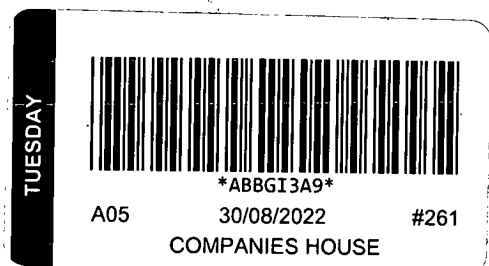


Age Partnership Group Limited

Annual report and financial statements

Registered number 09073284

31 December 2021



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Officers and Professional Advisers

Directors:

A R Thirkill
T J Loy
S Auckland
J A A Thirkill
M W Bellamy (appointed 1 March 2021)
S E Thirkill (appointed 1 May 2021)
J P Simpson (resigned 9 March 2021)
D P Wing (resigned 6 January 2021)

Secretary:

M W Bellamy

Registered Office:

2200 Century Way
Thorpe Park
Leeds
LS15 8ZB

Registered Number:

09073284 (England and Wales)

Auditor:

Mazars LLP
5th Floor
3 Wellington Place
Leeds
LS1 4AP

Legal Advisor:

Walker Morris LLP
33 Wellington Street
Leeds
LS1 4DL

Banker:

Barclays Bank PLC
2nd Floor
1 Park Row
Leeds
LS1 5LD

Strategic Report

The Directors present their strategic report along with the financial statements of the Age Partnership Group for the year ended 31 December 2021. The Company is the ultimate parent of the Group whose principal trading companies and activities are set out below:

Group Company	Principal Activity
Age Partnership Limited	Equity Release (Lifetime mortgage) broker
Age Lifetime Limited	Equity Release (Lifetime mortgage) broker
Age Partnership Wealth Management Limited	Retirement income broker
Age Assist Limited	Arranging Powers of Attorney, Wills and Funeral Plans
Equity Release Associates Limited	Equity Release (Lifetime mortgage) broker network

Age Partnership are the UK's market leading broker and adviser to customers seeking to release equity from their property. This activity contributed £40.7m or 94% of total revenues in 2021. The balance of group revenues was generated from ancillary later life services (e.g. Lasting Powers of Attorney and retirement pension services).

Review of business

As reported last year, the Group's results and performance were adversely affected by the COVID-19 pandemic. As the Group entered 2021 the UK Government announced the third national lockdown on 6th January and then in March the four-step program to lifting the lockdown which was not fully achieved until 19th July. Consequently, demand for all the Group's services and products remained subdued for much of the first half of the year. Entering the second half of the year it was evident that confidence was starting to return and the Group embarked on an investment programme to ensure it was well positioned to benefit from improving conditions.

In total the Group invested £1.6m in recruiting advisers, associated support staff and additional marketing activity during the second half of 2021 in support of 2022 growth expectations and beyond.

Group revenue during the year increased 5.6% to £43.1m (2020: £40.9m). The largest contributor of growth was the equity release broking and advice businesses where revenue advanced by £2.7m (7.2%) with new business and returning customers seeking further advances.

Administration expenses decreased 5% to £41.9m (2020: £44.1m) because of a full year effect of cost saving initiatives implemented in response to the COVID-19 pandemic during 2020.

The Group generated an EBITDA profit of £2.6m (2020: £0.9m loss), and after £0.2m (2020: £0.2m) of net finance expenses the Profit Before Tax for the year was £1.4m (2020: £2.2m loss). In the Directors' opinion the results for 2021 and 2020 have been adversely affected by several one-off items which are summarised below:

	2021 £'000	2020 £'000
Operating Profit / (Loss)	1,587	(2,025)
Add Back: Depreciation	723	924
Amortisation	309	248
EBITDA	2,619	(853)
Non-recurring costs		
Redundancy costs	10	444
Goodwill impairment	0	214
Start up losses in new business	113	144
Legal & Professional Fees in relation to non-recurring activities	46	123
Underlying EBITDA (before non-recurring costs)	2,788	72

Strategic report (continued)

In response to the COVID-19 situation several roles became redundant during 2020 with a small number of staff also affected during 2021. The impairment of goodwill relates to The Marketing Lab Limited, which is now dormant.

Start up losses have continued to be incurred by the adviser network Equity Release Associates Limited whilst it continues to build scale in anticipation of turning to profit in the coming year.

The Directors are pleased to note that, having adjusted for these non-recurring costs and despite the most challenging trading conditions, the group is able to report both a positive actual and underlying EBITDA for the year.

In terms of cashflow, the Group generated positive operating cashflow during the year of £1.5m (2020: £2.3m), and after investing and financing activities the net increase in cash and cash equivalents was £0.4m (2020: £1.3m). The Group ended 2021 with £2.4m cash and cash equivalents (2019: £2m) with no bank borrowings.

All the companies in the Group are consolidated into the financial statements of Age Partnership Group Limited. No other Group companies prepare consolidated accounts.

Key Performance Indicators

The Directors consider the following are the key financial and non-financial performance indicators of the Group:

	2021	2020
Financial		
Revenue	£43.1m	£40.9m
Underlying EBITDA	<u>£2.8m</u>	<u>£0.1m</u>
Lending	£622m	£530m
Non Financial		
Happy Customer Index (Net Promoter Score)	79.36	78.49
Upheld Complaints	12	7

Revenue and Underlying EBITDA (earnings before interest, tax, depreciation, and amortisation) are considered the key indicators of financial performance along with the total value of Lifetime Mortgage lending to customers. Revenue and lending both increased during the year, but the most notable improvement has been in the Company's underlying EBITDA where the break-even position of 2020 was improved into a profit of £2.78m, representing an increase of £2.7m. The Directors are satisfied with the overall progress of these indicators in what has been an unprecedented period of disruption and uncertainty for the Group, the domestic economy, and the country.

The Group maintained a healthy post-sale equity release Happy Customer Index (based on the principles of the "Net Promoter Score") in 2021 at 79.36, an improvement on the 2020 score (2020: 78.49). This is an excellent result given the many logistical issues experienced within an unprecedented period of volatility in our markets. The Happy Customer Index is viewed as a good measure of satisfaction at all stages of the advice process and provides Management with a real-time flow of customer feedback to fuel business improvements. The Group is committed to providing the best customer outcomes and customer satisfaction through a holistic approach to advice and is always seeking ways in which both its advice and customer experience can be improved.

Customer experience is also independently audited by 'Investor in Customers' who assessed the Group's service as 'Exceptional' during the year - awarding its highest-possible 'gold rating' for the 8th year in succession.

The Group's compliance department investigate all complaints from its customers in accordance with regulatory guidelines. The level of complaints received by the Group is small given the size of the business.

