Consolidated Financial Statements

Global Life Distribution Holdings Limited

For the year ended 31 December 2019

Registered number: 08933745

Company Information

Directors	C.G. Little (Non-executive Chairman) M.A. Charlton C.J.B. Christensen (Non-executive) B.D. Goldschmidt M.J. Melsom (Non-executive)
Company secretary	Clyde Secretaries Limited
Registered number	08933745
Registered office	The St. Botolph Building 138 Houndsditch London EC3A 7AR
Independent auditor	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor 30 Finsbury Square London EC2A 1AG
Bankers	HSBC Holdings PLC 1st Floor 60 Queen Victoria Street London EC4N 4TR
Solicitors	Clyde & Co LLP The St. Botolph Building 138 Houndsditch London EC3A 7AR

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Strategic Report

For the year ended 31 December 2019

The directors present their strategic report on the group for the year ended 31 December 2019.

Principal activities

The group is principally engaged in the direct distribution of life insurance within the United Kingdom on behalf of its insurance partner.

Business review

Global Life Distribution Holdings Limited was established in 2014 as the holding company of direct life insurance distribution operations with the purpose of targeting the underinsured segment of the population. Primary distribution activities are undertaken in the United Kingdom. New business sales operations were ceased in the United States of America in 2017. Key marketing and other analysis services are undertaken from the group's Australia Branch Office.

The corporate strategy is to design affordable products which can be conveniently accessed by consumers through its call centre co-sourcing model and via its website. During the financial year the company enhanced its on-line sales platform, which was launched at the end of 2018, as a key information and compliant sales channel to meet the needs and requirements of customers.

The group's specific target market is centred on middle and lower income earners which represent a segment of consumers who are not actively supported by the IFA market. The group's distribution success is determined by its ability to market relevant products to its target market within agreed distribution allowances. Underwriting and policy administration is managed separately by its insurance partner.

Distribution commission income in the United Kingdom continued to grow during the 2019 financial year. The group's turnover comprises the commission earned from its insurance partners, with group turnover for the financial year at £14,451,152 (2018 as restated : £9,451,841) and an operating loss for the financial year of £5,211,542 (2018 as restated : £4,995,716). The US operating entity continued to earn renewal income on its existing customer base until 31 March 2019.

On 1 April 2019 the company sold the Intellectual Property that it holds in the US market and the group's US operating subsidiary, Global Life Distribution (US) Inc sold its Contingent Asset to its US insurance partner.

The UK business continued to grow during the financial year, but did not meet its budgeted revenue growth projections, which was partially offset by reduced spending on central operating expenditure during the year. Shareholder support was provided through the establishment of a further loan facility to support continuing operations and growth initiatives.

The directors were satisfied with the results achieved in the UK market as the company achieved its objectives to entrench more diversified and economical distribution media and sales channels and developed the contribution of its Over Fifties Life Insurance product. These activities are expected to support the group's longer-term growth and expansion initiatives.

The UK operating company continued to utilise its loan facilities during the 2019 financial year and with the extension of an additional shareholder loan facility through 2020, the company anticipates being positioned to utilise its own working capital reserves to support the continued growth and development of new business acquisition and expansion activities in this market.

Board changes

On 1 April 2019 Mr. I.W.J. Patrick resigned as a director of the company and was replaced by Mr. M.J. Melsom on 24 April 2019.

Our customers

Our customers are sourced from the underinsured population. Our specific target market is centred on middle and lower income earners, i.e. those consumers not actively supported by the IFA market.

Strategic Report

For the year ended 31 December 2019

Liquidity

The group's year-end cash reserves of £2,303,704 (2018: £2,562,327) are the group's key sources of liquidity. The company's shareholders have continued to support the ongoing cash requirements of the company through the provision of an additional £5,000,000 loan facility to the group in December 2019, with £3,400,000 undrawn at the year end. The group has materially altered and increased the terms of its commission income arrangements with its insurance partners during the financial year. Cash management remains a primary focus in the coming financial year.

Action plan

Each of the group's operating subsidiaries is controlled by an independent company with an independent Board of directors. The executives in the United Kingdom prepare a business plan focussed on developing its operational, marketing and distribution capabilities which include:

- Understanding consumers' reaction to different promotional activity;
- Testing various selling strategies which are refined throughout the process;
- System development and implementation;
- Business process management;
- Compliance and Quality Assurance performance;
- Understanding the retention of the book, and designing plans to improve it;
- Risk assessment and monitoring; and
- Formalising processes.

Risk management

The group continually works to identify, assess and manage both the risks and the opportunities that might affect the development of the business and may hamper its ability to achieve its strategic objectives.

The Board is responsible for determining the nature and extent of the principal risks that the group is willing to take in achieving its strategic objectives and this includes setting of the overall risk appetite.

The most significant risks identified that may adversely affect the group's business, operations, liquidity, financial position and future performance are:

Regulatory environment

The group's operating entities are Authorised and Regulated by appropriate licensing authorities in the country in which it operates and has instilled a compliant culture and intensive monitoring procedures governing all its activities, ensuring that customers' needs are met through a high-quality sales and service experience.

Policies in force

The persistency of in force policies is a key factor influencing future revenues of the UK operating company, as the commission arrangement it has with its insurance partner allows for the clawback of initial commission paid on a pro-rata basis for a defined period of time from the inception of any new policies. Ensuring that new customers continue to remain insured will positively contribute towards net commission earned.

Mitigating this persistency risk will be the group's ongoing commitment to ensuring that customers are sold good value products, which meet their needs and provide for best customer outcomes.

Strategic Report

For the year ended 31 December 2019

Competition

The group faces competition from other insurance providers and distributors as the direct life insurance market attracts new entrants and rapidly expands. Its ability to compete effectively and enhance its position going forward will depend, among other things, on the response to its marketing campaigns including the reach, quality and diversity of its advertising and marketing channels, product pricing, the convenience and affordability of its products compared to those of its competitors, quality of customer service and the development of new and enhanced products. The group continues to monitor the market and explore distribution opportunities that will provide compliant sales opportunities at sustainable costs.

