

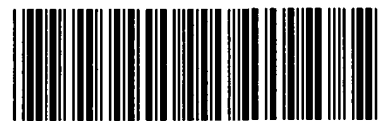
COMPANY REGISTRATION NUMBER: 10902383

Resolution Life

**Resolution Life Group Services Ltd.
Annual Report and Consolidated Financial
Statements**

**For the year ended
31 December 2020**

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Resolution Life Group Services Ltd.
Annual Report and Consolidated Financial Statements
Year ended 31 December 2020

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Resolution Life Group Services Ltd.

Strategic Report *(continued)*

Year ended 31 December 2020

The directors present their strategic report and financial statements of Resolution Life Group Services Limited (the "Company") and its subsidiaries (together, the "Group") for the year ended 31 December 2020.

Principal activity

The principal activity of the Company is that of a service company which supports its parent; Resolution Life Group Holdings Limited (and other entities under common control, collectively the "Resolution Life Group"). The Resolution Life Group is a global life insurance group focussing on the acquisition and management of inforce life insurance policies and operates through three core insurance Platforms: Australasia, Bermuda and the United States. The Company employs UK based personnel and assists the Resolution Life Group with analysis relating to its investments, research and operational or administrative support. This will be the Company's principal activity for the foreseeable future.

The Company has three subsidiaries, Resolution (Brands) Limited, Resolution Operations LLP and Resolution Life Services Canada Inc., the results of which are included in these consolidated financial statements. Their principal activities are set out below:

Subsidiary	Principal activity
Resolution (Brands) Limited ("RBL")	To provide trademark licensing to other entities under common ownership in the UK, Canada, US, Bermuda, Australia and New Zealand.
Resolution Operations LLP ("ROL")	To carry out FCA regulated activities within the Resolution Life Group, primarily supporting the ultimate parent Resolution Life Group Holdings LP, a Bermuda based alternative investment fund.
Resolution Life Services Canada Inc. ("RLSC")	To employ individuals in Canada working on the digital transformation project.

Fair review of The Group's business

The Group has grown substantially over the year in order to service the expanding needs of the Resolution Life Group. These services included:

- Providing advice to the business on strategic M&A activity
- Supporting the acquisition process for the (i) Australasia Platform's operating subsidiary, AMP Life (closed June 30, 2020) and (ii) US Platform's operating subsidiary, Security Life of Denver Insurance Company ("SLD") (closed January 4, 2021)
- Supporting a digital transformation strategy for the Resolution Life Group
- Supporting fundraising activity which concluded post year end and secured \$1.6bn of additional capital
- Supporting the preparation for regulation of the Resolution Life Group by the Bermuda Monetary Authority, effective July 1, 2021

On 31 July 2020 the Company agreed the acquisition of ROL, to which it was historically an appointed representative. The Company agreed the transfer at book value from Resolution Capital Limited, which is under the control and ownership of the CEO and Executive Chairman of the Resolution Life Group, Sir C A Cowdery. Before the transfer, ROL was solely used in connection with the activities of the Resolution Life Group and both investors and Sir C A Cowdery preferred that ROL was part of the Resolution Life Group.

On 14 August 2020 RLSC was incorporated to employ a specialist digital transformation team based in Canada to support the execution of the Company's digital transformation support activities for the Platforms and wider group.

Resolution Life Group Services Ltd.

Strategic Report *(continued)*

Year ended 31 December 2020

The Company continues to receive service fee revenue from its parent and operating affiliates based in Bermuda. The Company received a new stream of service fee revenue from the Resolution Life Group new US and Australasia platforms for providing digital transformation, financing and M&A support services, and other services. The Group makes a profit by charging a margin for its services in excess of its costs; assuming the same arrangements with its affiliates continue, it expects to continue to generate profits in future years. The Group had sufficient cash to meet its liabilities and its service fee arrangements provide it with the means to continue to meet its liabilities as they fall due.

The directors consider the below key performance indicators relevant to the Group and its activities:

- Year on year revenue is indicative of the Resolution Life Group's expanding support requirements following the acquisitions made in 2020 and the start of 2021
- Revenue growth is indicative of the Resolution Life Group's progression to maturity. In 2019 the growth rate reflected the rapid expansion of the Resolution Life Group's support requirements. In 2020 the growth rate therefore reduced.
- Operating profit margin is indicative of the level of the Group's services which attract a mark-up, derived from its staff and staff related costs. The operating profit margin was lower in 2020 as there were a higher proportion of external costs to which no margin is applied, being largely professional advisory services and digital transformation project related IT licenses.
- The current ratio (current asset /current liabilities) reflects that the service fee arrangements, which are invoiced quarterly in advance, provide sufficient liquidity for the Group to meet its short-term liabilities as they fall due.

Group Key performance indicator:	2020	2019
Revenue (£'000)	53,302	38,612
Operating profit margin	3.86%	8.72%
Revenue growth	38%	75%
Current ratio	1.43	1.15

Future developments

On 18 May 2021 the Company incorporated a new subsidiary, Resolution Life IP Limited which will develop, own and maintain Intellectual Property related to the Resolution Life Group's artificial intelligence development activities and license it to the Platforms. It has made a provisional patent application in the course of 2021.