The Group continues to invest significant amounts on marketing (over £12m in 2021) to promote and educate the benefits of its principal Lifetime Mortgages to the consumer. The Group believes as the UK's Number One provider of such mortgages it has a responsibility to do so for the benefit of the wider industry.

Strategic Report (*continued*)

Outlook

As the country is learning to live with COVID-19 so too is confidence returning to the Lifetime Mortgage market. Trading in 2022 has started strongly for the Company, lending and volumes are up on prior year with the Equity Release Council reporting further growth at the end of Q1 2022. With the investment in resources made towards the end of 2021, the Company is well positioned to help potential customers realise their objectives whether that is to repay debt, supplement a pension, assist with estate planning, or finance home improvements and fund other discretionary expenditure. However, there remain potential headwinds in terms of the outlook from uncertainties relating to the conflict in Ukraine, Brexit and COVID-19. We are also moving into an era of rising interest rates and the prospect of double-digit inflation leading to a rising cost of living in the UK, although with the backdrop of continued house price inflation in the UK, Lifetime Mortgages are likely to have a role to play in easing these pressures for some customers where appropriate and consistent with good regulatory outcomes.

Since the year end the Group has undertaken the triennial accreditation by Investors in People, showing improvement since 2019 which is significant achievement since the pandemic affected the majority of the 3 year period under review. Furthermore, the business has been awarded “Best Financial Adviser – 20+ Advisers” at the annual Equity Release Awards in 2022, as well as being shortlisted as Later Life Adviser of the Year at the British Mortgage Awards 2022.

Principal risks and uncertainties

The process of risk management is dealt with through a framework of policies, procedures, and internal controls. The Risk Committee is responsible for ensuring that key risks are identified and that appropriate internal controls exist to mitigate these risks. The Board reviews the output of the Risk Committee to ensure that appropriate focus is applied not only to existing risks but also to emerging risks. The Group also has business continuity plans in place which it regularly tests and reviews. The principal risks are set out below

Regulatory/ Conduct Risk

Companies within the Group are regulated by the Financial Conduct Authority (“FCA”) and are therefore subject to regulatory changes which are monitored closely by the business through the management team, Risk Committees and Boards in order to evaluate any impact on the Companies and the ‘at retirement’ market. The approach to risk management provides ongoing assurance that regulatory compliance remains a key priority. Conduct risk is a continual area of focus and is addressed throughout business processes and assurance activity to ensure fair and appropriate customer outcomes.

In July 2022, the FCA issued a Policy Statement and Finalised Guidance to firms in respect of a new “Consumer Duty” that sets clearer and higher expectations for firm’s standards of care towards consumers. The FCA has proposed a phased approach to implementation of the new rules by 31 July 2023. The Group already sets itself very high standards, placing customers at the heart of its business. In response to the proposed new Consumer Duty the Group is undertaking a gap analysis and establishing a project team from across the business to ensure that any new requirements are embedded in the business before the July 2023 implementation timeline.

Financial Risk

Certain Group Companies are regulated by the FCA and as such are required to hold minimum levels of capital to meet regulatory requirements. The level of capital resources in each regulated company is regularly reviewed to ensure ongoing compliance with those requirements. Group companies have access to additional funding if necessary to provide additional capital, and are managed in order to protect earnings and their capital base.

Market Risk

Members of the Group serve the Lifetime Mortgage and ‘At Retirement’ markets.

The strength of the Lifetime Mortgage market is influenced by many factors including house prices, interest rates, availability of funding, and consumer confidence and demand. Advice is provided to differing market segments whether the customer’s objective in seeking a Lifetime Mortgage is to repay an existing mortgage or debt and reduce their monthly outgoings, to supplement their pension or income, to make a gift to family, or to fund discretionary expenditure such as home improvements, a car or a holiday. As such, it is considered the business has a natural hedge within its potential customer base between those with a funding need and those with aspirational aims. With the advancing demographic profile of the UK and the value of equity in the UK housing stock, the Directors’ view is that the potential market size is set to increase significantly over the coming years.

Strategic Report (continued)

Strategic / External Risk

This is the risk to earnings from changes in the business environment, adverse business decisions or failure to implement a decision effectively. The Executive Management team (supported by the wider senior management team who are all subject matter experts in their chosen field) is active within the industry and meet several times a week providing the opportunity for early warning signs to be identified, discussed, researched and a plan of mitigation developed and implemented at pace if necessary.

Operational Risk

This is the risk of loss or reduction in efficiency from a failure of, or inadequate, internal processes and controls. Operational risk includes manual processes, change processes, systems resilience, new products and services, people reliance, data security and third-party suppliers. Operational risk mitigation is a core element of the Group's risk management framework and is part of the daily business activity.

Section 172(1) Statement

The Directors of Age Partnership Group have acted in accordance with their duties codified in law, which include their duty to act in the way in which would be most likely to promote the success of the Company for the benefit of its members, having regard to the stakeholders and matters set out in section 172(1) of the Companies Act 2006.

In this Strategic Report, the Directors aim is to present a balanced and comprehensive review of the development and performance of the business during the year, its position at the year end, together with an assessment of the outlook. The review is consistent with the size and complexity of the business and highlights the risks and uncertainties faced by the Company.

Age Partnership Group is an over 50's money specialist that depends on the confidence of its stakeholders to operate sustainably in the long term. The Company seeks to develop its wider relationships with its primary concern being its customers' best interests. It also invests in its employees, supports local communities, maintains good relationships with suppliers and strives to generate sustainable profits for its shareholders.

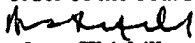
Section 172 considerations are embedded in decision making at Board level and throughout the wider Age Partnership Group. The Group's success in its engagement with customers, as well as the risks it faces along with the mitigating actions taken, are set out in this Strategic Report.

The Group is committed to providing the best customer outcomes and customer satisfaction. It regularly engages with customers throughout their journey with the Group and the Board measures the effectiveness of the advice provided by closely monitoring the Happy Customer Index.

The Board also recognises the importance of engaging with the Group's employees, ensuring that they remain informed of relevant information regarding Group values and performance. Monthly updates from the Executive Management Team, providing access to a suite of internal learning and development opportunities and being open and transparent in all undertakings, are just some of the ways in which the Group supports its employees, allowing them to in turn, provide a gold standard of service to its customers.

Finally, on behalf of the Board I would like to sincerely thank all colleagues for their hard work and effort through the past two years of unprecedented uncertainty, a period during which the Group has dealt with new challenges and is now well positioned to capitalise on any opportunities which may present themselves in the future.

