

**Age Lifetime Limited (formerly Age Solutions
Limited)**

Annual report and financial statements

Registered number 09476203

31 December 2019



Contents

| | |
|---|----|
| Officers and Professional Advisers | 1 |
| Strategic Report | 2 |
| Directors' report | 4 |
| Statement of directors' responsibilities in respect of the strategic report, directors' report and the financial statements | 5 |
| Independent auditor's report to the members of Age Solutions Limited | 6 |
| Statement of Profit and Loss and Other Comprehensive Income | 8 |
| Statement of Financial Position | 9 |
| Statement of Changes in Equity | 10 |
| Cash Flow Statement | 11 |
| Notes | 12 |

Officers and Professional Advisers

Directors:

T J Loy
J P Simpson
S Warhurst
D Baines
J Wysocki
D P Wing

Secretary:

J P Simpson

Registered Office:

2200 Century Way
Thorpe Park
Leeds
LS15 8ZB

Registered Number:

09476203 (England and Wales)

Auditors:

KPMG LLP
1 Sovereign Square
Sovereign Street
Leeds
LS1 4DA

Legal Advisers:

Walker Morris LLP
33 Wellington Street
Leeds
LS1 4DL

Bankers:

Barclays Bank PLC
2nd Floor
1 Park Row
Leeds
LS1 5LD

Strategic Report

The Directors present their strategic report along with the financial statements of the Company for the year ended 31 December 2019.

Review of business

The Company is an appointed representative and 100% subsidiary of Age Partnership Limited. The Company's ultimate parent company is Age Partnership Group Limited.

The Company commenced trading in November 2017 following the agreement to be the exclusive provider of advice on lifetime mortgages for customers of Nationwide Building Society. The business ceased origination of Nationwide loans in early 2019 and began providing advice for SunLife Ltd.

Due to the relationship between Nationwide ending at the start of the year, revenue has decreased to £236k (2018: £2.7m). The customers were referred from Nationwide Building Society at the start of the year and SunLife Ltd and the end of the year. Profit before tax was £7k (2018: £1.3m). The Company has worked in partnership with SunLife Ltd to implement a process to ensure the smoothness of the customer journey. This has been achieved through integration of systems and the alignment of processes, with particular emphasis on how equity release dovetails with other later life retirement options.

Outlook

After a number of years of significant growth the equity release market was flat in 2019 according to the Equity Release Council figures, with total lending at £3.9bn. This was due to the political uncertainty linked to Brexit which was a significant factor for most of the year and caused some consumers to defer important financial decisions. The decisive election result in December created favourable trading conditions in early 2020, however, this has now been impacted by the COVID-19 issue. The impact of this could be significant in the short to medium term, however, is likely to result in increased demand for equity release in the longer term. In addition, the underlying market drivers remain strong and significant growth is therefore forecast from 2021.

Current uncertainty around the UK housing market could reduce the loan to value percentages available in the market, thereby reducing lending potential. However over the medium to long term it is expected that the impact of this will be easily outweighed by factors such as the ageing population, increasing volumes of interest only mortgages reaching maturity and poor pension provision. It is also expected that lenders with different risk profiles will bring further product innovation to the market, helping it to grow.

The market continues to change structurally with the small broker being the fastest growing and most significant market segment. This and the introduction of major brands such as Nationwide could erode market share, however, would be expected to increase awareness of equity release and grow the market once the COVID -19 issue has receded. The Company sees the growing acceptance of equity release to be positive step for the market and expects to expand its Partnerships proposition by strategically partnering with further third party brands in the coming year to help drive market growth.

Principal risks and uncertainties

The process of risk management is dealt with through a framework of policies, procedures and internal controls. The Risk Committee is responsible for ensuring that key risks are identified and that appropriate internal controls exist to mitigate these risks. The Board reviews the output of the Risk Committee to ensure that appropriate focus is applied not only to existing risks but also to emerging risks.

The Company is an appointed representative of Age Partnership Limited so isn't directly regulated by the Financial Conduct Authority, rather it is indirectly regulated through Age Partnership Limited permissions. The Company does monitor its capital position against the regulatory capital requirements on an ongoing basis.