Principal risks and uncertainties facing the Group

The principal risk facing the Company (and therefore the Group) arises from a reduced demand for its services from the Resolution Life Group, influenced by any reduced centralised service requirements from the Platforms and affiliates. We believe that a change in demand risk is low and these service requirements will continue in light of the Resolution Life Group's consolidation strategy, its current M&A pipeline and the need to support transactions and integrate any acquired businesses. The trend for global life companies to consider restructuring and divesting non-core operations appears to be continuing one and the Resolution Life Group's fundraising and new financing activities remain key to its ability to respond to M&A opportunities, for which the Group's services are integral.

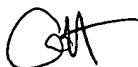
The COVID-19 pandemic continues to cause uncertain market conditions and its impact on the Resolution Life Group includes but is not limited to delays or reductions in the value of forecast cashflows from its underlying businesses. However, the pandemic did not materially alter the timing/closing of the acquisitions of AMP Life and SLD and has not created any slow down to other ongoing M&A activity which the Company supports.

Resolution Life Group Services Ltd.

Strategic Report *(continued)*

Year ended 31 December 2020

This report was approved by the board of directors on 18 October 2021 and signed on behalf of the board by:



G Hutton
Director

Registered office:
The Caxton 1 Brewers Green
London
SW1H 0RH
UK

Resolution Life Group Services Ltd.

Directors' Report

Year ended 31 December 2020

The directors present their report and the consolidated financial statements of the Group for the year ended 31 December 2020.

Future Developments

Details of future developments can be found in the Strategic Report on page 2 and form part of this report by cross reference.

Events after the balance sheet date

On 18 May 2021 a new wholly owned UK subsidiary, Resolution Life IP Limited, was incorporated for the purpose of developing, owning and maintaining intellectual property developed in connection with the Resolution Life Group's digital transformation programme, with the intention of licensing it to the Platforms.

Financial risk management objectives and policies

The Group's activities expose it to a number of financial risks including credit risk, cash flow risk and liquidity risk.

Credit risk

The Group's principal financial assets are cash and cash equivalents, trade and other receivables, and investments.

The Group's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables. An allowance for impairment would be made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows. The credit risk is limited because most trade receivables are for intercompany services.

The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

The Group has no significant concentration of credit risk, with exposure spread over a number of counterparties and customers.

Cash flow risk

The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates. The Group minimises the risk by holding foreign currency bank accounts and by matching its foreign currency revenue to its costs in the same currency.

Liquidity risk

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the Group invoices for its services in advance based on current cost forecasts.

Dividends

The directors do not recommend the payment of a dividend (2019 – £nil).

Results

The Group reported a profit before tax of £2,052k (2019 - £3,367k) as disclosed in further detail in the consolidated income statement on page 12, and discussed in the strategic report.

Resolution Life Group Services Ltd.

Directors' Report *(continued)*

Year ended 31 December 2020

Directors

The directors who served the company during the year and through to the date of this report were as follows:

J Hack
G Hutton
K Rankin
J Moss (appointed 18 Jan 2021)

Directors' indemnities

The Company has made qualifying third party indemnity provisions for the benefit of its directors which were made during the year and remain in force at the date of this report.

Engagement with suppliers, customers and others

The Group has engaged with its key suppliers and other stakeholders during the year via a combination of face to face and video conference calls in order to foster sound business relationships and keep them abreast of relevant business developments. The Group also categorises its supplier relationships according to risk and impact, which influences its approach to supplier management.

Streamlined energy and carbon reporting

Under the requirements of Streamlined Energy and Carbon Reporting (SECR) the Group's energy consumption in the UK during the period is shown below. There are no comparatives as this is the first year of reporting.

Greenhouse gas "GHG" emissions and energy usage

GHG emissions and energy usage data for period 1 January to 31 December 2020	
UK and offshore	2020
Emissions from electricity purchased for own use, including for the purposes of transport (Scope 2 – tonnes of CO ₂ e)	25.58
Total gross CO₂e based on above	25.58
Energy consumption used to calculate emissions - kwh	69,573
Intensity measurement (tonnes of CO ₂ e per employee)	0.66
Average number of employees during the period	39

Emissions from combustion of gas and combustion of fuel for transport purposes are out of scope because the Company does not utilise gas in its premises or reimburse staff for fuel for rental cars or own cars used for business travel.

Energy Efficiency Actions

The Group is committed to responsible energy management and recognises the challenges that climate change poses to current and future generations.

The Company arranged new office space in 2019 that enhanced its environmental efficiency profile via reduction and mitigation of CO₂ emissions. The Company confirmed that the new office lessor met the requirements of BREEAM 2014 and achieved an Excellent rating. The premises benefit from several environmental initiatives, including solar photovoltaics, combined heat and power (CHP)

Resolution Life Group Services Ltd.

Directors' Report *(continued)*

Year ended 31 December 2020

engine, cycle storage, LED lighting and a green roof. Other actions include the placement of recycling bins throughout the office space and granting employees interest free cycling scheme loans.