Outlook

Impact of Brexit

There remains uncertainty around the UK's future trading relationships and the impact this has for economic growth, productivity and the regulatory framework within which the group would need to operate.

As the group's trading activities are based solely in the UK, Brexit has a limited direct impact. The group is however exposed to secondary impacts as a result of volatility in the UK economy and financial markets.

The following key exposure that Brexit could have on the group and the associated mitigants are:

- The ability to attract new customers, particularly if inflation were to reduce affordability or if unemployment were to increase. The group has sought to address these potential risks through a diversified, value-based product range, increased brand awareness and the establishment of diversified lead generation channels;
- Large fluctuations in the persistency levels of the existing customer base which the group regularly monitors through changes in customer behaviours together with market conditions and industry developments; and
- The incremental impact to the group, should the group's insurance partner and related party be impacted by Brexit. The group will continue to monitor developments, work with its insurance partner and seek independent advice and guidance, where appropriate, to review and address the group's regulatory position, obligations and risk exposure.

Covid-19 Pandemic and market conditions

The outbreak of "Covid-19", a respiratory disease caused by a coronavirus that was first detected in China and which has now been spread worldwide has had a negative impact on the global economy and may prevent global growth. On 30 January 2020, the International Health Regulations Emergency Committee of the World Health Organisation declared this outbreak a public health emergency of international concern. It has since been characterised as a pandemic.

Government has reacted in order to slow down the spread of the outbreak with varying measures such as restricting travel, banning large social gatherings, closing schools, shops and other establishments with a general modus operandi of social distancing or isolation to present the spread of the virus.

The duration, social, economic and political consequences of the pandemic are unknown. Consequently, we are in unchartered territory with financial markets, supply chains, and businesses are being severely disrupted.

As at the date of this report, the group has not seen any significant decline in operations, has assessed the operational reliance of the business and the ability of its people to operate from home during the period of lock down or with limited call centre access and furthermore there has been no significant financial effect.

The group intends to continue to grow and scale its operations in the United Kingdom through further product development and the engagement of new media channels and partners.

On behalf of the board

Chris Little

C.G. Little
Director
24/9/2020

Directors' Report

For the year ended 31 December 2019

Directors report for the year ended 31 December 2019

The directors present their report and the financial statements for the group for the year ended 31 December 2019.

Directors

The directors who served during the year were:
C.G. Little (Non-executive Chairman)
M.A. Charlton
C.J.B. Christensen (Non-executive)
B.D. Goldschmidt
M.J. Melsom (Non-executive) (appointed 24 April 2019)
I.W.J. Patrick (Non-executive) (resigned 1 April 2019)

Qualifying third-party and pension scheme indemnity provisions

The directors and officers of the group benefited from qualifying third party indemnity provisions in place during the financial year and at the date of this report.

Going concern

The group's key sources of liquidity and funding for the foreseeable future are the cash reserves of £2,303,704 at 31 December 2019, a further undrawn loan facility of £3,400,000 and cash generated from operations.

The directors have concluded that the combination of the circumstances described in note 3c represent a material uncertainty that casts significant doubt upon the company's ability to continue as a going concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the ordinary course of business. Nevertheless, after making enquiries, reviewing the group's budgets and operating forecasts, considering the additional funding arrangements established with shareholders in December 2019 and other longer term plans and considering the uncertainties described above, the directors have concluded there is a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. For these reasons, they continue to adopt the going concern basis in preparing the annual report and accounts.

Dividends

The directors do not recommend the payment of a dividend for the year ended 31 December 2019 (2018 : £nil). The company has reported an operating loss for the financial year.

Future developments

The group expects to continue to grow and scale its operations in the markets in which it operates.

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

Chris Little

C.G. Little
Director
24/9/2020

Directors' Responsibilities Statement

For the year ended 31 December 2019

The directors are responsible for preparing the Strategic Report and 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 elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law, 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 and profit or loss of the company and group 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 accounting 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;
- 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 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.

The directors confirm that:

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

The directors are responsible for preparing the annual report in accordance with applicable law and regulations. The directors consider the annual report and the financial statements, taken as a whole, provides the information necessary to assess the company's performance, business model and strategy and is fair, balanced and understandable.

To the best of our knowledge:

- the group financial statements, prepared in accordance with United Kingdom Generally Accepted Accounting Practice, give a true and fair view of the assets, liabilities, financial position and profit or loss of the company and the undertakings included in the consolidation taken as a whole; and
- the Strategic Report and Directors' Report include a fair review of the development and performance of the business and the position of the company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

Chris Little

C.G. Little
Director
24/9/2020

Global Life Distribution Holdings Limited
Registered Number: 08933745

Independent auditor's report to the members of Global Life Distribution Holdings Limited

For the year ended 31 December 2019

Opinion

We have audited the financial statements of Global Life Holdings Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2019, which comprise the consolidated profit and loss account, the consolidated and company balance sheet, the consolidated and company statement of changes in equity, the consolidated cash flow statement and notes to the financial statements, 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 Financial Reporting Standard 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 state of the group's and of the parent company's affairs as at 31 December 2019 and of the group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the group and the parent 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.

The impact of macro-economic uncertainties on our audit

Our audit of the financial statements requires us to obtain an understanding of all relevant uncertainties, including those arising as a consequence of the effects of macro-economic uncertainties such as Covid-19 and Brexit. All audits assess and challenge the reasonableness of estimates made by the directors and the related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the group's future prospects and performance.

Covid-19 and Brexit are amongst the most significant economic events currently faced by the UK, and at the date of this report their effects are subject to unprecedented levels of uncertainty, with the full range of possible outcomes and their impacts unknown. We applied a standardised firm-wide approach in response to these uncertainties when assessing the group's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for group associated with these particular events.

Material uncertainty on going concern

We draw attention to note 3 in the financial statements, which indicates that the group incurred a net loss of £4,714,741 during the year ended 31 December 2019. In addition, there is risk that that sufficient cash will not be generated from future trading. As stated in note 3, these events or conditions, along with the other matters as set forth in note 3, indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other information

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

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 this other information, we are required to report that fact.

