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**ANSWERS IN RETIREMENT LIMITED**

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



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## **ANSWERS IN RETIREMENT LIMITED**

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### **COMPANY INFORMATION**

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

**Registered number** 09991416

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

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## **ANSWERS IN RETIREMENT LIMITED**

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## **ANSWERS IN RETIREMENT LIMITED**

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### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2020**

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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 an advanced Equity Release sourcing system (AiR Sourcing) and a National Skills Council accredited training scheme for those wishing to work in the Later Life Market.

#### **Results and dividends**

The profit for the year, after taxation, amounted to £88,749 (2019 - loss £40,360).

The Directors do not propose the payment of a dividend.

#### **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.

#### **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

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## ANSWERS IN RETIREMENT LIMITED

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

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#### 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 judgements 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.

#### Small companies note

In preparing this report, the Directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

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

*Simon Thompson*

**S Thompson**  
Director

Date: 30 September 2021

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**ANSWERS IN RETIREMENT LIMITED**

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**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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	Note	2020 £	2019 £
Turnover		512,302	198,350
Cost of sales		(192)	(11,119)
<b>Gross profit</b>		<b>512,110</b>	<b>187,231</b>
Administrative expenses		(397,270)	(260,607)
<b>Operating profit/(loss)</b>	3	<b>114,840</b>	<b>(73,376)</b>
Tax on profit/(loss)	6	(26,091)	33,016
<b>Profit/(loss) for the financial year</b>		<b>88,749</b>	<b>(40,360)</b>

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 7 to 15 form part of these financial statements.

## ANSWERS IN RETIREMENT LIMITED

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

	Note	2020 £	2019 £
<b>Fixed assets</b>			
Intangible assets	7	177,697	94,992
Tangible assets	8	3,938	3,656
Deferred taxation	11	1,929	28,020
		<u>183,564</u>	<u>126,668</u>
<b>Current assets</b>			
Debtors within one year	9	7,116	12,015
Cash at bank and in hand		215,542	13,418
		<u>222,658</u>	<u>25,433</u>
Creditors: amounts falling due within one year	10	(270,150)	(104,778)
<b>Net current assets/(liabilities)</b>		<u>(47,492)</u>	<u>(79,345)</u>
<b>Total assets less current liabilities</b>		<u>136,072</u>	<u>47,323</u>
<b>Net assets</b>		<u>136,072</u>	<u>47,323</u>
<b>Capital and reserves</b>			
Called up share capital	12	100	100
Profit and loss account		135,972	47,223
		<u>136,072</u>	<u>47,323</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 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 by:

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**ANSWERS IN RETIREMENT LIMITED**

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**STATEMENT OF FINANCIAL POSITION (CONTINUED)  
AS AT 31 DECEMBER 2020**

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*Simon Thompson*

**S Thompson**  
Director

Date: 30 September 2021

The notes on pages 7 to 15 form part of these financial statements.



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**ANSWERS IN RETIREMENT LIMITED**

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

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	Called up share capital £	Profit and loss account £	Total equity £
<b>At 1 January 2019</b>	<b>100</b>	<b>87,583</b>	<b>87,683</b>
<b>Comprehensive income for the year</b>			
Loss for the year	-	(40,360)	(40,360)
<b>At 1 January 2020</b>	<b>100</b>	<b>47,223</b>	<b>47,323</b>
<b>Comprehensive income for the year</b>			
Profit for the year	-	88,749	88,749
<b>At 31 December 2020</b>	<b>100</b>	<b>135,972</b>	<b>136,072</b>

The notes on pages 7 to 15 form part of these financial statements.

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## **ANSWERS IN RETIREMENT LIMITED**

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

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#### **1. General information**

The entity is a private limited company, limited by shares, registered in England (Registered number 09991416). Its registered office address is First Floor, Southgate House, Southgate Street, Gloucester, Gloucestershire, United Kingdom, GL1 1UD. The company was incorporated on 8 February 2016 and its principal activity is that of an advanced Equity Release sourcing system (AiR Sourcing) and a National Skills council accredited training scheme for those wishing to work in the Later Life Market.

#### **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 following principal accounting policies have been applied:

##### **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 26 Share-based Payment paragraphs 26.18(b), 26.19 to 26.21 and 26.23;
- 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.

##### **2.3 Going concern**

After reviewing the Company's forecasts and projections (which include the Company), 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.

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

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**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 of 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 Operating leases: the Company as lessee**

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

**2.6 Current and deferred taxation**

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

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 in the countries where the Company operates and generates income.

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; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

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.

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## ANSWERS IN RETIREMENT LIMITED

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

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#### 2. Accounting policies (continued)

##### 2.7 Intangible assets

Intangible assets are stated at cost less accumulated amortisation and accumulated impairment losses. 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, as follows:

Website - 5 years

Amortisation is included in administrative expenses in the profit and loss account and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

##### 2.8 Tangible fixed 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.

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 basis:

Office equipment	- 25%
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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.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Income and Retained Earnings.

##### 2.9 Debtors

Short term debtors are measured at transaction price, less any impairment.