The Group shares the Resolution Life Group's environmental and social governance policy initiatives as stated in its environmental, social and governance "ESG" policy. The Group encourages ESG awareness in the context of its business with employees, investors, asset managers, service providers and other stakeholders through internal discussions on ESG issues.

The methodology used in the calculation of disclosures is the government GHG reporting conversion factors for UK organizations based upon the July 2017 recommended conversion factors provided by Defra as part of its Environmental Reporting Guidelines as described in NEF <http://www.carbon-calculator.org.uk>

Disclosure of information in the strategic report

In accordance with s414c of the Companies Act the Group has included within the strategic report an indication of the Group's principal activities, a fair review of the Group's business and anticipated future developments.

The strategic report also includes the principal risks and uncertainties faced by the Group, along with an assessment of the Group's exposure to those risks.

The Company made no political or charitable donations during the year.

Going Concern

The directors believe that the Group is a going concern in light of its ongoing service arrangements with the Resolution Life Group, its own financial stability and that of the Resolution Life Group and demand for the Group's services.

Directors' responsibilities statement

The directors are responsible for preparing the strategic report, 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards (FRS102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland") 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 Group and the Company and the profit or loss of the Group 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;
- 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 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.

Resolution Life Group Services Ltd.

Directors' Report *(continued)*

Year ended 31 December 2020

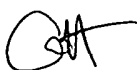
Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the Group and Company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Group and Company's auditor is aware of that information.

BDO LLP resigned as auditors during the year and Deloitte LLP were appointed as a replacement, consistent with the Resolution Life Group. Deloitte LLP have indicated a willingness to continue in office and a resolution concerning their re-appointment will be proposed at the Annual General Meeting.

This report was approved by the board of directors on 18 October 2021 and signed on behalf of the board by:



G Hutton
Director

Registered office:
The Caxton 1 Brewers Green
3rd Floor
London
England
SW1H 0RH

Resolution Life Group Services Ltd.

Independent Auditor's Report to the Members of Resolution Life Group Services Ltd.

Year ended 31 December 2020

Opinion

In our opinion the financial statements of Resolution Life Group Services Limited (the 'Company') and its subsidiaries (the 'Group'):

- give a true and fair view of the state of the Group's and of the parent company's affairs as at 31 December 2020 and of the Group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the consolidated statement of comprehensive income;
- the consolidated and Company statements of financial position;
- the consolidated and Company statements of changes in equity;
- the consolidated statement of cash flows; and
- the related notes 1 to 25.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the Group and the parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the

Resolution Life Group Services Ltd.

Independent Auditor's Report to the Members of Resolution Life Group Services Ltd. (continued)

Year ended 31 December 2020

course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the Group's industry and its control environment, and reviewed the group's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory framework that the group operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included relevant laws and regulations applicable to the group and the sector it operates such as UK Companies Act, pensions legislation, tax legislation; and

Resolution Life Group Services Ltd.
Independent Auditor's Report to the Members of Resolution Life Group

Services Ltd. (continued)
Year ended 31 December 2020

- do not have a direct effect on the financial statements but compliance with which may be fundamental to the Group's ability to operate or to avoid a material penalty. These included relevant laws and regulations applicable to the group and the sector it operates in such as the Group's operating licence, regulatory requirements and environmental regulations.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud in the following areas, and our specific procedures performed to address it are described below:

The Company receives income from other group companies that they render services to. There is a presumed risk of fraud in revenue recognition.. We have therefore assessed that there is a significant risk of material misstatement relating to revenue recognition which is pinpointed to accuracy of recharged income.

- We have obtained an understanding of the revenue process;
- Assessed the design and implementation of controls in the revenue process specifically focusing on the controls that address accuracy of revenue recognition; and
- Substantively tested revenue transactions recorded during the year.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and in-house legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance and reviewing correspondence with relevant regulatory authorities.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the group and of the Company and their environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

Resolution Life Group Services Ltd.

Independent Auditor's Report to the Members of Resolution Life Group Services Ltd. (continued)

Year ended 31 December 2020

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in respect of these matters.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Jamie Weisfeld, ACA (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
London, United Kingdom
18 October 2021

Resolution Life Group Services Ltd.
Consolidated Statement of Comprehensive Income
Year ended 31 December 2020

	Note	2020 £	2019 £
Turnover	4	53,302,000	38,612,315
Gross profit		<u>53,302,000</u>	<u>38,612,315</u>
Administrative expenses		51,383,126	35,638,079
Other operating income	5	139,278	393,178
Operating profit	6	<u>2,058,152</u>	<u>3,367,414</u>
Interest payable and similar expenses	10	6,173	–
Profit before taxation		<u>2,051,979</u>	<u>3,367,414</u>
Tax on profit	11	400,408	638,038
Profit for the financial year		<u>1,651,571</u>	<u>2,729,376</u>
Foreign currency retranslation		6,703	–
Total comprehensive income for the year		<u>1,658,274</u>	<u>2,729,376</u>

All the activities of the group are from continuing operations.

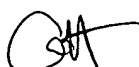
All profits are attributable to the equity owners of the group.

