

Registered number: 06673809

EQUITY RELEASE ASSURED LIMITED

UNAUDITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

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EQUITY RELEASE ASSURED LIMITED

COMPANY INFORMATION

Directors	Simon Drew (appointed 26 July 2021) William Hale Simon Thompson (appointed 31 March 2021)
Registered number	06673809
Registered office	Baines House Midgery Court Pittman Way Fulwood Preston PR2 9ZH

EQUITY RELEASE ASSURED LIMITED

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EQUITY RELEASE ASSURED LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

The Directors present their report and the financial statements for the year ended 31 December 2021. References to 'Group' throughout the Annual report and financial statements relate to the ultimate parent of the Company being Theo Topco Limited and its group of subsidiaries.

Business review

The principal activity of the company is that of a mortgage broker. The company is authorised and regulated by the Financial Conduct Authority (FCA). The Company ceased trading during 2016 and is in the process of winding down its activities.

The longer term trends supporting the lifetime mortgage sector remains strong. The population continues to age, house price wealth is continuing to increase and pension savings are likely to be inadequate for many. Over the coming year, the Group has plans to continue to launch its new business proposition and broaden its range of later life lending products to help even more customers lead the life they want to lead in later life.

Results and dividends

The statutory results for the Company show a profit for the financial year of £2k. The directors do not propose the payment of a dividend. The net assets of the Company were £73k.

Going Concern

The financial statements have been prepared on the going concern basis as the Directors have a reasonable expectation that the Company has adequate resources for a period of at least 12 months from the date of signing the financial statements. For further details see note 2.1

Directors

The Directors who served during the period and up to the date of signing the financial statements were:

Simon Drew (appointed 26 July 2021)
William Hale
Robert Scott (resigned 31 March 2021)
Simon Thompson (appointed 31 March 2021)

Directors' and Officers' Insurance

The Company's ultimate parent company, Theo Topco Limited, maintains cover with respect to Directors' and officers' indemnity insurance. This insurance covers them in their roles as Directors of this Company and was in force during the financial period ended 31 December 2021 and also at the date of approval of the financial statements.

Small company exemptions

In preparing this report, the Directors have taken advantage of the small companies exemptions provided within Part 15 of the Companies Act 2006. This includes the exemption from presenting a Strategic report and select Directors' report disclosures.

Financial risk management

The financial risk management and policies of the Company are consistent with those of the Group. For further details, see note 19 of the Theo Topco Limited Annual report and financial statements for the year ended 31 December 2021, which does not form part of this report.

EQUITY RELEASE ASSURED LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

Principal risks and uncertainties

From the perspective of the Company, the principal risks and uncertainties are integrated with the principal risks and uncertainties of the Group and are not managed separately. The principal risk and uncertainties of the Group, which include those of the Company, are disclosed in the Theo Topco Limited Annual report and financial statements 2021 for the year ended 31 December 2021, which does not form part of this report.

Existence of branches outside of the United Kingdom

The Company has no branches outside of the United Kingdom.

Statement of directors' responsibilities in respect of 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 the Directors have prepared the Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 'Reduced Disclosure Framework' and applicable law). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

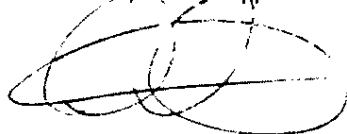
In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101 have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors 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.

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.

This report was approved by the board on 17 August 2022 and signed on its behalf.



S Drew
Director

EQUITY RELEASE ASSURED LIMITED

**INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Note	2021 £	2020 £
Revenue	3	1,710	1,815
Gross profit		<u>1,710</u>	<u>1,815</u>
Administrative expenses		(147)	(126)
Operating profit		<u>1,563</u>	<u>1,689</u>
Tax on profit	5	-	-
Profit for the financial year		<u><u>1,563</u></u>	<u><u>1,689</u></u>

There were no items of other comprehensive income in the current year or prior year.