By order of the board


Andrew Thirkill
Chairman

2200 Century Way
Thorpe Park
Leeds
LS15 8ZB
19 August 2022

Directors' Report

The Directors present their report and financial statements of the Group for the year ended 31 December 2020.

Dividend

No dividends have been paid or proposed during the current year or prior year.

Directors

The directors who held office during the year, and up to the date of this report, were as follows:

A R Thirkill

T J Loy

J P Simpson (resigned 9 March 2021)

D P Wing (resigned 6 January 2021)

S Auckland (appointed 23 April 2020)

J A A Thirkill (appointed 23 April 2020)

M W Bellamy (appointed 1 March 2021)

S E Thirkill (appointed 1 May 2021)

Political contributions

The Company made no political donations or incurred any political expenditure during the year.

Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Going Concern

The directors have formed a judgement, at the time of approving the financial statements, that there is a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. For this reason, the directors continue to adopt the going concern basis in preparing the financial statements. Further details of this assessment can be found in note 1.3.

Energy and Emissions report

The directors present its energy consumption, carbon emissions and intensity ratio statistics below:

	2021	2020
Scope 1 Energy Consumption (kWh)	830,388	1,170,356
Scope 2 Energy Consumption (kWh)	658,519	786,352
Scope 1 Carbon Emissions (tCO ₂ e)	157	238
Scope 2 Carbon Emissions (tCO ₂ e) – Location Based	140	183
Scope 2 Carbon Emissions (tCO ₂ e) – Market Based	-	-
Intensity Ratio 1 (tCO ₂ e/Turnover £m)	6.84	11.44
Intensity Ratio 2 (tCO ₂ e/Floor Area m ²)	0.09	0.13
Intensity Ratio 3 (tCO ₂ e/No of Employees)	0.74	0.87

In common with many businesses, in response to the Covid-19 pandemic, members of the Group transitioned to a home working model during periods of national lockdown and following government guidance to work from home wherever possible. The embedding of this practice has enabled the Group to adopt a flexible working policy post pandemic, which the Board considers an important step to retain and attract talent to the Group as well as reducing the carbon footprint from a lower volume of commuter journeys.

Directors' Report *(continued)*

Other information

An indication of likely future developments in the business and particulars of significant events which have occurred since the end of the financial year have been included in the Strategic Report on page 4. For the year ended 31 December 2021, the company accounts are prepared under International Financial Reporting Standards as adopted by the EU.

Auditor

The Company appointed Mazars LLP as its auditors during the year in accordance with Section 487 of the Companies Act 2006.

By order of the board



Andrew Thirkill
Director

2200 Century Way
Thorpe Park
Leeds
LS15 8ZB
19 August 2022

Statement of Directors' Responsibilities in respect of the Strategic Report, Directors' Report and the Financial Statements

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

Company law requires the directors to prepare group and parent company financial statements for each financial year. Under that law they have elected to prepare the group and the parent company financial statements in accordance with UK-adopted international accounting standards and applicable requirements of the Companies Act 2006 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 group and parent company and of their profit or loss for that period.

In preparing each of the Group and Parent Company financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable, relevant and reliable;
- state whether they have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent company's transactions and disclose with reasonable accuracy at any time the financial position of the parent company and enable them to ensure that its financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.

Independent auditor's report to the members of Age Partnership Group Limited

Opinion

We have audited the financial statements of Age Partnership Group Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2021 which comprise the Consolidated Statement of Profit or Loss and Other Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, 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 UK-adopted international accounting standards and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

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 2021 and of the group's profit for the year then ended;
- have been properly prepared in accordance with UK-adopted international accounting standards and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006; 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.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and the parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report and financial statements, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept 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

As explained more fully in the directors' responsibilities statement set out on page 8, 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 the financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

Based on our understanding of the group and the parent company and their industry, we considered that non-compliance with the following laws and regulations might have a material effect on the financial statements: non-compliance with implementation of government support schemes relating to COVID-19, Financial Conduct Authority regulations and compliance with accounting standards.

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

Independent auditor's report to the members of Age Partnership Group Limited

(continued)

- Inquiring of management and, where appropriate, those charged with governance, as to whether the group and the parent company is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- Inspecting correspondence, if any, with relevant licensing or regulatory authorities;
- Communicating identified laws and regulations to the engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the group and the parent company which were contrary to applicable laws and regulations, including fraud.

We also considered those laws and regulations that have a direct effect on the preparation of the financial statements, such as tax legislation and the Companies Act 2006.

In addition, we evaluated the directors' and management's incentives and opportunities for fraudulent manipulation of the financial statements, including the risk of management override of controls, and determined that the principal risks related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, in particular in relation to significant one-off or unusual transactions.

Our audit procedures in relation to fraud included but were not limited to:

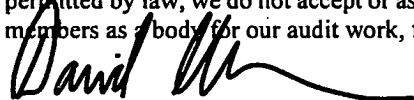
- Making enquiries of the directors and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

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 the audit 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.



David Allen (Senior Statutory Auditor) for and on behalf of Mazars LLP
Chartered Accountants and Statutory Auditor

Mazars LLP
5th Floor
3 Wellington Place
Leeds
LS1 4AP

19 August 2022

Consolidated Statement of Profit or Loss and Other Comprehensive Income
for year ended 31 December 2021

	Note	2021 £000	2020 £000
Revenue		43,124	40,858
Other income	2	323	1,168
Administrative expenses		(41,866)	(44,051)
Operating profit/(loss)		1,581	(2,025)
Finance expenses	6	(162)	(172)
Net financing expense		(162)	(172)
Profit/(loss) before taxation		1,419	(2,197)
Taxation	7	(323)	292
Profit/(loss) for the year		1,096	(1,905)
Other comprehensive income for the year, net of income tax		-	-
Total comprehensive income for the year		1,096	(1,905)

The accompanying notes on pages 17-36 form an integral part of these financial statements.

