

Registered number: 09991416

ANSWERS IN RETIREMENT LIMITED

UNAUDITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

MONDAY



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25/09/2023
COMPANIES HOUSE

ANSWERS IN RETIREMENT LIMITED

COMPANY INFORMATION

Directors	Simon Drew Simon Thompson
Registered number	09991416
Registered office	First Floor Southgate House Southgate Street Gloucester Gloucestershire GL1 1UD

ANSWERS IN RETIREMENT LIMITED

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ANSWERS IN RETIREMENT LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

The Directors present their report and the financial statements for the year ended 31 December 2022. 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.

Economic environment

Overall, 2022 was a good year for the Group with the size of the equity release market growing by 29% during the year to £6.2bn and a market in which the Group outperformed its peers and cemented its position as the market leader in equity release.

However, the UK Government's September 2022 'mini' budget and subsequent Liability driven investment (LDI) crisis created a period of market uncertainty in which some funders momentarily suspended their operations whilst they appraised the situation. This has impacted Group revenue in quarter 4 of 2022 and in the first half of 2023.

Funders are typically active in the bulk purchase annuity market used for the buy-in and buy-out of pension schemes and as such, require long-dated equity release assets to offset against these long-dated liabilities. This funder demand remains strong, and as confidence has returned in the general economy, funders have returned to the equity release market.

The consumer demand for equity release remains strong as the majority of customers use the product to meet their financial needs in retirement. For many customers equity release enables them to transition into retirement, provides them with a source of funds alongside their pensions to meet both their future living costs and their aspirations for retirement, and enables them to settle outstanding mortgages and other debt they may have at the time. Given the ongoing cost of living crisis and longer-term challenges of those in later life having adequate pension provisions and facing significant debt repayments, equity release will continue to play an important role in enabling customers to fund and enjoy their retirements.

Results and dividends

The statutory results for the Company show a profit before tax of £652k. The directors do not propose the payment of a dividend. The net assets of the Company were £927k.

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 2.1.

Directors

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

Simon Drew
Simon Thompson
Stuart Wilson (resigned 16 November 2022)

ANSWERS IN RETIREMENT LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

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 2022 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 2022, which does not form part of this report.

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 for the year ended 31 December 2022, 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.

ANSWERS IN RETIREMENT LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

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 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.

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.

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



S Drew
Director

Date: 14 September 2023

ANSWERS IN RETIREMENT LIMITED

**INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Note	2022 £000	2021 £000
Revenue	3	2,524	1,293
Administrative expenses		(1,869)	(1,101)
Operating profit	4	655	192
Interest payable and similar expenses	6	(3)	(3)
Profit before tax		652	189
Tax on profit	7	(49)	(1)
Profit for the financial year		603	188

The results stated above are all derived from continuing operations.

ANSWERS IN RETIREMENT LIMITED

**STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022**

	Note	2022 £000	2021 £000
Fixed assets			
Intangible assets	8	98	154
Tangible assets	9	-	3
Right-of-use assets	10	109	38
Deferred tax	15	5	1
		<u>212</u>	<u>196</u>
Current assets			
Trade and other receivables: amounts falling due within one year	11	694	110
Cash and cash equivalents		358	164
		<u>1,052</u>	<u>274</u>
Trade and other payables: amounts falling due within one year	12	(303)	(146)
Net current assets		<u>749</u>	<u>128</u>
Total assets less current liabilities		<u>961</u>	<u>324</u>
Trade and other payables: amounts falling due after more than one year	13	(34)	-
Net assets		<u><u>927</u></u>	<u><u>324</u></u>
Capital and reserves			
Called up share capital	16	-	-
Retained earnings		927	324
		<u><u>927</u></u>	<u><u>324</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.