The notes on pages 18 to 31 form part of these annual report and consolidated financial statements.

Resolution Life Group Services Ltd.
Consolidated Statement of Financial Position
31 December 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	12	647,328	737,012
Current assets			
Debtors	14	9,486,570	10,341,640
Cash at bank		<u>3,916,302</u>	<u>7,309,926</u>
		13,402,872	17,651,566
Creditors: amounts falling due within one year	15	9,381,194	15,389,000
Net current assets		<u>4,021,678</u>	<u>2,262,566</u>
Total assets less current liabilities		4,669,006	2,999,578
Creditors: amounts falling due after more than one year	16	114,726	124,677
Provisions	17	72,173	51,068
Net assets		<u><u>4,482,107</u></u>	<u><u>2,823,833</u></u>
Capital and reserves			
Called up share capital	19	2	2
Profit and loss account		<u>4,482,105</u>	<u>2,823,831</u>
Shareholders' funds		<u><u>4,482,107</u></u>	<u><u>2,823,833</u></u>

These annual report and consolidated financial statements were approved by the board of directors and authorised for issue on 18 October 2021, and are signed on behalf of the board by:



G Hutton
Director

Company registration number: 10902383

The notes on pages 18 to 31 form part of these annual report and consolidated financial statements.

Resolution Life Group Services Ltd.

Company Statement of Financial Position

31 December 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	12	647,328	737,012
Investments	13	150,001	1
		<u>797,329</u>	<u>737,013</u>
Current assets			
Debtors	14	9,675,344	10,296,725
Cash at bank		3,771,708	7,299,643
		<u>13,447,052</u>	<u>17,596,368</u>
Creditors: amounts falling due within one year	15	9,660,742	15,363,406
Net current assets		<u>3,786,310</u>	<u>2,232,962</u>
Total assets less current liabilities		<u>4,583,639</u>	<u>2,969,975</u>
Creditors: amounts falling due after more than one year	16	114,726	124,677
Provisions	17	72,173	51,068
Net assets		<u>4,396,740</u>	<u>2,794,230</u>
Capital and reserves			
Called up share capital	19	2	2
Profit and loss account		4,396,738	2,794,228
Shareholders' funds		<u>4,396,740</u>	<u>2,794,230</u>

The profit for the financial year of the Company was £1,602,510 (2019: £2,725,708).

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own statement of comprehensive income in these financial statements. The Company's profit and loss account has nonetheless been approved by the directors.

This annual report and financial statements were approved by the board of directors and authorised for issue on 18 October 2021, and are signed on behalf of the board by:



G Hutton
Director

Company registration number: 10902383

The notes on pages 18 to 31 form part of these annual report and consolidated financial statements.

Resolution Life Group Services Ltd.
Consolidated Statement of Changes in Equity
Year ended 31 December 2020

	Called up share capital £	Profit and loss account £	Total £
At 1 January 2019	2	94,455	94,457
Profit for the year	—	2,729,376	2,729,376
Total comprehensive income for the year	—	2,729,376	2,729,376
At 31 December 2019	2	2,823,831	2,823,833
Profit for the year	—	1,651,571	1,651,571
Other comprehensive income for the year:			
Foreign currency retranslation	—	6,703	6,703
Total comprehensive income for the year	—	1,658,274	1,658,274
At 31 December 2020	2	4,482,105	4,482,107

The notes on pages 18 to 31 form part of these annual report and consolidated financial statements.

Resolution Life Group Services Ltd.

Company Statement of Changes in Equity

Year ended 31 December 2020

	Called up share capital £	Profit and loss account £	Total £
At 1 January 2019	2	68,520	68,522
Profit for the year		2,725,708	2,725,708
Total comprehensive income for the year	–	2,725,708	2,725,708
At 31 December 2019	2	2,794,228	2,794,230
Profit for the year		1,602,510	1,602,510
Total comprehensive income for the year	–	1,602,510	1,602,510
At 31 December 2020	2	4,396,738	4,396,740

The notes on pages 18 to 31 form part of these annual report and consolidated financial statements.

Resolution Life Group Services Ltd.

Consolidated Statement of Cash Flows

Year ended 31 December 2020

	2020 £	2019 £
Cash flows from operating activities		
Profit for the financial year	1,651,571	2,729,376
<i>Adjustments for:</i>		
Depreciation of tangible assets	115,708	64,007
Interest payable and similar expenses	6,173	–
Unrealised foreign currency loss	1,750	–
Tax on profit	400,408	638,038
Accrued expenses/(income)	1,561,069	(538,053)
<i>Changes in:</i>		
Trade and other debtors	(1,709,515)	(578,176)
Trade and other creditors	(4,461,297)	5,200,413
Cash (used in)/from operations	(2,434,133)	7,515,605
Interest paid	(6,173)	–
Tax paid	(928,194)	(27,058)
Net cash (used in)/from operating activities	<u>(3,368,500)</u>	<u>7,488,547</u>
Cash flows from investing activities		
Purchase of tangible assets	(26,024)	(801,019)
Acquisition of subsidiaries	900	–
Net cash used in investing activities	<u>(25,124)</u>	<u>(801,019)</u>
Net (decrease)/increase in cash and cash equivalents	(3,393,624)	6,687,528
Cash and cash equivalents at beginning of year	7,309,926	622,398
Cash and cash equivalents at end of year	<u>3,916,302</u>	<u>7,309,926</u>

There were no cashflows from financing activities during the current or previous period.