The Company is also exposed to fluctuations in the housing market which may be impacted in the short term by the COVID-19 issue and Brexit. Whilst long term interest rates remain low it is expected that equity release rates will rise in the near term to reflect the uncertainty created by the issues mentioned above and the downside risk they represent for the housing market.

Strategic report (continued)

Unfortunately the exact nature and implications of the process for the UK's exit from the EU remain unknown and this has the potential to impact upon the market in the second half of 2020 and early 2021. In addition, the duration and severity of the effects of COVID-19 are not known but could have a significant detrimental impact on the market in 2020. The Directors will adjust the business model as necessary to enable the business to deal with both of these issues whilst positioning for an expected return to growth in 2021.

The Company's business is currently entirely dependent on the level of awareness of lifetime mortgages created by SunLife Ltd amongst its customers. Given the dependency on this referral relationship, the risks and uncertainties are significant to the Company in isolation, however, the board closely monitor the trading performance of the Company and transfer resources to and from its parent company, Age Partnership Limited, as appropriate. Age Partnership Limited is currently working with a number of other brands who could potentially use the Company's service in the future.

By order of the board



Jonathan Simpson
Director

2200 Century Way
Thorpe Park
Leeds
LS15 8ZB
12 October 2020

Directors' report

The Directors present their directors' report along with the financial statements of the Company for the year ended 31 December 2019.

Proposed dividend

Total distribution of dividends for the year ended 31 December 2019 was £75,000 (2018: £800k).

Directors

The directors who held office during the year, and up to the date of this report, were as follows:

T J Loy
J P Simpson
S Warhurst
D Baines
J Wysocki
D P Wing

Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Going Concern

The directors have formed a judgement, at the time of approving the financial statements, that there is a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason the directors continue to adopt the going concern basis in preparing the financial statements. Further details of this assessment can be found in note 1.

Other information

An indication of likely future developments in the business and particulars of significant events which have occurred since the end of the financial year have been included in the Strategic Report on page 2-3.

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the board



Jonathan Simpson
Director

2200 Century Way
Thorpe Park
Leeds
LS15 8ZB
12 October 2020

Statement of directors' responsibilities in respect of the strategic report, directors' report and the financial statements

The directors are responsible for preparing the Strategic Report, 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 they have elected to prepare the financial statements in accordance with International Financial Reporting Standards as adopted by the European Union (IFRSs as adopted by the EU) and applicable law.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable, relevant and reliable;
- state whether they have been prepared in accordance with IFRSs as adopted by the EU;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Independent auditor's report to the members of Age Lifetime Limited (formerly Age Solutions Limited)

Opinion

We have audited the financial statements of Age Lifetime Limited (formerly Age Solutions Limited) ("the company") for the year ended 31 December 2019 which comprise the Statement of Profit or Loss and Other Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Cash Flow Statement and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.

Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006, we are required to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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 these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 5, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the 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 they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

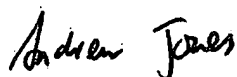
Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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.



Andrew Jones (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
1 Sovereign Square
Sovereign Street
Leeds, LS1 4DA

12 October 2020

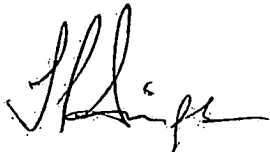
Statement of Profit and Loss or Other Comprehensive Income
for year ended 31 December 2019

| | Note | 2019 £000 | 2018 £000 |
|--|------|--------------|--------------|
| Revenue | 1 | 236 | 2,656 |
| Administrative expenses | | (229) | (1,336) |
| Profit/(loss) before tax | | 7 | 1,320 |
| Taxation | 5 | (1) | (251) |
| Profit for the year | | 6 | 1,069 |
| Other comprehensive income for the year, net of income tax | | - | - |
| Total comprehensive Profit/(loss) for the year | | 6 | 1,069 |

