limited

Notes to the Accounts

for the year ended 31 March 2020 (continued)

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. Apart from the calculation and allocation of intercompany expenses, 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.

3. Principal accounting policies

Turnover

Turnover is measured as the fair value of the consideration received or receivable, net of discounts and value added taxes.

Turnover represents revenue earned from the rendering of services to other entities in the Mobius Life group and from administration services provided to clients.

Intangible assets

Intangible assets are measured at cost less accumulated amortisation and any accumulated impairment losses.

Software development costs are recognised as an intangible asset when all the following criteria are demonstrated:

- the technical feasibility of completing the software so that it will be available for use or sale;
- the intention to complete the software and use or sell it;
- the ability to use the software or to sell it;
- how the software will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the software; and
- the ability to measure reliably the expenditure attributable to the software during its development.

Amortisation is charged to allocate the cost of intangibles less their residual values over their estimated useful lives, using the straight-line method. The intangible assets are amortised over the following useful economic life:

- | | |
|------------------------------|-----------|
| - Software development costs | 1-3 years |
|------------------------------|-----------|

If there is an indication that there has been a significant change in amortisation rate or residual value of an asset, the amortisation of that asset is revised prospectively to reflect the new expectations.

Tangible assets

Tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life, as follows:

- | | |
|--------------------------|--|
| Computer hardware | 3 - 5 years |
| Communications equipment | 4 years or, if shorter, life of property lease |
| Furniture | 7 years |

Mobius Life Administration Services Limited

Notes to the Accounts

for the year ended 31 March 2020 (continued)

3. Principal accounting policies (continued)

Debtors

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

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

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

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

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

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

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

Taxation

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

Deferred tax is recognised in respect of all timing differences at the reporting date, except as otherwise noted, between the recognition of total comprehensive income in the financial statements and its inclusion in tax assessments. Deferred tax assets are only recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Unrelieved tax losses and other deferred tax assets are recognised only 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 liabilities are presented within the provisions for liabilities and deferred tax assets within debtors.

Mobius Life Administration Services Limited

Notes to the Accounts

for the year ended 31 March 2020 (continued)

3. Principal accounting policies (continued)

Provisions

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

Foreign currency translation

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

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

Pensions

Contributions to defined contribution plans are expensed in the period to which they relate.

4. Analysis of turnover

	2020 £	2019 £
Services rendered to group companies	6,623,848	5,072,319
Administration of investment instructions	533,660	415,486
	<u>7,157,508</u>	<u>5,487,805</u>

The Company's main business is the administration of investment instructions for insurance companies and pension schemes and the provision of services to companies in the Mobius Life group. All receipts are derived from contracts concluded in the United Kingdom.

5. Operating profit

	2020 £	2019 £
This is stated after charging:		
Directors' emoluments	48,299	33,018
Staff costs	4,610,476	3,672,885
Other staff costs	244,533	191,872
IT costs	901,427	745,371
Insurances	242,724	173,888
Other costs	541,949	282,275
Depreciation of owned fixed assets	18,134	17,420
Amortisation of intangibles	<u>254,220</u>	<u>232,408</u>

The Company's audit costs are borne by Mobius Life Limited, a fellow subsidiary.

Mobius Life Administration Services Limited

Notes to the Accounts

for the year ended 31 March 2020 (continued)

6. Directors' emoluments

	2020 £	2019 £
Emoluments	47,640	32,432
Contributions to money purchase pension schemes	659	586
	<u>48,299</u>	<u>33,018</u>

The executive directors are employed and paid by the Company with the costs being recharged to fellow group companies based on an allocation of time spent on matters affecting each. The emoluments above are residual amounts attributable to the Company.

During the year, one director (2019: two directors) participated in money purchase pension schemes.

The remuneration in respect of the highest paid director was:

	2020 £	2019 £
Emoluments	24,425	12,679
Contributions to money purchase pension schemes	-	-
	<u>24,425</u>	<u>12,679</u>

7. Staff costs

	2020 £	2019 £
Staff costs during the year were:		
Wages and salaries	3,873,272	3,060,155
Social security costs	501,881	415,761
Other pension costs	235,323	196,969
	<u>4,610,476</u>	<u>3,672,885</u>

The company operates a defined contribution group pension scheme for employees and directors. The assets of the scheme are invested on the instructions of each employee into collective investment schemes operated by independent asset managers.

