

Absolute Assigned Policies Limited

REPORT AND FINANCIAL STATEMENTS

Year ended 31 December 2022

Company Registration No. 00939239

THURSDAY



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COMPANIES HOUSE

Absolute Assigned Policies Limited

COMPANY INFORMATION

DIRECTORS

K Spiteri
R Ezekiel

COMPANY SECRETARY

K Spiteri

REGISTERED OFFICE & BUSINESS ADDRESS

Stanmore Business & Innovation Centre
Stanmore Place
Honeypot Lane
Stanmore
HA7 1BT

AUDITOR

Mazars LLP
Statutory Auditor
30 Old Bailey
London
EC4M 7AU

BANKER

Barclays Bank plc
Head Office Branch
One Churchill Place
London
E14 5HP

Absolute Assigned Policies Limited

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Absolute Assigned Policies Limited

DIRECTORS' REPORT

The directors submit their report and the financial statements of Absolute Assigned Policies Limited (the "Company") for the year ended 31 December 2022.

PRINCIPAL ACTIVITIES

The principal activities of the Company during the year were acting as an intermediary in insurance and financial services and is wholly owned by T.I.S. Group Limited.

DIRECTORS

The following directors have held office during the year and up to the date of signing the financial statements were:

K Spiteri
R Ezekiel

REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

The Board is disappointed with the low levels of market activity in the UK during the year, but encouraged by developments overseas heightening trading opportunities of life assurance policies.

The Board continues to advance the strategy which exploits the reputation of T.I.S. Group Limited and its subsidiaries as a provider of insurance-linked and alternative investment products, whilst utilising inhouse expertise to diversify its offerings to include other investment products. Revenues from this strategy are intended to be earned from investment management and other investment service fees.

The group's strategy will be underpinned by the need to provide investment solutions that maximise returns to third party investors by focusing on the following:

- Low or no correlation to capital markets;
- Low volatility; and
- A high degree of capital preservation.

Given the current straightforward nature of the business of the Company the directors do not believe that analysis by KPIs is necessary to understand the development, performance or position of the Company.

RESULTS FOR THE YEAR

The results for the year do not reflect the ongoing transition as set out in the Business Review and therefore the Board believes it is not representative of the economic potential of future opportunities, which will improve the position in the near future.

DIVIDENDS

No dividends were paid or recommended in the year (2021: £Nil).

PRINCIPAL RISKS AND UNCERTAINTIES

The group's strategy is to follow an appropriate risk policy, which effectively manages exposures related to the achievement of business objectives. The key risks which Absolute Assigned Policies Limited faces are detailed as follows:

Absolute Assigned Policies Limited

DIRECTORS' REPORT (continued)

PRINCIPAL RISKS AND UNCERTAINTIES (continued)

Extensive regulation

The group is subject to legislation, regulation and governmental policies. The Company is authorised and regulated by the Financial Conduct Authority ("FCA"), which has jurisdiction over capital adequacy requirements, marketing and selling practices, advertising and terms of business. The FCA is concerned principally with the protection of the policy holders with whom the Company deals rather than shareholders and creditors.

Financial service laws, regulations, government policies and taxation laws currently affecting the group, and the interpretation applied to those laws and regulations, may change and although the company will monitor developments, it cannot accurately predict the timing or form of any future initiatives or changes. Changes in relevant government policy, legislation or regulatory interpretation may materially and adversely affect the group's operations, businesses and profitability.

Distribution by the Company's international network

Whilst the terms and conditions of the agreements between the Company and its distributors specifically require the distributor to comply with any rules or regulations in the legal jurisdiction or jurisdictions concerned, the company has not sought local legal opinion as to whether each distributor has the legal authorisation to conduct the business in which it is engaged in the relevant legal jurisdiction. Furthermore, the company has not sought local legal opinion as to whether each distributor has conducted its business in accordance with applicable local rules and regulation of the jurisdiction or jurisdictions in which each distributor operates.

Any failure by such distributors to comply fully with local regulation may have an adverse effect on the company's ability to distribute its products in such jurisdictions, and thus its operations, businesses and profitability.