##### 2.10 Creditors

Short term creditors are measured at transaction price.

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## ANSWERS IN RETIREMENT LIMITED

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

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#### 2. Accounting policies (continued)

##### 2.11 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Statement of Financial Position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

#### 3. Operating profit/(loss)

The operating profit/(loss) is stated after charging:

	2020	2019
	£	£
Amortisation	36,541	23,164
Depreciation	1,267	879
Hire of land and buildings – operating leases	81,475	81,551

#### 4. Employees

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

	2020	2019
	No.	No.
Management	3	3

#### 5. Directors' remuneration

No Directors received any remuneration from the Company during the current or prior year. The emoluments of the Directors are paid by the another company within the group which makes no recharge to the company. The Directors are Directors of other group companies 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.

**ANSWERS IN RETIREMENT LIMITED**

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

**6. Taxation**

	2020 £	2019 £
<b>Corporation tax</b>		
Current tax on profits for the year	-	-
	-	-
<b>Total current tax</b>	-	-
<b>Deferred tax</b>		
Origination and reversal of timing differences	3,438	(33,016)
Prior year adjustment	22,653	
<b>Total deferred tax</b>	26,091	(33,016)
	26,091	(33,016)
<b>Taxation on profit/(loss) on ordinary activities</b>	26,091	(33,016)

**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/(loss) on ordinary activities before tax	114,840	(73,376)
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	21,820	(13,941)
<b>Effects of:</b>		
Expenses not deductible for tax purposes	2,404	564
Adjust closing deferred tax to average rate of 19.00%	(631)	3,296
Adjust opening deferred tax to average rate of 19.00%	-	588
Adjustments to tax charge in respect of prior periods	22,653	(23,523)
Group relief	(20,154)	-
<b>Total tax charge for the year</b>	26,091	(33,016)

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ANSWERS IN RETIREMENT LIMITED

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

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7. Intangible assets

	Website £
<b>Cost</b>	
At 1 January 2020	129,423
Additions	119,302
Adjustment	(148)
At 31 December 2020	<u>248,577</u>
<b>Amortisation</b>	
At 1 January 2020	34,431
Charge for the year on owned assets	36,541
Adjustment	(92)
At 31 December 2020	<u>70,880</u>
<b>Net book value</b>	
At 31 December 2020	<u>177,697</u>
At 31 December 2019	<u>94,992</u>

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**ANSWERS IN RETIREMENT LIMITED**

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

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**8. Tangible fixed assets**

	Office Equipment £
<b>Cost or valuation</b>	
At 1 January 2020	4,884
Additions	1,493
Adjustment	148
At 31 December 2020	<u>6,525</u>
<b>Depreciation</b>	
At 1 January 2020	1,228
Charge for the year on owned assets	1,267
Adjustment	92
At 31 December 2020	<u>2,587</u>
<b>Net book value</b>	
At 31 December 2020	<u><u>3,938</u></u>
At 31 December 2019	<u><u>3,656</u></u>

**9. Debtors**

	2020 £	2019 £
Trade debtors	6,209	7,022
Other debtors	-	4,993
Prepayments and accrued income	907	-
	<u><u>7,116</u></u>	<u><u>12,015</u></u>



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**ANSWERS IN RETIREMENT LIMITED**

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

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**10. Creditors: Amounts falling due within one year**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Trade creditors	3,836	16,872
Amounts owed to group undertakings	221,763	77,029
Other taxation and social security	4,722	-
Accruals and deferred income	39,829	10,877
	<u>270,150</u>	<u>104,778</u>

**11. Deferred taxation**

	<b>2020</b>
	<b>£</b>
At beginning of year	28,020
Charged to profit or loss	(26,091)
<b>At end of year</b>	<u><b>1,929</b></u>

The deferred tax asset is made up as follows:

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Accelerated capital allowances	1,929	(7,916)
Losses and other deductions	-	35,936
	<u>1,929</u>	<u>28,020</u>

**12. Share capital**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
<b>Allotted, called up and fully paid</b>		
100 (2019 - 100) Ordinary shares of £1.00 each	<u>100</u>	<u>100</u>

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## ANSWERS IN RETIREMENT LIMITED

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

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#### 13. Commitments under operating leases

As at 31 December 2020 the Company had future minimum lease payments under non- cancellable operating leases as follows:

	2020 £	2019 £
Not later than one year	70,000	85,272
Later than one year and not later than five years	46,667	-
	<u>116,667</u>	<u>-</u>

#### 14. Related party transactions

During the period, Equity Release Club Holdings Limited, a related party by virtue of ultimate control, paid expenses on behalf of Answers In Retirement Limited of £101,067 (2019: £22,028) and made a loan of £43,668 (2019: £55,000). Included within amounts owed to group undertakings is £221,763 (2019: £77,028) relating to Equity Release Club Holdings Limited.

#### 15. Controlling party

At 31 December 2020 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 own 100% share capital of Answers in Retirement and KRS Finance Limited owns 51% share capital of Equity Release Club Holdings 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 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.