Statement of Financial Position
at 31 December 2021

	Note	Group 2021 £000	2020 £000	Company 2021 £000	2020 £000
Non-current assets					
Property, plant and equipment	8	620	603	-	-
Right of Use assets	8	2,624	2,996	-	-
Intangible assets	9	744	636	-	-
Investments in group companies and associated undertakings	10	-	-	3,820	220
		<u>3,988</u>	<u>4,235</u>	<u>3,820</u>	<u>220</u>
Current assets					
Trade and other receivables	11	4,309	1,907	2,600	-
Amounts owed from associated undertakings		471	-	-	-
Tax receivable		219	281	-	-
Cash and cash equivalents		2,436	2,017	1,000	-
Deferred Tax asset	12	7	288	-	-
		<u>7,442</u>	<u>4,493</u>	<u>3,600</u>	<u>-</u>
Total assets.		<u>11,430</u>	<u>8,728</u>	<u>7,420</u>	<u>220</u>
Current liabilities					
Trade and other payables	13	4,879	6,142	-	-
Amounts owed to associated undertakings		471	-	3,600	-
Lease liabilities less than one year	16	390	326	-	-
Tax payable		37	-	-	-
		<u>5,777</u>	<u>6,468</u>	<u>3,600</u>	<u>-</u>
Non-current liabilities					
Amounts owed to parties under common control	18	3,600	1000	3,600	-
Lease liabilities greater than one year	16	2,356	2,659	-	-
		<u>5,956</u>	<u>3,659</u>	<u>3,600</u>	<u>-</u>
Total liabilities		<u>11,733</u>	<u>10,127</u>	<u>7,200</u>	<u>-</u>
Net (liabilities)/assets		<u>(303)</u>	<u>(1,399)</u>	<u>220</u>	<u>220</u>
Equity attributable to equity holders of the parent					
Share capital	14	50	50	50	50
Merger reserve		-	-	561	561
Retained earnings		(353)	(1,449)	(391)	(391)
Total equity		<u>(303)</u>	<u>(1,399)</u>	<u>220</u>	<u>220</u>

The accompanying notes on pages 17-36 form an integral part of these financial statements.

These financial statements were approved by the board of directors on 19 August 2022 and were signed on its behalf by:



Andrew Thirkill
Director

Company registered number: 09073284

Statement of Changes in Equity

Group

	Share capital £000	Retained earnings £000	Total equity £000
Balance at 1 January 2021	50	(1,449)	(1,399)
Total comprehensive income for the period			
Profit for the year	-	1,096	1,096
	<hr/>	<hr/>	<hr/>
Total comprehensive income for the period	-	1,096	1,096
	<hr/>	<hr/>	<hr/>
Balance at 31 December 2021	50	(353)	(303)
	<hr/>	<hr/>	<hr/>
	Share capital £000	Retained earnings £000	Total equity £000
Balance at 1 January 2020	50	456	506
Total comprehensive income for the period			
Loss for the year	-	(1,905)	(1,905)
	<hr/>	<hr/>	<hr/>
Total comprehensive income for the period	-	(1,905)	(1,905)
	<hr/>	<hr/>	<hr/>
Balance at 31 December 2020	50	(1,449)	(1,399)
	<hr/>	<hr/>	<hr/>

The accompanying notes on pages 17-36 form an integral part of these financial statements.

Statement of Changes in Equity *(continued)*

Company

	Share capital £000	Merger reserve £000	Retained earnings £000	Total equity £000
Balance at 1 January 2021	50	561	(391)	220
Total comprehensive income for the period				
Profit for the year	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total comprehensive income for the period	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Balance at 31 December 2021	50	561	(391)	220
	<hr/>	<hr/>	<hr/>	<hr/>
	Share capital £000	Merger reserve £000	Retained earnings £000	Total equity £000
Balance at 1 January 2020	50	561	(391)	220
Total comprehensive income for the period				
Profit for the year	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total comprehensive income for the period	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Balance at 31 December 2020	50	561	(391)	220
	<hr/>	<hr/>	<hr/>	<hr/>

The accompanying notes on pages 17-36 form an integral part of these financial statements.

Consolidated Cash Flow Statement
for year ended 31 December 2021

	<i>Note</i>	2021 £000	2020 £000
Cash flows from operating activities			
Profit/(loss) for the year		1,419	(1,905)
Adjustments for:			
Depreciation, amortisation and impairment		1,033	1,386
Loss on Fixed Asset disposals		-	38
Financial expense		162	172
		<hr/> 2,614	<hr/> (601)
(Increase)/decrease in trade and other receivables		(2,875)	900
(Decrease)/Increase in trade and other payables		1,808	2,289
		<hr/> 1,547	<hr/> 2,588
Interest paid		(55)	(49)
Tax paid		59	(200)
		<hr/>	<hr/>
Net cash from operating activities		1,551	2,339
		<hr/>	<hr/>
Cash flows from investing activities			
Acquisition of property, plant and equipment	8	(368)	(96)
Acquisition of intangibles	9	(47)	(3)
Capitalised development expenditure	9	(371)	(353)
Right of Use Assets		-	729
		<hr/>	<hr/>
Net cash from investing activities		(786)	277
		<hr/>	<hr/>
Cash flows from financing activities			
Payment of finance lease liabilities		(346)	(602)
Right of Use Assets		-	(849)
Amounts paid by related parties		-	150
Dividends paid	14	-	-
		<hr/>	<hr/>
Net cash from financing activities		(346)	(1,301)
		<hr/>	<hr/>
Net increase in cash and cash equivalents		419	1,315
Cash and cash equivalents at 1 January		2,017	702
		<hr/>	<hr/>
Cash and cash equivalents at 31 December		2,436	2,017
		<hr/>	<hr/>

The accompanying notes on pages 17-36 form an integral part of these financial statements.

Notes

(forming part of the financial statements)

1 Accounting policies

Age Partnership Group Limited (the “Company”) is a company incorporated, domiciled and registered in England in the UK. The registered number is 09073284 and the registered address is 2200 Century Way, Thorpe Park, Leeds, LS15 8ZB.

Both the parent company financial statements and the Group financial statements have been prepared and approved by the directors in accordance with UK-adopted international accounting standards in conformity with the requirements of the Companies Act 2006. On publishing the parent company financial statements here together with the Group financial statements, the Company is taking advantage of the exemption in s408 of the Companies Act 2006 not to present its individual income statement and related notes that form a part of these approved financial statements.

The accounting policies set out, unless otherwise stated below, have been applied consistently to all periods presented in these financial statements.

1.1 Change in accounting policy

The Company has not adopted any new IFRSs in these financial statements.

1.2 Measurement convention

The financial statements are prepared on the historical cost basis.

1.3 Going concern

The Group’s business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic Report. The Group meets its day-to-day working capital requirements through cash and bank surpluses.

The Directors have made an assessment of the Group and Company’s ability to continue as a going concern, considering the Group and parent Company’s financial position and its ability to meet its obligations as and when they fall due over the “going concern period,” which is defined as being a minimum of 12 months from the date of these accounts.

Whilst there have been signs of a post pandemic economic recovery in the UK during the first 6 months of 2022, in view of the uncertainty regarding future economic conditions as a consequence of rising inflation, the recent increases in the Bank of England base interest rate, the conflict in Ukraine and any further impacts caused by Brexit and the COVID-19 pandemic, the directors considered a severe but plausible downside stress case as well as cash flow forecasts under a base case.

