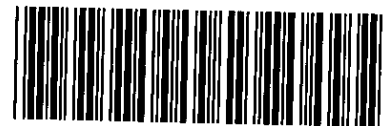

MODERN LENDING ADVISERS LIMITED

UNAUDITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

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MODERN LENDING ADVISERS LIMITED

COMPANY INFORMATION

Directors	Simon Drew (appointed 26 July 2021) William Hale Robert Scott (resigned 31 March 2021) Simon Thompson (appointed 31 March 2021)
Registered number	08270253
Registered office	Baines House Midgery Court Preston PR2 9ZH

MODERN LENDING ADVISERS LIMITED

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MODERN LENDING ADVISERS LIMITED

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.

Principal activity

The company was previously dormant and commenced trading in March 2018 with the principal activity of the Company being that of a mortgage broker. The Company is authorised and regulated by the Financial Conduct Authority (FCA).

Going Concern

The Board of Directors have determined that it is appropriate to continue to prepare the Company financial statements on a going concern basis.

In reaching this conclusion, the Board considered the increased uncertainties that all businesses are facing as a result of the coronavirus pandemic and the impact on the Theo Topco Group of the actions being taken by the UK Government to mitigate the health impact on the country. Specific uncertainties relating to the Group were also assessed including the likelihood of falls in house prices affecting funder appetite for equity release, reductions in customer demand as well as the ability to process customer lifetime mortgages in a timely fashion in the event of further lockdowns.

In considering the Company position, the Board of Directors have also assessed the accessibility of this Company to Group funding if required and no issues were identified.

Results and dividends

The profit for the year, after taxation, amounted to £2,679 (2019 - £3,605).

Directors

The Directors who served during the year and up until the date of signing the financial statements were:

Simon Drew (appointed 26 July 2021)
William Hale
Robert Scott (resigned 31 March 2021)
Simon Thompson (appointed 31 March 2021)

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. This insurance was in place throughout the year and up to the date of signing the financial statements.

MODERN LENDING ADVISERS LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

Directors' responsibilities statement

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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the Company's financial statements and then apply them consistently;
- make judgments 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 to 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.

Existence of branches of the Company outside of the United Kingdom

The Company has no branches outside of the United Kingdom.

This report was approved by the board on 14 September 2021 and signed on its behalf.

Simon Thompson

Simon Thompson
Director

MODERN LENDING ADVISERS LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	2020 £	2019 £
Turnover		2,730	3,705
Gross profit		<u>2,730</u>	<u>3,705</u>
Administrative expenses		(51)	(100)
Operating profit		<u>2,679</u>	<u>3,605</u>
Tax on profit	4	-	-
Profit for the financial year		<u><u>2,679</u></u>	<u><u>3,605</u></u>

The results stated above are all derived from continuing 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 6 to 9 form part of these financial statements.

MODERN LENDING ADVISERS LIMITED

**STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020**

	Note	2020 £	2019 £
Current assets			
Cash at bank and in hand		554	2,875
		<u>554</u>	<u>2,875</u>
Creditors: amounts falling due within one year	5	(279,588)	(284,588)
Net current liabilities		<u>(279,034)</u>	<u>(281,713)</u>
Total assets less current liabilities		<u>(279,034)</u>	<u>(281,713)</u>
Net liabilities		<u>(279,034)</u>	<u>(281,713)</u>
Capital and reserves			
Called up share capital	6	1	1
Profit and loss account		(279,035)	(281,714)
		<u>(279,034)</u>	<u>(281,713)</u>

The Directors consider that the Company is entitled to exemption from audit under section 479A of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

The Directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

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

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 14 September 2021.

Simon Thompson

Simon Thompson
Director

The notes on pages 6 to 9 form part of these financial statements.

MODERN LENDING ADVISERS LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Called up share capital £	Profit and loss account £	Total equity £
At 1 January 2019	1	(285,319)	(285,318)
Comprehensive income for the year			
Profit for the year	-	3,605	3,605
At 31 December 2019	1	(281,714)	(281,713)
Comprehensive income for the year			
Profit for the year	-	2,679	2,679
At 31 December 2020	1	(279,035)	(279,034)

The notes on pages 6 to 9 form part of these financial statements.

MODERN LENDING ADVISERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

1. Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

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

Going concern

After reviewing the Company's forecasts and projections, the Board of Directors have determined that the Company has adequate resources to continue to prepare the Company financial statements on a going concern basis, notwithstanding the net current liabilities and net liabilities. The Group has confirmed its intention to continue to provide any necessary financial support to the Company for the period of at least twelve months from the date of approval of these financial statements. Details of the approach taken by the Board to come to this conclusion and the actions taken as a result of this assessment are included within the Directors' Report.

The following principal accounting policies have been applied:

1.2 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 the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Theo Topco Limited as at 31 December 2020 and these financial statements may be obtained from Companies House.

1.3 Turnover

Turnover is wholly derived from the United Kingdom and represents sales tied to More 2 Life Ltd, another group company, at invoiced amounts less Value Added Tax or local taxes on sales.

MODERN LENDING ADVISERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

1. Accounting policies (continued)

1.4 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.

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.

1.5 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.

1.6 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.

2. Employees

The Company has no employees other than the Directors, who did not receive any remuneration (2019 - £NIL).

3. Directors' remuneration

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

The emoluments of the directors are paid by another company within the group which makes no recharge to the company. The directors are directors of the parent company and a number of fellow subsidiaries and it is not possible to make an accurate apportionment of their emoluments in respect of each of the subsidiaries. Accordingly, the above details include no emoluments in respect of the directors. Their total emoluments are included in the aggregate of directors' emoluments disclosed in the financial statements of the ultimate parent company.

MODERN LENDING ADVISERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

4. Taxation

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2019 - *lower than*) the standard rate of corporation tax in the UK of 19% (2019 - 19%). The differences are explained below:

	2020 £	2019 £
Profit on ordinary activities before tax	2,679	3,605
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	509	685
Effects of:		
Group relief	(509)	(685)
Total tax charge for the year	-	-

Factors that may affect future tax charges

In the Spring Budget 2021, the Government announced that from 1 April 2023 the corporation tax rate will increase to 25%. Since the proposal to increase the rate to 25% had not been substantively enacted at the balance sheet date, its effects are not included in these financial statements.

5. Creditors: Amounts falling due within one year

	2020 £	2019 £
Amounts owed to group undertakings	279,588	19,385
Other creditors	-	265,203
	279,588	284,588

6. Share capital

	2020 £	2019 £
Allotted, called up and fully paid		
1 (2019 - 1) Ordinary Shares share of £1.00	1	1

MODERN LENDING ADVISERS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

7. Ultimate Parent company

At 31 December 2020 the Company's immediate parent company was Key Retirement Solutions Limited and the Company's ultimate parent company was Theo Topco Limited.

Theo Midco Limited is the parent of the smallest 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, Fulwood, Preston, PR2 9ZH.

Theo Topco Limited is the parent of the 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.