The notes on pages 18 to 31 form part of these annual report and consolidated financial statements.

Resolution Life Group Services Ltd.

Notes to the Annual Report and Consolidated Financial Statements

Year ended 31 December 2020

1. General information

The Company is a private company limited by shares, registered in England and Wales. The address of the registered office is The Caxton 1 Brewers Green, 3rd Floor, London, SW1H 0RH, England.

2. Statement of compliance

These consolidated financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland and in compliance with the requirements of Companies Act 2006.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional and presentational currency of the Company. They presented with rounding to the nearest £.

Going concern

The financial statements have been prepared on a going concern basis as the directors believe that the services of Resolution Life Group Services Limited (the "Company") and its subsidiaries (together, the "Group") will be of continuing importance to the wider Resolution Life Group, in light of its current operations, its increasing regulatory requirements, its pipeline of acquisitions and their respective support requirements. Furthermore, the Resolution Life Group is well funded and able to continue to support the Group's operations via its service fee arrangements. The directors believe that COVID-19 pandemic will not have a material impact on the Group's ability to operate or the Resolution Life Group's business model which it supports.

Disclosure exemptions

The Company satisfies the criteria of being a qualifying entity as defined in FRS 102. As such, advantage has been taken of the following disclosure exemptions available under paragraph 1.12 of FRS 102 in respect of the parent company's own results:

- (a) Only one reconciliation of the number of shares has been presented as the reconciliations for the Group and parent company would be identical.
- (b) No cash flow statement has been presented for the parent company.
- (c) Disclosures in respect of financial instruments have not been presented.
- (d) No disclosure has been given for the aggregate remuneration of key management personnel.

Consolidation

The financial statements consolidate the result of the Company and all of its subsidiary undertakings. Intercompany transactions and balances between the group companies are eliminated in full.

The results of subsidiaries acquired or disposed of during the year are included from or to the date that control passes.

Resolution Life Group Services Ltd.

Notes to the Annual Report and Consolidated Financial Statements *(continued)*

Year ended 31 December 2020

3. Accounting policies *(continued)*

Cash

Cash includes deposits held at call with banks with maturities of three months or less.

Critical judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the financial reporting date and the amounts reported for revenues and expenses during the year. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting judgements

In preparing these financial statements, the directors have not made any critical judgements in applying accounting policies.

Key sources of estimation uncertainty

Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome. The directors do not believe there are any key assumptions or other sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Revenue recognition

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for services rendered, stated net of discounts and of Value Added Tax.

Revenue is recognised to the extent that the Company obtains the right to consideration in exchange for its performance.

Service fee income

The majority of turnover represents service fee income from the parent, Resolution Life Group Holdings Ltd, and other Resolution Life Group entities based on the operating costs associated with those services. Income is recognised when the services are provided and the associated costs are incurred.

Licensing fee income

Turnover derived from trademark licensing is recognised as it accrues across the life of the licence.

Resolution Life Group Services Ltd.

Notes to the Annual Report and Consolidated Financial Statements *(continued)*

Year ended 31 December 2020

3. Accounting policies *(continued)*

Revenue recognition *(continued)*

Revenue from the rendering of services is measured by reference to the stage of completion of the service transaction at the end of the reporting period provided that the outcome can be reliably estimated. When the outcome cannot be reliably estimated, revenue is recognised only to the extent that it is probable the expenses recognised will be recovered.

Income tax

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Foreign currencies

Foreign currency transactions are initially recorded in the Company's functional currency by applying the spot exchange rate as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the reporting date, with any gains or losses being taken to the statement of comprehensive income.

Foreign operations

The trading results of Group undertakings are translated into sterling at the average exchange rates for the year. The assets and liabilities of overseas undertakings, are translated at the exchange rates ruling at the year end. Exchange adjustments arising from the retranslation of opening net investments and from the translation of the profits or losses at average rates are recognised in 'Other comprehensive income'.

Operating leases

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

Resolution Life Group Services Ltd.

Notes to the Annual Report and Consolidated Financial Statements *(continued)*

Year ended 31 December 2020

3. Accounting policies *(continued)*

Intangible assets

Intangible assets are initially recorded at cost and are subsequently stated at cost less any accumulated amortisation and impairment losses. Any intangible assets carried at revalued amounts, are recorded at the fair value at the date of revaluation, as determined by reference to an active market, less any subsequent accumulated amortisation and subsequent accumulated impairment losses.

Intangible assets acquired as part of a business combination are only recognised separately from goodwill when they arise from contractual or other legal rights, are separable, the expected future economic benefits are probable and the cost or value can be measured reliably.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Short leasehold property improvements	-	Straight line over course of lease
Fixtures and fittings	-	10% straight line
Equipment	-	33% straight line

During the year, there was no change in the Group's estimate of the residual value and economic useful lives of the tangible assets that existed at 31 December 2020.