The severe downside stress scenario specifically focused upon the impacts on the Group of a downturn, including reducing the number of applications received, reducing achieved fee rates and underlying loan or asset values over the going concern period.

Where the going concern analysis identified points of stress, either on capital or liquidity, management have implemented actions to address these identified risks. Age Partnership Group Limited have entered into a facility agreement with Pure Retirement Limited for a total of £3.6m, of which £2.6m has been drawn and is repayable on an “on demand” basis to Age Partnership Group Limited. Age Partnership Group Limited also has an agreement with its bankers to have unrestricted access to an overdraft of £375k should it be required.

Taking into account the outcome of the going concern assessment, together with the actions taken by management, the Directors consider it appropriate to prepare the financial statements on a going concern basis.

Notes (continued)

1 Accounting policies (continued)

1.4 Basis of consolidation

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. In assessing control, the Group takes into consideration potential voting rights that are currently exercisable. The acquisition date is the date on which control is transferred to the acquirer. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

1.5 Financial instruments

Financial instruments comprise investments in equity, trade and other receivables, cash and cash equivalents, loans and borrowings with other group entities, and trade and other payables.

Trade and other receivables

Trade and other receivables are recognised initially at fair value, adjusted for any transaction costs. Subsequent to initial recognition, they are measured at amortised cost using the effective interest method, net of any loss allowances.

Interest income is calculated using the effective interest method and is recognised in profit and loss. Changes in fair value are recognised in profit and loss when the asset is derecognised or reclassified.

Where trade receivables do not contain a significant financing component, as per IFRS 15, these are measured at the transaction price.

Trade and other payables

Trade and other payables are recognised initially at fair value, adjusted for any transaction costs. Subsequent to initial recognition, they are measured at amortised cost using the effective interest method.

Interest expense is calculated using the effective interest method and is recognised in profit and loss. Changes in fair value are recognised in profit and loss when the liability is derecognised or reclassified.

Investments in subsidiaries

Investments in subsidiaries are carried at cost less impairment. Any dividends received are recognised in profit or loss unless these clearly represent a recovery of part of the initial cost of investment.

Cash and cash equivalents

Cash and cash equivalents comprise all cash balances and call deposits which, under IFRS 9, are measured using the amortised cost basis net of impairment allowances. Any such impairment has been calculated using a forward-looking lifetime expected loss model.

Interest-bearing borrowings with other group entities

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method.

Interest income or expense is calculated using the effective interest method and is recognised in profit and loss. Changes in fair value are recognised in profit and loss when the asset or liability is derecognised or reclassified.

Notes (continued)

1 Accounting policies (continued)

1.6 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

Depreciation is charged to the income statement on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. The estimated useful lives are as follows:

- | | | |
|--------------------------------|---|------------------------|
| • Short leasehold improvements | - | 4 years, 25% per annum |
| • Fixtures and fittings | - | 4 years, 25% per annum |
| • Computer equipment | - | 4 years, 25% per annum |

Depreciation methods, useful lives and residual values are reviewed at each balance sheet date. Right of use assets have been discussed at 1.14.

1.7 Intangible assets

Intangible assets that are acquired by the Group are stated at cost less accumulated amortisation and less accumulated impairment losses.

Amortisation

Amortisation is charged to the income statement on a straight-line basis over the estimated useful lives of intangible assets unless such lives are indefinite. The estimated useful lives are as follows:

- | | | |
|----------------------------------|---|------------------------|
| • Software and Development costs | - | 4 years, 25% per annum |
|----------------------------------|---|------------------------|

1.8 Impairment of financial assets (including receivables)

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Interest on the impaired asset continues to be recognised through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

1.9 Impairment of non-financial assets excluding inventories

The carrying amounts of the Company's non-financial assets, other than inventories, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill, and intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each year at the same time.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit"). The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to cash-generating units, or ("CGU").

Notes *(continued)*

1 **Accounting policies** *(continued)*

1.9 **Impairment of non-financial assets excluding inventories and deferred tax assets** *(continued)*

Subject to an operating segment ceiling test, for the purposes of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment is tested reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

1.10 **Revenue**

Revenue represents net invoiced sales of services, excluding value added tax. Revenue incorporates the following for the various business lines of the Group:

- Equity Release - commissions and packaging fees from equity release as well as advice fees received from customers are recognised as part of revenue at the point of completion of the agreement.
- Retirement Income - commissions on customer selected retirement products (non-advised sales) from pension income providers as well as advice fees received from customers are recognised as part of revenue at the point of completion of the agreement.
- Estate Planning - administration fees relating to setting up of lasting power of attorney are recognised as part of revenue at the point of invoice or completion of works, whichever is the latter.
- Administration of medical questioning for pension trustees – administration fees in relation to the collection of medical data for pension trustees are recognised as part of revenue at the point of invoice or completion of works, whichever is the latter
- Other income relates to the monies received through the Coronavirus Job Retention Scheme and is treated as a government grant received and recognised in the period to which the claim relates.

1.11 **Employee benefits**

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which the Company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the income statement in the periods during which services are rendered by employees.

Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Notes (continued)

1 Accounting policies (continued)

1.12 Taxation

Tax on the profit or loss 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.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets and liabilities are not discounted.

1.13 Business combinations

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group.

For acquisitions on or after 1 January 2010, the Group measures goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquired; plus
- the fair value of the existing equity interest in the acquired; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, are expensed as incurred.

Any contingent consideration payable is recognised at fair value at the acquisition date. If the contingent consideration is classified as equity, it is not remeasured, and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

On a transaction-by-transaction basis, the Group elects to measure non-controlling interests, which have both present ownership interests and are entitled to a proportionate share of net assets of the acquiree in the event of liquidation, either at its fair value or at its proportionate interest in the recognised amount of the identifiable net assets of the acquiree at the acquisition date. All other non-controlling interests are measured at their fair value at the acquisition date.

Notes (continued)

1 Accounting policies (continued)

1.14 Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

The right-of-use assets are also subject to impairment. Refer to the accounting policies section 1.9 above.

ii) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term.

The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date unless the interest rate implicit in the lease is readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is re-measured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Group's lease liabilities are included in Lease liabilities (Note 16).

iii) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

1.15 Government grants

The Group recognises grants only when there is reasonable assurance that (a) the entity will comply with any conditions attached to the grant, and (b) the grant will be received.

Grants are recognised in profit or loss over the period necessary to match them with the related costs for which they are intended to compensate, on a systematic basis, and as accrued income where related costs have been incurred but the assistance subsidising them has not yet been received. The Group has opted to recognise government grants relating to income as 'other income' rather than deducting them from the related expense as set out in IAS 20 – Government Grants.

