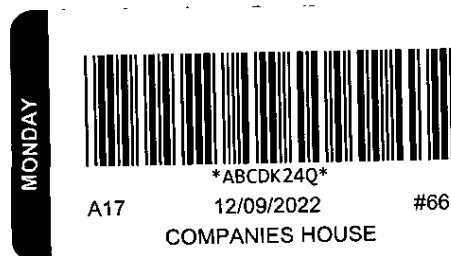

ANSWERS IN RETIREMENT LIMITED

UNAUDITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021



ANSWERS IN RETIREMENT LIMITED

COMPANY INFORMATION

Directors Simon Drew (appointed 1 April 2021)
Simon Thompson
Stuart Wilson

Registered number 09991416

Registered office First Floor
Southgate House
Southgate Street
Gloucester
Gloucestershire
GL1 1UD

ANSWERS IN RETIREMENT LIMITED

CONTENTS

	Page
Directors' Report	1 - 2
Income Statement	3
Statement of Financial Position	4 - 5
Statement of Changes in Equity	6
Notes to the Financial Statements	7 - 24

ANSWERS IN RETIREMENT LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

The Directors present their report and the financial statements for the year ended 31 December 2021. References to 'Group' throughout the Annual report and financial statements relate to the ultimate parent of the Company being Theo Topco Limited and its group of subsidiaries.

Business review

The Company's principal activities are that of an Equity Release sourcing system (AiR Sourcing) and a National Skills Council accredited training scheme for those wishing to work in the Later Life Market.

The longer term trends supporting the lifetime mortgage sector remains strong. The population continues to age, house price wealth is continuing to increase and pension savings are likely to be inadequate for many. Over the coming year, the Group has plans to continue to launch its new business proposition and broaden its range of later life lending products to help even more customers lead the life they want to lead in later life.

Results and dividends

The statutory results for the Company show an initial operating profit of £192k. The directors do not propose the payment of a dividend. The net assets of the Company were £324k.

Going Concern

The financial statements have been prepared on the going concern basis as the Directors have a reasonable expectation that the Company has adequate resources for a period of at least 12 months from the date of signing the financial statements. For further details see note 2.4.

Directors

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

Simon Drew (appointed 1 April 2021)
Robert Scott (resigned 31 March 2021)
Simon Thompson
Stuart Wilson

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 and was in force during the financial period ended 31 December 2021 and also at the date of approval of the financial statements.

Small company exemptions

In preparing this report, the Directors have taken advantage of the small companies exemptions provided within Part 15 of the Companies Act 2006. This includes the exemption from presenting a Strategic report and select Directors' report disclosures.

Financial risk management

The financial risk management and policies of the Company are consistent with those of the Group. For further details, see note 19 of the Theo Topco Limited Annual report and financial statements for the year ended 31 December 2021, which does not form part of this report.

ANSWERS IN RETIREMENT LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

Principal risks and uncertainties

From the perspective of the Company, the principal risks and uncertainties are integrated with the principal risks and uncertainties of the Group and are not managed separately. The principal risks and uncertainties of the Group, which includes those of the Company, are disclosed in the Theo Topco Limited Annual report and financial statements 2021 for the year ended 31 December 2021, which does not form part of this report.

Existence of branches outside of the United Kingdom

The Company has no branches outside of the United Kingdom.

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 prepared the Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 'Reduced Disclosure Framework' 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.

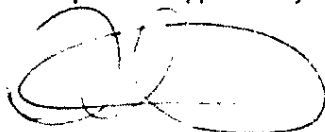
In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101 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 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.

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.

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



S Drew
Director

Date: 17 August 2022

ANSWERS IN RETIREMENT LIMITED

**INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Note	2021 £	2020 £
Revenue		1,292,468	512,302
Administrative expenses		(1,100,589)	(395,895)
Operating profit	3	191,879	116,407
Interest payable and similar expenses	5	(2,807)	(2,243)
Profit before tax		189,072	114,164
Tax on profit	6	(1,044)	(25,963)
Profit for the financial year		188,028	88,201

The results stated above are all derived from continuing operations.