We have nothing to report in this regard.

Independent auditor's report to the members of Global Life Distribution Holdings Limited

For the year ended 31 December 2019

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matter on which we are required to report under the Companies Act 2006

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

Matters on which we are required to report by exception

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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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 for the financial statements

As explained more fully in the directors' responsibilities statement set out on page 5, 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 group's and the parent 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 group or the parent 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: 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.

Grant Thornton UK LLP

William Pointon
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
London
24 September 2020

Consolidated Profit and Loss Account

For the year ended 31 December 2019

	Note	2019 £	As restated 2018 £
Turnover	5	**14,451,152**	9,451,841
Cost of sales		**(15,157,175)**	(10,487,045)
Gross loss		**(706,023)**	(1,035,204)
Administrative expenses		**(4,495,476)**	(3,951,294)
Other operating income		**4,171**	222
Other operating expenditure	6	**(14,214)**	(9,440)
Operating loss		**(5,211,542)**	(4,995,716)
Sale of Intangible Asset	7	**333,278**	9,039,008
		(4,878,264)	4,043,292
Interest payable and similar charges	9	**(208,700)**	(497,654)
(Loss) / profit on ordinary activities before taxation	6	**(5,086,964)**	3,545,638
Tax on (loss) / profit	10	**375,696**	536,862
(Loss) / profit for the financial year		**(4,711,268)**	4,082,500

Statement of total comprehensive income

		2019 £	As restated 2018 £
(Loss) / profit for the financial year		**(4,711,268)**	4,082,500
Currency translation differences on foreign currency net investments		**(3,473)**	(5,189)
Total recognised comprehensive income relating to the year		**(4,714,741)**	4,077,311

All amounts relate to continuing operations.

There were no recognised gains and losses for 2019 other than those included in the Profit and Loss Account.

The notes on pages 14 to 29 form part of these financial statement.

Global Life Distribution Holdings Limited
Registered Number: 08933745

Consolidated Balance Sheet

For the year ended 31 December 2019

	Note	2019 £	As restated 2018 £
Fixed assets			
Tangible assets	11	**45,399**	28,539
Debtors: Amounts falling due after one year	13	**92,780**	90,281
		138,179	118,820
Current assets			
Debtors: Amounts falling due within one year	13	**705,562**	929,653
Cash at bank and in hand		**2,303,704**	2,562,327
		3,009,266	3,491,980
Creditors: amounts falling due within one year	14	**(2,864,657)**	(2,180,352)
Net current assets		**144,609**	1,311,628
Total assets less current liabilities		**282,788**	1,430,448
Creditors: amounts falling due after more than one year	15	**(3,988,119)**	(2,707,372)
Provision for liabilities	16	**(5,695,871)**	(3,409,537)
Net liabilities		**(9,401,202)**	(4,686,461)
Capital and reserves			
Called up share capital	17	**1,282,438**	1,282,438
Share premium account	18	**4,021,758**	4,021,758
Foreign exchange translation reserve		**(685,590)**	(682,117)
Profit and loss account		**(14,283,887)**	(9,572,619)
Capital contribution	19	**264,079**	264,079
Shareholders' funds		**(9,401,202)**	(4,686,461)

The financial statements were approved and authorised for issue by the board and were signed on its behalf

Chris Little

C.G. Little
Director
24/9/2020

The notes on pages 14 to 29 form part of these financial statements.

Company Balance Sheet
As at 31 December 2019

	Note	2019 £	2018 £
Fixed assets			
Investments	12	**7**	7
Debtors: amounts falling due after more than one year	13	**7,406,594**	5,951,718
		7,406,601	5,951,725
Current assets			
Debtors: Amounts falling due within one year	13	**3,194**	-
Cash at bank and in hand		**1,116,825**	10,627
		1,120,019	10,627
Creditors: amounts falling due within one year	14	**(1,197,834)**	(292,472)
Net current liabilities		**(77,815)**	(281,845)
Total assets less current liabilities		**7,328,786**	5,669,880
Creditors: amounts falling due after more than one year	15	**(3,988,119)**	(2,707,372)
Net assets		**3,340,667**	2,962,508
Capital and reserves			
Called up share capital	17	**1,282,438**	1,282,438
Share premium account	18	**4,021,758**	4,021,758
Profit and loss account		**(2,227,608)**	(2,605,767)
Capital contribution	19	**264,079**	264,079
Shareholder's funds		**3,340,667**	2,962,508

The company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own statement of comprehensive income in these financial statements. The profit of the company for the year was £378,159 (2018: profit of £181,015).

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

Chris Little

C.G. Little
Director
24/9/2020

The notes on pages 14 to 29 form part of these financial statements.

Global Life Distribution Holdings Limited
Registered Number: 08933745

Consolidated Statement of Changes in Equity

For the year ended 31 December 2019

	Called-up share capital £	Share premium account £	Foreign exchange translation reserve £	Profit and loss account £	Capital contribution £	Total £
At 1 January 2018 (as restated)	1,282,438	4,021,758	(676,928)	(13,655,119)	264,079	(8,763,772)
Profit and total comprehensive income for the year	-	-	(5,189)	4,082,500	-	4,077,311
At 31 December 2018 (as restated)	1,282,438	4,021,758	(682,117)	(9,572,619)	264,079	(4,686,461)
Loss and total comprehensive income for the year	-	-	(3,473)	(4,711,268)	-	(4,714,741)
At 31 December 2019	1,282,438	4,021,758	(685,590)	(14,283,887)	264,079	(9,401,202)

The notes on pages 14 to 29 form part of these financial statements.