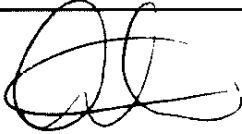
The Directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

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 4 to 22 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 2022**



S Drew

Director

Date: 14 September 2023

Company registration number: 09991416

ANSWERS IN RETIREMENT LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Called up share capital £000	Retained earnings £000	Total equity £000
At 1 January 2021	-	136	136
Profit for the financial year	-	188	188
At 1 January 2022	-	324	324
Profit for the financial year	-	603	603
At 31 December 2022	-	927	927

ANSWERS IN RETIREMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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 under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' and the Companies Act 2006.

The preparation of company 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.

ANSWERS IN RETIREMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.1 Basis of preparation of financial statements (continued)

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.

The Directors' assessment of the Company's ability to continue as a going concern considered a number of qualitative factors such as the growing demand for later life lending products and the Group's leading position in the equity release market. In addition to this, the Directors' assessment considered the Group's cash flow and covenant projections (which includes the Company), which incorporated the impact of the uncertainty experienced in the financial service sector, and specifically the equity release market, as described in detail on page 1 of the Strategic report.

At the 31 December 2022, the Group had a robust financial position providing it with sufficient access to liquidity to meet its needs over at least the next 12 months. At the 31 December 2022, the Group had headroom on its covenant basis net debt leverage ratio and its covenant basis interest cover ratio. The base scenario modelled demonstrated sufficient liquidity and financial covenant headroom being available over a period of at least 12 months. Whilst beyond the period of the going concern assessment, the Directors note that the Group's existing £53.9m loan facility matures in July 2024 and that the Group will look to refinance this ahead of this date.

As of the timing of the signing of these accounts all the Group's funders have returned to the market, remain committed to the equity release asset and have signalled strong continued appetite for the asset class especially for the Solvency II balance-sheets.

The Group also modelled a downside scenario under which the Group and Company have a number of mitigating actions in their control should these be needed to enable covenant compliance, including removing cost and cash incurring expenditure across its operations in the event that the recovery takes place over a longer duration. In the severe and uncertain event that cash flow generation is even more protracted and these mitigations were not sufficient, then there are equity cure rights within the Facilities Agreement which the Group may expect to utilise.

ANSWERS IN RETIREMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.2 Adoption of new and revised standards

There were no new standards, interpretations and amendments, effective for the year ended 31 December 2022, that were relevant or would have a material impact on the Company financial statements.

IFRS 17 Insurance Contracts

During the year ended 31 December 2022, the Company early adopted the requirements of IFRS 17 in accordance with its transitional provisions. The adoption of IFRS 17 has had no impact on the financial statements nor is it expected to have an impact on future reporting periods.

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 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 of paragraph 17 and 18A of IAS 24 Related Party Disclosures
- 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

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:

ANSWERS IN RETIREMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.4 Revenue (continued)

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 remuneration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the cost 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 value 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 2022

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 any 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 when 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 basis:

Computer Software - 20%

Amortisation is included in the administrative expenses in the Income Statement.

2.7 Tangible assets

Tangible fixed 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 - 33% (2021: 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 2022

2. Accounting policies (continued)

2.8 Right-of-use assets

Right-of-use assets 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 and an estimate of any dilapidation costs. Also included are the costs of 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 of 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 cost of assets less any residual value, over the shorter of lease term or useful economic life of the underlying asset.

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 2022

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 of 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 or less (short-term leases) 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 2022**

3. Revenue

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

4. Operating Profit

The operating profit is stated after charging:

	2022	2021
	£000	£000
Amortisation of Intangible assets	56	56
Depreciation of property, plant & equipment	3	1
Depreciation of Right-of-Use assets	60	58

5. Directors' remuneration

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.