EQUITY RELEASE ASSURED LIMITED

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

	Note	2021 £	2020 £
Current assets			
Cash and cash equivalents	6	72,516	70,953
		<u>72,516</u>	<u>70,953</u>
Total assets less current liabilities		72,516	70,953
Net assets		<u>72,516</u>	<u>70,953</u>
Capital and reserves			
Called up share capital	7	1	1
Retained earnings		72,515	70,952
		<u>72,516</u>	<u>70,953</u>

The Directors consider that the Company is entitled to exemption from audit under section 479A of the Companies Act 2006.

The members have not required the Company to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

The Directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The Company's financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements on pages 3 to 10 were approved and authorised for issue by the board and were signed on its behalf on 17 August 2022.



S Drew
Director

Company number: 06673809

EQUITY RELEASE ASSURED LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Called up share capital £	Retained earnings £	Total equity £
At 1 January 2020	1	69,263	69,264
Profit for the financial year	-	1,689	1,689
At 31 December 2020 and at 1 January 2021	1	70,952	70,953
Profit for the financial year	-	1,563	1,563
At 31 December 2021	1	72,515	72,516

EQUITY RELEASE ASSURED LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

1. General information

Equity Release Assured Limited is a private company limited by shares and incorporated in the United Kingdom under the Companies Act 2006. The Company is domiciled in the United Kingdom and the address of its registered office is given on the company information page and the nature of the Company's operations and its principal activities are set out in the Directors' report.

2. Principal Accounting policies

2.1 Basis of preparation of financial statements

The company financial statements have been prepared for the first time in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' in conformity with the requirements of the Companies Act 2006. The results for the comparative period have been restated on the same basis.

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies.

Going Concern

The financial statements have been prepared on the going concern basis as the Directors have a reasonable expectation that the Company has adequate resources for a period of at least 12 months from the date of signing the financial statements. This assessment has considered the Company's relationship with its Group and its position as obligor under the Group's loan agreement. There were no material uncertainties to disclose.

The Directors' assessment of the Company's ability to continue as a going concern a number of qualitative factors and considered the Group's budget cash flow and covenant projections (which include the Company), and the modelling of a number of severe downside scenarios and the impact of these on Group liquidity and its financial covenants.

At the 31 December 2021, the Group had a robust financial position providing it with sufficient access to liquidity, through a combination of cash and committed facilities, to meet its needs over at least the next 12 months. In addition to this, the Group is forecast to remain strongly cash generative over this period providing a further source of liquidity. At the 31 December 2021, the Group had comfortable headroom on its covenant basis net debt leverage ratio (Net debt/ adjusted EBITDA) of x1.1 and its covenant basis interest cover ratio (Adjusted cash flow/ bank loan interest) of x5.0. The extreme scenarios modelled demonstrate sufficient liquidity and financial covenant headroom being available.

Whilst not a key factor in the Director's going concern assessment, the Group and Company do also have a number of significant potential mitigations at their disposals to improve both short-term liquidity and financial covenant performance should the need arise, such as (but not limited to) reducing marketing spend, scaling back recruitment and certain salary costs, reducing capital expenditure and the ability to refinance the Group senior facilities.

EQUITY RELEASE ASSURED LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

2. Principal Accounting policies (continued)

2.2 Adoption of new and revised standards

In preparing its first FRS 101 financial statements, a first time adopter applies those standards and interpretations that are effective as at the first annual FRS 101 reporting date. Generally these are applied consistently at the date of transition to FRS 101 to fully restate on a retrospective basis the opening statement of financial position, and in each of the periods presented in the first FRS 101 financial statements, subject to a number of exceptions. The adoption of FRS 101 has had no impact on the reported numbers in the company financial statements.

There are no new standards, interpretations and amendments, effective for the year ended 31 December 2021, that are relevant to the Company.