Global Life Distribution Holdings Limited
Registered Number: 08933745

Company Statement of Changes in Equity

For the year ended 31 December 2019

	Called-up share capital £	Share premium account £	Profit and loss account £	Capital contribution £	Total £
At 1 January 2018	1,282,438	4,021,758	(2,786,782)	264,079	2,781,493
Profit and total comprehensive income for the year	-	-	181,015	-	181,015
At 31 December 2018	1,282,438	4,021,758	(2,605,767)	264,079	2,962,508
Profit and total comprehensive income for the year	-	-	378,159	-	378,159
At 31 December 2019	**1,282,438**	**4,021,758**	**(2,227,608)**	**264,079**	**3,340,667**

The notes on pages 14 to 29 form part of these financial statements.

Consolidated Cash Flow Statement

For the year ended 31 December 2019

	2019	As restated 2018
	£	£
Cash flows from operating activities		
(Loss) / profit for the financial year	**(4,711,268)**	4,082,500
Adjustments for:		
Interest payable	**208,700**	497,654
Proceeds from the sale of intangible asset	**(333,278)**	(9,039,008)
Tax credit	**(375,696)**	(536,862)
Depreciation of tangible assets	**22,165**	35,580
Loss / (profit) on disposal of tangible assets	**1,686**	(1,970)
Decrease in debtors	**597,288**	181,890
Increase in creditors	**553,623**	518,662
Increase in provisions	**2,286,334**	3,338,284
Net cash outflow from operating activities	**(1,750,446)**	(923,270)
Cash flows from investing activities		
Proceeds from sale of intangible asset	**333,278**	9,039,008
Proceeds from sale of tangible assets	**-**	2,980
Purchase of tangible assets	**(40,711)**	(17,516)
Net cash outflow from investing activities	**292,567**	9,024,472
Cash flows from financing activities		
Drawdowns from long-term loans	**1,600,000**	1,250,000
Repayment of long-term loan	**(257,917)**	(6,839,008)
Interest paid	**(139,354)**	(205,784)
Net cash from financing activities	**1,202,729**	(5,794,792)
Net (decrease) / increase in cash and cash equivalents	**(255,150)**	2,306,410
Foreign exchange translation adjustment	**(3,473)**	(5,189)
Cash and cash equivalents at the beginning of the year	**2,562,327**	261,106
Cash and cash equivalents at end of the year	**2,303,704**	2,562,327

The notes on pages 14 to 29 form part of these financial statements.

Notes to the Financial Statements

For the year ended 31 December 2019

1 Company information

The group is principally engaged in the direct distribution of life insurance within the United Kingdom on behalf of its insurance partner.

Global Life Distribution Holdings Limited was incorporated on 11 March 2014 as a limited liability company incorporated in England as a private company, limited by shares. The Registered Office is The St Botolph Building, 138 Houndsditch, London EC3A 7AR.

2 Statement of compliance

These 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 Republic of Ireland ('FRS 102'), and with the Companies Act 2006.

3 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. The company has adopted FRS 102 in these financial statements.

a. Basis of preparation

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.

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 4.

The group financial statements consolidate the financial statements of Global Life Distribution Holdings Limited and all its subsidiary undertakings drawn up to 31 December each year.

The parent company has taken advantage of section 408 of the Companies Act 2006 and has not included its own Profit and Loss Account in these financial statements.

The company meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements, which are presented alongside the consolidated financial statements. Exemptions have been taken in relation to financial instruments, presentation of a company cash flow statement and remuneration of key management personnel of the company.

The group's management has made an assessment of the group's ability to continue as a going concern and is satisfied that the group has the resources to continue in business for the foreseeable future. However, having considered the current economic environment and that despite the group's revenue or trading activities not being affected negatively despite the COVID-19 pandemic, there is a risk that sufficient cash will not be generated from future trading and as a result a material uncertainty exists that may cast significant doubt on the group's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on the going concern basis.

b. Prior year restatement

During the year the Group was advised by its UK insurance partner that commission clawbacks had been incorrectly calculated in prior financial periods by £750,626. This commission error resulted in a reduction in commission income in the Profit and Loss account in the prior periods of £330,184 in 2018 and £420,442 for periods prior to 2018, with a corresponding reduction in total retained earnings. These adjustments also increased the Amounts owed to a related party (Creditors: Amounts falling due within one year) by the equivalent amount.

Due to these clawback commission errors, the Group also reassessed its provision for commission clawbacks at 31 December 2018 and determined that the provision should be increased by a further £1,039,727 in the prior period. Commission income in the Profit and Loss account was also reduced by a corresponding amount.

FCA fees were overprovided for in prior financial periods by £472,739. Adjusting for this accounting misstatement resulted in a reduction in total administration costs in the Profit and Loss account in the prior periods of £241,940 in 2018 and £230,799 in periods prior to 2018, with a corresponding adjustment to total retained earnings. The 2018 Balance Sheet recorded a reversal of accruals of £440,415 and the recognition of a prepayment £32,324.

Consolidated tax credits were adjusted to include the additional proceeds of £314,851 received during 2019 from a related party for the surrender of tax losses, through the provisions of consortium tax relief, for the 2017 financial year. The Amounts due from related party for surrendered tax losses (Debtors: Amounts falling due within one year) has been amended to reflect the amounts receivable from a related party.

c. Going concern

As described in the strategic report on pages 1 to 3 and the directors' report on page 4, the current economic environment remains challenging with the group incurring a net loss of £4,714,741 for the financial year ended 31 December 2019. UK trading performance through the Covid-19 pandemic operating environment in 2020 has been broadly favourable to projections. However, the directors consider this to be a period of continuing trading uncertainty in both the insurance distribution market and in the media markets in which the company sources its sales leads. Accordingly, the outlook presents challenges in terms of sales volume and cost management. The duration of any economic and political impact is unknown and may also adversely impact customer retention.

Whilst the directors continue to oversee measures to manage and preserve cash during these periods of trading uncertainty, there is a risk that sufficient cash will not be generated from future trading and as a result a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern.

In support of future trading and growth activities, the group shareholders formally established an additional loan funding facility on 19 December 2019 of up to £5,000,000 to support trading activities, with £1,850,000 unutilised. Based on the provision of these funds, the directors have a reasonable expectation that it will proceed successfully, but if not, the group will need to secure additional finance facilities.