Operational risks

The group's businesses are dependent on processing a large number of transactions and are subject to legal and regulatory requirements. The group's ability to make accurate pricing decisions, to maintain financial and operating controls, to keep accurate records and provide high-quality customer service depends, in part, on the efficient and uninterrupted operation of its management and other information systems, including its information technology and its other business resilience systems. Any disruption in the operation of these systems, processes and controls, or issues that emerge in relation to their operation, their continuing development and improvement or their ability to provide effective controls, may result in additional cost and, if any of them should prove to be inaccurate or ineffective or if they were to fail, could materially adversely affect the group's relationship with its regulators, service providers, fund managers, fund clients and their investors and could have a material adverse effect on the group's operations, businesses and profitability.

Competition

A number of companies and funds compete with the group in the alternative investment market. If the group is unable or is perceived to be unable to compete effectively or if its competitors are more successful or are perceived to be more successful in competing effectively, the group's competitive position may be adversely affected, which would have a material adverse effect on the group's operations, businesses and profitability.

Dependence on information technology

The group's information technology and other business resilience systems are vulnerable to damage or interruption from floods, fires, power loss, telecommunication failures and similar events. These systems may also be subject to sabotage, vandalism and similar misconduct, which would have a material adverse effect on the group's operations, businesses and profitability.

Absolute Assigned Policies Limited

DIRECTORS' REPORT (continued)

PRINCIPAL RISKS AND UNCERTAINTIES (continued)

Key personnel

The group's business model requires a relatively small number of key skilled professionals. The departure of key skilled professionals could cause disruption to the management structure and relationships, an increase in costs associated with staff replacement, lost business relationships or reputational damage, any or all of which could have a material adverse effect on the group's business, financial condition, results of operations or future prospects.

Dependence on brand and/or reputation

The directors of the group believe that the business successes and results are, to a large extent, dependent on its brands. The group places significant reliance on distributor and investor confidence in these brands. A material operational loss, adverse regulatory or legal actions impairing the group's reputation or adverse publicity surrounding, for example buying or selling practices within the alternative investment market, could damage the public image of the Company and the group's brands and negatively affect confidence in the Company and thereby the profitability of the group.

Traded endowment policy ("TEP") values

The trading of United Kingdom ("UK") TEPs and related services provided to third parties is and is expected to remain (at least in the short term) the group's primary activity. If the valuation of UK TEPs reduces significantly or liquidity is reduced, this is likely to have a material adverse impact on the group's revenues, businesses and the results of operations.

Decline in the number of endowment policies

The directors of the group believe that the size of the addressable TEP market in the UK will decline significantly over the next few years. Therefore, unless the group can significantly diversify its operations away from the UK TEP market in the short to medium term, this decline will have a material adverse effect on the group's operations, businesses and profitability.

Liability of inaccurate valuations

If the valuations generated by the Company are inaccurate and relied on by the TEP funds and their investors to their detriment, affected funds and investors may seek to make a claim against the Company. Although the Company is insured against such claims, there are excesses applicable under the relevant insurance policies. Any such claims, if successful could reduce the group's margins, harm its reputation and increase the likelihood of further insurance claims.

Expansion

The ability of the group to expand and diversify its businesses will depend upon the ability of the group's management to implement the growth strategy of the group, which includes identifying extensions to the group's existing businesses and establishing new products and services. If the group's management is not able to expand and diversify the group's businesses, there is likely to be a material adverse effect on the group's operations, businesses and profitability. Equally implementing the group's growth strategy may lead to increased costs and lower profitability. Expansion and change can also place significant strain on management, employees, systems and resources and may not be successful.

Absolute Assigned Policies Limited

DIRECTORS' REPORT (continued)

PRINCIPAL RISKS AND UNCERTAINTIES (continued)

New legislative and regulatory changes

The Company is authorised and regulated by the FCA. Changes to the regulatory requirements in any of the jurisdictions in which the group undertakes business may require members of the group to obtain additional or new authorisations or permissions and/or make it more onerous financially, legally or otherwise for the group to carry on its businesses in a manner substantially similar to the way in which it conducts business currently. Any expansion or diversification in the group's existing businesses may also require new authorisations or permissions or make it more onerous for the group to operate. As a result of any of this, the group's administrative burden and costs could increase and its profitability could be adversely affected.