ANSWERS IN RETIREMENT LIMITED

**STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021**

	Note	2021 £	2020 £
Fixed assets			
Intangible assets	7	153,948	177,697
Tangible assets	8	2,879	3,938
Right-of-use assets	9	38,409	96,023
Deferred tax	14	1,013	2,057
		<u>196,249</u>	<u>279,715</u>
Current assets			
Trade and other receivables: amounts falling due within one year	10	109,674	7,116
Cash and cash equivalents		163,579	215,542
		<u>273,253</u>	<u>222,658</u>
Trade and other payables: amounts falling due within one year	11	(145,950)	(327,343)
Net current assets/(liabilities)		<u>127,303</u>	<u>(104,685)</u>
Total assets less current liabilities		<u>323,552</u>	<u>175,030</u>
Trade and other payables: amounts falling due after more than one year	12	-	(39,506)
Net assets		<u><u>323,552</u></u>	<u><u>135,524</u></u>
Capital and reserves			
Called up share capital	15	1	1
Retained earnings		323,551	135,523
		<u><u>323,552</u></u>	<u><u>135,524</u></u>

The Directors consider that the Company is entitled to exemption from audit under section 479A of the Companies Act 2006.

The 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 entities subject to the small companies regime.

The financial statements on pages 3 to 24 were approved and authorised for issue by the board and were signed on its behalf by:

ANSWERS IN RETIREMENT LIMITED

**STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 DECEMBER 2021**



S Drew
Director

Date: 17 August 2022
Company number: 09991416

ANSWERS IN RETIREMENT LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Called up share capital	Retained earnings	Total equity
	£	£	£
At 1 January 2020	1	47,322	47,323
Profit for the financial year	-	88,201	88,201
At 1 January 2021	1	135,523	135,524
Profit for the financial year	-	188,028	188,028
At 31 December 2021	1	323,551	323,552

ANSWERS IN RETIREMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

1. General information

Answers in Retirement Limited is a private company limited by shares and is incorporated in the United Kingdom under the Companies Act 2006. The Company is domiciled in the United Kingdom and the address of its registered office is given on the company information page and the nature of the Company's operations and its principal activities are set out in the Directors' report.

2. Accounting policies

2.1 Basis of preparation of financial statements

The company financial statements have been prepared for the first time in accordance with Financial Reporting Standard 101 (FRS 101) 'Reduced Disclosure Framework' in conformity with the requirements of the Companies Act 2006. The results for the comparative period have been restated on the same basis.

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies.

The disclosures required by FRS 101 concerning the transition from Financial Reporting Standard 102 to FRS 101 are provided in note 18.

Going concern

The financial statements have been prepared on the going concern basis as the Directors have a reasonable expectation that the Company has adequate resources for a period of at least 12 months from the date of signing the financial statements. There were no material uncertainties to disclose.

The Directors' assessment of the Company's ability to continue as a going concern considered a number of qualitative factors and considered the Group's budget cash flow and covenant projections (which include the Company), and the modelling of a number of severe downside scenarios and the impact of these on Group liquidity and its financial covenants.

At the 31 December 2021, the Group had a robust financial position providing it with sufficient access to liquidity, through a combination of cash and committed facilities, to meet its needs over at least the next 12 months. In addition to this, the Group is forecast to remain strongly cash generative over this period providing a further source of liquidity. At the 31 December 2021, the Group had comfortable headroom on its covenant basis net debt leverage ratio (Net debt/adjusted EBITDA) of x1.1 and its covenant basis interest cover ratio (Adjusted cash flow/bank loan interest) of x5.0. The extreme scenarios modelled demonstrate sufficient liquidity and financial covenant headroom being available.

Whilst not a key factor in the Director's going concern assessment, the Group also has a number of significant potential mitigations at their disposal to improve both short-term liquidity and financial covenant performance should the need arise, such as (but not limited to) reducing marketing spend, scaling back recruitment and certain salary costs, reducing capital expenditure and the ability to refinance the Group senior facilities.