The group has continued to diversify its lead generation channels during the year which will support the growth projections and initiatives of the UK operating company going forward. From November 2019 the UK company's upfront commission income from its insurance partner was realigned and increased materially on new business. This incremental change in commission provides a source of additional cash generation in support of the group's growth initiatives.

During the financial year the group surrendered a proportion of its historic tax losses through group relief for £347,271. Since the financial year end the group has surrendered further tax losses through group relief which will result in a further cash receipt of £431,309. Funds from the sale of these tax losses will be utilised to provide additional working capital to the group.

For the purposes of managing cash reserves, management does have the flexibility and control to alter and if necessary, reduce the group's projected expense base to take account of market conditions, without adversely impacting the group's overall performance during the 2020 financial year.

The directors have concluded that, after making enquiries, and considering the group's forecasts and projections, the directors have concluded that the group will have sufficient liquid cash resources to meet its obligations as they fall due over the next twelve months. For these reasons, they continue to adopt the going concern basis in preparing the annual report and accounts.

Notes to the Financial Statements

For the year ended 31 December 2019

d. Exemptions for qualifying entities under FRS 102

The company meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its individual financial statements. The group financial statements consolidate those of the company and of its subsidiary undertakings drawn up to 31 December 2019.

e. Investments in subsidiaries

The consolidated financial statements incorporate the financial statements of the company and entities controlled by the group (its subsidiaries). Control is achieved where the group has the power to govern the financials and operating policies of an entity so as to obtain benefits from its activities. All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

Investments in subsidiaries are accounted for at cost less impairment in the individual financial statements.

f. Tangible assets

Tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. Cost includes the original purchase price, costs directly attributable to bringing the asset to its working condition for its intended use, dismantling and restoration costs.

i. Plant and machinery and fixtures, fittings, tools and equipment

Plant and machinery and fixtures, fittings, tools and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

ii. Depreciation and residual values

Depreciation is calculated to write down the cost less estimated residual value of all tangible fixed assets over their expected useful lives, using the straight-line method. The rates applicable are:

-	Computer equipment	3 years
-	Furniture and fixtures	5 years
-	Office equipment	3 years
-	Leasehold improvements	remaining lease term

The assets' residual values and useful lives are reviewed, and adjusted, if appropriate, at the end of each reporting period. The effect of any change is accounted for prospectively.

iii. Derecognition

Tangible assets are derecognised on disposal or when no future economic benefits are expected. On disposal, the difference between the net disposal proceeds and the carrying amount is recognised in profit or loss and included in 'Other operating (losses)/gains'.

g. Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts, when applicable, are shown within borrowings in current liabilities.

h. Impairment of assets

At each reporting date, fixed assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared with its carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

If an impairment loss subsequently reverses, the carry amount of the asset is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

i. Debtors

Long term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment. Short term debtors are measured at transaction price, less any impairment.

j. Creditors

Short term trade creditors are measured at the transaction price. Other financial liabilities are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

k. Leased assets

At inception the group assesses agreements that transfer the right to use assets. The assessment considers whether the arrangement is, or contains, a lease based on the substance of the arrangement.

i. Finance leased assets

Leases of assets that transfer substantially all the risks and rewards incidental to ownership are classified as finance leases.

Finance leases are capitalised at commencement of the lease as assets at the fair value of the leased asset or, if lower, the present value of the minimum lease payments calculated using the interest rate implicit in the lease. Where the implicit rate cannot be determined the company's incremental borrowing rate is used. Incremental direct costs, incurred in negotiating and arranging the lease, are included in the cost of the asset.

Assets are depreciated over the shorter of the lease term and the estimated useful life of the asset. Assets are assessed for impairment at each reporting date. The capital element of lease obligations is recorded as a liability on inception of the arrangement. Lease payments are apportioned between capital repayment and finance charge, using the effective interest rate method, to produce a constant rate of charge on the balance of the capital repayments outstanding.

ii. Operating leased assets

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

iii. Lease incentives

Incentives received to enter into a finance lease reduce the fair value of the asset and are included in the calculation of present value of minimum lease payments. Incentives received to enter into an operating lease are credited to the profit and loss account, to reduce the lease expense, on a straight-line basis over the period of the lease.

l. Provisions and contingencies

i. Provisions

Provisions are recognised when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation the company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the litigation.

Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value using a pre-tax discount rate. The unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

Notes to the Financial Statements

For the year ended 31 December 2019

The company recognises a provision for annual leave accrued by employees as a result of services rendered in the current period, and which employees are entitled to carry forward and use within the next 12 months. The provision is measured at the salary cost payable for the period of absence.

ii. Contingencies

Contingent liabilities are not recognised, except those acquired in a business combination. Contingent liabilities arise as a result of past events when (i) it is not probable that there will be an outflow of resources or that the amount cannot be reliably measured at the reporting date or (ii) when the existence will be confirmed by the occurrence or non-occurrence of uncertain future events not wholly within the company's control. Contingent liabilities are disclosed in the financial statements unless the probability of an outflow of resources is remote.

Contingent assets are not recognised. Contingent assets are disclosed in the financial statements when an inflow of economic benefits is probable.

m. Employee Benefits

The group provides a range of benefits to employees, including annual bonus arrangements, paid holiday arrangements and defined contribution pension plans.

i. Short term benefits

Short term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received.

ii. Defined contribution pension plans

The group operates a country-specific defined contribution plans for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations. The contributions are recognised as an expense when they are due. Amounts not paid are shown in accruals in the balance sheet. The assets of the plan are held separately from the company in independently administered funds.

n. Interest-bearing loans and borrowings

All interest-bearing loans and borrowings which are basic financial instruments are initially recognised at the present value of cash payable to the other counterparty (including interest). After initial recognition they are measured at amortised cost using the effective interest rate method. The liability is derecognised when the loan is repaid in full.

o. Taxation

The tax expense (income) is presented either in profit or loss, other comprehensive income or equity depending on the transaction that resulted in the tax expense (income).

i. Current tax

Current tax is recognised for the amount of income tax payable in respect of the taxable profit for the current or past reporting periods using the tax rates and laws that that have been enacted or substantively enacted by the reporting date.

ii. Deferred tax

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements.