Changes to the regulatory requirements in any of the jurisdictions in which the group undertakes business may require members of the group to obtain additional or new authorisations or permissions and/or make it more onerous financially, legally or otherwise for the group to carry on its businesses in a manner substantially similar to the way in which it conducts business currently. Any expansion or diversification in the group's existing businesses may also require new authorisations or permissions or make it more onerous for the group to operate. As a result of any of this, the group's administrative burden and costs could increase and its profitability could be adversely affected.

GOING CONCERN

The financial statements have been prepared on a going concern basis. Absolute Assigned Policies Limited plans to grow the business primarily through the diversification of its core product, traded endowment policies and source traded life assurance policies issued by life offices across the globe rather than solely in the UK.

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Business Review. The financial position of the Company, its cash flows, and liquidity position currently remains stable and can generate a positive cash flow from solely its existing revenue streams. The Company's forecast and projections taking account of the potential future developments, show that the Company will be trading profitably to be able to continue in operational existence for the foreseeable future.

POST BALANCE SHEET EVENTS

There are no post balance sheet events after the reporting date requiring disclosure.

THIRD PARTY INDEMNITY PROVISION FOR DIRECTORS

The Company currently has in place, and has done for the year ended 31 December 2022, Directors' and Officers' Liability insurance for the benefit of all directors of the Company.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO THE AUDITOR

The directors who were in office on the date of approval of these financial statements have confirmed that, as far as they are aware, there is no relevant audit information of which the auditor is unaware. Each of the directors have confirmed that they 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 it has been communicated to the auditor. This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

AUDITOR

Mazars LLP has indicated its willingness to continue in office.

A resolution to re-appoint Mazars LLP, as auditor will be put to members at the Annual General Meeting.

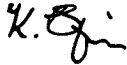
Absolute Assigned Policies Limited

DIRECTORS' REPORT (continued)

SMALL COMPANIES PROVISIONS

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

By order of the board



K Spiteri
Director

16 February 2024

Absolute Assigned Policies Limited

DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing those financial statements, the directors are required to:

- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and accounting estimates that are reasonable and prudent;
- c. state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- d. 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 requirements of 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 are responsible for the maintenance and integrity of the corporate and financial information included in the company's websites. Legislation in the United Kingdom, governing the preparation and dissemination of financial statements, may differ from legislation in other jurisdictions.

Absolute Assigned Policies Limited

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ABSOLUTE ASSIGNED POLICIES LIMITED

Opinion

We have audited the financial statements of Absolute Assigned Policies Limited (the 'company') for the year ended 31 December 2022 which comprise the Profit and loss account, Balance sheet 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 FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2022 and of its 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 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 directors' 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 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, 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.

Absolute Assigned Policies Limited

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ABSOLUTE ASSIGNED POLICIES LIMITED (continued)

Other information (continued)

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.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report 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 company and its environment obtained in the course of the audit, we have not identified material misstatements in 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 company, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of Directors

As explained more fully in the directors' responsibilities statement set out on page 7, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Absolute Assigned Policies Limited

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ABSOLUTE ASSIGNED POLICIES LIMITED (continued)

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 company and its industry, we considered that non-compliance with the following laws and regulations such as FCA regulations, employment regulation and anti-money laundering regulation might have a material effect on the financial statements.

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:

- Inquiring of management and, where appropriate, those charged with governance, as to whether the 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 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 the Companies Act 2006, tax legislation and pension legislation.

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, revenue recognition (which we pinpointed to the cut-off assertion) and 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.

Absolute Assigned Policies Limited

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ABSOLUTE ASSIGNED POLICIES LIMITED (continued)

Auditor's responsibilities for the audit of the financial statements (continued)

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.