ANSWERS IN RETIREMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.2 Adoption of new and revised standards

In preparing its first FRS 101 financial statements, a first time adopter applies those standards and interpretations that are effective as at the first annual FRS 101 reporting date. Generally these are applied consistently at the date of transition to FRS 101 to fully restate on a retrospective basis the opening statement of financial position, and in each of the periods presented in the first FRS 101 financial statements, subject to a number of exceptions.

There are no new standards, interpretations and amendments, effective for the year ended 31 December 2021, that are relevant to the Company.

2.3 Financial reporting standard 101 - reduced disclosure exemptions

Where applicable, the company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of paragraphs 6 and 21 of IFRS 1 First-time adoption of International Financial Reporting Standards to present an opening statement of financial position at the date of transition
- the requirements of IFRS 7 Financial Instruments: Disclosures
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement
- the requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 Revenue from Contracts with Customers
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
 - paragraph 79(a)(iv) of IAS 1;
 - paragraph 73(e) of IAS 16 Property, Plant and Equipment;
 - paragraph 118(e) of IAS 38 Intangible Assets;
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements
- the requirements of IAS 7 Statement of Cash Flows
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member

ANSWERS IN RETIREMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.5 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

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.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

ANSWERS IN RETIREMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.6 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and accumulated impairment losses.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

Amortisation is calculated, using the straight line method, to allocate the depreciable amount of the assets to their residual values over their estimated useful lives.

Amortisation is provided on the following bases:

Computer Software - 20%

Amortisation is included in administrative expenses in the Income Statement.

2.7 Tangible assets

Tangible assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following straight line basis:

Computer Hardware - 20%

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

ANSWERS IN RETIREMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.8 Right-of-use assets

Right-of-use asset are stated at historical cost less accumulated depreciation and accumulated impairment losses. Historical costs includes the initial amount of the lease liability and any initial direct costs incurred. Also included are the costs of the lease payments made, less any lease incentives received, at or before the commencement date.

Subsequent to initial measurement, the right-of-use asset is also adjusted for certain remeasurements to the associated lease liability, details of which are provided in note 2.12.

Depreciation is charged on a straight line basis so as to allocate the costs of assets over the lease term or their useful economic life if shorter.

2.9 Trade and other receivables

Trade and other receivables are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost.

Accrued income relates to amounts earned at the balance sheet date which have not yet been invoiced.

2.10 Cash and cash equivalents

Cash and cash equivalents includes cash-in-hand, cash-at-bank, bank overdrafts and deposits readily convertible to known amounts of cash and that have an original maturity of three months or less. In the statement of financial position, bank overdrafts that do not have right of offset are presented within current liabilities.

2.11 Trade and other payables

Trade and other payables are initially measured at fair value, net of transaction costs, and are measured subsequently at amortised cost.

A provision for impairment of trade receivables is recognised based on lifetime expected credit losses at each reporting date.

Accrued income relates to amounts earned at the balance sheet date which have not yet been invoiced.

ANSWERS IN RETIREMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.12 Lease liabilities

For leases where the company is a lessee, the company recognises a right-of-use asset and a lease liability at the commencement date of the lease.

Lease liabilities are initially recognised at the present value of the lease payments due during the lease term but that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the lessee's incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise fixed payments and applicable variable lease payments (which depend on an index or a rate). The lease term includes periods covered by extension and break options if the Company is reasonably certain to extend the lease or to not exercise the break.

The discount rates applied in the measurement of the lease liabilities represent the Company's incremental borrowing rates. The incremental borrowing rates are determined through a build up approach, starting with a risk-free rate specific to the term and economic environment of the lease, adjusted for both the credit risk of the lessee and other characteristics of the lease (for example the quality of the underlying assets). The inputs used to determine the rates are regularly reassessed, based on historical experience and other factors which the Directors believe to be reasonable.

Each lease payment is allocated between the capital repayment of the liability and the finance cost element. The finance cost is charged to the income statement over the lease term so as to produce a constant periodic rate of interest on the remaining balance to the liability for each period.

Lease liabilities are remeasured when there is change in future lease payments arising from a change in index, rate or a lease modification. When extension or break options are exercised (or not exercised) in a way inconsistent with the prior assessments of those options, or if those assessments are changed, then lease liabilities will also be remeasured.

