

Registered number: 11206559

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**EQUITY RELEASE CLUB HOLDINGS LIMITED**

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**UNAUDITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

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**EQUITY RELEASE CLUB HOLDINGS LIMITED**

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**COMPANY INFORMATION**

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

**Registered number** 11206559

**Registered office** Baines House  
Midgery Court  
Pittman Way  
Fulwood  
Preston  
PR2 9ZH

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**EQUITY RELEASE CLUB HOLDINGS LIMITED**

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## **EQUITY RELEASE CLUB HOLDINGS LIMITED**

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### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2021**

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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 intermediate holding company and the provision of financial services.

*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 a loss for the financial year of £312k. The directors do not propose the payments of a dividends. The net liabilities of the Company were £1,154k.

#### **Going Concern**

The financial statements have been prepared on a 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 period and up to the 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.

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**EQUITY RELEASE CLUB HOLDINGS LIMITED**

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

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**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.*

**Statement of directors' responsibilities in respect of the financial statements**

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, 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 judgments 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 and to 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

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**EQUITY RELEASE CLUB HOLDINGS LIMITED**

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

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	<b>Note</b>	<b>2021 £</b>	<b>2020 £</b>
Administrative expenses		(212,649)	(236,261)
<b>Operating loss</b>		<u>(212,649)</u>	<u>(236,261)</u>
Interest payable and similar expenses	5	(99,223)	(91,873)
<b>Loss before tax</b>		<u>(311,872)</u>	<u>(328,134)</u>
Tax on loss	6	-	-
<b>Loss for the financial year</b>		<u><u>(311,872)</u></u>	<u><u>(328,134)</u></u>

**EQUITY RELEASE CLUB HOLDINGS LIMITED**

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

	Note	2021 £	2020 £
<b>Fixed assets</b>			
Investments	7	1,010,000	1,010,000
		<u>1,010,000</u>	<u>1,010,000</u>
<b>Current assets</b>			
Trade and other receivables: amounts falling due within one year	8	403,159	1,157,144
		<u>403,159</u>	<u>1,157,144</u>
Trade and other payables: amounts falling due within one year	9	(1,227,843)	(1,946,121)
<b>Net current liabilities</b>		<u>(824,684)</u>	<u>(788,977)</u>
<b>Total assets less current liabilities</b>		<u>185,316</u>	<u>221,023</u>
Trade and other payables: amounts falling due after more than one year	10	(1,339,515)	(1,063,350)
<b>Net liabilities</b>		<u><u>(1,154,199)</u></u>	<u><u>(842,327)</u></u>
<b>Capital and reserves</b>			
Called up share capital	11	100	100
Share premium account		3,750	3,750
Other reserves		960,784	960,784
Accumulated losses		(2,118,833)	(1,806,961)
<b>Total equity</b>		<u><u>(1,154,199)</u></u>	<u><u>(842,327)</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 14 were approved and authorised for issue by the board and were signed on its behalf by:

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**EQUITY RELEASE CLUB HOLDINGS LIMITED**

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

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**S Drew**  
Director

Date: 17 August 2022



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**EQUITY RELEASE CLUB HOLDINGS LIMITED**

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

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	<b>Called up share capital</b>	<b>Share premium account</b>	<b>Share Based Payment Reserve</b>	<b>Accumulated losses</b>	<b>Total equity</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>At 1 January 2020</b>	<b>100</b>	<b>3,750</b>	<b>960,784</b>	<b>(1,478,827)</b>	<b>(514,193)</b>
Loss for the financial year	-	-	-	(328,134)	(328,134)
<b>At 31 December 2020 and at 1 January 2021</b>	<b>100</b>	<b>3,750</b>	<b>960,784</b>	<b>(1,806,961)</b>	<b>(842,327)</b>
Loss for the financial year	-	-	-	(311,872)	(311,872)
<b>At 31 December 2021</b>	<b>100</b>	<b>3,750</b>	<b>960,784</b>	<b>(2,118,833)</b>	<b>(1,154,199)</b>

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## EQUITY RELEASE CLUB HOLDINGS LIMITED

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

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#### 1. General information

Equity Release Club Holdings 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 '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 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 financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

##### 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 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 5.0x. The extreme scenarios modelled demonstrate sufficient liquidity and financial covenant headroom being available.

Whilst not a factor in the Director's going concern assessment, the Group and Company do also have 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.

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## EQUITY RELEASE CLUB HOLDINGS LIMITED

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

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## 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. The adoption of FRS 101 has had no impact on the reported numbers in the company financial statements.

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

### 2.4 Interest payable

Interest payable is charged to the Income statement over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Direct issuance costs are initially included in the fair value of the debt instrument and are subsequently amortised over the term of the instrument through the effective interest method.

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## EQUITY RELEASE CLUB HOLDINGS LIMITED

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

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#### 2. Accounting policies (continued)

##### 2.5 Share based payments

The company provides share-based payment arrangements to certain employees. Equity-settled arrangements are measured at fair value (excluding the effect on non-market based vesting conditions) at the date of the grant. The fair value is expensed on a straight-line basis over the vesting period. The amount recognised as an expense is adjusted to reflect the actual number of shares or options that will vest.