Statement of Financial Position
at 31 December 2019

| | Note | 2019 £000 | 2018 £000 |
|-------------------------------|------|--------------|--------------|
| Non-current assets | | | |
| Property, plant and equipment | | 7 | - |
| | | <u>7</u> | <u>-</u> |
| Current assets | | | |
| Trade and other receivables | 6 | 276 | 310 |
| Tax recoverable | | - | - |
| Cash and cash equivalents | | 5 | 31 |
| | | <u>288</u> | <u>341</u> |
| Total assets | | <u>288</u> | <u>341</u> |
| Current liabilities | | | |
| Trade and other payables | 7 | 16 | 1 |
| Tax payable | | 252 | 251 |
| | | <u>268</u> | <u>252</u> |
| Total liabilities | | <u>268</u> | <u>252</u> |
| Net assets | | <u>20</u> | <u>89</u> |
| Equity | | | |
| Share capital | 8 | - | - |
| Retained earnings | | 20 | 89 |
| | | <u>20</u> | <u>89</u> |
| Total equity | | <u>20</u> | <u>89</u> |

These financial statements were approved by the board of directors on 12 October 2020 and were signed on its behalf by:



Jonathan Simpson
Director

Company registered number: 09476203

Statement of Changes in Equity

| | Share capital £000 | Retained earnings £000 | Total equity £000 |
|---|--------------------------|------------------------------|-------------------------|
| Balance at 1 January 2019 | - | 89 | 89 |
| Total comprehensive income for the period | | | |
| Profit for the year | - | 6 | 6 |
| | <hr/> | <hr/> | <hr/> |
| Total comprehensive income for the period | - | 6 | 6 |
| | <hr/> | <hr/> | <hr/> |
| Transactions with owners, recorded directly in equity | | | |
| Dividends paid | - | (75) | (75) |
| | <hr/> | <hr/> | <hr/> |
| Total contributions by and distributions to owners | - | (75) | (75) |
| | <hr/> | <hr/> | <hr/> |
| Balance at 31 December 2019 | - | 20 | 20 |
| | <hr/> | <hr/> | <hr/> |
| | Share capital £000 | Retained earnings £000 | Total equity £000 |
| Balance at 1 January 2018 | - | (180) | (180) |
| Total comprehensive income for the period | | | |
| Loss for the year | - | 1,069 | 1,069 |
| | <hr/> | <hr/> | <hr/> |
| Total comprehensive income for the period | - | 1,069 | 1,069 |
| | <hr/> | <hr/> | <hr/> |
| Transactions with owners, recorded directly in equity | | | |
| Dividends paid | - | (800) | (800) |
| | <hr/> | <hr/> | <hr/> |
| Total contributions by and distributions to owners | - | (800) | (800) |
| | <hr/> | <hr/> | <hr/> |
| Balance at 31 December 2018 | - | 89 | 89 |
| | <hr/> | <hr/> | <hr/> |

Cash Flow Statement
for year ended 31 December 2019

| | Note | 2019 £000 | 2018 £000 |
|--|------|--------------|--------------|
| Cash flows from operating activities | | | |
| Profit/(loss) for the year | | 6 | 1,069 |
| Adjustments for: | | | |
| Depreciation, amortisation and impairment | | 1 | - |
| Taxation | | 1 | 251 |
| Financial income | | 1 | - |
| | | <u>9</u> | <u>1,320</u> |
| Increase in trade and other receivables | | 34 | (145) |
| Decrease in trade and other payables | | 15 | (429) |
| | | <u>58</u> | <u>746</u> |
| Interest paid | | (1) | 43 |
| Net cash from operating activities | | <u>57</u> | <u>789</u> |
| Cash flows from investing activities | | | |
| Acquisition of property, plant and equipment | | (8) | - |
| Net cash from investing activities | | <u>(8)</u> | <u>-</u> |
| Cash flows from financing activities | | | |
| Dividends paid | 8 | (75) | (800) |
| Net cash from financing activities | | <u>(75)</u> | <u>(800)</u> |
| Net increase / (decrease) in cash and cash equivalents | | (26) | (11) |
| Cash and cash equivalents at 1 January | | 31 | 42 |
| Cash and cash equivalents at 31 December | | <u>5</u> | <u>31</u> |

Notes

(forming part of the financial statements)

1 Accounting policies

Age Lifetime Limited (the "Company") is a company incorporated, domiciled and registered in England in the UK. The company address is 2200 Century Way, Thorpe Park, Leeds, LS15 8ZB and the company registered number is 09476203. The company name changed during the year and was formerly known as Age Solutions Limited.