The Company has elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months (short-term leases) or less and lease contracts for which the underlying asset is of low value (low value leases). Lease payments on short term leases and those on low value leases are recognised as an expense in the income statement on a straight-line basis over the lease term.

2.13 Reserves

Company's reserves are as follows:

- Share capital reserve represents the nominal value of the shares issued.
- Retained earnings represents cumulative profits or losses, net of dividends paid and other adjustments.

ANSWERS IN RETIREMENT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

3. Operating profit

The operating profit is stated after charging:

	2021 £	2020 £
Amortisation of intangible assets	55,845	36,541
Depreciation of property, plant & equipment	1,059	1,267
Depreciation of right-of-use assets	57,614	72,433

4. Employees

The Directors are Directors of a number of fellow subsidiaries and as such, it is not feasible to make an accurate apportionment of their emoluments in respect to each of these subsidiaries. The total emoluments of these Directors are included in the aggregate of Key Management Personnel emoluments in the financial statements of the Ultimate parent undertaking, Theo Topco Limited.

5. Interest payable and similar expenses

	2021 £	2020 £
Finance lease	2,807	2,243
	<u>2,807</u>	<u>2,243</u>

ANSWERS IN RETIREMENT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

6. Taxation

	2021 £	2020 £
Total current tax	<u>-</u>	<u>-</u>
Deferred tax		
Origination and reversal of timing differences	(1,198)	3,438
Prior year adjustment	2,851	22,525
Effect of tax rate change on opening balance	(609)	-
Total deferred tax	<u>1,044</u>	<u>25,963</u>
Taxation on profit on ordinary activities	<u>1,044</u>	<u>25,963</u>

Factors affecting tax charge for the year

The tax assessed for the year is the same as (2020 - the same as) the standard rate of corporation tax in the UK of 19% (2020 - 19%) as set out below

	2021 £	2020 £
Profit on ordinary activities before tax	<u>189,072</u>	<u>114,164</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	35,924	21,691
Effects of:		
Expenses not deductible for tax purposes	-	2,404
Capital allowances for year in excess of depreciation	(395)	(631)
Adjustments to tax charge in respect of prior periods	2,851	22,653
Group relief	(37,336)	(20,154)
Total tax charge for the year	<u>1,044</u>	<u>25,963</u>

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

ANSWERS IN RETIREMENT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

7. Intangible assets

	Computer Software £
Cost	
At 1 January 2021	248,577
Additions	32,096
At 31 December 2021	280,673
Amortisation	
At 1 January 2021	70,880
Charge for the year	55,845
At 31 December 2021	126,725
Net book value	
At 31 December 2021	153,948
At 31 December 2020	177,697

The Company has performed its annual assessment of its amortisation policies and asset lives and deemed them to be appropriate.

ANSWERS IN RETIREMENT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

8. Tangible assets

	Computer Hardware £
Cost	
At 1 January 2021	6,525
At 31 December 2021	6,525
Depreciation	
At 1 January 2021	2,587
Charge for the year	1,059
At 31 December 2021	3,646
Net book value	
At 31 December 2021	2,879
At 31 December 2020	3,938

The Company has performed its annual assessment of its depreciation policies and asset lives and deemed them to be appropriate.

ANSWERS IN RETIREMENT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

9. Right-of-use assets

	Property £
Cost	
At 1 January 2021	168,456
At 31 December 2021	<u>168,456</u>
Depreciation	
At 1 January 2021	72,433
Charge for the period	57,614
At 31 December 2021	<u>130,047</u>
Net book value	
At 31 December 2021	<u><u>38,409</u></u>
At 31 December 2020	<u><u>96,023</u></u>

10. Trade and other receivables: amounts falling due within one year

	2021 £	2020 £
Trade receivables	-	6,209
Amounts owed by group undertakings	106,693	-
Prepayments and accrued income	2,981	907
	<u><u>109,674</u></u>	<u><u>7,116</u></u>

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

Provision for impairment of trade receivables and amounts owed by group undertakings has been assessed based on expected credit losses. For trade receivables, the provision was £nil (2020: £nil). For amounts owed by group undertakings, as all balances are repayable on demand, and the Company is expected to be able to recover the outstanding balances if demanded, no provision has been recognised as the credit risk is assessed to be immaterial.

