
THE RETIREMENT LENDING ADVISERS LIMITED

UNAUDITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

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THE RETIREMENT LENDING ADVISERS LIMITED

COMPANY INFORMATION

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

Registered number 09685037

Registered office Baines House
Midgery Court
Preston
PR2 9ZH

THE RETIREMENT LENDING ADVISERS LIMITED

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THE RETIREMENT 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 principal activity of the Company is 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.

The Company is an Obligor under the Group Senior Facility Agreement, which governs the £73.9m senior loan and £5m revolving credit facility. This means that the Company has given security over its assets and, in conjunction with the rest of the Group, is responsible for maintaining compliance with its covenants.

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 £594k (2019 - £1,097k).

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

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.

THE RETIREMENT 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

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

Simon Thompson

Simon Thompson
Director

THE RETIREMENT LENDING ADVISERS LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	2020 £000	2019 £000
Turnover	3	655	2,916
Cost of sales		-	(8)
Gross profit		<u>655</u>	<u>2,908</u>
Administrative expenses		(61)	(1,809)
Operating profit	4	<u>594</u>	<u>1,099</u>
Tax on profit	7	-	(2)
Profit for the financial year		<u><u>594</u></u>	<u><u>1,097</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 12 form part of these financial statements.

THE RETIREMENT LENDING ADVISERS LIMITED

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

	Note	2020 £000	2019 £000
Current assets			
Debtors: amounts falling due within one year	8	5	58
Cash at bank and in hand		2,803	2,358
		<u>2,808</u>	<u>2,416</u>
Creditors: amounts falling due within one year	9	(45)	(247)
Net current assets		<u>2,763</u>	<u>2,169</u>
Total assets less current liabilities		<u>2,763</u>	<u>2,169</u>
Net assets		<u><u>2,763</u></u>	<u><u>2,169</u></u>
Capital and reserves			
Called up share capital	10	-	-
Profit and loss account		2,763	2,169
		<u><u>2,763</u></u>	<u><u>2,169</u></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 12 form part of these financial statements.

THE RETIREMENT LENDING ADVISERS LIMITED

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

	Called up share capital £000	Profit and loss account £000	Total equity £000
At 1 January 2019	-	1,072	1,072
Comprehensive income for the year			
Profit for the year	-	1,097	1,097
At 31 December 2019	-	2,169	2,169
Comprehensive income for the year			
Profit for the year	-	594	594
At 31 December 2020	-	2,763	2,763

The notes on pages 6 to 12 form part of these financial statements.

THE RETIREMENT LENDING ADVISERS LIMITED

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

1. Basis of Preparation

The Retirement Lending Advisers Limited is a private company limited by shares and is incorporated in the United Kingdom and registered 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 and the Companies Act 2006. These financial statements are prepared on a going concern basis, under the historical cost convention, as modified by the recognition of certain financial assets and liabilities measured at fair value.

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 Group's forecasts and projections (which include the Company) and the relationship of the Company with its Group and its position as obligor, 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. The Group has confirmed its intention to continue to provide any necessary financial support to the Company for a 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 principal accounting policies applied in the preparation of these revised financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

The following principal accounting policies have been applied:

2. Accounting policies

2.1 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.

The following principal accounting policies have been applied:

THE RETIREMENT LENDING ADVISERS LIMITED

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

2. Accounting policies (continued)

2.2 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 as at 31 December 2020 and these financial statements may be obtained from Companies House.

2.3 Turnover

Turnover represents sales to an external equity release provider at invoiced amounts less Value Added Tax or local taxes on sales. Turnover comprises commission and fees which are recognised at the point of the completion of the arrangement.

2.4 Pension Cost

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.

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. The assets of the plan are held separately from the Company in independently administered funds.

The defined contributions plan is held at group level with all contributions being made into one scheme for the group as a whole.

THE RETIREMENT LENDING ADVISERS LIMITED

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

2. Accounting policies (continued)

2.5 Current and deferred taxation

Taxation

The charge for taxation is based on the profit for the period 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.

2.6 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.*

2.7 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. Operating profit

Auditors' remuneration

No audit services were provided in the current financial period. In 2019, fees payable to the Company's auditors for the audit of The Retirement Lending Advisers Limited were borne by KRS Services Limited, a fellow subsidiary company. In the Directors' opinion a reasonable allocation of the 2019 audit fee to The Retirement Lending Advisers Limited was £3,600.

No non-audit services were provided in the current or prior year.

THE RETIREMENT LENDING ADVISERS LIMITED

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

5. Employees

	2020 £000	2019 £000
Wages and salaries	16	1,003
Social security costs	3	112
Cost of defined contribution scheme	(1)	39
	<u>18</u>	<u>1,154</u>

The average monthly number of employees, including the Directors, during the year was as follows:

	2020 No.	2019 No.
Management	-	1
Sales Staff	-	12
	<u>0</u>	<u>13</u>

6. Directors' remuneration

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.

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

THE RETIREMENT LENDING ADVISERS LIMITED

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

7. Taxation

	2020 £000	2019 £000
Corporation tax		
Current tax on profits for the year	-	2
	<u>-</u>	<u>2</u>
Total current tax	<u>-</u>	<u>2</u>
Deferred tax		
At beginning of the year	-	3
Adjustments	-	(3)
	<u>-</u>	<u>-</u>
Taxation on profit on ordinary activities	<u>-</u>	<u>2</u>

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 £000	2019 £000
Profit on ordinary activities before tax	594	1,099
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	113	209
Effects of:		
Adjustments to tax charge in respect of previous periods - deferred tax	-	1
Group relief claimed	(113)	(208)
Total tax charge for the year	<u>-</u>	<u>2</u>

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.

THE RETIREMENT LENDING ADVISERS LIMITED

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

8. Debtors: amounts falling due within one year

	2020 £000	2019 £000
Trade debtors	5	57
Other debtors	-	1
	<u>5</u>	<u>58</u>

9. Creditors: Amounts falling due within one year

	2020 £000	2019 £000
Trade creditors	-	1
Amounts owed to group undertakings	-	175
Other taxation and social security	3	9
Other creditors	-	7
Accruals and deferred income	42	55
	<u>45</u>	<u>247</u>

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

10. Called up Share capital

	2020 £000	2019 £000
Allotted, called up and fully paid		
1 (2019 - 1) Ordinary Shares share of £1	-	-
	<u>-</u>	<u>-</u>

THE RETIREMENT LENDING ADVISERS LIMITED

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

11. 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, 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.