	2020 Number	2019 Number
Average number of employees during the year		
Administration	36	34
Sales	3	3
	<u>39</u>	<u>37</u>

Mobius Life Administration Services Limited

Notes to the Accounts

for the year ended 31 March 2020 (continued)

8. Taxation

	2020 £	2019 £
Analysis of charge in period		
Current tax:		
UK corporation tax on results for the period	81,862	10,370
Adjustments in respect of previous periods relating to research & development expenditure	<u>(193,461)</u>	<u>(25,400)</u>
	<u>(111,599)</u>	<u>(15,030)</u>
Deferred tax:		
Origination and reversal of timing differences	-	23,215
Adjustments in respect of prior periods	-	21,495
	<u> </u>	<u> </u>
Tax (credit)/charge on profit on ordinary activities	<u>(111,599)</u>	<u>29,680</u>

Factors affecting tax charge for period

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

	2020 £	2019 £
Profit on activities before taxation	<u>295,686</u>	<u>138,667</u>
Standard rate of corporation tax in the UK	19%	19%
	£	£
Profit on ordinary activities multiplied by the standard rate of corporation tax	56,180	26,347
Effects of:		
Expenses not deductible for tax purposes	7,654	10,292
Movement in deferred tax unrecognised	18,028	(3,054)
Adjustments to tax charge in respect of previous period	(193,461)	(3,905)
	<u> </u>	<u> </u>
Total tax (credit)/charge for period	<u>(111,599)</u>	<u>29,680</u>

A reduction in the UK corporation tax rate from 19% to 17%, which was due to be effective from 1 April 2020, was enacted in September 2016. In the Spring Budget 2020, the Government announced that from 1 April 2020 the rate would remain at 19%, rather than reducing. As this new law was substantively enacted on 17 March 2020, the effect of the 19% rate has been included in these financial statements at 31 March 2020.

Mobius Life Administration Services Limited
Notes to the Accounts
for the year ended 31 March 2020 (continued)

9. Intangible assets

	Computer software £
Cost	
At 1 April 2019	1,140,259
Additions	<u>55,982</u>
At 31 March 2020	<u>1,196,241</u>
Amortisation	
At 1 April 2019	(716,081)
Charge for the year	<u>(254,220)</u>
At 31 March 2020	<u>(970,301)</u>
Carrying amount	
At 31 March 2020	<u>225,940</u>
At 31 March 2019	<u>424,178</u>

10. Tangible assets

	Furniture	Comms Equipment	Computer hardware	Total
	£	£	£	£
Cost				
At 1 April 2019	22,720	26,224	138,574	187,518
Additions	<u>-</u>	<u>696</u>	<u>43,087</u>	<u>43,783</u>
At 31 March 2020	<u>22,720</u>	<u>26,920</u>	<u>181,661</u>	<u>231,301</u>
Depreciation				
At 1 April 2019	(19,557)	(23,432)	(122,478)	(165,467)
Charge for the year	<u>(1,765)</u>	<u>(1,628)</u>	<u>(14,741)</u>	<u>(18,134)</u>
At 31 March 2020	<u>(21,322)</u>	<u>(25,060)</u>	<u>(137,219)</u>	<u>(183,601)</u>
Carrying amount				
At 31 March 2020	<u>1,398</u>	<u>1,860</u>	<u>44,442</u>	<u>47,700</u>
At 31 March 2019	<u>3,163</u>	<u>2,792</u>	<u>16,096</u>	<u>22,051</u>

Mobius Life Administration Services Limited
Notes to the Accounts
for the year ended 31 March 2020 (continued)

11. Debtors

	2020 £	2019 £
Trade debtors	145,015	34,458
Mobius Life Holdings Limited ("MLH")	109,167	2,299,787
Mobius Life Group Limited ("MLG")	465,871	679,611
Mobius Life Limited ("MLL")	9,639	-
Corporation Tax	101,230	-
Deferred tax asset (see note 13)	4	4
Other debtors	45,182	37,076
Prepayments and accrued income	348,387	211,181
	<u>1,224,495</u>	<u>3,262,117</u>

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

12. Creditors: amounts falling due within one year

	2020 £	2019 £
Trade creditors	84,606	78,726
Mobius Life Limited ("MLL")	-	3,108,590
Corporation tax	-	10,369
Other taxes and social security costs	134,109	114,230
Other creditors	260,120	71,404
Accruals and deferred income	694,179	369,850
	<u>1,173,014</u>	<u>3,753,169</u>

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

13. Deferred taxation asset

	2020 £	2019 £
Timing differences on capital allowances	<u>4</u>	<u>4</u>
At 1 April	4	44,714
(Credited) to the profit and loss account	<u>-</u>	<u>(44,710)</u>
31 March	<u>4</u>	<u>4</u>

The deferred tax asset arises due to timing differences between the amortisation of intangible assets, depreciation of tangible fixed assets and the availability of the related capital allowances. The timing difference reverses as the capital allowances are claimed in future tax computations.

Mobius Life Administration Services Limited

Notes to the Accounts

for the year ended 31 March 2020 (continued)

14. Share capital

	Nominal value	Number	2020 £	2019 £
Allotted, called up and fully paid:				
Ordinary shares	£1 each	1,000,001	<u>1,000,001</u>	<u>1,000,001</u>

The Company has one class of ordinary shares which carries one voting right per share but no right to fixed income.

15. 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.

Certain overheads and, as set out in notes 6 and 7 above, directors' emoluments and staff costs are paid by the Company and recharged to fellow group companies.

Amounts receivable from, and owed to, other group companies are disclosed in notes 11 and 12.

16. Ultimate parent company and controlling party

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

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

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