Where equity-settled arrangements are modified, and are of benefit to the employee, the incremental fair value is recognised over the period from the date of modification to date of vesting. Where a modification is not beneficial to the employee there is no change to the charge for share-based payment. Settlements and cancellations are treated as an acceleration of vesting and the unvested amount is recognised immediately in the income statement.

In line with the leaver provisions detailed in the articles, a liability has been recognised in the immediate parent company for bad leavers at cost.

##### 2.6 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 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 reporting 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 the underlying deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed of 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 Company 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.

##### 2.7 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

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.

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## EQUITY RELEASE CLUB HOLDINGS LIMITED

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

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#### 2. Accounting policies (continued)

##### 2.8 Reserves

The Company's reserves are as follows:

- Called up share capital reserve represents the nominal value of the shares issued.
- Share premium account represents the premiums received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from the share premium.
- Retained earnings account represents cumulative profits or losses, net of dividends paid and other adjustments.

#### 3. Critical judgements and estimations

There were no matters to report that required a higher degree of judgment or complexity, or areas where assumptions and estimates were significant to the financial statements.

#### 4. Employees

	2021 £	2020 £
Wages and salaries	171,478	165,268
Social security costs	23,383	22,475
Other pension costs	10,872	9,600
	<u>205,733</u>	<u>197,343</u>

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

	2021 No.	2020 No.
Management	<u>1</u>	<u>1</u>

The Directors are Directors of a number of fellow subsidiaries and as such, it is not feasible to make an accurate appointment of their emoluments in respect to each of these subsidiaries. Accordingly, the above disclosure includes no emoluments in respect to these Directors however their total emoluments are included in the aggregate of Key Management Personnel emoluments in the financial statements of the Ultimate parent undertaking, Theo Topco Limited.

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EQUITY RELEASE CLUB HOLDINGS LIMITED

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

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5. Interest payable and similar expenses

	2021 £	2020 £
Intercompany Loan interest payable to group companies	99,223	91,873
	<u>99,223</u>	<u>91,873</u>

6. Taxation

	2021 £	2020 £
Total current tax	-	-

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 £
Loss on ordinary activities before tax	(311,872)	(328,134)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	(59,256)	(62,345)
Effects of:		
Expenses not deductible for tax purposes	71	7,790
Group relief	96,704	54,555
Movement in deferred tax not recognised	(37,519)	-
Total tax charge for the year	-	-

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

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EQUITY RELEASE CLUB HOLDINGS LIMITED

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

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7. Investments

	Investments in subsidiary companies £
<b>Cost</b>	
At 1 January 2021	1,010,000
At 31 December 2021	<u>1,010,000</u>
<b>Net book value</b>	
At 31 December 2021	<u>1,010,000</u>
At 31 December 2020	<u>1,010,000</u>

**Subsidiary undertakings**

The following were subsidiary undertakings of the Company:

Name	Place of business/ country of incorporation	Class of shares	Holding
Answers in Retirement Limited	Great Britain	Ordinary	100%
Later Life Guidance Limited	Great Britain	Ordinary	100%

The registered office of Answers in Retirement Limited and Later Life Guidance Limited is Southgate House, Southgate Street, Gloucester, Gloucestershire, GL1 1UD.

8. Trade and other receivables: Amounts falling due within one year

	2021 £	2020 £
Amounts owed by group undertakings	403,102	1,156,962
Other receivables	57	182
	<u>403,159</u>	<u>1,157,144</u>

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

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EQUITY RELEASE CLUB HOLDINGS LIMITED

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

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

	2021 £	2020 £
Bank overdrafts	142	-
Amounts owed to group undertakings	1,173,883	1,897,058
Other creditors	3,750	3,750
Accruals and deferred income	50,068	45,313
	<u>1,227,843</u>	<u>1,946,121</u>

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

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

	2021 £	2020 £
Amounts owed to group undertakings	1,339,515	1,063,350
	<u>1,339,515</u>	<u>1,063,350</u>

Amounts owed to group undertakings accrue interest at 8.00% and mature August 2025.

11. Share capital

	2021 £	2020 £
<b>Authorised, allotted, called up and fully paid</b>		
51 (2020 - 51) A Ordinary Shares shares of £1.00 each	51	51
49 (2020 - 49) B Ordinary Shares shares of £1.00 each	49	49
100 (2020 - 100) C1 Ordinary Shares shares of £0.001 each	-	-
	<u>100</u>	<u>100</u>

The A and B shares rank *pari passu* and have voting rights. The C shares do not have voting rights.

12. Share based payments

The company provides share-based payment arrangements to certain employees, which are subject to leaver provisions detailed in the articles. The fair value has been recognised as at the grant date creating a share based payment reserve in equity and in line with the accounting policy there is no change to the fair value within the period and there are no movements/expenses that have been recognised in the financial statements in the period.



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## EQUITY RELEASE CLUB HOLDINGS LIMITED

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

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#### 13. Related party transactions

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

	2021 £	2020 £
Amounts owed to related parties	2,432,772	2,960,408
Interest paid to related parties	99,223	91,873

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

#### 14. Ultimate controlling party

At 31 December 2021 the Company's immediate parent company was KRS Finance Limited and the Company's ultimate parent company was Theo Topco Limited.

Equity Release Club Holdings Limited owns 100% share capital of Answers in Retirement Limited and Later Life Guidance Limited. 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 company 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, 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 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.