ANSWERS IN RETIREMENT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

11. Trade and other payables: Amounts falling due within one year

	2021 £	2020 £
Trade payables	977	3,836
Amounts owed to group undertakings	60,000	221,763
Other taxation and social security	13,029	4,722
Lease liability	39,506	57,193
Other payables	34	-
Accruals and deferred income	32,404	39,829
	<u>145,950</u>	<u>327,343</u>

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

12. Trade and other payables: Amounts falling due after more than one year

	2021 £	2020 £
Lease liability	-	39,506
	<u>-</u>	<u>39,506</u>

13. Leases

Company as a lessee

Lease liabilities relate to property (see note 9). Property leases typically include rent review terms that require rents to be adjusted on a periodic basis, following market rent increase.

The interest expense on lease liabilities is shown in note 5. The depreciation expense for leases assets during the year is shown in note 9.

The table below summarises the maturity profile of the Company's lease liabilities on contractual, undiscounted payments.

	2021 £	2020 £
Not later than one year	40,000	60,000
Between one two years	-	40,000
	<u>40,000</u>	<u>100,000</u>

ANSWERS IN RETIREMENT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

14. Deferred taxation

	2021 £
At beginning of year	2,057
Charged to profit or loss	(1,044)
	<u>1,013</u>
At end of year	<u>1,013</u>

The deferred tax asset is made up as follows:

	2021 £	2020 £
Accelerated capital allowances	1,013	2,057
	<u>1,013</u>	<u>2,057</u>

15. Share capital

	2021 £	2020 £
Allotted, called up and fully paid		
100 (2020 - 100) Ordinary shares of £0.01 each	<u>1</u>	<u>1</u>

ANSWERS IN RETIREMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

16. Related party transactions

The Company receives income and services from Group companies in its normal course of business.

	2021 £	2020 £
Sales to related parties	1,138,899	432,392
Purchases from related parties	949,106	185,257
Amounts owed by related parties	26,068	-
Amounts owed to related parties	-	-

Sales to related parties consist of services provided in respect of promotion of products on the AiR Sourcing system. Purchases from related parties consists of business development support provided to the Company.

There were no provisions or expenses in relation to doubtful or bad debt.

17. Ultimate parent company

At 31 December 2021 the Company's immediate parent company was Equity Release Club Holdings Limited and the company's ultimate parent company was Theo Topco Limited.

Equity Release Club Holdings Limited owns 100% of the share capital of Answers in Retirement Limited and KRS Finance Limited owns 51% share capital of Equity Release Club Holdings Limited so the Company is ultimately controlled by KRS Finance 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 the registered office, Baines House, Midgery Court, Pittman Way, 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 the registered office, 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.

ANSWERS IN RETIREMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

18. Adoption of Financial Reporting Standard 101

The Company financial statements have been prepared for the first time in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' in conformity with the requirements of the Companies Act 2006. The results for the comparative periods have been restated on the same basis, with the date of transition being 1 January 2020.

The main areas of impact of adopting FRS 101 are summarised below:

Leases

The Company has lease contracts where it is lessee for property and equipment. Under FRS 102, leases in which substantially all the risks and rewards of ownership were retained by the lessor are classified as operating leases, otherwise they are classified as finance leases. On transition to FRS 101, the Company only had operating leases. Rental costs on operating leases were expensed in the Income statement and there was no recognition of the associated assets or liabilities in the Statement of financial position. The Company does not have any lease contracts where it acts as a lessor.

Under IFRS 16, the Company has recognised a right-of-use asset and a lease liability in relation to these leases, in its Statement of financial position. The Income statement includes depreciation in relation to the right-of-use-assets and a finance charge in relation to the lease liabilities.

