Registration number: 02884568

Equity Release Council

Annual Report and Financial Statements

for the Year Ended 31 December 2020

Hargreaves Brown & Benson
Chartered Accountants and Statutory Auditor
1 Bond Street
Colne
Lancashire
BB8 9DG

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Equity Release Council

Contents

Equity Release Council

Company Information

Chairman	Mr D J B Burrowes
Chief executive	Mr J W M Boyd
Directors	Mr D B Baines Mr P T Barber Mrs C L Barker Mrs D B Bathgate Mr J W M Boyd Mr D J B Burrowes Mr M J Burton Mr P Carter Mr T I Evans Mr W Hale Mr D M Harris Mr G R Neilson Ms V A Owen Mr C R Pond Mrs C T Singleton Mr P J T Turner
Registered office	The Old Rectory Church Lane Thornby Northamptonshire NN6 8SN
Auditors	Hargreaves Brown & Benson Chartered Accountants and Statutory Auditor 1 Bond Street Colne Lancashire BB8 9DG

Equity Release Council

Directors' Report for the Year Ended 31 December 2020

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

Directors of the company
The directors who held office during the year were as follows:

Mr D B Baines

Mr P T Barber

Mrs C L Barker (appointed 1 September 2020)

Mrs D B Bathgate

Mr J W M Boyd - Chief executive

Mr D J B Burrowes - Chairman

Mr M J Burton (appointed 22 April 2020)

Mr P Carter

Mr T I Evans (appointed 22 April 2020)

Mr A P Gilbert (resigned 31 January 2020)

Mr W Hale

Mr D M Harris

Mr R Marsden (resigned 19 January 2020)

Mr G R Neilson (appointed 22 April 2020)

Ms V A Owen (appointed 22 April 2020)

Mr C R Pond

Mrs C T Singleton (appointed 22 April 2020)

Mr P J T Turner

Principal activity
The principal activity of the company is to act as a non-profit making trade association and to promote good practice and plan-holder protection in respect of home income financial products.

Disclosure of information to the auditors
Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditors are unaware.

Small companies provision statement
This report has been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

Approved by the Board on 24 March 2021 and signed on its behalf by:

....
Mr D J B Burrowes
Chairman

Statement of Directors' Responsibilities

The directors acknowledge their responsibilities for preparing the Annual 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 surplus or deficit of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

Independent Auditor's Report to the Members of Equity Release Council

Opinion
We have audited the financial statements of Equity Release Council (the 'company') for the year ended 31 December 2020, which comprise the Statement Financial Position, 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 Section 1A '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 2020 and of its surplus 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
We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

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

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

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

We have nothing to report in this regard.

Independent Auditor's Report to the Members of Equity Release Council

Opinion on other matter 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 has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception
In the light of our 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 where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; 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' exemptions in preparing the Directors' Report and from the requirement to prepare a Strategic Report.

Responsibilities of directors
As explained more fully in the Statement of Directors' Responsibilities [set out on page 3], the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Independent Auditor's Report to the Members of Equity Release Council

Use of our report
This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Steve Wood

Steven Wood FCA (Senior Statutory Auditor)
For and on behalf of Hargreaves Brown & Benson, Statutory Auditor

1 Bond Street
Colne
Lancashire
BB8 9DG

24 March 2021

Equity Release Council

(Registration number: 02884568)
Statement Financial Position as at 31 December 2020

	Note	2020 £	2019 £
Non Current Assets			
Intangible assets	5	56,400	27,000
Tangible assets	6	9,377	3,479
		65,777	30,479
Current assets			
Debtors	7	72,775	85,074
Cash at bank and in hand		800,002	560,397
		872,777	645,471
Creditors: Amounts falling due within one year	8	(594,574)	(397,387)
Net current assets		278,203	248,084
Net assets		343,980	278,563
Equity			
Profit and loss account		343,980	278,563
Total equity		343,980	278,563

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

These financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime and the option not to file the Income Statement has been taken.

