

Equity Release Assured Limited

Company number 6673809

Report and Financial Statements

Year Ended

31 December 2016

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Equity Release Assured Limited

Annual Report and Financial Statements for the year ended 31 December 2016

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Directors

Dean Mirfin
Richard Overson
Colin Taylor

Secretary and registered office

Stephen Kilgallon
Baines House
Midgery Court
Pittman Way
Fulwood
Preston
PR2 9ZH

Company number

6673809

Auditors

BDO LLP, 3 Hardman Street, Spinningfields, Manchester M3 3AT

Equity Release Assured Limited

Directors' report for the year ended 31 December 2016

The Directors present their report together with the audited financial statements for the year ended 31 December 2016.

Results and dividends

The Statement of Comprehensive Income is set out on page 5 and shows the profit for the year.

An interim dividend of £200,000 (2015: £Nil) was paid during the year. The Directors do not recommend the payment of a final dividend.

Principal activities

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

Directors' and officers' insurance

The Company's ultimate parent company, Key Group Topco Limited, maintains cover with respect to Directors' and officers' indemnity insurance. This insurance covers them in their roles as Directors of this Company.

Directors

The Directors of the Company who served during the year and up to the date of signing the financial statements are:

Dean Mirfin
Richard Overson
Colin Taylor

Equity Release Assured Limited

Directors' report for the year ended 31 December 2016 (*Continued*)

Statement of Directors' responsibilities

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 period. 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 these financial statements, the Directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and accounting estimates that are reasonable and prudent;
- 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.

Disclosure of information to auditors

Each of 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 auditors are unaware; and each Director has taken all the steps that he ought to have taken as a Director to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Auditors

Pursuant to Section 487 of the Companies Act 2006, the auditor was deemed to be reappointed and BDO LLP will therefore continue in office.

This report has been prepared in accordance with the special provisions applicable to companies subject to the small companies' regime within Part 15 of the Companies Act 2006. As such, the Company is exempt from preparing a strategic report.

By order of the board



C Taylor
Director

Date: 29 March 2017

Equity Release Assured Limited

Independent auditors' report

Independent auditors' report to the members of Equity Release Assured Limited

We have audited the financial statements of Equity Release Assured Limited for the year ended 31 December 2016 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 auditors' 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.

Respective responsibilities of Directors and auditors

As explained more fully in the statement of Directors' responsibilities, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the FRC's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2016 and of its profit 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.

Opinion 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 has been prepared in accordance with applicable legal requirements.

Equity Release Assured Limited

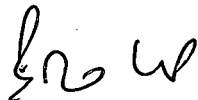
Independent auditors' report (*Continued*)

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained during the course of the audit, we have not identified any 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 and the Directors' report in accordance with the small companies' regime and to the exemption from the requirement to prepare a strategic report.



Julien Rye (senior statutory auditor)

For and on behalf of BDO LLP, statutory auditor

Manchester

Date: 31/3/17

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Equity Release Assured Limited

Statement of Comprehensive Income for the year ended 31 December 2016

	Note	2016 £	2015 £
Turnover	3	44,217	159,743
Cost of sales		-	-
Gross profit		44,217	159,743
Administrative expenses		(8,358)	(95,305)
Operating profit and profit on ordinary activities before taxation	6	35,859	64,438
Taxation on profit on ordinary activities	7	-	-
Profit for the financial year		35,859	64,438

The results stated above are all derived from discontinued operations.

There are no items of other comprehensive income in the current or prior year other than those recorded in the Statement of Comprehensive Income.

The notes on pages 8 to 12 are an integral part of these financial statements.

Equity Release Assured Limited

Statement of Financial Position as at 31 December 2016

	Note	2016 £	2016 £	2015 £	2015 £
Current assets					
Trade and other debtors	9	1,833		89,700	
Cash at bank and in hand		<u>30,298</u>		<u>123,334</u>	
		32,131		213,034	
Creditors: amounts falling due within one year	10	<u>(660)</u>		<u>(17,421)</u>	
Net current assets			<u>31,471</u>		<u>195,613</u>
Net assets			<u>31,471</u>		<u>195,613</u>
Capital and reserves					
Called up share capital	11		1		2
Profit and loss account			<u>31,470</u>		<u>195,611</u>
Total equity			<u>31,471</u>		<u>195,613</u>

The 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.

The notes on pages 8 to 12 are an integral part of these financial statements.

The financial statements on pages 5 to 12 were approved by the Board of Directors and authorised for issue on 29 March 2017 and were signed on its behalf by:



R Overson
Director

Company registration no: 6673809

Equity Release Assured Limited

Statement of Changes in Equity as at 31 December 2016

	Note	Share capital £	Retained earnings £	Total equity £
Balance at 1 January 2015		2	131,173	131,175
<i>Comprehensive income</i>				
Profit and total comprehensive income for the year		-	64,438	64,438
Balance at 1 January 2016	11	2	195,611	195,613
<i>Comprehensive income</i>				
Profit and total comprehensive income for the year		-	35,859	35,859
<i>Transactions with owners</i>				
Dividends paid	8	-	(200,000)	(200,000)
Correct shares issued on incorporation	11	(1)	-	(1)
Balance at 31 December 2016	11	1	31,470	31,471

The notes on pages 8 to 12 are an integral part of these financial statements.

Equity Release Assured Limited

Notes to the Financial Statements for the year ended 31 December 2016

1 Basis of preparation

Equity Release Assured Limited is a company incorporated in England & Wales under the Companies Act. The address of the registered office is given on the contents page and the nature of the Company's operations and its principal activities are set out in the Directors' report. The financial statements have been prepared in accordance with FRS 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies.