Notes (continued)

1 Accounting policies (continued)

1.16 Standards issued but not yet effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. Their adoption is not expected to have a material effect on the financial statements unless otherwise indicated:

- Amendments to IFRS 3: Definition of a Business (effective date 1 January 2022). In October 2018, the IASB issued amendments to the definition of a business in IFRS 3 Business Combinations to help entities determine whether an acquired set of activities and assets is a business or not. This is not expected to impact the presentation of the accounts.
- Amendments to IAS 1: Classification of liabilities as current or non-current (effective date 1 January 2023). To promote consistency in application and clarify the requirements on determining if a liability is current or non-current, the IASB has amended IAS 1. The amendments apply retrospectively for annual reporting periods beginning on or after 1 January 2023 and is not expected to have a significant impact on the Group's financial statements.

1.17 Accounting estimates and judgements

Certain critical accounting judgements in applying the Company's accounting policies include whether the long-term incentive plan (LTIP) for the directors is a share-based payment as defined in IFRS 2, or an employee benefit within the scope of IAS 19. There is a further judgement as to whether to recognise a charge for the LTIP.

In January 2017, a long-term incentive plan (LTIP) for the directors was put in place. It is designed to pay out should the company participate in a future corporate transaction. Having considered the terms of the agreement it is the view of the directors that the LTIP does not meet the definition of a share-based payment under IFRS 2 Share-based Payment due to the mechanism for calculating the payments that would be due under the LTIP. As a result, the LTIP has been considered under IAS 19 Employee Benefits. The directors are of the view that the LTIP does not have a realisable value at the balance sheet date and therefore there has been no provision made within these financial statements

2 Other income

The Company received government assistance during the period as part of the Coronavirus Job Retention Scheme ('CJRS') in the form of direct cash payments, recognised as other income through profit or loss and as accrued income where related costs have been incurred but the payments subsidising them have not yet been received.

In addition, the Company has submitted a claim in respect of research and development expenditure ('RDEC').

	2021	2020
	£000	£000
Government Grants	302	1,168
Research & Development Expenditure Credits	21	-
	<hr/>	<hr/>
	323	1,168
	<hr/>	<hr/>

An amount of £nil (2020: £63k) is included in Prepayments and other provisions at the balance sheet date. The CJRS scheme ceased during 2021 and all sums due to the Company were received during the year. An amount of £21k (2020: £nil) is included in Tax receivable in respect of the RDEC claim.

Notes (continued)

3 Expenses and auditor's remuneration

Auditor's remuneration:

	2021 £000	2020 £000
Audit of these financial statements	7	7
Amounts receivable by the company's auditor and its associates in respect of: Audit of financial statements of subsidiaries of the company	49	46

4 Staff numbers and costs

The average number of persons employed within the Group (including directors) during the year, analysed by category, was as follows:

	Number of employees 2021	2020
Directors	8	4
Administration	393	476
	401	480

The aggregate payroll costs of these persons were as follows:

	2021 £000	2020 £000
Wages and salaries	13,504	14,706
Social security costs	1,495	1,500
Other pension costs	302	386
	15,301	16,592

Notes (continued)

5 Directors' remuneration

	2021 £000	2020 £000
Directors' remuneration	1,343	862
Company contributions to money purchase pension plans	67	41
	<u>1,410</u>	<u>903</u>

The aggregate of remuneration of the highest paid director was £380,000 (2020: £161,958), and Company pension contributions of £nil (2020: £9,628) were made to a money purchase scheme on their behalf.

	Number of directors 2021	2020
Retirement benefits are accruing to the following number of directors under:		
Money purchase schemes	7	5
	<u>7</u>	<u>5</u>
The number of directors who exercised share options was	-	-
	<u>-</u>	<u>-</u>

6 Finance expense

	2021 £000	2020 £000
Finance expense		
Interest expense on financial liabilities measured at amortised cost	55	49
Lease liability discounting	107	123
	<u>162</u>	<u>172</u>
Total finance expense	<u>162</u>	<u>172</u>

Notes (continued)

7 Taxation

Recognised in the income statement

	2021 £000	2020 £000
<i>Current tax expense</i>		
Current year	-	(28)
Adjustments for prior years	41	42
	<hr/> 41	<hr/> 14
<i>Deferred tax expense</i>		
Origination and reversal of temporary differences	280	(330)
Adjustments for prior years	2	24
	<hr/> 282	<hr/> (306)
Deferred tax expense	<hr/> 282	<hr/> (306)
Total tax expense recognised in the income statement	<hr/> <hr/> 323	<hr/> <hr/> (292)

Reconciliation of effective tax rate

	2021 £000	2020 £000
Profit/(loss) for the year	1,096	(1,905)
Total tax charge/(credit)	<hr/> 323	<hr/> (292)
Profit/(loss) excluding taxation	<hr/> 1,419	<hr/> (2,197)
Tax using the UK corporation tax rate of 19% (2020: 19%)	270	(417)
Expenses not deductible for tax purposes	6	62
Fixed asset differences	13	7
Remeasurement of deferred tax for changes in tax rates	(2)	2
Adjustments for prior years	15	42
Adjustment to tax charge for prior years for deferred tax	29	-
R & D expenditure credits	(4)	-
Temporary differences not recognised in computation	(4)	10
Other differences	-	2
	<hr/> 323	<hr/> (292)
Total tax expense/(credit)	<hr/> <hr/> 323	<hr/> <hr/> (292)

Notes (continued)

8 Property, plant and equipment - Group only

	Leasehold £000	Fixtures and Fittings £000	Computer Equipment £000	Right-to-use assets £000	Total £000
Cost					
Balance at 1 January 2021	25	1,545	1,058	3,248	5,876
Acquisitions	-	144	224	-	368
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Balance at 31 December 2021	25	1,689	1,282	3,248	6,244
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation and impairment					
Balance at 1 January 2021	21	1,188	816	252	2,277
Depreciation charge for the year	2	186	163	372	723
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Balance at 31 December 2021	23	1,374	979	624	3,000
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Net book value					
At 31 December 2020	4	357	242	2,996	3,599
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2021	2	315	303	2,624	3,244
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

	Leasehold £000	Fixtures and Fittings £000	Computer Equipment £000	Right-to-use assets £000	Total £000
Balance at 1 January 2020	25	1,482	1,047	5,099	7,653
Reclassification to intangibles	-	35	21	-	56
Acquisitions	-	28	67	2,958	3,053
Disposals	-	-	(77)	(4,809)	(4,886)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Balance at 31 December 2020	25	1,545	1,058	3,248	5,876
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation and impairment					
Balance at 1 January 2020	19	949	651	841	2,460
Reclassification to intangibles	-	35	21	-	56
Depreciation charge for the year	2	204	185	533	924
Depreciation on disposals in the year	-	-	(41)	(1,122)	(1,163)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Balance at 31 December 2020	21	1,188	816	252	2,277
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Net book value					
At 31 December 2020	4	357	242	2,996	3,599
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