2.3 Financial reporting standard 101 - reduced disclosure exemptions

Where applicable, the Company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of paragraphs 6 and 21 of IFRS 1 First-time adoption of International Financial Reporting Standards to present an opening statement of financial position at the date of transition
- the requirements of IFRS 7 Financial Instruments: Disclosures
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement
- the requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 Revenue from Contracts with Customers
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
 - paragraph 79(a)(iv) of IAS 1;
 - paragraph 73(e) of IAS 16 Property, Plant and Equipment;
 - paragraph 118(e) of IAS 38 Intangible Assets;
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements
- the requirements of IAS 7 Statement of Cash Flows
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member

2.4 Revenue recognition

Revenue is measured based on the consideration to which the Company expects to be entitled from contracts with customers and excludes collected on behalf of third parties, value added tax and any cashback provided. The Company recognises revenue when it satisfies the performance obligations within the contract which is when it transfers control of a product or service to a customer. The Company does not adjust its consideration for the time value of money as settlement is typically shortly after the satisfaction of the performance obligation.

Revenue incorporates commissions from an equity release provider and survey fees from customers.

EQUITY RELEASE ASSURED LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

2. Principal Accounting policies (continued)

2.5 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the reporting date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of the underlying deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Company can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the tax differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

2.6 Cash and cash equivalents

Cash and cash equivalents includes cash-in-hand, cash-at-bank, bank overdrafts and deposits readily convertible to known amounts of cash and that have an original maturity of three months or less. In the statement of financial position, bank overdrafts that do not have right of offset are presented within current liabilities.

2.7 Reserves

The Company's reserves are as follows:

- Called up share capital reserve represents the nominal value of the shares issued.
- Retained earnings account represents cumulative profits or losses, net of dividends paid and other adjustments.

3. Revenue

All turnover arose within the United Kingdom and is wholly attributable to the principal activity of the Company.

EQUITY RELEASE ASSURED LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

4. Directors' remuneration

The Directors are Directors of a number of fellow subsidiaries and as such, it is not feasible to make an accurate apportionment of their emoluments in respect to each of these subsidiaries. The total emoluments of these Directors are included in the aggregate of Key Management Personnel emoluments in the financial statements of the Ultimate parent undertaking, Theo Topco Limited.

5. Taxation

Factors affecting tax charge for the year

The tax assessed for the year is the same as (2020 - the same as) the standard rate of corporation tax in the UK of 19% (2020 - 19%) as set out below:

	2021 £	2020 £
Profit on ordinary activities before tax	1,563	1,689
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	297	321
Effects of:		
Group relief claimed	(297)	(321)
Total tax charge for the year	-	-

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

6. Cash and cash equivalents

	2021 £	2020 £
Cash at bank and in hand	72,516	70,953
	72,516	70,953

EQUITY RELEASE ASSURED LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

7. Called up Share capital

	2021 £	2020 £
Authorised, allotted, called up and fully paid		
1 (2020 - 1) Ordinary Share share of £1	1	1

8. Ultimate Parent Company

At 31 December 2021 the Company's immediate parent company was Key Retirement Solutions Limited and the Company's ultimate parent company was Theo Topco Limited.

Theo Midco Limited is the parent of the smallest group of which the Company is a member and for which consolidated financial statements are prepared. Copies of the consolidated financial statements can be obtained from the registered office, Baines House, Midgery Court, Pittman Way, Fulwood, Preston, PR2 9ZH.

Theo Topco Limited is the ultimate parent and the parent of the largest group of which the Company is a member and for which consolidated financial statements are prepared. Copies of the consolidated financial statements can be obtained from the registered office Baines House, Midgery Court, Pittman Way, Fulwood, Preston, PR2 9ZH.

There is no ultimate controlling party by virtue of a majority shareholding of Theo Topco Limited, although Partners Group have de facto control of the Group due to the constraints imposed on the Group and executive directors through the investment agreement.