Investments

Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses.

Listed investments are measured at fair value with changes in fair value being recognised in profit or loss.

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

Resolution Life Group Services Ltd.

Notes to the Annual Report and Consolidated Financial Statements *(continued)*

Year ended 31 December 2020

3. Accounting policies *(continued)*

Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense in the statement of comprehensive income.

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in the statement of comprehensive income unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised as a finance cost in the statement of comprehensive income in the period it arises.

Financial instruments

Financial assets and financial liabilities are recognised in the Consolidated statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

Trade receivables

Trade receivables are measured at fair value on initial recognition. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

Cash

Cash in the statement of financial position comprise cash at bank.

Trade payables

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

Financial liabilities and equity

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund. When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as a finance cost in the statement of comprehensive income in the period in which it arises.

Resolution Life Group Services Ltd.

Notes to the Annual Report and Consolidated Financial Statements *(continued)*

Year ended 31 December 2020

3. Accounting policies *(continued)*

Business combinations

Business combinations are accounted for using the purchase method.

The cost of a business combination is measured as the aggregate of the fair values, at the acquisition date, of assets given, liabilities incurred or assumed, and equity instruments issued plus any costs directly attributable to the business combination.

Where control is achieved in stages, the cost of the business combination is the aggregate of the fair values of the assets given, liabilities incurred or assumed, and equity instruments issued at the date of each transaction in the series.

Where the business combination requires an adjustment to the cost contingent on future events, the estimated amount of that adjustment is included in the cost of the combination at the acquisition date providing it is probable and can be measured reliably. Where it is not recognised at the acquisition date but subsequently becomes probable and can be measured reliably, the additional consideration is treated as an adjustment to the cost of the combination. If such expected future events do not occur, or the estimate needs to be revised, the cost of the business combination is adjusted accordingly. The unwinding of any discounting is recognised as a finance cost in profit or loss in the period it arises.

4. Turnover

Turnover arises from:

	2020 £	2019 £
Service fee income	46,554,525	38,570,139
Asset management advisory fees	813,403	–
Trademark licensing revenue	70,664	42,176
Staff and other cost recharges	5,863,408	–
	<u>53,302,000</u>	<u>38,612,315</u>

The whole of the turnover is attributable to the principal activity of the Group wholly undertaken in the United Kingdom.

5. Other operating income

	2020 £	2019 £
Other income	<u>139,278</u>	<u>393,178</u>

Other income comprises recharges to related parties.

6. Operating profit

Operating profit or loss is stated after charging/crediting:

	2020 £	2019 £
Depreciation of tangible assets	115,708	64,006
Foreign exchange losses/(gains)	(282,309)	211,069
Charges under operating leases	<u>388,079</u>	<u>288,572</u>

Resolution Life Group Services Ltd.

Notes to the Annual Report and Consolidated Financial Statements *(continued)*

Year ended 31 December 2020

7. Auditor's remuneration

	2020 £	2019 £
Fees payable for the audit of the annual report and consolidated financial statements	<u>5,156</u>	<u>11,250</u>
Fees payable to the Company's auditor and its associates for other services:		
Audit of the Group's subsidiary financial statements	9,576	—
Taxation advisory services	118,903	—
Other non-audit services	<u>16,000</u>	<u>104,850</u>
	<u>144,479</u>	<u>104,850</u>

8. Staff costs

The average number of persons employed by the group during the year, including the directors, amounted to:

	2020 No.	2019 No.
Directors and senior managers	10	10
Other staff	<u>29</u>	<u>22</u>
	<u>39</u>	<u>32</u>

The aggregate payroll costs incurred during the year, relating to the above, were:

	2020 £	2019 £
Wages and salaries	13,224,689	9,798,825
Social security costs	2,195,507	1,613,821
Other pension costs	<u>304,514</u>	<u>200,007</u>
	<u>15,724,710</u>	<u>11,612,653</u>

9. Directors' remuneration

The directors' aggregate remuneration in respect of qualifying services was:

	2020 £	2019 £
Remuneration	1,895,766	2,256,396
Company contributions to defined contribution pension plans	<u>31,750</u>	<u>30,871</u>
	<u>1,927,516</u>	<u>2,287,267</u>

The number of directors who accrued benefits under company pension plans was as follows:

	2020 No.	2019 No.
Defined contribution plans	<u>3</u>	<u>3</u>

Resolution Life Group Services Ltd.

Notes to the Annual Report and Consolidated Financial Statements *(continued)*

Year ended 31 December 2020

9. Directors' remuneration *(continued)*

Remuneration of the highest paid director in respect of qualifying services:

	2020 £	2019 £
Aggregate remuneration	1,283,404	1,583,196
Company contributions to defined contribution pension plans	10,000	10,000
	<u>1,293,404</u>	<u>1,593,196</u>

10. Interest payable and similar expenses

	2020 £	2019 £
Interest payable	<u>6,173</u>	<u>–</u>

11. Tax on profit

	2020 £	2019 £
Current tax:		
UK current tax expense	415,124	586,970
Adjustments in respect of prior periods	(35,821)	–
Total current tax	<u>379,303</u>	<u>586,970</u>
Deferred tax:		
Origination and reversal of timing differences	(21,267)	51,068
Impact of change in tax rate	9,836	–
Adjustment to prior year deferred tax	32,536	–
Total deferred tax	<u>21,105</u>	<u>51,068</u>
Tax on profit	<u>400,408</u>	<u>638,038</u>

On 3 March 2021 the UK government announced an intention to increase the UK corporation tax rate to 25% with effect from 1 April 2023. This change was substantively enacted on 24 May 2021. This change will impact the value of RLGS's deferred tax balances, and the tax charged on UK profits generated in 2023 and following years.