Deferred tax is recognised in respect of all timing differences at the reporting date, for certain exceptions.

Notes to the Financial Statements

For the year ended 31 December 2019

Unrelieved losses and 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.

If and when all conditions for retaining tax allowances for the cost of a fixed asset have been met, the deferred tax is reversed.

Deferred tax is recognised when income or expenses have been recognised, and will be assessed for tax in a future period, except where:
- the company is able to control the reversal of the timing difference; and
- it is probable that the timing difference will not reverse in the foreseeable future.

A deferred tax liability or asset is recognised for the additional tax that will be paid or avoided in respect of assets and liabilities that are recognised in a business combination. The amount attributed to goodwill is adjusted by the amount of deferred tax recognised.

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

Deferred tax liabilities are presented within provisions for liabilities and deferred tax assets within debtors. Deferred tax assets and deferred tax liabilities are offset only if the company has a legally enforceable right to set off current tax assets against current tax liabilities.

p. Turnover

Turnover comprises revenue recognised by the group in respect of new business and monthly trail commissions received and receivable from the group's life insurance partners for the sale of insurance policies sold on their behalf.

Commissions are recognised when the monthly commission is receivable, net of any commission clawed back by the insurance partner in the event new customers have opted to cancel their purchase for a defined period after their purchase, which is the point that it is probable that the future economic benefits will flow into the entity.

q. Foreign Currency Translation

i. Functional and presentation

The financial statements are presented in Sterling (£).

ii. Transaction and balances

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Exchange gains and losses are recognised in the Profit and loss account.

iii. Translation of group companies

For the purpose of presenting consolidated financial statements, the assets and liabilities of the group's foreign operations are translated from their functional currency to Sterling (£) using the closing exchange rate. Income and expenses are translated using the average rate for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising on the translation of group companies are recognised in other comprehensive income and are not reclassified to profit or loss.

r. Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

4 Significant judgements and estimates

Preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where these judgements and estimates have been made include:

Clawback of commission income

The UK operating company has a commission arrangement with its insurance partner which allows for the clawback of initial commission received on inception of new policies, on a pro-rata basis for a defined period and depending on the timing of any subsequent lapse event.

Based on historic policy lapse experience, the UK operating company provides fully for the anticipated commission clawback lapse cost on any new tranche of policies sold at the same time that the initial new business commission is recognised.

The provisions for these anticipated commission clawback costs, as estimated in the financial statements, are disclosed in note 16.

5 Turnover

Turnover, analysed geographically between markets, was as follows:

	2019	As restated 2018
	£	£
United Kingdom	**14,431,501**	9,389,584
United States	**19,651**	62,257
	14,451,152	9,451,841

Turnover, analysed by category, was as follows:

	2019	2018
	£	£
Commissions for rendering of services	**14,342,216**	9,400,985
Fees for provision of marketing services	**108,936**	50,856
	14,451,152	9,451,841

Notes to the Financial Statements

For the year ended 31 December 2019

6. Loss on ordinary activities before taxation

The loss on ordinary activities before taxation is stated after (charging)/crediting:

	2019 £	2018 £
Auditors' remuneration		
Fees payable to the company's auditors for the audit of the company's annual accounts	**(50,000)**	(32,854)
Fees payable to the auditor and its associate for other services:		
Tax compliance services	**(29,456)**	(21,900)
Tax advisory services	**(5,000)**	(5,000)
Depreciation of tangible fixed assets	**(22,165)**	(35,580)
(Loss) / profit on disposal of tangible fixed assets	**(1,686)**	1,970
Net foreign exchange loss	**(14,214)**	(9,440)
Operating lease rentals	**(238,477)**	(124,745)

7. Sale of Intangible Asset

	2019 £	2018 £
Sale of Intangible Asset	**333,278**	9,039,008

On 1 April 2019 the company sold the Intellectual Property that it holds in the US market for £78,719 and the group's US operating subsidiary, Global Life Distribution (US) Inc sold its future commissions receivable on the policies in force at that time to Savings Bank Mutual Life Insurance Company of Massachusetts for £254,559.

On 1 October 2018 the group sold its future commissions receivable on the policies in force at that time to iptiQ Holdings Limited.

8. Directors and employees

Staff costs, including directors' remuneration, were as follows:

	2019 £	2018 £
Wages and salaries	**3,902,368**	3,382,129
Social security costs	**337,468**	290,638
Other pension costs	**91,824**	64,554
	4,331,660	3,737,321

The group operates a stakeholder contribution pension scheme in the United Kingdom for the benefit of the employees. The assets of the scheme are administered by an independent pensions' provider. Pension payments recognised as an expense during the year amount to £91,824 (2018 : £64,554).

Notes to the Financial Statements

For the year ended 31 December 2019

The average number of employees of the group during the period was:

	2019 Number	2018 Number
Sales and trading	51	37
Processing and administration	28	22
	79	59

Remuneration in respect of directors was as following:

	2019 £	2018 £
Emoluments	851,108	865,269

There were no accrued benefits or incentives paid or payable to the directors during the year.

The amount set out above include remuneration in respect of the highest paid director as follows:

	2019 £	2018 £
Emoluments	267,567	267,567

9. Interest payable and similar charges

	2019 £	2018 £
Other loans	208,700	497,654

Interest is calculated monthly on the loans from iptiQ Holdings Limited and Orsus International Limited at 7% per annum (2018 : 7% per annum).

10. Taxation

	2019 £	As restated 2018 £
Corporation tax (credit) / charge at 19% (2018: 19.00%)	(722,968)	(189,591)
Tax (credit) / charge in respect of the current year	(722,968)	(189,591)
Deferred tax charge / (credit) – Profit and Loss current year	347,271	(347,271)
Deferred tax – Profit and Loss prior year	-	-
	(375,696)	(536,862)

Notes to the Financial Statements

For the year ended 31 December 2019

The UK corporation tax rate is currently 19% (year ended 31 December 2018: 19%).