Approved and authorised by the Board on 24 March 2021 and signed on its behalf by:

....

Mr D J B Burrowes

Chairman

1 General information

The company is a company limited by guarantee incorporated in England and Wales.

The address of its registered office is:
The Old Rectory
Church Lane
Thornby
Northamptonshire
NN6 8SN

These financial statements were authorised for issue by the Board on 24 March 2021.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates
The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance
These financial statements were prepared in accordance with Financial Reporting Standard 102 Section 1A 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

Basis of preparation
These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

Revenue recognition
Turnover, which is derived entirely from members, represents subscriptions and contributions towards specific expenses.

Subscriptions are recognised in relation to the accounting period to which they relate, any balances being treated as either accrued or deferred income.

Contributions towards expenses are recognised when the costs to be reimbursed are incurred.

The Company recognises revenue when:
The amount of revenue can be reliably measured;
it is probable that future economic benefits will flow to the entity;
and specific criteria have been met for each of the Company's activities.

Tax
The tax expense for the period comprises current tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.

Tangible assets
Tangible assets are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation
Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	**Depreciation method and rate**
Office equipment	25% on cost

Amortisation
Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their useful life as follows:

Asset class	**Amortisation method and rate**
Website development	Over 4 years

Amortisation of the website development expenditure commences at the stage of completion.

Cash and cash equivalents
Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Receivables
Receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Receivables are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of receivables is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

Payables
Payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Payables are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Defined contribution pension obligation
A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

Financial instruments

Classification

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Recognition and measurement

Basic financial instruments, including receivables, cash and bank balances and payables are initially recognised at the transaction price, unless the arrangement is a financing transaction, where the transaction is measured at the present value of future receipts, or payments, discounted at a market rate of interest. Such assets are carried at amortised cost using the effective interest method.

Impairment

At the end of each accounting period financial instruments are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's effective interest rate. The impairment loss is recognised in profit or loss.

Current versus non-current classification

Financial instruments are classified as current if there is no unconditional right, at the end of the reporting period, to defer settlement of the financial instrument for at least twelve months after the reporting date. if there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current.

3 Staff numbers

The average number of persons employed by the company (including directors) during the year was 6 (2019 - 5).

4 Taxation

Tax charged/(credited) in the income statement

	2020 £	2019 £
Current taxation		
UK corporation tax	269	197

5 Intangible assets

	Website development £	Total £
Cost		
At 1 January 2020	36,000	36,000
Additions	38,400	38,400
At 31 December 2020	74,400	74,400
Amortisation		
At 1 January 2020	9,000	9,000
Amortisation charge	9,000	9,000
At 31 December 2020	18,000	18,000
Carrying amount		
At 31 December 2020	56,400	56,400
At 31 December 2019	27,000	27,000

6 Tangible assets

	Furniture, fittings and equipment £	Total £
Cost		
At 1 January 2020	8,455	8,455
Additions	7,573	7,573
At 31 December 2020	16,028	16,028
Depreciation		
At 1 January 2020	4,975	4,975
Charge for the year	1,676	1,676
At 31 December 2020	6,651	6,651
Carrying amount		
At 31 December 2020	9,377	9,377
At 31 December 2019	3,479	3,479

7 Receivables only

	2020 £	2019 £
Receivables	61,377	74,724
Other receivables only	11,398	10,350
Total current trade and other receivables only	72,775	85,074

8 Creditors

	Note	2020 £	2019 £
Due within one year			
Payables		25,611	7,290
Taxation and social security		37,246	13,412
Other creditors		531,717	376,685
		594,574	397,387

9 Company status

The company is a private company limited by guarantee and consequently does not have share capital. The liability of each member, of which there were 1389 at 31 December 2020, is limited to £1. In the event of liquidation any surplus shall be transferred to a charitable institution having the same objects.

10 Related party transactions

Key management compensation

	2020 £	2019 £
Salaries and other short term employee benefits	347,073	345,806