6. Interest payable and similar expenses

	2022	2021
	£000	£000
Finance lease	3	3
	3	3

ANSWERS IN RETIREMENT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

7 Taxation

	2022	2021
	£000	£000
Corporation tax		
Current tax on profits for the year	53	-
	53	-
Total current tax	53	-
Deferred tax		
Origination and reversal of timing differences	(2)	(1)
Prior year adjustment	(1)	3
Effect of tax rate change on opening balance	(1)	(1)
Total deferred tax	(4)	1
Taxation on profit on ordinary activities	49	1

Factors affecting tax charge for the year

The tax assessed for the year is the same as (2021 - the same as) the standard rate of corporation tax in the UK of 19% (2021 - 19%) as set out below:

	2022	2021
	£000	£000
Profit on ordinary activities before tax	652	189
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%)	124	36
Effects of:		
Capital allowances for year in excess of depreciation	-	(1)
Adjustments to tax charge in respect of prior periods	(1)	3
Remeasurement of deferred tax for changes in tax rates	(1)	-
Group relief	(73)	(37)
Total tax charge for the year	49	1

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 2022**

8. Intangible assets

	Computer Software £000
Cost	
At 1 January 2022	281
At 31 December 2022	281
Accumulated amortisation	
At 1 January 2022	127
Charge for the year	56
At 31 December 2022	183
Net book value	
At 31 December 2022	98
At 31 December 2021	154

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 2022

9. Tangible assets

	Computer Hardware £000
Cost	
At 1 January 2022	7
	<hr/>
At 31 December 2022	7
	<hr/>
Accumulated depreciation	
At 1 January 2022	4
Charge for the year	3
	<hr/>
At 31 December 2022	7
	<hr/>
Net book value	
At 31 December 2022	-
	<hr/>
At 31 December 2021	3
	<hr/>

The Company has performed its annual assessment of its depreciation policies and asset lives. Due to the evolving composition of computer hardware assets, the Company has revised the estimated useful life of computer hardware assets from five years to three years during the year ended 31 December 2022. The revision has been accounted for prospectively as a change in accounting estimate which has had an immaterial impact of the amount of depreciation in the year.

ANSWERS IN RETIREMENT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

10. Right-of-use assets

	Property £000
Cost	
At 1 January 2022	168
Additions	131
Assets fully depreciated	(168)
At 31 December 2022	<u>131</u>
Accumulated depreciation	
At 1 January 2022	130
Charge for the period	60
Assets fully depreciated	(168)
At 31 December 2022	<u>22</u>
Net book value	
At 31 December 2022	<u><u>109</u></u>
At 31 December 2021	<u><u>38</u></u>

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

	2022 £000	2021 £000
Trade receivables	10	-
Amounts owed by group undertakings	682	107
Prepayments and accrued income	2	3
	<u>694</u>	<u>110</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 (2021: £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 2022**

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

	2022	2021
	£000	£000
Trade payables	-	1
Amounts owed to group undertakings	182	60
Corporation tax	53	-
Other taxation and social security	3	13
Lease liabilities	65	40
Accruals and deferred income	-	32
	<u>303</u>	<u>146</u>

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

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

	2022	2021
	£000	£000
Lease liability	34	-
	<u>34</u>	<u>-</u>

14. Leases

Company as a lessee

Lease liabilities relate to property (see note 10). 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 6. The depreciation expense for leases assets during the year is shown in note 10.

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

	2022	2021
	£000	£000
Not later than one year	70	40
Between one and two years	35	-
	<u>105</u>	<u>40</u>

ANSWERS IN RETIREMENT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

15. Deferred taxation

	2022 £000
Valuation	
At beginning of year	1
Charged to profit or loss	4
	<u>5</u>
At end of year	<u><u>5</u></u>

The deferred tax asset is made up as follows:

	2022 £000	2021 £000
Accelerated capital allowances	5	1
	<u>5</u>	<u>1</u>

16. Share capital

	2022 £000	2021 £000
Allotted, called up and fully paid		
100 (2021 - 100) Ordinary shares of £0.01 each	<u>-</u>	<u>-</u>

ANSWERS IN RETIREMENT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

17. Related party transactions

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

	2022	2021
	£000	£000
Sales to related parties	2,440	1,139
Purchases from related parties	1,754	949
Amounts owed by related parties	601	26
Amounts owed to related parties	16	-

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.

18. Ultimate parent company

At 31 December 2022 the Company's immediate parent company was Equity Release Club Holdings Limited and the company's ultimate parent company was Theo Topco Limited.

Theo Midco 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.

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 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.