

Equity Release Assured Limited

Company number 6673809

Report and Financial Statements

Year Ended

31 December 2017



Equity Release Assured Limited

Annual Report and Financial Statements for the year ended 31 December 2017

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Directors

Robert Scott
William Hale

Registered office

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 2017

The Directors present their report together with the audited financial statements for the year ended 31 December 2017.

Results and dividends

The Statement of Comprehensive Income is set out on page 6 and shows the profit for the year.

An interim dividend of £Nil (2016: £200,000) 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.

Change of Ownership

During 2017, the KR Group was acquired by funds advised by Partners Group, a global private markets investment management firm with over EUR 62 billion (USD 74 billion) in investment programs under management in private equity, private real estate, private infrastructure and private debt. As part of this transaction, the previous Group CEO, Colin Taylor, retired and was succeeded by the Deputy Group CEO, Simon Thompson.

The acquisition was partially funded through £75m of bank debt, which has been secured on the assets of the major trading subsidiaries of the Group. The Directors carefully considered the additional risks associated with external debt and entered into interest rate hedges to reduce the Group exposure to interest rate volatility to an acceptable level.

Directors' and officers' insurance

The Company's ultimate parent company, Theo 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:

Robert Scott (appointed 10 July 2017)
William Hale (appointed 7 November 2017)
Colin Taylor (resigned 3 August 2017)
Dean Mirfin (resigned 30 March 2018)
Richard Overson (resigned 30 March 2018)

Equity Release Assured Limited

Directors' report for the year ended 31 December 2017 (*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

It is intended to put the audit out to tender during 2018. BDO LLP will continue as auditors until new auditors have been appointed.

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



R Scott
Director

Date: 23 April 2018

**Independent auditor's report to the members of
Equity Release Assured Limited**

Opinion

We have audited the financial statements of Equity Release Assured Limited (the 'Company') for the year ended 31 December 2017 which comprise the statement of comprehensive income, the statement of financial position and the statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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. The Directors are responsible for the other information. 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, including the Directors' report 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 Assured 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 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 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, 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 Directors' responsibilities statement, 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.

Independent auditor's report to the members of
Equity Release Assured Limited
(Continued)

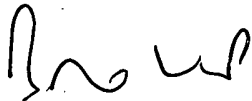
Auditor's responsibilities for the audit of the financial statements

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.

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.



Julien Rye (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
Manchester, UK
Date: 23 April 2018

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 2017

	Note	2017 £	2016 £
Turnover	3	25,718	44,217
Cost of sales		-	-
Gross profit		25,718	44,217
Administrative expenses		(2,291)	(8,358)
Operating profit and profit on ordinary activities before taxation	5	23,427	35,859
Taxation on profit on ordinary activities	6	-	-
Profit for the financial year		23,427	35,859

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 9 to 12 are an integral part of these financial statements.

Equity Release Assured Limited

Statement of Financial Position as at 31 December 2017

	Note	2017 £	2017 £	2016 £	2016 £
Current assets					
Trade and other debtors	8	-		1,833	
Cash at bank and in hand		<u>56,579</u>		<u>30,298</u>	
		56,579		32,131	
Creditors: amounts falling due within one year	9	<u>(1,681)</u>		<u>(660)</u>	
Net current assets			<u>54,898</u>		<u>31,471</u>
Net assets			<u>54,898</u>		<u>31,471</u>
Capital and reserves					
Called up share capital	10		1		1
Profit and loss account			<u>54,897</u>		<u>31,470</u>
Total equity			<u>54,898</u>		<u>31,471</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 9 to 12 are an integral part of these financial statements.

The financial statements on pages 6 to 12 were approved by the Board of Directors and authorised for issue on 23 April 2018 and were signed on its behalf by:



R Scott
Director

Company registration no: 6673809

Equity Release Assured Limited

Statement of Changes in Equity as at 31 December 2017

	Note	Share capital £	Retained earnings £	Total equity £
Balance at 1 January 2016		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	7	-	(200,000)	(200,000)
Correct shares issued on incorporation		(1)	-	(1)
Balance at 1 January 2017	10	1	31,470	31,471
<i>Comprehensive income</i>				
Profit and total comprehensive income for the year		-	23,427	23,427
Balance at 31 December 2017	10	1	54,897	54,898

The notes on pages 9 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 2017

1 Basis of preparation

Equity Release Assured Limited is a private limited 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 2019, 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 Theo Topco Limited as at 31 December 2017 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 Theo 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 2017 (*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.

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.

4 Directors' remuneration

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

5 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 £1,050 (2016: £1,000).

Equity Release Assured Limited

Notes to the Financial Statements for the year ended 31 December 2017 (Continued)

6 Taxation on profit on ordinary activities

	2017 £	2016 £
<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:

	2017 £	2016 £
Profit on ordinary activities before tax	23,427	35,859
Tax on profit on ordinary activities at the standard rate of corporation tax in the UK of 19.25% (2016: 20%)	4,510	7,172
Effects of:		
Group relief claimed	(4,510)	(7,172)
Total tax charge	-	-

7 Dividends

	2017 £	2016 £
<i>Ordinary shares</i>		
Interim paid of £Nil per share (2016: £200,000)	-	200,000
	-	200,000

8 Trade and other debtors

	2017 £	2016 £
Amounts due from Group undertakings	-	1,795
Other taxation and social security	-	38
	-	1,833

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 2017 (Continued)

9 Creditors: amounts falling due within one year

	2017 £	2016 £
Trade creditors	-	259
Amounts due to Group undertakings	1,638	221
Other taxation and social security	43	-
Other creditors	-	180
	<u>1,681</u>	<u>660</u>

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

10 Share capital

Allotted, called up and fully paid

	2017 £	2016 £
1 ordinary share of £1 each	1	1
	<u>1</u>	<u>1</u>

11 Ultimate parent company

At 31 December 2017 the Company's immediate parent company was Key Retirement Solutions Limited and the Company's ultimate parent company was Theo Topco Limited.

Theo 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.

There is no ultimate controlling party by virtue of a majority shareholding of Theo Topco Limited, although Partners Group have de facto control of the Group due to the constraints imposed on the Group and executive directors through the investment agreement.