Notes (continued)

8 Property, plant and equipment – Group only (continued)

At 31 December 2021, property, plant and equipment includes right-of-use assets as follows:

	Land & buildings £000	Computer Equipment £000	Total £000
Right-of-use asset			
At 31 December 2021	2,619	5	2,624
	<u> </u>	<u> </u>	<u> </u>
At 31 December 2020	2,980	16	2,996
	<u> </u>	<u> </u>	<u> </u>

9 Intangible assets – Group Only

	Software & Development costs £000	Goodwill £000	Total £000
Cost			
Balance at 1 January 2021	1,989	214	2,203
Acquisitions	418	-	418
	<u> </u>	<u> </u>	<u> </u>
Balance at 31 December 2021	2,407	214	2,621
	<u> </u>	<u> </u>	<u> </u>
Amortisation and impairment			
Balance at 1 January 2021	1,353	214	1,567
Amortisation for the year	310	-	310
	<u> </u>	<u> </u>	<u> </u>
Balance at 31 December 2021	1,663	214	1,877
	<u> </u>	<u> </u>	<u> </u>
Net book value			
At 31 December 2020	636	-	636
	<u> </u>	<u> </u>	<u> </u>
At 31 December 2021	744	-	744
	<u> </u>	<u> </u>	<u> </u>

Notes (continued)

9 Intangible Assets – Group only (continued)

	Software & Development Costs £000	Goodwill £000	Total £000
Cost			
Balance at 1 January 2020	1,688	214	1,902
Reclassification from PPE	(55)	-	(55)
Acquisitions	356	-	356
Balance at 31 December 2020	1,989	214	2,203
Amortisation and impairment			
Balance at 1 January 2020	1,160	-	1,160
Reclassification from PPE	(55)	-	(55)
Amortisation for the year	248	-	248
Impairment	-	214	214
Balance at 31 December 2020	1,353	214	1,567
Net book value			
At 31 December 2019	528	214	742
At 31 December 2020	636	-	636

Amortisation and impairment charge

The amortisation and impairment charge is recognised in the following line items in the income statement:

	2021 £000	2020 £000
Administration expenses	310	248

10 Investments in subsidiaries

The Company has the following investments in subsidiaries. The registered address of all entities is 2200 Century Way, Thorpe Park, Leeds, LS15 8ZB

Subsidiary	Class of Shares held	Ownership 2021	Ownership 2020
Company			
Age Partnership Limited	Ordinary	100%	100%
Age Partnership Wealth Management Limited	Ordinary	100%	100%
Group			
Age Partnership Limited	Ordinary	100%	100%
Age Partnership Wealth Management Limited	Ordinary	100%	100%
Age Assist Limited	Ordinary	100%	100%
Age Lifetime Limited	Ordinary	100%	100%
Equity Release Associates Limited	Ordinary	100%	100%

Notes *(continued)*

10 Investments in subsidiaries *(continued)*

The investment in The Marketing Lab Limited was fully impaired in 2020 due to the pending cessation of the business.

During the year the Company provided subordinated long-term funding to members of the group, totalling £3.6m. This amount has been included as a non-current asset of the Company.

11 Trade and other receivables

	Group	
	2021	2020
	£000	£000
Trade and other receivables	893	1,076
Prepayments & accrued income	751	725
Amounts due from parties under common control	2,665	106
	<hr/> 4,309 <hr/>	<hr/> 1,907 <hr/>

During the year, the Company provided a funding facility totalling £3.6m to Pure Retirement Limited. At the balance sheet date, the sum of £2.6m had been drawn on this facility, which remains payable on demand and is included in amounts due from parties under common control for both the Group and the Company.

Notes (continued)

12 Deferred tax assets and liabilities - Group

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities		Net	
	2021	2020	2021	2020	2021	2020
	£000	£000	£000	£000	£000	£000
Property, plant and equipment	-	1	14	-	(14)	1
Provisions	8	6	-	-	8	6
Tax credit and loss carried forward	10	342	-	-	10	342
Pension and post-retirement benefits	20	-	-	43	20	(43)
Other taxable temporary differences	-	-	17	18	(17)	(18)
	<u>38</u>	<u>349</u>	<u>31</u>	<u>61</u>	<u>7</u>	<u>288</u>

Movement in deferred tax during the year

	1 January 2021	Recognised in the income statement	31 December 2021
	£000	£000	£000
Property, plant and equipment	1	(15)	(14)
Provisions	6	2	8
Tax credit and loss carried forward	342	(332)	10
Pension and post-retirement benefits	(43)	63	20
Other taxable temporary differences	(18)	1	(17)
	<u>288</u>	<u>(281)</u>	<u>7</u>

13 Trade and other payables

	2021	2020
	£000	£000
Trade payables	2,898	4,477
Accruals and deferred income	1,613	1,306
Taxation and social security	368	359
	<u>4,879</u>	<u>6,142</u>

Notes (continued)

14 Capital and reserves

Share capital

	2021	Ordinary shares 2020
Shares on issue at 1 January	50,000	50,000
Issued for in a share-for-share exchange	-	-
	<hr/>	<hr/>
Shares on issue at 31 December	50,000	50,000
	<hr/>	<hr/>
	2021	2020
	£000	£000
<i>Allotted, called up and fully paid</i>		
50,000 shares of £1.00 each	50	50
	<hr/>	<hr/>
	50	50
	<hr/>	<hr/>

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

Dividends

The following dividends were recognised during the period:

	2021 £000	2020 £000
£nil (2020: £26) per qualifying ordinary share	-	-
	<hr/>	<hr/>
	-	-
	<hr/>	<hr/>

Notes (continued)

15 Financial instruments – Fair Values & Risk Management

Fair values of financial instruments

The carrying values of the Group's financial instruments are reasonable approximations of their fair value.

Financial instruments

The Group is exposed through its operations to one or more of the following financial risks:

- Capital and Liquidity risk
- Market price risk
- Interest rate risk
- Credit risk

Policy for managing these risks is set by the Risk Committee. The policy for each of the above risks is described in more detail below.