Natalia Moolman

Natalia Moolman (Senior Statutory Auditor)
for and on behalf of Mazars LLP
Chartered Accountants and Statutory Auditor

Mazars LLP
30 Old Bailey
London
EC4M 7AU

16 February 2024

Absolute Assigned Policies Limited

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ABSOLUTE ASSIGNED POLICIES LIMITED (continued)

	Notes	Year ended 31 December 2022 £	Year ended 31 December 2021 £
TURNOVER	4	83,242	109,469
Cost of sales		(144)	(9,087)
GROSS PROFIT		83,098	100,382
Net operating expenses		96,866	101,979
Impairment losses		23,662	86,529
TOTAL OPERATING EXPENSES		(120,528)	(188,508)
OPERATING LOSS		(37,430)	(88,126)
Interest receivable		-	11
LOSS BEFORE TAXATION	5	(37,430)	(88,115)
Taxation	7	-	-
LOSS FOR THE FINANCIAL YEAR		(37,430)	(88,115)
Retained earnings brought forward		(6,621,321)	(6,533,206)
Retained earnings carried forward	13	(6,658,751)	(6,621,321)

The notes on pages 15 to 21 form part of these financial statements.

The profit and loss account has been prepared on the basis that all operations are continuing operations. There are no recognised gains or losses in either year other than the profit for that year. Accordingly, no separate statement of comprehensive income is presented.

Absolute Assigned Policies Limited

BALANCE SHEET

31 December 2022


Company Registration No. 00939239

	Notes	31 December 2022 £	31 December 2021 £
INTANGIBLE ASSETS			
Goodwill	8	63,000	77,000
FIXED ASSETS			
Investments	9	-	10,000
CURRENT ASSETS			
Debtors	10	20,473	21,701
Cash at bank and in hand		2,226	32,629
		<u>22,699</u>	<u>54,330</u>
CREDITORS: Amounts falling due within one year	11	(14,250)	(22,451)
NET CURRENT ASSETS		<u>8,449</u>	<u>31,879</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>71,449</u>	<u>118,879</u>
CAPITAL AND RESERVES			
Called up share capital	12	6,730,100	6,730,100
Share premium account		100	100
Revaluation reserve	13	-	10,000
Profit and loss account	13	(6,658,751)	(6,621,321)
SHAREHOLDER'S FUNDS		<u>71,449</u>	<u>118,879</u>

The notes on pages 15 to 21 form part of these financial statements.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements on pages 13 to 21 were approved by the board of directors and authorised for issue on 16 February 2024 and are signed on its behalf by:



K Spiteri
Director

Absolute Assigned Policies Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2022

1 GENERAL INFORMATION

Absolute Assigned Policies Limited (the "Company") is a private company limited by shares incorporated in England.

The registered office address of the Company is disclosed on page 1 of this report.

The principal activities of the Company are disclosed in the Directors' Report.

2 BASIS OF ACCOUNTING

(i) Basis of preparation

The Company has taken advantage of the exemption under Section 399(2A) of the Companies Act 2006 not to prepare consolidated accounts, on the basis that the group of which this is the subsidiary qualifies as a small group. The financial statements present information about the Company as an individual entity and not about its group.

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102"), the requirements of the Companies Act 2006 as applicable to companies subject to the small companies' regime, and under the historical cost convention.

The disclosure requirements of Section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are presented in sterling which is also the functional currency of the Company. Monetary amounts are rounded to the nearest £.

(ii) Going concern basis

The directors have prepared and considered trading forecasts and cash flow requirements for a period of 12 months from the date of approval of these financial statements and have concluded that it is appropriate to prepare these financial statements on the going concern basis.

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Business Review on page 3. The financial position of the Company, its cash flows, and liquidity position currently remains stable and can generate a positive cash flow from solely its existing revenue streams. The Company's forecast and projections taking account of the potential future developments, show that the Company will be trading profitably to be able to continue in operational existence for the foreseeable future. The Board continues to strictly manage and control operating expenses, as reflected across the group with significant reductions in operating expenses and intercompany provisions year-on-year; whilst monitoring the liquidity of the group on a daily basis.

(iii) Turnover

Turnover represents fees and commissions earned during the year stated net of value added tax.

(iv) Goodwill

Goodwill being the excess of the cost of an acquisition over the fair value attributed to the net assets at acquisition is capitalised.

The useful economic life of the goodwill arising on each acquisition is determined at the time of the acquisition. Companies legislation requires that goodwill carried on the balance sheet should be amortised. On 1 July 2018, the directors reassessed the useful economical life of the remaining goodwill (£126,000) from the acquisition of Protected Distribution Limited to be nine years.