The Company financial statements have been prepared and approved by the directors in accordance with International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"). This is the first set of the Company's financial statements in which IFRS 16 Leases has been applied. There has been no material impact to the Company resulting from this.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

1.1 Measurement convention

The financial statements are prepared on the historical cost basis.

1.2 Going concern

The financial statements of the Company have been prepared on a going concern basis. The Company is a consolidated subsidiary included in the consolidated financial statements of Age Partnership Group Limited "the Group", which is the ultimate parent of the Company. The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic Report. The Group meets its day-to-day working capital requirements through cash and bank surpluses.

The Directors have made an assessment of the Group and Company's ability to continue as a going concern, considering the Group and Company's financial position and its ability to meet its obligations as and when they fall due over the "going concern period", which is defined as being a minimum of 12 months from the date of these accounts.

Given the current global pandemic the directors considered a range of severe but plausible downside stress cases as well as cash flow forecasts under a base case.

The severe downside stress scenarios specifically focused upon the impacts on the Group's business of COVID-19, including reducing the number of applications received, reducing the percentage of applications passing through to completion, and reducing achieved fee rates and underlying loan values. These changes concentrated the impact in the first six months of the going concern period, reflecting the reasonable expectation of a partial economic recovery in the medium-term.

Where the going concern analysis identified points of stress, either on capital or liquidity, management have implemented actions to address these identified risks. These actions have included accessing the Government's furlough scheme and reducing / controlling discretionary expenditure. Pure Retirement Limited, a related company under common ownership, has entered into an additional overdraft facility agreement with its bankers, who are also bankers to the Group, to provide additional liquidity should it be required. Age Partnership Group Limited have entered into an agreement with Pure Retirement Limited to have unrestricted access to this facility should it be required.

Taking into account the outcome of the going concern assessment, together with the actions taken by management, the Directors consider it appropriate to prepare the financial statements on a going concern basis.

1.3 Revenue

Revenue incorporates commissions and packaging fees from our equity release providers as well as advice fees received from customers. All revenue from providers and customers are recognised at the point at which funds are transferred to the client.

1.4 Taxation

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

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Notes (continued)

1 Accounting policies (continued)

1.4 Taxation (continued)

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets and liabilities are not discounted.

1.5 Financial instruments

Financial instruments comprise:

Trade and other receivables

Trade and other receivables are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses.

Trade and other payables

Trade and other payables are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

Cash and cash equivalents

Cash and cash equivalents comprise all cash balances and call deposits which, under IFRS 9, are now measured using the amortised cost basis net of impairment allowances. Any such impairment has been calculated using a forward looking lifetime expected loss model. The impact on cash and cash equivalents from the transition to IFRS 9 is not material to these accounts.

1.6 Standards issued but not yet effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. Their adoption is not expected to have a material effect on the financial statements unless otherwise indicated:

- IFRS 17 Insurance Contracts (effective date to be confirmed). In May 2017, the IASB issued IFRS 17 Insurance Contracts (IFRS 17), a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. This is not expected to impact the presentation of the accounts given nature of business.
- Amendments to IFRS 3: Definition of a Business (effective date to be confirmed). In October 2018, the IASB issued amendments to the definition of a business in IFRS 3 Business Combinations to help entities determine whether an acquired set of activities and assets is a business or not. This is not expected to impact the presentation of the accounts.
- Amendments to IAS 1 and IAS 8: Definition of Material (effective date 1 January 2020). In October 2018, the IASB issued amendments to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors to align the definition of 'material' across the standards and to clarify certain aspects of the definition. The amendment is not expected to have a significant impact on the company's financial statements.
- Amendments to References to the Conceptual Framework in IFRS Standards (effective date 1 January 2020). The amendment is not expected to have a significant impact on the company's financial statements.
- Amendments to IFRS 9, IAS 39 and IFRS 7: Interest Rate Benchmark Reform (effective date to be confirmed). The amendment is not expected to have a significant impact on the company's financial statements.