Resolution Life Group Services Ltd.

Notes to the Annual Report and Consolidated Financial Statements *(continued)*

Year ended 31 December 2020

11. Tax on profit *(continued)*

Reconciliation of tax expense

The tax assessed on the profit on ordinary activities for the year is higher than (2019: lower than) the standard rate of corporation tax in the UK of 19% (2019: 19%).

	2020 £	2019 £
Profit on ordinary activities before taxation	2,051,979	3,367,414
Profit on ordinary activities by rate of tax	389,876	639,809
Adjustment to tax charge in respect of prior periods	(3,285)	–
Effect of expenses not deductible for tax purposes	5,906	4,164
Effect of capital allowances and depreciation	–	5,091
Effect of different UK tax rates on some earnings	–	(6,463)
Utilisation of tax losses	–	(697)
Unrecognised deferred tax	5,007	(3,866)
Impact of change in tax rate	2,904	–
Tax on profit	400,408	638,038

12. Tangible assets

Group and company

	Short leasehold property £	Fixtures and fittings £	Equipment £	Total £
Cost				
At 1 January 2020	460,051	194,297	146,671	801,019
Additions	8,959	17,065	–	26,024
At 31 December 2020	469,010	211,362	146,671	827,043
Depreciation				
At 1 January 2020	26,793	11,031	26,183	64,007
Charge for the year	46,677	20,141	48,890	115,708
At 31 December 2020	73,470	31,172	75,073	179,715
Carrying amount				
At 31 December 2020	395,540	180,190	71,598	647,328
At 31 December 2019	433,258	183,266	120,488	737,012

Resolution Life Group Services Ltd.

Notes to the Annual Report and Consolidated Financial Statements *(continued)*

Year ended 31 December 2020

13. Investments

The Group has no investments.

Company	Shares in group undertakings £
Cost	
At 1 January 2020	1
Additions <i>(note 20)</i>	150,000
At 31 December 2020	<u>150,001</u>
Impairment	
At 1 January 2020 and 31 December 2020	<u>—</u>
Carrying amount	
At 31 December 2020	<u>150,001</u>
At 31 December 2019	<u>1</u>

Subsidiaries, associates and other investments

Details of the investments in which the parent company has an interest of 20% or more are as follows:

	Class of share	Percentage of shares held
Subsidiary undertakings		
Resolution (Brands) Limited	Ordinary	100%
Resolution Operations LLP	Membership interest	100%
Resolution Life Services Canada Inc	Ordinary	100%

The registered office of Resolution (Brands) Limited and Resolution Operations LLP is The Caxton Brewers Green, 3rd Floor, London, SW1H 0RH, UK.

The registered office of Resolution Life Services Canada Inc. is 1200 Waterfront Centre, 200 Burrard Street, Vancouver, BC, V6C 3L6, Canada

Resolution Life Group Services Ltd.

Notes to the Annual Report and Consolidated Financial Statements *(continued)*

Year ended 31 December 2020

14. Debtors

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Trade debtors	70,664	42,177	–	–
Amounts owed by group undertakings	527,297	1,370,129	802,393	1,370,129
Prepayments and accrued income	7,296,336	8,115,234	7,282,704	8,115,234
Other debtors	1,592,273	814,100	1,590,247	811,362
	<u>9,486,570</u>	<u>10,341,640</u>	<u>9,675,344</u>	<u>10,296,725</u>

Amounts due from group undertakings are interest free and repayable on demand. No assets have been pledged as collateral.

15. Creditors: amounts falling due within one year

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Trade creditors	550,317	744,945	554,401	725,903
Amounts owed to group undertakings	343,701	4,784,039	1,326,934	4,784,039
Accruals	7,855,167	8,857,104	7,147,398	8,850,552
Corporation tax	38,079	586,970	38,079	586,970
Social security and other taxes	535,524	412,590	535,524	412,590
Pension liability	58,406	3,352	58,406	3,352
	<u>9,381,194</u>	<u>15,389,000</u>	<u>9,660,742</u>	<u>15,363,406</u>

Amounts due to group undertakings are interest free and repayable on demand.

16. Creditors: amounts falling due after more than one year

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Accruals	<u>114,726</u>	<u>124,677</u>	<u>114,726</u>	<u>124,677</u>

The amount recognised as a long-term liability relates to the amortisation over the 10-year term of the lease of the three-month rent-free period from which RLGS benefited when entering into the lease agreement for its premises as disclosed in note 24 to the financial statements.