Absolute Assigned Policies Limited

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 31 December 2022

2 BASIS OF ACCOUNTING (continued)

(iv) Goodwill (continued)

At each reporting date an assessment is performed of whether there are any indications that goodwill may be impaired. If any such indication exists, the recoverable amount of the goodwill is assessed and an impairment recorded if the recoverable amount is less than the goodwill carrying amount. If there is no indication of impairment, no estimate of the recoverable amount is made.

(v) Investments

All investments are fixed asset investments and are stated at cost less accumulated impairment in the balance sheet. Provision is made for any impairment in the value of investments.

(vi) Taxation

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements.

Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

Current and deferred tax is charged or credited in profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

(vii) Financial instruments

The Company has elected to apply the provisions of Section 11 'Basic Financial Instruments', in full, to all of its financial instruments.

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument, and are offset only when the Company currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Absolute Assigned Policies Limited

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 31 December 2022

2 BASIS OF ACCOUNTING (continued)

(viii) Financial assets

Trade, group and other debtors

Trade, group and other debtors (including accrued income) which are receivable within one year and which do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses.

A provision for impairment of trade debtors is established when there is objective evidence that the amounts due will not be collected according to the original terms of the contract. Impairment losses are recognised in profit or loss for the excess of the carrying value of the trade debtor over the present value of the future cash flows discounted using the original effective interest rate. Subsequent reversals of an impairment loss that objectively relate to an event occurring after the impairment loss was recognised, are recognised immediately in profit or loss.

Financial assets are derecognised when and only when (a) the contractual rights to the cash flows from the financial asset expire or are settled, (b) the Company transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or (c) the Company despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

(ix) Financial liabilities and equity

Financial instruments are classified as liabilities and equity instruments according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

Equity instruments

Financial instruments classified as equity instruments are recorded at the fair value of the cash or other resources received or receivable, net of direct costs of issuing the equity instruments.

Trade, group and other creditors

Trade, group and other creditors (including accruals) payable within one year that do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled.

(x) Foreign exchange

Assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to the profit and loss.

Monetary amounts in these financial statements are stated in pounds sterling, the functional and presentational currency of the Company, and are rounded to the nearest whole £1.

3 CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Absolute Assigned Policies Limited

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 31 December 2022

3 CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT (continued)

(i) Critical accounting estimates

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Intangible assets

The Company establishes a reliable estimate of the useful life of intangible assets arising on business combinations. This estimate is based on a variety of factors such as the expected usual life of the cash generating units to which value is attributed notwithstanding any legal, regulatory or market conditions that may limit useful life forecasts.

Intercompany group balances

The Company continues to apply provisions against group balances on an ongoing basis. This is based on the directors' judgement of the likelihood that these balances will be repaid.

(ii) Areas of judgement

Judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

4 TURNOVER

The Company's turnover is derived from the Company's principal activities wholly undertaken in the United Kingdom.

5 LOSS BEFORE TAXATION

	Year ended 2022 £	Year ended 2021 £
Loss before taxation is stated after charging:		
Amortisation of intangible assets (Note 8)	14,000	14,000
Audit fees	8,500	8,500
Impairment losses	23,662	86,529
	<hr/>	<hr/>

There were no non-audit services due to the auditors for the year ended 31 December 2022 (2021: £Nil).

6 EMPLOYEES

	Year ended 2022 No.	Year ended 2021 No.
The average monthly number of persons (including directors) employed by the Company during the year was:		
Office and management	1	1
	<hr/>	<hr/>

Director's remuneration was borne by T.I.S. Group Limited, the immediate parent company, as it was in the year ended 31 December 2021.

Absolute Assigned Policies Limited
NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 December 2022

7 TAXATION

	Year ended 2022 £	Year ended 2021 £
Based on the result for the year		
UK corporation tax at 19.00% (2021: 19.00%)	-	-
Adjustments in respect of previous periods	-	-
Total current tax	-	-
Deferred taxation:		
Origination and reversal of timing differences	-	-
Taxation payable	-	-
Factors affecting tax charge for year		
Loss before tax	(37,430)	(88,115)
Loss multiplied by standard rate of 19.00% (2021: 19.00%)	(7,112)	(16,742)
Expenses not deductible for tax purposes	4,496	16,441
Transfer pricing adjustments	1,312	30
Group relief claimed	-	-
Deferred tax not recognised	1,304	271
Current tax charge for year	-	-