Notes *(continued)*

1.7 Accounting estimates and judgements

The Directors do not consider there to be any critical accounting judgements in applying the Group's accounting policies or sources of estimation uncertainty at the balance sheet date.

2 Expenses and auditors' remuneration

The Company's audit fee was £9,150 (2018: £8,150).

Amounts receivable by the Company's auditor and its associates in respect of services to the Company and its associates, other than the audit of the Company's financial statements, have not been disclosed as the information is required instead to be disclosed on a consolidated basis in the consolidated financial statements of the Company's parent, Age Partnership Group Limited.

3 Staff numbers and costs

All the employees within the Age Partnership Group are employed by Age Partnership Limited and the costs are recharged to the Company, further details of which can be found in the Age Partnership Limited accounts.

4 Directors' remuneration

Costs incurred in respect of the remuneration of the Directors of the Company are paid by Age Partnership Limited, further details of which can be found in the Age Partnership Limited accounts.

5 Taxation

Recognised in the income statement

| | 2019 £000 | 2018 £000 |
|-------------------------------|--------------|--------------|
| <i>UK corporation tax</i> | | |
| Current tax charge / (credit) | 3 | 251 |
| | <hr/> | <hr/> |
| Total tax charge / (credit) | 3 | 251 |
| | <hr/> | <hr/> |

Reconciliation of effective tax rate

| | 2019 £000 | 2018 £000 |
|--|--------------|--------------|
| Profit / (Loss) for the year | 13 | 1,069 |
| Total tax charge / (credit) | 3 | 251 |
| | <hr/> | <hr/> |
| Profit excluding taxation | 16 | 1,320 |
| Tax using the UK corporation tax rate of 19.00% (2018: 19.00%) | 3 | 251 |
| Utilisation of tax losses | - | - |
| | <hr/> | <hr/> |
| Total tax charge / (credit) at 19.00% (2018: 19.00%) | 3 | 251 |
| | <hr/> | <hr/> |

A reduction in the UK corporation tax rate from 19% to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016. The March 2020 Budget announced that a rate of 19% would continue to apply with effect from 1 April 2020, and this change was substantively enacted on 17 March 2020. This will increase the company's future current tax charge accordingly.

Notes (continued)

6 Trade and other receivables

| | 2019 £000 | 2018 £000 |
|------------------------------------|--------------|--------------|
| Current | | |
| Trade and other receivables | 4 | 12 |
| Amounts owed by group undertakings | 272 | 299 |
| | <u>276</u> | <u>310</u> |

7 Trade and other payables

| | 2019 £000 | 2018 £000 |
|--------------------------|--------------|--------------|
| Current | | |
| Trade and other payables | 16 | 1 |
| Tax payable | 252 | - |
| | <u>268</u> | <u>1</u> |

8 Capital and reserves

Share capital

| | 2019 Number | 2018 Number |
|---|----------------|----------------|
| £1 ordinary shares on issue at 1 January | 1 | 1 |
| | <u>1</u> | <u>1</u> |
| Shares on issue at 31 December – fully paid | 1 | 1 |

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

Dividends

The following dividends were recognised during the period:

| | 2019 £000 | 2018 £000 |
|---|--------------|--------------|
| £75,000 (2018 : £800,000) per qualifying ordinary share | 75 | 800 |
| | <u>75</u> | <u>800</u> |

Notes (continued)

9 Financial Instruments - Fair Values & Risk Management

a) Fair values of financial instruments

The carrying values of the Company's financial instruments are reasonable approximations of their fair value.

(b) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and investment securities.

The Group's credit risk is primarily derived from its trade receivables. This risk is managed daily by the Group's credit control function who monitor recovery and ensure that outstanding debts are identified when these become overdue and appropriate action is taken to recover the amounts outstanding.

Due to the wide range of customers, the Group has no substantial exposure to any individual third party in respect of trade receivables.