On transition to FRS 101, the Company has adopted the modified retrospective approach permitted by the standard in which both the right-of-use assets and lease liabilities were based on the present value of future lease payments at the 1 January 2020 using the appropriate discount rate as at that date.

Following the date of transition to FRS 101, lease liabilities and right-of-use assets for new leases are based on the appropriate discount rate at the date the new contract is entered into.

As part of the Company's adoption of FRS 101 an exercise was undertaken to assess whether contracts contain leases as defined by the standard. This has resulted in no changes to the population of contracts identified previously as leases under FRS 102.

The Company has applied the recognition exemptions permitted by IFRS 16 in relation to short-term leases and low value leases.

At the date of transition, there was no impact on deferred tax as a result of the transitional adjustments to FRS 101. In the year ended 31 December 2020, there was a £128 tax credit in relation to deferred tax on the transitional adjustment to FRS 101 in that year.

ANSWERS IN RETIREMENT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

18. Adoption of Financial Reporting Standard 101 (continued)

Reconciliation of Statement of financial position at 1 January 2020

Company	FRS 102 £	Leases £	FRS 101 £
Fixed assets			
Intangible assets	94,992	-	94,995
Tangible assets	3,656	-	3,656
Right-of-use assets	-	53,228	53,228
Deferred taxation	28,020	-	28,020
	<u>126,668</u>	<u>53,228</u>	<u>179,896</u>
Current assets			
Trade and other receivables: amounts falling due within one year	12,015	-	12,015
Cash at bank and in hand	13,418	-	13,418
	<u>25,433</u>	<u>-</u>	<u>25,433</u>
<i>Trade and other payables: amounts falling due within one year</i>	<u>(104,778)</u>	<u>(53,228)</u>	<u>(158,006)</u>
	<u>(104,778)</u>	<u>(53,228)</u>	<u>(158,006)</u>
Net current liabilities	<u>(79,345)</u>	<u>(53,228)</u>	<u>(132,573)</u>
Total assets less current liabilities	<u>47,323</u>	<u>-</u>	<u>47,323</u>
Net assets	<u>47,323</u>	<u>-</u>	<u>7,464</u>
Capital and reserves			
Called up share capital	1	-	1
Retained earnings	47,322	-	47,322
Total equity	<u>47,323</u>	<u>-</u>	<u>47,323</u>

ANSWERS IN RETIREMENT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

18. Adoption of Financial Reporting Standard 101 (continued)

Reconciliation of Statement of financial position at 31 December 2020

Company	FRS 102 £	Leases £	FRS 101 £
Fixed assets			
Intangible assets	177,697	-	177,697
Tangible assets	3,938	-	3,938
Right-of-use assets	-	96,023	96,023
Deferred taxation	1,929	128	2,057
	<u>183,564</u>	<u>96,151</u>	<u>279,715</u>
Current assets			
Trade and other receivables: amounts falling due within one year	7,116	-	7,116
Cash at bank and in hand	215,542	-	215,542
	<u>222,658</u>	<u>-</u>	<u>222,658</u>
 Trade and other payables: amounts falling due within one year	 (270,150)	 (57,193)	 (327,343)
	<u>(270,150)</u>	<u>(57,193)</u>	<u>(327,343)</u>
Net current liabilities	(47,492)	(57,193)	(104,685)
Total assets less current liabilities	136,072	38,958	175,030
 Trade and other payables: amounts falling due after more than one year	 -	 (39,506)	 (39,506)
Net assets	136,072	(548)	135,524
 Capital and reserves			
Called up share capital	1	-	1
Retained earnings	136,071	(548)	135,523
Total equity	136,072	(548)	135,524

ANSWERS IN RETIREMENT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

18. Adoption of Financial Reporting Standard 101 (continued)

Reconciliation of Income statement at 31 December 2020

Company	FRS 102 £	Leases £	FRS 101 £
Revenue	512,302	-	512,302
Administrative expenses	(397,462)	1,567	(395,895)
Operating profit	114,840	1,567	116,407
Finance costs	-	(2,243)	(2,243)
Profit before tax	114,840	(676)	114,164
Tax	(26,091)	128	(25,963)
Profit after tax	88,749	(548)	88,201