8 INTANGIBLE FIXED ASSETS

	Goodwill £
Cost:	
1 January 2022 and 31 December 2022	7,199,453
Amortisation	
1 January 2022	7,122,453
Amortisation	14,000
31 December 2022	7,136,453
Net book value	
31 December 2022	63,000
31 December 2021	77,000

The recoverable amount of the cash-generating unit is determined by comparing the value-in-use against the net realisable value. The value-in-use calculation uses five years of pre-tax cash flow projections based on financial forecasts approved by the directors. The projections use growth rates that are considered to be in line with the general trends in which the Company operates.

Absolute Assigned Policies Limited

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 31 December 2022

9	INVESTMENTS	Unlisted investments £
	Cost	
	1 January 2022 and 31 December 2022	10,000
	Provisions for diminution in value	
	31 December 2022	10,000
	Net Book Value	
	31 December 2022	-
	31 December 2021	10,000

Absolute Assigned Policies Limited owns one of the management shares of The Protected Asset TEP Fund plc, which has no economic benefit to the Company.

The directors of the Company valued the Company's membership of The Association of Policy Market Makers Limited to £10,000 in the year ended 31 July 2004. The directors consider the value to be £Nil as at 31 December 2022.

10	DEBTORS: Amounts falling due within one year	2022 £	2021 £
	Other debtors	12,786	14,128
	Other taxes and social security	10	14
	Prepayments and accrued income	7,612	7,494
	Corporation tax	65	65
		<u>20,473</u>	<u>21,701</u>
	Amount owed from immediate parent company		
	Gross amount owed from T.I.S. Group Limited	409,862	386,200
	Provision/rationalisation of intercompany balances	(409,862)	(386,200)
		<u>-</u>	<u>-</u>
11	CREDITORS: Amounts falling due within one year	2022 £	2021 £
	Trade creditors	1,834	10,451
	Accruals and deferred income	12,416	12,000
		<u>14,250</u>	<u>22,451</u>

Absolute Assigned Policies Limited

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 31 December 2022

12	SHARE CAPITAL	2022 £	2021 £
	Allotted, issued and fully paid:		
	6,730,100 (2021: 6,730,100) ordinary shares of £1 each	6,730,100	6,730,100

13 RESERVES

Share premium account includes premiums received on issue of share capital. Transaction costs associated with the issuing of shares are deducted from share premium. The balance represents the conversion of loan stock to preference shares.

Revaluation reserve is the investment value of the membership to The Association of Policy Market Makers Limited by Absolute Assigned Policies Limited.

The profit and loss account represents cumulative profits and losses net of distributions to shareholders.

14 ULTIMATE PARENT COMPANY

The immediate parent undertaking is T.I.S. Group Limited, a company incorporated in the United Kingdom. The ultimate controller from 24 September 2020 is T.I.S. Group Investments Limited, whose registered address is Stanmore Business & Innovation Centre, Stanmore Place, Honeypot Lane, Stanmore HA7 1BT. Ms K Spiteri is the ultimate controlling party as she solely owns T.I.S. Group Investments Limited.

15 RELATED PARTY TRANSACTIONS

During the year ended 31 December 2022, Absolute Assigned Policies Limited trading as PDL International received promoter fees of £80,374 (2021: £101,965) from a fund in which Absolute Assigned Policies Limited owns a management share, which has no economic benefit to the Company. The amount due from this fund at 31 December 2022 was £Nil (2021: £Nil).

At 31 December 2022 the Company was owed by T.I.S. Group Limited £409,862 (2021: £386,200), as set out in Note 10 noting provisions were in place at the year end.

An amount of £Nil (2021: £Nil) was owed to the Company by T.I.S. Group Investments Limited at the year end.

There were no transactions made with The Association of Policy Market Makers Limited during the year ended 31 December 2022, a company which Ms K Spiteri is a director. At 31 December 2022 a subordinated loan of £Nil (2021: £1,250) was owed to the Company from The Association of Policy Market Makers Limited.

16 POST BALANCE SHEET EVENTS

There are no post balance sheet events after the reporting date requiring disclosure.