Going concern

After reviewing the Company's forecasts and projections to December 2018, the Directors believe that the Company has adequate resources to continue in operational existence for the foreseeable future. The Company therefore continues to adopt the going concern basis in preparing its financial statements.

2 Principal accounting policies

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.

Financial reporting standard 102 – reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102 paragraph 1.12:

- the requirement to prepare a Statement of Cash Flows (paragraph 3.17(d) and section 7);
- disclosures in respect of the Company's financial instruments (paragraphs 11.41(b), 11.41(c), 11.41(d), 11.41(f), 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c));
- disclosures in respect of the aggregate remuneration of the key management personnel (paragraph 33.7).

This information is included in the consolidated financial statements of Key Group Topco Limited as at 31 December 2016 and these financial statements may be obtained from Companies House.

In addition, the Company has taken advantage of the related party transaction disclosure exemption available to it under FRS 102 paragraph 33.1A, not to disclose transactions between the Company and other wholly owned members of the Group headed by Key Group Topco Limited.

Turnover

Turnover represents sales to an external provider and customers at invoiced amounts less Value Added Tax or local taxes on sales. Turnover incorporates commission and packaging fees from an equity release provider and advice fees from customers. Turnover is recognised at the point of the completion of the arrangement.

Taxation

The charge for taxation is based on the profit for the year and taking into account taxation deferred.

Current tax is measured at amounts expected to be paid using the tax rates and laws that have been enacted or substantively enacted by the date of the Statement of Financial Position.

Equity Release Assured Limited

Notes to the Financial Statements for the year ended 31 December 2016 *(Continued)*

2 Principal accounting policies (continued)

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed by the date of the Statement of Financial Position except for deferred tax assets which are only recognised to the extent that the Company anticipates making sufficient taxable profits in the future to absorb the reversal of the underlying timing differences.

Deferred tax balances are not discounted.

Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when they are paid. Final equity dividends are recognised when approved by the shareholders.

Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which has accrued at the date of the Statement of Financial Position, and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the date of the Statement of Financial Position.

Pension costs

Contributions to the company's defined contribution pension scheme are charged to the Income Statement in the year in which they become payable. The assets of the scheme are held separately in an independently administered fund. Any amounts outstanding at the year-end are shown as a separately identifiable asset or liability in the Statement of Financial Position.

Reserves

The Company's reserves are as follows:

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

3 Turnover

Turnover is wholly attributable to the principal activity of the Company and arises solely within the United Kingdom.

Equity Release Assured Limited

Notes to the Financial Statements for the year ended 31 December 2016 (Continued)

4 Employee numbers and expense

The average number of persons employed by the Company (excluding Directors) during the year, analysed by category, was as follows:

	2016 No.	2015 No.
Sales staff	-	1
	-	1

	2016 £	2015 £
The aggregate payroll costs of these persons were as follows:		
Wages and salaries	-	21,250
Social security costs	-	2,143
Costs of defined contribution pension scheme	-	331
	-	23,724

5 Directors' remuneration

No Directors received any remuneration from the Company during the current or prior year.

6 Operating profit

Auditors' remuneration

Fees payable to the Company's auditors for the audit of Equity Release Assured Limited are borne by KRS Services Limited, a fellow subsidiary company. In the Directors' opinion a reasonable allocation of the audit fee to Equity Release Assured Limited would be £1,000 (2015: £100).

Equity Release Assured Limited

Notes to the Financial Statements for the year ended 31 December 2016 (Continued)

7 Taxation on profit on ordinary activities

	2016 £	2015 £
<i>UK corporation tax</i>		
Current tax on profits of the year	-	-

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The differences are explained below:

	2016 £	2015 £
Profit on ordinary activities before tax	35,859	64,438
Tax on profit on ordinary activities at the standard rate of corporation tax in the UK of 20% (2015: 20.25%)	7,172	13,046
Effects of:		
Group relief claimed	(7,172)	(13,046)
Total tax charge	-	-

8 Dividends

	2016 £	2015 £
<i>Ordinary shares</i>		
Interim paid of £200,000.00 per share (2015: £nil)	-	-
	-	-

9 Trade and other debtors

	2016 £	2015 £
Trade debtors	-	4,605
Amounts due from Group undertakings	1,795	85,095
Other taxation and social security	38	-
	1,833	89,700

All amounts shown under debtors fall due for payment within one year. Amounts owed by Group undertakings are unsecured, interest free and are repayable on demand.

Equity Release Assured Limited

Notes to the Financial Statements for the year ended 31 December 2016 (Continued)

10 Creditors: amounts falling due within one year

	2016 £	2015 £
Trade creditors	259	-
Amounts due to Group undertakings	221	16,674
Other taxation and social security	-	38
Other creditors	180	-
Accruals	-	709
	<u>660</u>	<u>17,421</u>

Amounts owed to Group undertakings are unsecured, interest free and are repayable on demand.

11 Share capital

Allotted, called up and fully paid

	2016 £	2015 £
1 ordinary share of £1 each	1	2
	<u>1</u>	<u>2</u>

Share capital was previously incorrectly stated as £2, comprising 2 ordinary shares of £1 each. This has been corrected in the current year by reducing share capital by £1 and amounts owed by Group undertakings by £1.

12 Ultimate parent company

At 31 December 2016 the Company's immediate parent company was Key Retirement Solutions Limited and the Company's ultimate parent company was Key Group Topco Limited.

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

The ultimate controlling party is Phoenix Equity Partners 2010 Limited Partnership by virtue of their majority shareholding of Key Group Topco Limited.