Capital and Liquidity risk

Capital and liquidity risk is the risk that the Group will have difficulty in meeting its financial obligations as they fall due and retains sufficient capital within the Group. Age Partnership Limited and Age Partnership Wealth Management Limited are regulated by the FCA and so are required to meet the minimum capital requirements as set out by the FCA. In order to ensure continued compliance with these requirements the liquidity of the Group is monitored and managed centrally. With the only structured debt being finance leases the main liquidity risk arises from the Group's management of working and regulatory capital. The Group and Company currently have sufficient capital and liquid resources to meet the requirements of the business and their future plans.

Maturity of financial liabilities

The carrying amounts of financial liabilities (excluding unamortised finance costs), all of which are UK based and exposed to cash flow or fair value interest rate risk, are repayable as follows:

	On demand	Long term	On demand	Long term
	2021	borrowing	2020	borrowing
Group	£000	£000	£000	£000
Less than one year	2,898	-	4,477	-
More than one year	-	3,600	-	1,000

Market price risk

Given the low level of external debt the market price risk arises from wider macro-economic factors which may affect the strength of the equity release market such as house price inflation and interest rates. The Group's customer base is entirely within the UK so changes in exchange rate pose no significant risk.

Interest rate risk

The Company finances its operations through equity and a small amount of finance leases at a fixed rate. Therefore, the Company does not have exposure to interest rate risk

Notes (continued)

15 Financial instruments – Fair Values & Risk Management (continued)

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's receivables from customers and investment securities.

The Group's credit risk is primarily derived from its trade receivables. This risk is managed daily by the Group's credit control function who monitor recovery and ensure that outstanding debts are identified when these become overdue and appropriate action is taken to recover the amounts outstanding.

Due to the wide range of customers, the Group has no substantial exposure to any individual third party in respect of trade receivables.

The exposure to credit risk as at 31 December 2021 was as follows:

Group	2021 £000	2020 £000
Gross trade receivables	929	1,125
Provision for trade receivables	(36)	(49)
	<hr/>	<hr/>
Net trade receivables	893	1,076
	<hr/>	<hr/>
Cash and cash equivalents	2,436	2,017
	<hr/>	<hr/>

The Board receives management information each month regarding sales and trade receivables and monitors the Group's performance. The following table illustrates the concentrations of credit risk within the Group as at the balance sheet date. All receivables are UK based. The aging of trade receivables at the balance sheet date was:

Group	Gross 2021 £000	Impairment 2021 £000	Gross 2020 £000	Impairment 2020 £000
Not past due	631	6	664	17
Past due 0-30 days	160	4	40	5
Past due over 30 days	138	26	421	27
	<hr/>	<hr/>	<hr/>	<hr/>
	929	36	1,125	49
	<hr/>	<hr/>	<hr/>	<hr/>

Notes (continued)

15 Financial instruments – Fair Values & Risk Management (continued)

The movement in the allowance for impairment in respect of trade receivables during the year was as follows:

	Group 2021 £000	Group 2020 £000
Balance at 1 January	49	25
Impairment loss reversed	(49)	(25)
Impairment loss recognised	36	49
	<hr/>	<hr/>
Balance at 31 December	36	49
	<hr/>	<hr/>

The Group's maximum credit risk is equal to the carrying value for trade receivables, loan to a related party and cash and cash equivalents.

Despite the reasonably high level of provisions for impairment, the directors consider the Group's credit quality to be good. This is due to the fact that the vast majority of payments are received shortly after the point of sale and are due from recognised mortgage lenders and solicitors' client accounts.

Capital

The Company's capital is held within its group companies. The Group considers its regulatory capital to comprise of its net assets less intangible assets and any subordinated loans to companies within the Group. The Company is not a regulated entity under the FCA.

The Group's capital requirement is assessed at individual regulated company level and the board ensure that it has sufficient capital at all times throughout the year.

16 Lease liabilities

	2021 £000	2020 £000
At 1 January	2,985	4,307
Additions	-	2,930
Disposals in the year	-	(3,779)
Interest & Payments	(326)	(473)
	<hr/>	<hr/>
At 31 December	2,659	2,985
	<hr/>	<hr/>
Current	390	326
Non-current	2,356	2,659
	<hr/>	<hr/>
Total	2,746	2,985
	<hr/>	<hr/>

Notes (continued)

17 Ultimate parent company and parent company of larger group

The Company is the ultimate parent company of the Group. The ultimate controlling party is A R Thirkill as chairman and majority shareholder of Age Partnership Group Limited.

This is the only group in which the results of the Company are consolidated. No other group financial statements include the results of the Company.

18 Related parties

Group

Identity of related parties with which the Group has transacted

During the year, the Group was controlled by A R Thirkill as chairman and majority shareholder of the Group.

The Group had transactions in the year with other group companies and jointly controlled entities Pure Retirement Limited, ATP Advertising and Marketing Limited, and Advise Wise Limited. The details of these transactions are disclosed below.

Group Companies

All the employees within the Age Partnership Group are employed by Age Partnership Limited and all central services are procured by that company. Inter-company balances are eliminated on consolidation.

Pure Retirement Limited

- The Group received commission as a broker from Pure Retirement Limited, commission received during the year was £5,924,546 (2020: £5,831,265). There was a balance outstanding at 31 December 2021 of £45,466 (2020: £74,431) in relation to these services.
- In addition, the Group also received funds from Pure Retirement Limited for a proportion of shared services including rental and personnel costs. The amount received from Pure Retirement in 2021 in respect of these items was £183,949 (2020: £479,411). There was a balance outstanding at 31 December 2021 of £12,676 (2020: £17,215) in relation to these services.
- In addition to these transactions during the year Pure Retirement Limited provided financial support to the Company in the form of a £3,600,000 loan facility as at 31 December 2021 (2020: £nil). The company has provided an on demand facility to Pure Retirement Limited accounting to £3,600,000 of which £2,600,000 has been drawn down at 31 December 2021 (2020: £nil). These funding arrangements replaced the previous finance provided by Pure Retirement Limited to members of the Group.

ATP Advertising and Marketing Limited

- During the year, the Group received marketing, media buying and printing services from ATP Advertising and Marketing Limited. The total paid for these services during the year was £2,138,385 (2020: £2,106,397). The balance outstanding at 31 December 2021 was £232,430 (2020: £nil).
- In addition, the Group also received rental income from ATP Advertising and Marketing Limited for the subletting of a section of the Group's head office. The total funds received during the year in respect of this was £28,800 (2020: £51,840). The balance outstanding at December 2021 was £2,400 (2020: £nil).

Advise Wise Limited

- During the year, the Group provided administrative services to Advise Wise Limited totalling £29,616 (2020: £37,051). At 31 December 2021, the balance amount outstanding was £4,930 (2020: £31,289).

19 Subsequent events

No material events have been noted subsequent to the balance sheet date.