The exposure to credit risk as at 31 December 2019 was as follows:

| | 2019 £000 | 2018 £000 |
|---------------------------------|--------------|--------------|
| Gross trade receivables | 276 | 310 |
| Provision for trade receivables | - | - |
| Net trade receivables | <u>276</u> | <u>310</u> |
| Cash and cash equivalents | <u>5</u> | <u>31</u> |

Notes (continued)

9 Financial Instruments - Fair Values & Risk Management (Continued)

The Board receives management information each month regarding sales and trade receivables and monitors the Group's performance. The following table illustrates the concentrations of credit risk within the Group as at the balance sheet date. All receivables are UK based.

The aging of trade receivables at the balance sheet date was:

| | Gross 2019 £000 | Gross 2018 £000 |
|----------------------|-----------------------|-----------------------|
| Not past due | 272 | 305 |
| Past due 0-30 days | - | 3 |
| Past due 31-120 days | 4 | 2 |
| | <u>276</u> | <u>310</u> |

The Company's maximum credit risk is equal to the carrying value for trade receivables and cash and cash equivalents.

The Company's credit quality is considered by the directors to be high due the fact that the vast majority of payments are received as from the proceeds of a mortgage completed by parent company Age Partnership Limited.

(c) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due.

The following are the contractual maturities of financial liabilities, including estimated interest payments, where relevant, and excluding the effect of netting agreements:

| | Carrying amount 2019 £000 | Contractual cash flows 2019 £000 | 1 year or less 2019 £000 | Carrying amount 2018 £000 | Contractual cash flows 2018 £000 | 1 year or less 2018 £000 |
|------------------------------------|------------------------------------|---|-----------------------------------|------------------------------------|---|-----------------------------------|
| Trade and other payables | 16 | 16 | 16 | 1 | 1 | 1 |
| Amounts owed to group undertakings | - | - | - | - | - | - |
| | <u>16</u> | <u>16</u> | <u>16</u> | <u>1</u> | <u>1</u> | <u>1</u> |

(d) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The nature of the Company's operations do not expose it to a material market risk.

(e) Capital management

The Company maintains sufficient capital as the Directors consider necessary. The Company is not subject to external regulatory capital requirements.

Notes (continued)

10 Ultimate parent company and parent company of larger group

The Company is a 100% subsidiary undertaking of Age Partnership Limited whose ultimate parent is Age Partnership Group Limited. The ultimate controlling party remains A R Thirkill who is chairman and majority shareholder of the Age Partnership Group Limited.

The only group in which the results of the Company are consolidated is that headed by Age Partnership Group Limited. No other group financial statements include the results of the Company.

11 Related parties

Identity of related parties with which the Company has transacted

The ultimate parent company of Age Lifetime Limited is Age Partnership Group Limited, with the ultimate controlling Party being A R Thirkill, the chairman and majority shareholder of the ultimate parent.

The Company had transactions in the year with parent company Age Partnership Limited. The details of these transactions are disclosed below.

Group Companies

All the employees within the Age Partnership Group are employed by Age Partnership Limited and all central services are procured by Age Partnership Limited.

During the year, Age Partnership Limited provided wages, marketing and central services to Age Lifetime Limited totalling £199,566 (2018: £900,353). At 31 December 2019 the balance amount outstanding was £nil (2018: £nil).

12 Subsequent events

The Company has evaluated subsequent events through September, 2020, the date on which the financial statements are available to be issued.

In March 2020 the World Health Organization declared the outbreak of COVID-19, a novel strain of Coronavirus, a global pandemic. This outbreak is causing major disruptions to businesses and markets worldwide as the virus spreads. The extent of the effect on the Company's operational and financial performance will depend on future developments, including the duration, spread and intensity of the pandemic, and governmental, regulatory and private sector responses, all of which are uncertain and difficult to predict. Although the Company is unable to estimate the financial effect of the pandemic at this time, if the pandemic continues to evolve into a severe worldwide health crisis, it could have an adverse effect on the Company's business, results of operations, financial condition and cash flows. The financial statements do not reflect any adjustments as a result of the pandemic.