Resolution Life Group Services Ltd.

Notes to the Annual Report and Consolidated Financial Statements *(continued)*

Year ended 31 December 2020

17. Provisions

Group and Company	Deferred tax (note 19) £
At 1 January 2020	51,068
Additions	21,105
At 31 December 2020	<u>72,173</u>

The deferred tax included in the statement of financial position is as follows:

	Group and Company	
	2020	2019
	£	£
Included in provisions	<u>72,173</u>	<u>51,068</u>

The deferred tax account consists of the tax effect of timing differences in respect of:

	Group and Company	
	2020	2019
	£	£
Accelerated capital allowances	<u>72,173</u>	<u>51,068</u>

The reversal of the above deferred tax liabilities in the following 12 months is not expected to be material.

At 31 December 2020 the Group has unused corporation tax losses of £336,459, which if utilised at the current rate of UK corporation tax would result in a tax saving of £63,927. No deferred tax asset has been recognised in respect of these tax losses due to the uncertain timing at which sufficient taxable profits will be generated to utilise the profits.

18. Employee benefits

Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £304,514 (2019: £200,007).

19. Called up share capital

Issued, called up and fully paid

	2020		2019	
	No.	£	No.	£
Ordinary shares of £1 each	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>

Resolution Life Group Services Ltd.

Notes to the Annual Report and Consolidated Financial Statements *(continued)*

Year ended 31 December 2020

20. Business combinations

Acquisition of Resolution Operations LLP

The fair value of consideration paid in relation to the acquisition of Resolution Operations LLP is as follows:

	£
Cash	150,100

The fair value of amounts recognised at the acquisition date in relation to Resolution Operations LLP are as follows:

	Fair value £
Trade debtors acquired	8,907
Cash and cash equivalents acquired	151,000
Trade creditors assumed	(4,320)
Other creditors assumed	(5,487)
	<u>150,100</u>

The consolidated statement of comprehensive income for the financial year includes turnover of £19,012 and profit of £1,166 in respect of Resolution Operations LLP since the acquisition date.

21. Operating leases

The total future minimum lease payments under non-cancellable operating leases are as follows:

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Not later than 1 year	561,925	398,030	561,925	398,030
Later than 1 year and not later than 5 years	2,247,700	1,685,775	2,247,700	1,685,775
Later than 5 years	1,779,429	2,903,279	1,779,429	2,903,279
	<u>4,589,054</u>	<u>4,987,084</u>	<u>4,589,054</u>	<u>4,987,084</u>

22. Contingencies

Subsidiary guarantee

As a parent company established under the law of the UK for the 12-month period ended 31 December 2020, Resolution Life Group Services Limited took advantage of the exemption from audit under section 479A of the Companies Act 2006 for its subsidiary Resolution (Brands) Ltd.

Resolution Life Group Services Limited guarantees Resolution (Brands) Ltd under section 479C of the Companies Act 2006 in respect of the year ended 31 December 2020. The aggregate carrying value of liabilities guaranteed by the Company under the use of this exemption totals £45,131.

Resolution Life Group Services Ltd.

Notes to the Annual Report and Consolidated Financial Statements *(continued)*

Year ended 31 December 2020

23. Related party transactions

Group and Company

During the year the Group entered into the following transactions with related parties:

	Transaction value		Balance owed by / (owed to)	
	2020	2019	2020	2019
	£	£	£	£
Resolution Service Management Limited - Rent and service charges payable	–	(140,085)	–	–
Resolution Service Management Limited - Staff recharges receivable	–	32,259	–	32,259
Resolution Capital Limited - Staff recharges receivable	95,327	86,591	95,327	86,591
Resolution Operations LLP - Expense recharge payable	–	(29,000)	–	(29,000)
Resolution Life LP - Staff recharges and sundry payments	53,563	–	53,563	–
	<u>148,890</u>	<u>(50,235)</u>	<u>148,890</u>	<u>89,850</u>

The Group has taken advantage of the exemption offered by FRS 102 from disclosing transactions and balances with other wholly owned members of the wider 'Resolution Life' group.

In addition to the Company disclosures made below, the Group has provided Trademark Licensing to the same related parties.

Key management personnel include all persons that have authority and responsibility for planning, directing and controlling the activities of the company. The total compensation paid to key management personnel for services provided to the Group was £1,293,729 (2019: £2,287,267).

24. Controlling party

The ultimate controlling party is Resolution Life Group Holdings LP, a limited partnership incorporated in Bermuda. In the opinion of the directors Resolution Life Group Holdings LP is not under the control of any single entity or individual.

Resolution Life Group Holdings LP is the parent of the largest group for which group accounts are drawn up. The registered office of Resolution Life Group Holdings LP is Wessex House, 2nd Floor 45 Reid Street, Hamilton HM12, Bermuda.

25. Post balance sheet events

The Company incorporated a new subsidiary, Resolution Life IP Limited on 18 May 2021. Resolution Life IP Limited will develop, own and maintain intellectual property related to the Resolution Life Group's artificial intelligence development activities and will license it to the Group's Platform businesses. A provisional patent application was made by the Company in the course of 2021.