Factors affecting the tax charge for the period	2019 £	As restated 2018 £
(Loss) / profit on ordinary activities before taxation	**(5,086,964)**	3,545,638
Corporation tax at 19% (2018: 19.00%)	**(966,523)**	673,671
Effects of:		
Income not taxable	**-**	-
Expenditure not deductible for tax purposes	**1,819**	23,548
Depreciation in excess of capital allowances	**(3,203)**	3,250
Brought forward losses utilised in year	**(4,106)**	(700,298)
Short term timing differences	**(1,154)**	(171)
Group relief surrender / claim	**512,179**	-
Receipt for group relief	**(778,580)**	(189,591)
Deferred tax in respect of the future sale of losses	**347,271**	(347,271)
Carried forward losses	**511,386**	-
Difference in tax rates	**5,215**	-
Adjustment to tax charge in respect of previous periods	**-**	-
Tax (credit) / charge for the year	**(375,696)**	(536,862)

Deferred tax would normally be recognised at a rate of 17%, being the enacted (and substantively enacted) rate at the balance sheet date at which the timing differences are expected to reverse.

Management have taken the prudent view to not recognise a deferred tax asset on the carried forward losses on the basis that it is not probable that future profits will arise which can utilise the losses, and they cannot be sold. At the balance sheet date the unrecognised deferred asset is £1,058,835 (2018: £611,210)

At balance sheet date the group assessed loss carried forward is £6,225,276 (2018:£5,625,461).

Notes to the Financial Statements

For the year ended 31 December 2019

11. Tangible fixed assets

The Group	Computer Equipment	Furniture and fixtures	Leasehold Improvements	Office Equipment	Total
	£	£	£	£	£
Cost					
At 1 January 2019	56,996	12,884	156,544	11,166	237,590
Additions	23,401	6,359	-	10,951	40,711
Disposals	(16,218)	(1,321)	-	(1,321)	(18,860)
At 31 December 2019	**64,179**	**17,922**	**156,544**	**20,796**	**259,441**
Depreciation					
At 1 January 2019	34,525	9,330	156,544	8,652	209,051
Provided in the year	14,943	2,985	-	4,237	22,165
Disposals	(14,790)	(1,081)	-	(1,303)	(17,174)
At 31 December 2019	**34,678**	**11,234**	**156,544**	**11,586**	**214,042**
Net book amount at 31 December 2019	**29,501**	**6,688**	**-**	**9,210**	**45,399**
Net book amount at 31 December 2018	22,471	3,554	-	2,514	28,539

12. Investments

The Company	2019	2018
	£	£
Interests in subsidiaries	**7**	7

Interests in subsidiaries

At 2018 the company had interests in the following subsidiaries:

Subsidiaries	Type of shares held	Proportion held (%)	Country of incorporation	Nature of business
Global Life Distribution (UK) Limited	Ordinary	100%	United Kingdom	Life distribution
Global Life Distribution (US) Inc.	Common Stock	100%	United States	Life distribution

The registered address of the UK subsidiary is The St Botolph Building, 138 Houndsditch, London EC3A 7AR.

	Investment in subsidiaries
	£
Cost	
At 1 January 2019	7
At 31 December 2019	**7**

Notes to the Financial Statements

For the year ended 31 December 2019

13. Debtors

Amounts falling due within one year include:

	The Group	The Group	**The Company**	The Company
		As restated		
	2019	2018	**2019**	2018
	£	£	**£**	£
Trade debtors	**187,887**	221,614	**-**	-
Amounts due from related party for surrendered tax losses	**431,309**	536,863	**-**	-
Prepayments and accrued income	**86,366**	171,176	**3,194**	-
	705,562	929,653	**3,194**	-

Amounts falling due after one year include:

	The Group	The Group	**The Company**	The Company
	2019	2018	**2019**	2018
	£	£	**£**	£
Amounts owed by subsidiary undertaking	**-**	-	**7,406,594**	5,591,718
Other debtors	**92,780**	90,281	**-**	-
	92,780	90,281	**7,406,594**	5,591,718

The company's funding to Global Life Distribution (UK) Limited is provided through an unsecured Subordinated Inter-Group Loan Agreement originally dated 22 October 2014 which provides a facility of up to £12,500,000. Interest is calculated monthly at a rate of 7.5% above the UK base interest rate of 0.75% applicable throughout 2019. Income of £474,854 (2018: £ 687,337) has been recognised against this loan.

14. Creditors:
Amounts falling due within one year

	The Group	The Group	**The Company**	The Company
		As restated		
	2019	2018	**2019**	2018
	£	£	**£**	£
Trade creditors	**85,001**	778,847	**-**	-
Amounts owed to a related party	**2,007,823**	750,626	**760,991**	-
Loans	**410,755**	280,073	**410,755**	280,073
Taxation and social security	**40,114**	46,155	**-**	-
Other creditors	**89,781**	191,617	**-**	-
Accruals	**231,183**	133,034	**26,088**	12,399
	2,864,657	2,180,352	**1,197,834**	292,472

Notes to the Financial Statements

For the year ended 31 December 2019

15. Creditors:
Amounts falling due after more than one year

	The Group 2019 £	The Group 2018 £	The Company 2019 £	The Company 2018 £
Loans	**3,988,119**	2,707,372	**3,988,119**	2,707,372

Loans are repayable as follows:

	The Group 2019 £	The Group 2018 £	The Company 2019 £	The Company 2018 £
Within one year	**410,755**	280,073	**410,755**	280,073
Between one to two years	**582,099**	373,431	**582,099**	373,431
Between two to five years	**1,746,297**	1,120,291	**1,746,297**	1,120,291
More than five years	**1,659,723**	1,213,650	**1,659,723**	1,213,650
	4,398,874	2,987,445	**4,398,874**	2,987,445

The company has loans of £4,093,209 (2018 : £ 2,688,715) with iptiQ Holdings Limited and £305,665 (2018 : £298,730) with Orsus International Limited. Loans are repayable in equal instalments over an eight-year period commencing from April 2019. The total loans outstanding have interest rates of 7% per annum (2018 : 7% per annum). On 23 August 2019 iptiQ Holdings Limited released its registered fixed Charge over shares dated 21 July 2017.

16. Provisions for liabilities

The Group	Commission Clawback £	Make Good £	Leave pay £	Total £
At 1 January 2019 (as restated)	3,327,681	31,468	50,388	3,409,537
Additions	2,266,582	-	19,752	2,286,334
At 31 December 2019	**5,594,263**	**31,468**	**70,140**	**5,695,871**

The clawback provision represents the anticipated future clawback of initial commission on policies that are projected to lapse in the future, applied on a pro-rata basis over the contracted term with the Company's insurance partner.

The make good provision represents the anticipated future cost of reinstating a rental property to its original state and condition at the time of the lease commencement, which may include the removal of any leasehold improvements.

The leave pay provision represents holiday balances accrued as a result of services rendered in the current period and which employees are entitled to carry forward. The provision is measured as the salary cost payable for the period of absence.

Notes to the Financial Statements

For the year ended 31 December 2019

17. Share capital

	2019	2018
	£	£
Allotted, called up and fully paid		
1,000,000 'A' ordinary shares of US$1.00 each	**641,219**	641,219
1,000,000 'B' ordinary shares of US$1.00 each	**641,219**	641,219
	1,282,438	1,282,438

Each 'A' and 'B' share carries one vote, except as provided by articles and rank pari passu with other 'A' and 'B' shares as to rights.

Called-up share capital represents the nominal value of shares that have been issued. Profit and Loss account includes all current and prior period retained profits and losses.

18. Reserves

	2019	2018
	£	£
Share premium account	4,021,758	4,021,758

Share premium account includes any premiums received on issue of share capital. Any transaction costs associated with issuing the shares are deducted from shared premium.

19. Capital contribution

	2019	2018
	£	£
Capital contribution account	264,079	264,079

The shareholders provided capital contributions to the Company in October 2017, on the cessation of US sales activities, to support the orderly wind-down of the US trading entity, Global Life Distribution (US) Inc.

20. Analysis of change in net debt

	1 January 2019	**Cashflow**	**Non-cash movements**	**31 December 2019**
	£	£	£	£
Cash and cash equivalents	2,562,327	(258,623)	-	2,303,704
Loan from related party	(2,987,445)	(1,342,083)	(69,346)	(4,398,874)
Total net debt	**(425,118)**	**(1,600,706)**	**(69,346)**	**(2,095,170)**

21. Contingent assets

There were no contingent assets at 31 December 2019 (2018: £274,917).

Notes to the Financial Statements

For the year ended 31 December 2019

22. Contingent liabilities

There were no contingent liabilities at 31 December 2019 (2018: £nil).

23. Capital commitments

There were no capital commitments at 31 December 2019 (2018: £nil).

24. Leasing commitments

The group's future minimum operating lease payments are as follows:

	2019	2018
	£	£
Within one year	**205,245**	128,961
Between one and five years	**505,802**	75,227

25. Financial risk management

The main risks arising from the group financial instruments are liquidity and foreign currency risk. The directors review and agree policies for managing each of these risks and they are summarised below. No transactions of a speculative nature are undertaken.

Liquidity risk

The group seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably.

Currency risk

The company does not hedge its exposure of foreign investments held in foreign currencies and is exposed to translation and transaction foreign exchange risk.

The group's US subsidiary is denominated in US dollars and at the financial year end.

26. Financial assets and liabilities

	The Group	The Group As restated	**The Company**	The Company
	2019	2018	**2019**	2018
	£	£	**£**	£
Financial assets measured at amortised cost	**619,196**	411,205	**-**	-
Financial liabilities measured at amortised cost	**4,573,658**	3,957,909	**4,398,874**	2,987,445

Notes to the Financial Statements

For the year ended 31 December 2019

27. Events after reporting period

Since the financial year end the group has drawn down further loan funding of £1,550,000 from its associated undertaking.

The outbreak of "Covid-19", a respiratory disease caused by a coronavirus that was first detected in China and which has now been spread worldwide has had a negative impact on the global economy and may prevent global growth. On 30 January 2020, the International Health Regulations Emergency Committee of the World Health Organisation declared this outbreak a public health emergency of international concern. It has since been characterised as a pandemic.

Government has reacted in order to slow down the spread of the outbreak with varying measures such as restricting travel, banning large social gatherings, closing schools, shops and other establishments with a general modus operandi of social distancing or isolation to present the spread of the virus.

The duration, social, economic and political consequences of the pandemic are unknown. Consequently, we are in unchartered territory with financial markets, supply chains, and businesses are being severely disrupted.

As at the date of this report, the company has not seen any significant decline in operations, has assessed the operational reliance of the business and the ability of its people to operate from home during the period of lock down or with limited call centre access and furthermore there has been no significant financial effect.

28. Related party transactions and disclosures

	2019	2018
	£	£
Loans due to associated undertakings	**4,398,874**	2,987,445
Trade debtor amounts due from associates	**187,887**	221,614
Other debtor amounts due from associates	**347,271**	189,591
Trade creditors amounts due to associates	-	71,469
Amounts owed to a related party	**2,007,823**	750,626
Sale of Intangible Asset	-	9,039,008

During the year the group received £347,271 for the surrender of 50% of its 2018 tax losses through group relief to Swiss Re Europe S.A.

As at 31 December 2019, neither any director nor any associate of any director was indebted to the Company.

The company is a joint venture between Orsus International Limited, a Maltese registered entity and iptiQ Holdings Limited, a United Kingdom registered entity. Accordingly, there is no parent entity nor ultimate controlling party.

The group financial statements consolidate the financial statements of the company's subsidiary undertakings, Global Life Distribution (UK) Limited and Global Life Distribution (US) Inc. at 31 December 2019. The nominal value of shares held in these entities is £7.